



**HEFEI MEILING CO., LTD.
THE THIRD QUARTERLY REPORT FOR 2014**

October 2014

Section I. Important Notes

Board of Directors and the Supervisory Committee of Hefei Meiling Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Principal of the Company Mr. Liu Tibin, President Mr. Li Wei, Person in Charge of Accounting Works Mr. Zhang Xiaolong and Person in Charge of Accounting Organ (Accounting Officer) Mr. Tang Bin hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Third quarterly report of 2014 has not been audited.

All directors of the Company are attended the Meeting for quarterly report deliberation.

Section II. Main accounting data and changes of shareholders

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets(RMB)	8,947,455,092.58	8,522,171,841.34	4.99%	
Net assets attributable to shareholders of listed company (RMB)	3,374,315,802.20	3,187,330,516.90	5.87%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	2,441,249,157.46	-4.61%	8,785,638,209.63	3.23%
Net profit attributable to shareholders of the listed company (RMB)	80,111,532.95	15.37%	239,217,808.78	16.62%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	78,703,018.50	43.27%	222,360,943.61	19.82%
Net cash flow arising from operating activities(RMB)	--	--	-194,210,258.34	71.67%
Basic earnings per share (RMB/Share)	0.1049	15.40%	0.3132	16.60%
Diluted earnings per share (RMB/Share)	0.1049	15.40%	0.3132	16.60%
Weighted average ROE (%)	2.39%	0.17%	7.26%	0.54%

Total share capital of the Company up to a trading day before disclosure:

Total share capital of the Company up to a trading day before disclosure (Share)	763,739,205
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Whether share capital of the Company, from period-end to the disclosure date of 3rd quarter report, has changed and has influenced on amount of owners' equity due to the new shares issuing, increase issues in stocks, allotment, stock ownership incentive exercise and buy-back etc. or not

Yes No

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-78,297.85	-
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	14,909,996.14	-
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment	-3,542,539.95	-
Gain/loss from debt restructure	955,413.10	-
Except for effective hedge business relevant to normal operation of the Company, gains and losses arising from fair value change of tradable financial assets and tradable financial liabilities, and investment income from disposal of tradable financial assets, tradable financial liabilities and financial assets available for sale	519,200.00	-
Other non-operating income and expenditure except for the aforementioned items	7,050,457.56	-
Less: impact on income tax	2,804,646.70	-
Impact on minority shareholders' equity (post-tax)	152,717.13	-
Total	16,856,865.17	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*.

II. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

1. Statement of the total common shareholders and shares-held of top ten common shareholders at end of the Period

In share

Total common shareholders in reporting period					65,865		
Shares-held of top ten common shareholders							
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen		
					State of share	Amount	
Sichuan Changhong Electric Co., LTD	State-owned legal person	21.58%	164,828,330	0	-	-	
Hefei Xingtai Holding Group Co., Ltd.	State-owned legal person	6.26%	47,823,401	0	-	-	
Zhengde life insurance Co., LTD-universal insurance products	Domestic non state-owned corporate	3.77%	28,828,630	0	-	-	
Changhong (Hong Kong) Trading Company Limited	Foreign legal person	3.30%	25,165,823	0	-	-	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	1.88%	14,361,854	0	-	-	
CAO SHENGCHUN	Foreign natural person	1.72%	13,172,274	0	-	-	
DRAGON BILLION CHINA MASTER FUND	Foreign legal person	0.70%	5,329,489	0	-	-	
NORGES BANK	Foreign legal person	0.55%	4,216,432	0	-	-	
Long Qinfang	Foreign natural person	0.42%	3,200,597	0	-	-	
FOTIC – Zunjia ALPHA securities investment limited partnership trust plan of assembled funds	Domestic non state-owned corporate	0.41%	3,119,100	0	-	-	
Particular about top ten common shareholders with un-restrict shares held							
Shareholders' name	Amount of unrestricted common shares held at reporting period-end	Type of shares					
		Type	Amount				
Sichuan Changhong Electric Co., LTD	164,828,330	RMB ordinary shares	164,828,330				
Hefei Xingtai Holding Group Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401				
Zhengde life insurance Co., LTD-universal insurance products	28,828,630	RMB ordinary shares	28,828,630				
Changhong (Hong Kong) Trading Company Limited	25,165,823	Domestically listed foreign shares	25,165,823				

GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	14,361,854	Domestically listed foreign shares	14,361,854
CAO SHENGCHUN	13,172,274	Domestically listed foreign shares	13,172,274
DRAGON BILLION CHINA MASTER FUND	5,329,489	Domestically listed foreign shares	5,329,489
NORGES BANK	4,216,432	Domestically listed foreign shares	4,216,432
Long Qinfang	3,200,597	Domestically listed foreign shares	3,200,597
FOTIC – Zunjia ALPHA securities investment limited partnership trust plan of assembled funds	3,119,100	RMB ordinary shares	3,119,100
Explanation on associated relationship among the aforesaid shareholders	Among the above shareholders, Changhong (Hong Kong) Trading Co., Ltd. is the wholly-owned subsidiary of Sichuan Changhong Electronic Co., Ltd.; there existed no associated relationship or belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies among Sichuan Changhong Electronic Co., Ltd., Changhong (Hong Kong) Trading Co., Ltd. and other top 8 shareholders; and the Company has not known whether they belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies or not.		
Explanation on shareholders involving margin business about top ten common shareholders with un-restrict shares held (if applicable)	-		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

In reporting period, shareholder of the Company Hefei Xingtai Holding Co., Ltd. (Xingtai Holding for short) exercise agreed-to-buy-back and implemented buy-back obligation in line with the agreement after trading expired, more details are:

On 13 September 2013, Xingtai Holding exercise agree to buy-back security transaction with GuoYuan Securities Co., Ltd. (“GuoYuan Securities”) with the unrestricted circulated A-share of the Company for one year term of repurchased, that is 37,800,000 shares (accounts for 4.95 percent of total share capital of the Company). Ownership transfer has completed on 16 September 2013 by Xingtai Holding and GuoYuan Securities. More details with this transaction concerned please found in the Notice No.: 2013-043 released on appointed media dated 17 September 2013

In the reporting period, the above said agree-to-buy-back securities transaction has due to repurchase. Xingtai Holding implemented the repurchase obligation on 11 September 2014 in line with the agreement of agree-to-buy-back, amount of shares repurchased counting as 37,800,000 shares. Xingtai Holding possess 10,023,401 shares of the Company before the trade, a 1.31 percent of total share capital of the Company; and

47,823,40 shares in total of the Company hold by Xingtai Holding after the trade, representing 6.26 percent of the total share capital of the Company. Found more in Notice No.: 2014-059 published on appointed medial dated 13 September 2014 under the name of the Company.

2. Total of shareholders with preferred stock held and the top ten shareholdings in Period-end

Applicable Not applicable

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√ Applicable □ Not applicable

(I) Impacts on consolidation statement from the new accounting standard that revised

In accordance with the “The Accounting Standards for Enterprises No. 2—Long-term Equity Investment”, as for the invested entity’s “long-term equity investment” which the Company has no common control or significant influence and have no quotation price in active market and whose fair value could not be able to measured surely, collected in the “The Accounting Standards for Enterprises No. 22—Recognition and Measurement of Financial Instruments”; the original investment (calculated in long-term equity investment with book value of RMB 5.5 million up to end of September 2014) transfer to the financial assets available for sale for listing, the investment with book value of RMB 6.5 million in consolidation statement at year-beginning will adjust correspondingly.

(II) Particular about changes from items of main accounting statements and financial indexes as well as reasons

1. Changes of items of balance sheet and cause analysis

In RMB

Item	Closing balance	Opening balance	Changes	Reasons
Financial assets measured by fair value and whose change is recorded in current gains and losses	519,200.00	-	100.00%	Mainly because the Company Carried out the forward foreign exchange contracts in Period and there was no such trading at same period of last year
Account receivables	1,147,193,509.04	855,264,087.13	34.13%	Mainly because the Company’s credit customer sales ratio increased y-o-y in Period.
Construction in progress	96,181,887.15	52,514,642.10	83.15%	Investment for the parent company’s infrastructure project of environmental ice-box with large volume in the Period increased
Expense on Research and Development	13,749,779.61	9,516,070.34	44.49%	The Company increased investment in R&D in period.
Goodwill	5,313,913.50	-	100.00%	Mainly due to the enterprise combination under the different control in Period
Short-term borrowings	360,766,913.32	66,433,079.86	443.05%	Mainly because the short-term borrowings from parent company increased in Period.
Taxes payable	33,701,352.30	-4,920,046.33	-	VAT retained at the begin of the period
Non-current liability due within one year	11,122,579.10	119,256,114.30	-90.67%	The long-term loans due within one year was paid by parent company in Period

Deferred income tax liabilities	127,799.85	-	100.00%	The same as "Financial assets measured by fair value and whose change is recorded in current gains and losses".
Retained profit	802,116,974.29	608,723,517.81	31.77%	Mainly because retained profit increased in the Period.
Balance difference of foreign currency translation	-3,459,099.21	-1,939,397.56	-78.36%	Mainly due to the changes of rate in foreign currency for oversea subsidiaries in Period
Minority shareholders' equity	5,949,075.86	20,399,491.82	-70.84%	Mainly because part of the subsidiaries loss in the Period.

2. Changes of items of profit statement and cause analysis

In RMB

Item	This Period	Same period of last year	Changes	Reasons
Add: Changing income of fair value(Loss is listed with "-")	519,200.00	-	100.00%	The same as "Financial assets measured by fair value and whose change is recorded in current gains and losses".
Investment income (loss is listed with "-")	-3,182,602.11	655,790.37	-585.31%	The initial investment was loss due to the enterprise combined not under the same control in Period
Including: Investment income on affiliated company and joint venture	-1,465,123.55	-732,404.61	-100.04%	Part of the affiliated enterprise and joint venture losses increased in the Period.
Including: Disposal loss of non-current asset	1,596,131.19	5,127,519.33	-68.87%	Disposal of non-current asset decreased in the period.
Minority shareholders' gains and losses	-11,133,180.75	-16,581,506.46	32.86%	Mainly because part of subsidiary loss decreased in Period.

3. Changes of items of cash flow statement and cause analysis

In RMB

Item	This Period	Same period of last year	Changes	Reasons
Other cash received concerning operating activities	27,382,231.39	86,775,073.57	-68.44%	Parent company received energy-saving people-benefit subsidy at same period of last year while no such amount occurred in the Period
Taxes paid	322,955,088.33	461,939,182.35	-30.09%	The deferred taxes for year of 2012 paid at same period of last by Sichuan Air-conditioner and VAT retained at beginning of the year of the parent company
Net cash received from disposal of fixed, intangible and other long-term assets	41,316,035.71	18,269,532.35	126.15%	The remove loss arising from early release of "House Lease Contract" was paid to Mianyang Meiling Refrigeration by Sichuan Changhong Minsheng Logistics and the compensation received due to early termination option
Other cash received concerning investing	75,688,576.33	43,682,448.19	73.27%	Parent company of interest income increased y-o-y in the Period

activities				
Cash paid for investment	1, 217, 812. 00	2, 011, 142. 68	-39. 45%	Money paid for purchasing minority equity from part of the subsidiary decreased y-o-y in the Period
Cash received from loans	1, 322, 865, 410. 42	526, 937, 824. 68	151. 05%	Mainly because short-term borrowings from parent company increased in Period
Cash paid for settling debts	1, 146, 752, 483. 72	118, 788, 409. 39	865. 37%	Short-term loans of the parent company paid in the period.
Cash paid for dividend and profit distributing or interest paying	60, 590, 588. 42	41, 946, 233. 84	44. 45%	Parent company paid bonus in the Period and interest of loans paid in the Period increased y-o-y
Other cash paid concerning financing activities	3, 068, 420. 75	77, 487. 63	3859. 88%	Equity of minority shareholders of part of the subsidiary decreased in the Period
Influence on cash and cash equivalents due to fluctuation in exchange rate	6, 852, 120. 57	13, 377, 740. 60	-48. 78%	Mainly due to the changes of foreign currency rate in Period

II. Progress of significant events, their influences, and analysis and explanation of their solutions

√ Applicable □ Not applicable

(I) General usage of raised capital

Total proceeds raised in privately offering in 2010 are RMB1,199,999,820.00 and the net proceeds amount to RMB1,177,954,320.00 after deducted offering expenses RMB 22.0455 million (including underwriting and sponsoring fee RMB 20.5 million).

In 2013, the three construction projects with fund-raising investment have completed and reaching the design capacity, that is “Athena Luxury refrigerator production base”, “Freezer expansion project” and “Expansion project of environmental and energy-saving refrigerators”, meanwhile, “working capital supplementation” project implemented and recently, the Company has no other projects that suitable for investment by fund-raising. According to the operation requirement of the Company, being approved by the Board, supervisory committee and the general meeting of shareholders that balance of raising funds 284.440959 million Yuan (including interest 34.832977 million Yuan) up to 30 September 2013 and later interest are supplying the working capital of the Company permanently. The Company actually withdrawal 289.091987 million Yuan for working capital supplementation permanently up to 30 September 2014.

Up to the 30th of September 2014, the Company actually used 877.110809 million Yuan accumulatively in fund-raising, balance of fund-raising accounting as 53.576228 million Yuan (including 2,235,875 Yuan undrawn used for working capital supplementation, and totally 51,340,353 Yuan ready for contract payment and quality assurance). More details are:

Athena Luxury refrigerator production base project: total investment amounting to 528508471 Yuan in total after savings deducted. Up to 30th of September 2014, the project accumulatively invested 503,274,202 Yuan, balance of fund-raising was 26,808,550 Yuan, including 25,234,269 Yuan ready for contract payment and quality assurance and 1,574,281 Yuan undrawn used for working capital supplementation permanently.

Capacity expansion project for freezer: the project owns total investment of 251.883547 million Yuan after

savings deducted. Up to 30 September 2014, the project have accumulative investment of 225,777,463 Yuan, balance at fund-raising account was 26,767,678 Yuan, including amount ready for payment and quality assurance 26,106,084 Yuan and 661,594 Yuan without extract used for supply current capital permanently.

(II) Implementation for annual performance incentive fund

On August 9, 2012 and August 28, 2012, the Company considers the adoption of "Hefei Meiling annual performance incentive fund implementation plan" (hereinafter referred to as "" stimulus "") on the 16th meeting of the 7th board of directors and the 2012-second provisional shareholders meeting. Details were disclosed on information disclosure media appointed by the Company as "Securities Times", "Chinese Securities Daily", "Hong Kong Commercial Daily" and the Juchao network (www.cninfo.com.cn) on August 10, 2012 and August 29th in the form of announcement (2012-028, 2012-035).

1. Implementation about 2012 performance incentive fund provision and distribution plan

Found more in "(VIII) Implementation for annual performance incentive fund" carried in "XIV Explanation on other important events" of "Section V Important Event" in Semi-Annual Report of 2014 disclosed on 12 August 2014

Up to the reporting period, shares held by part of the incentive objects are holding for one year, in line with the regulation and commitment of "Incentive Plan", 50 percent of the shares bought with self-owned funds and the performance incentive fund awarded for year of 2012 are allow to release. However, shares holding and changes for those directors, supervisors and senior management among the incentives must meet the relevant regulations of Company Law, Securities Laws and Administration Rules to Shares or Changes of Directors, Supervisors and Senior Management. Meanwhile, during the reporting period, for those shares bought with self-owned fund and the performance incentive funds awarded for year of 2013 by part of the directors, supervisors and senior executives, according to relevant laws and regulations, the stock of the Company are not allowed for sell within 6 months after buy in, if any condition against the above rule is found, all his interests will belong to the listed company.

2. Implementation of 2013 annual performance incentive provision and distribution program

According to the "incentive" the Company has approved, operating results and the actual operation situation the Company audited has reached the annual performance incentive fund granted conditions in 2012. The Company held 37th meeting of the seventh session of the board in June 16, 2014 and in July 3, 2014 held the first provisional shareholders' meeting of 2014. The board of supervisors, independent directors, the directors, supervisors approved the "2013 Annual Performance Incentive Fund Provision and Allocation Scheme", as follows:

(1) Excitation range and number: 40 people compliance with the conditions of the incentive objects (senior management, middle management, and core technology and business personnel).

(2) Funding: meter 27,406,800 Yuan for incentive fund from 10% of net profit audited attributable to shareholders the Company audited in 2013. Including, 26,357,500 Yuan has been distributed to 40 in line with the requirements of the incentive objects (part of directors, supervisors, and senior management, middle management, and core technology and business personnel). All the incentive object paid 30% of all the received performance incentive fund (income tax excluded) and not less than the total annual compensation (annual total compensation

except the performance

(3) Share holding: According to the "incentive plan" the company have approved, and under the premise of the Listing Rules of Shenzhen Stock Exchange and other applicable Chinese laws and regulations, incentive target promised within 60 working days as of receipt of the performance incentive funds (In case of regulatory ruled the trading of shares shall not be specified, the time extended), to purchase the Company's shares through the open market. Up to the Report disclosed, part of the incentive objects have bought the stock and lock-up in line with the commitment. Sales condition for part of the directors, supervisors and senior executives of the Company are disclosed on appointed media from 19 August 2014 to 17 September 2014

(4) Shares restricted commitments:

According to the "Annual Performance Incentive Fund Implementation Plan of Hefei Meiling Co., Ltd" and the commitment of all incentive targets, all the shares transacted are forbidden to sell in any forms in future 1 year. In the 2nd year, 50% can be sold in accordance with laws/rules. The rest 50% can be sold in the 3rd year. As for the mentioned 30 incentives had held these shares for nearly 1 year; it is expected 50% will be transactional in August and September 2014 by rules. But the rest 50% will still be restricted for another one year. But, directors, supervisors and senior management among these incentives must settle shares strictly in accordance with Company Law, Securities Laws, Administration Rules to Shares or Changes of Directors, Supervisors and Senior Management. The rules include but not limit as: during position, more than 25% of total shares hold are not allowed to be transferred; shares bought from the Company within 6 months are not allowed to sold while shares sold within 6 months are not allowed to buy in; shares are not allowed to transfer within half year since resign.

Details were disclosed on information disclosure media appointed by the Company as Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website respectively on 17 June 2014, 4 July 2014, 19 August 2014, 27 August 2014, 28 August 2014 and 17 September 2014 in form of Notice No. 2014-036, No. 2014-037, No. 2014-040, Notice No. 2014-046, Notice No. 2014-055, Notice No. 2014-056, Notice No. 2014-057 and Notice No. 2014-060.

(III) Other important events

Overview	Disclosure date	Query index for interim notice
According to the future development strategy of the Company, based on intelligent and frequency conversion core-technology, the Company and subordinate subsidiary Mianyang Meiling Refrigeration Co., Ltd. (Mianyang Meiling for short) established "Meiling Software Technology Co., Ltd." jointly with RMB 5 million.	21 January 2014	Juchao Website: http://www.cninfo.com.cn (No.: 2014-001)
In January 2014, the Company received the 2013 Annual Audit Report from Sichuan Changhong Finance Co., Ltd. (Changhong Finance Company for short), the Report was audited by Shine Wing CPAs, who has the securities and futures-related business qualifications. The 2013 annual basic index of Changhong Finance Company met the requirements of the "Management Approaches for the Finance Companies of the Enterprise Group" issued by the China Banking Regulatory Commission and the relevant regulations of Shenzhen	18 October 2013, 8 November 2013 and 25 January 2014	Juchao Website: http://www.cninfo.com.cn (No.:2013-045, 2013-046, 2013-048, 2013-053 and 2014-003)

<p>Stock Exchange, no case that needed to start the risk disposition plan as ruled in “Risk disposition plan about the loans and deposits financial services of Sichuan Changhong Group Finance Company” has occurred, the Company shall carry out the deposits and loans business in accordance with the "Financial Services Agreement" signed with Changhong Finance Company, continued to do the risk management to the deposit and loan businesses with Changhong Finance Company funds between risk management, regularly carried out the special risk assessments, and timely performed the information disclosure obligations in accordance with the relevant regulations.</p>		
<p>Being deliberated and approved in 33rd meeting of 7th session of the Board held on 26 February 2014, the Company consent the Mianyang Meiling and Sichuan Changhong Minsheng Logistics Co., Ltd. (Minsheng Logistics for short) signed "Dismiss to the Rental Contract" thus cancel the "Rental Contract" which was signed in January 2010 and has not yet expired, while Minsheng Logistics pay compensation to Mianyang Meiling 40 million Yuan to compensate for the loss of Mianyang Meiling for relocation and production loss as a result of the early termination.</p>	<p>27 February 2014</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-009 and 2014-010)</p>
<p>In accordance with the "Listed Company Supervision Guidelines No. 4 - the actual control of listed companies, shareholders, affiliates, the acquisition, commitments and implementation of listed companies " from the CSRC, and relevant requirement of “Notice of Specific Disclosure of the actual control of listed companies, shareholders, affiliates, the acquisition, commitments and implementation of listed companies” from Anhui Securities Regulatory Bureau, being full demonstration and communicated with controlling shareholder-Sichuan Changhong Electrics Co., Ltd. (Sichuan Changhong for short) and affiliate Minsheng Logistics, and being deliberated and approved by 36th meeting of 7th session of the Board held on 13 May 2014 and 5 June 2014, the 20th meeting of 7th session of supervisory committee as well as the annual general meeting of 2013, agreed to waive the commitment from controlling shareholder Sichuan Changhong in assets transfer and commitment from Sichuan Changhong and Minsheng Logistic in assets transfer</p>	<p>15 February 2014, 2 April 2014, 14 May 2014 and 6 June 2014</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-004, 2014-022, 2014-029, 2014-030, 2014-031 and 2014-034)</p>
<p>Aim at part of the reports, the Company published the Explanation on Intelligent Products from the Board and Clarification Announcement for explanation and clarification on intelligent products and part of the</p>	<p>19 Feb. 2014, 25 Feb. and 25 March</p>	<p>Juchao Website: http://www.cninfo.com.cn No.: 2014-005</p>

media reports on information disclosure media appointed by the Company dated 19 February 2014, 25 February 2014 and 25 March 2014 respectively in order to made clear conditions of intelligent products for the investors		No.: 2014-008 No.: 2014-014
On 21 February 2014, the 7 th batch of circulating shares with restricted condition after the implementation of equity division reform were released from restriction and listed for trading. 4 shareholders were released in total with 1,458,835 shares released, representing 0.1910% of the total share capital of the Company.	20 February 2014	Juchao Website: http://www.cninfo.com.cn (Mo.: 2014-006)
On 24 February 2014, a written resignation report was received by the Board from former director Mr. Sun Liqiang, Mr. Sun resigned the director of 7 th session of the Board and member of strategy committee of the Board due to personal occupation mobility. Being deliberated and approved in 33 rd meeting of 7 th session of the Board and annual general meeting of 3013, agreed to elected Mr. Gao Jian server as the non-independent director of 7 th session of the Board, and holds the same office term as the 7 th session of the Board	25 February 2014 27 February and 6 June	Juchao Website: http://www.cninfo.com.cn (No.: 2014-007, 2014-009 and 2014-034)
Being deliberated and approved in 33 rd meeting of 7 th session of the Board held on 26 February 2014, the Company entered into a "Trademark Licensing Contract" with Sichuan Changhong. Sichuan Changhong, with trademark "CHiQ" applied for registration, authorized the Company and subordinate controlling subsidiary of the Company (agreed by Sichuan Changhong) to use the trademark for free on basis of the products of intelligent refrigerator and AC under the form of "Home Internet". Permission period from 20 February 2014 to 19 February 2017	27 February 2014	Juchao Website: http://www.cninfo.com.cn (No.: 2014-009 and 2014-011)
On March 3, 2014, the Company and Hefei Xingtai Holding Group Co., Ltd. (hereinafter referred to as "Xingtai Holding") signed the "Contingencies Confirmation Agreement". Both CPA finally approved that contingencies debt of corporations undisclosed during audit and appraisal report when the Company acquired certain assets of Meiling Group, amounted to 8,021,786.31 Yuan. According to "Property Rights Transfer Contract" signed in 2010 by the Company and Xingtai Holding, the Xingtai Group should assume this part liability. Xingtai Holdings paid the foregoing amounts as agreed.	5 March 2014	Juchao Website: http://www.cninfo.com.cn (No.: 2014-012)
According to business development needs, in order to lock revenue and costs, avoid and prevent the risk of fluctuations in exchange rates to secure sound management, in the 35 th meeting of the Seventh Board	19 April 2014 6 June 2014	Juchao Website: http://www.cninfo.com.cn (No.: 2014-023, 2014-024,

<p>of Directors held on April 18 and June 5, 2014, the 19th meeting of 7th session of the Board as well as 2013 annual General meeting, the Company agreed to carry forward foreign exchange transactions in the 2014-2015 business year while the balance of trade business is not more than US\$ 250 million</p>		2014-027 and 2014-034)
<p>According to overseas development strategy and subsidiaries Zhongshan Changhong business needs, the company allowed Zhongshan Changhong Electrics Co., Ltd. (Zhongshan Changhong for short) to invest in Pakistan with US\$6,724,000 for fridge construction projects. Meanwhile, the meeting deliberate and approved the “proposal of increasing capital for Zhongshan Changhong Electrics Co., Ltd.” and agreed that the Company and subordinate wholly-owned subsidiary Sichuan Changhong Air-condition Co., Ltd. (Changhong Air-condition for short) increased capital RMB 40 million to Zhongshan Changhong for investment of fridge construction projects in Pakistan.</p>	19 April 2014	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-023 and 2014-026)</p>
<p>In order to improve the production capacity of freezer with large volume, enhance the competitiveness and profitability, and solve the unflavored capacity constraints and to meet market demand, the Company approved project of annual production capacity of 600,000 green energy freezers with large volume during 35th meeting of the Seventh Session of the Board held on April 18, 2014 with investment approximately amounting to RMB 76.79 million</p>	19 April 2014	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-023)</p>
<p>On 26 March 2014 and 5 June 2014, the “Profit Distribution Plan for year of 2013” was deliberated and approved by 34th meeting of 7th session of the Board, 18th meeting of 7th session of supervisory committee and annual shareholders’ general meeting of 2013. The Company agreed to distribute 0.6 Yuan (tax included) in cash for every 10 shares held by all shareholders of the Company based on total share capital 763,739,205 shares at present. The Company disclosed the profit distribution plan for year of 2013 on 19 July 2014 and implemented the above said plans.</p>	28 March 2014 6 June 2014 19 July 2014	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-015, 2014-016, 2014-034 and 2014-051)</p>
<p>According to the operation requirement, and being deliberated and approved in 37th meeting of 7th session of the Board on 16 June 2014, the Company entered into <i>Trademark Licensing Contract</i> with Sichuan Changhong Electric Co., LTD (“Sichuan Changhong”). Sichuan Changhong, agrees to authorized the trademark of “CHANGHONG” and “长虹” for free use via way of exclusive</p>	17 June 2014	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-036 and 2014-038)</p>

<p>license, to the Company and controlling subsidiary of the Company who obtained the agreed in writing by Sichuan Changhong in refrigerators and freezer products (products, packages and webpage included) sale through electrical business channel and TV shopping. Permission period from 16 June 2014 to 15 June 2017</p>		
<p>Shareholder of controlling subsidiary of the Company-Zhongke Meiling Hypothermia Technology Ltd. (Zhongke Meiling for short)—Technical Institute of Physics and Chemistry, CAS (TIPC for short) transfer 30 percent equity of Zhongke Meiling to its wholly-owned subsidiary Zhongke Leading Assets Management (Beijing) Co., Ltd. (Zhongke Leading for short). In consideration of the favorable cooperation with TIPC and combine with the operation development requirement with Zhongke Meiling, the Company, being deliberated and approved by 37th meeting of 7th session of the Board held on 16 June 2014 and 3 July 2014 and first extraordinary general meeting of 2014, agreed to abandon the priority right to the transferee on 30 percent equity of Zhongke Meiling that pans to transfer by TIPC</p>	<p>17 June 2014 4 July 2014</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-036, 2014-039 and 2014-046)</p>
<p>On 16 June 2014 and 3 July, the “proposal of general election of 8th session of the Board” and “proposal of general election of 8th session of supervisory committee” are being deliberated and approved by 37th meeting of 7th session of the Board, 21st meeting of 7th session of supervisory committee and first extraordinary general meeting of 2014, office term for the 8th session of the Board/supervisory committee was 3 years, that is from 3 July 2014 to 3 July 2017</p> <p>On 3 July 2014, being deliberated and approved by first extraordinary meeting of 8th session of the Board, agreed to elected Mr. Liu Tibin as the Chairman of 7th session of the Board and Mr. Li Jin elected as the deputy Chairman. Agreed to continuing contract with Mr. Li Wei as president of the Company; according to the nomination from president, agreed to continuing contract with Mr. Liu Hongwei as executive vice president of the Company, Mr. Liao Tao, Mr. Deng Xiaohui and Mr. Zhongming further appointed as vice president of the Company, and agreed to continuing contract with Mr. Zhang Xiaolong as CFO (Finance Manager) of the Company; and agreed to continuing contract with Ms. Li Xia as secretary of the Board. The Meeting also deliberated and approved the “proposal of established subordinate special committee of 8th session of the Board”</p>	<p>17 June 2014 4 July 2014</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2014-036, 2014-037, 2014-042, 2014-043, 2014-044, 2014-046, 2014-047 and 2014-048)</p>

On 3 July 2014, being pass the proposal in first extraordinary meeting of 8 th session of supervisory committee, agreed to elected Mr. Yu Wanchun as chairman of the 8 th session of supervisory committee		
The Company is planning acquisition of assets, in view of the acquisition have major uncertainties, according to relevant regulations of Rules Governing the Listing of Shares on Shenzhen Stock Exchange, being applied to SZSE by the Company, shares of the Company suspend since the marketing opens dated 10 July 2014. In consideration of major differences on acquisition plan with the intention seller, the timing of acquisition implement is premature, the Company decided to terminate the assets acquisition. Being apply to the SZSE, stock of the Company resume on 15 July 2014	10 July 2014 15 July 2014	Juchao Website: http://www.cninfo.com.cn (No.: 2014-049 and 2014-050)
On 12 September 2014, the Company was easing the restrictions on restricted stocks offering privately and implemented shares in circulation. One person's shares are released for listing, shares listing amounting to 56,031,120 shares, representing 7.3364% of total share capital.	11 September 2014	Juchao Website: http://www.cninfo.com.cn (No.: 2014-058)

III. Commitments made by the Company or shareholders holding above 5% shares of the Company in reporting period or made in previous period and extending to reporting period

√ Applicable □ Not applicable

Commitments	Acceptor	Contents		Commitment date	Commitment term	Implementation
Commitments made in acquisition report or equity change report	Sichuan Changhong Electric Co., LTD (“Sichuan Changhong”)	Commitment and guarantee of horizontal competition avoidance made in “Acquisition Report of Hefei Meiling Co., Ltd”	1. The acquirer shall not engage in refrigerator business or activity which competes or will compete with business of Hefei Meiling Co., Ltd (“Meiling Electrical Appliances”), or that which has interest conflict with Meiling Electrical Appliances.	2007-6-12	Effective permanently	Strictly performed the commitments
			2. The acquirer promises to apply shareholders’ right on a legal and reasonable manner and shall not take any action to limit or affect the normal operation of Meiling Electrical Appliances.		Effective permanently	Strictly performed the commitments
			3. For any opportunity to engage in competing business, the acquirer will advise Meiling Electrical Appliances in written for engaging such business or not. If Meiling Electrical Appliances gives no clear written reply as to whether engaging the competing business or not within 20 days after receipt of the aforesaid letter, it shall be deemed that it will not engage in such business. The acquirer will only engage in non-competing business provided that Meiling Electrical Appliances confirms not to or is deemed to not engage in such non-competing business.		Effective permanently	Strictly performed the commitments
Commitment made during the non-public offer	Sichuan Changhong	Commitment regarding to reducing and preventing competition with Meiling Electrical Appliances	1. It will not engage in such business or activity that competes with or has interest conflict with that of Meiling Electrical Appliances except for the action taken for sake of Meiling Electrical Appliances as required by Meiling Electrical Appliances.	2010-6-24	Effective permanently	Strictly performed the commitments
			2. The Company promises to apply shareholders’ right on a legal and reasonable manner and shall not take any action to limit or affect the normal operation of Meiling Electrical Appliances.			

			3. In case that Meiling Electrical Appliances expects, on the basis of its existing business, to expand its operation scope into the business which the Company has already operated, the Company agrees to grant pre-emptive right to Meiling Electrical Appliances regarding such business if the same conditions are met, provided that the Company is still the controlling shareholder or actual controller of Meiling Electrical Appliances.			
		Commitment regarding to reducing and standardizing related transaction with Meiling Electrical Appliances	1. Measures will be adopted to prevent continued related transaction with Meiling Electrical Appliances: as to the related transaction that can not be prevented, it will sign related transaction agreement with Meiling Electrical Appliances under the market principles of “equally paid and mutual benefit”, and fairly determined the transaction price according to the market prevailing standards.	2010-6-24	Effective permanently	Strictly performed the commitments
			2. Perform the necessary obligations to make related directors and related shareholder abstain from voting according to relevant regulation, and observe legal procedure for approving related transaction and information disclosure obligations.			
			3. Promise not to hurt legal interests of Meiling Electrical Appliances and other shareholders through related transaction.			
		Commit to authorized Changhong Air Conditioning and Zhongshan Air Condition Appliance Co., Ltd. (“Zhongshan Air Conditioning”) to use “Changhong” trademark and relevant patents for free.		2010-11-6	Effective permanently	Strictly performed the commitments
	The Company	1. Commit to disclose periodic reports on a truthful, accurate, complete, fair and prompt manner, to disclose all the information that have important influences over investors, to accept supervision under the CSRC and Shenzhen Stock Exchange.		2011-1-7	Effective permanently	Strictly performed the commitments
		2. Commit to make public clarification in respect of such information that is released from any public media and may result in misleading influences on stock price once the Company is aware of such				

		information.			
		3. The directors, supervisors, senior management and core technicians of the Company will accept opinions and criticism from the social publics, and they will not trade the Company's securities, directly or indirectly, with any inside information and other illegal methods. The Company promises that the documents submitted to Shenzhen Stock Exchange exist no false statement or material omission, and no relevant information will be disclosed during the application for listing without prior content from Shenzhen Stock Exchange.			
Commitment in respect of applying proceeds savings in supplement current capital for permanent purpose	The Company	The Company has no high-risk investment performed in latest 12 months, such as portfolio investment; and promised not to performing high-risk investment (e.g. portfolio investment) in 12 months after current capital supplied.	2013-10-18	2013-11-8 to 2014-11-8	Implementing
Commitment made in transfer of air conditioning assets property	Sichuan Changhong	1. Since the property transfer didn't involve the buildings and land currently used by Changhong Air Conditioning, Sichuan Changhong commits, upon the completion of equity transfer, to continue to lease such assets to Changhong Air Conditioning at market price;	2009-12-10	Effective permanently	Strictly performed the commitments
		2. After completion of this property transfer, Sichuan Changhong commits to manage to prevent new related transaction with Meiling Electrical Appliances. For those which can not be prevented, Sichuan Changhong commits to determine the transaction price based on market accepted methods, so as to ensure fairness of related transaction and protection of the interest of Meiling Electrical Appliances.			Strictly performed the commitments
		3. Sichuan Changhong commits that it will not engage in air conditioning and refrigerator business or activity which competes or will compete with business of Meiling Electrical Appliances, or that which has interest conflict with Meiling Electrical Appliances.			

<p>Annual performance incentive fund, commitments by incentive objects while purchasing stock of the Company with performance incentive funds and owned fund</p>	<p>Part of the Directors, supervisors, senior executives and other incentive objects</p>	<p>1. Make promise not to reduce the shares of Meiling bought in every year during period of incentive fund implemented via any market ways in the first year, which was allowed to be reduced by 50% according to the laws and regulations in the second year, and the remaining 50% was allowed to be reduced in the third year in accordance with the laws and regulations.</p> <p>2. The directors, supervisors and senior management, as the incentive objects of annual performance incentive fund, promised to manage in accordance with the relevant management approaches in accordance with the "Company Law", "Securities Law" and "The Company's shares held by the directors, supervisors and senior management of the listed company and its change management rules", including but not limited to: during his tenure, the shares transferred each year shall not exceed 25% of the total number of shares held of the Company; shall not sell the shares of the Company within six months after bought it or purchase again six months after sold it; shall not transfer the shares held within six months after Dismission.</p>	<p>2013-8-15,2014-7-3</p> <p>2013-8-15,2014-7-3</p>	<p>Three years after current stocks bought</p> <p>From the date of annual performance incentive fund plan approved by shareholder general meeting to 6 months after directors, supervisors and senior executive resigned</p>	<p>Implementing</p> <p>Implementing</p>
<p>Completed on time or not</p>	<p><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</p>				
<p>Detail reasons for un-complement and further plan</p>	<p>Not applicable</p>				

IV. Estimation of operation performance for year of 2014

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason

Applicable Not applicable

V. Particular about security investment

Applicable Not applicable

Explanation on equity of other listed company held

Applicable Not applicable

No security investment in Period.

VI. Particulars about derivatives investment

Applicable Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount of reserve for devaluation of withdrawing (if applicable)	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the Company at period-end (%)	Actual gains/losses in period
Financial institutions	N/A	No	Forward foreign exchange contract	5,019.93	2014-7-1	2015-12-31	0	0	5,019.93	1.49%	51.92
Total				5,019.93	--	--	0	0	5,019.93	1.49%	51.92
Capital resource				Self-owned capital							
Lawsuits (if applicable)				Not applicable							
Disclosure date for approval from the Board for investment of derivatives (if				2014-4-19							

applicable)	
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)	2014-6-6
Venture analysis and explanation on control measures for derivatives holding in Period (including but not limited to market risk, liquidity risk, credit risks, operational risk and legal risk etc.)	<p>Risk analysis:</p> <ol style="list-style-type: none"> 1. Market risk: the changes in domestic and foreign economic situation may create a major volatility in exchange rate, future exchange business under certain market risks. Forward exchange transaction business of the Company aims at lock-up the price in sale and purchase of foreign exchange, and lowers the impact on profit from exchange fluctuations. The Company will closely following the changes in exchange rate, based on the target rate fix by business, with the research and judgment in aspect of the trend in foreign exchange rate, determine the signature planning of agreement for forward exchange transaction combine with prediction on receipt and payment as well as the tolerance capacity of changing price arising from rate fluctuation; implement dynamic management on the business to guarantee a reasonable profit standards for the Company. 2. Liquidity risk: all of the foreign exchange funds trading are depend on reasonably estimated of the import-export business in future, satisfy the requirement of trading truth. In addition, forward exchange transaction operates in way of bank credit; there is no impact on the fund liquidity of the Company. 3. Bank default risk: if the cooperative bank close down or default in contractual period, the Company is un-able to settle the original foreign exchange contract in contractual price, it exists a risks of income uncertainty. Therefore, the Company chose the Chinese-funded banks as Bank of China, Agricultural Bank of China, Industrial and Commercial Bank of China and China Construction Bank for the foreign exchange funds trading and part of the larger foreign banks (e.g. Deutsche Bank, United Overseas Bank, Oversea-Chinese Banking Corp. and HSBC etc.), the above mentioned banks owns fund strength and operating soundness, there is a slim chance of money costs for close down. 4. Operational risk: the money trading in forward exchange might causes relevant risks due to the incorrect operations by handling personnel, relevant management mechanism has formulated by the Company, well-defined the operation procedure and duty officer in favor of preventing risk and risk control. 5. Legal risk: legal disputes may arise from the un-clear trading agreement signed between the Company and banks in aspect of money trading in forward exchange. The Company strengthens the review on relevant contracts in way of law, and chooses banks for cooperation with good credit status in order to control the risk. <p>Explanation on control measures:</p> <p>The “Management Mechanism of Money Trading in Forward Exchange of Hefei Meiling Co., Ltd.” was deliberated and approved in 35th meeting of 7th session of the Board, and the mechanism regulated that be limited to the background of actual business, mitigate risks for results, speculation and carry trade are prohibited. The mechanism well-defined the main types, operation rules, approval permission,</p>

	management and internal operation procedures in aspect of money trading in forward exchange, and making a claim for information isolation measures, internal risk report system & risk treatments as well as information disclosure etc. The mechanisms is in favor of strengthen the management of money trading in forward exchange, prevent investment risks, perfected and improved the management mechanism of money trading in forward exchange and guarantee a fund safe for the Company.
Particular about the changes of market price or product's fair value of invested derivatives in Period; as for analysis of the fair value of derivatives, disclosed specific treatment methods and relevant hypothesis and parameter setting	In accordance with the Article 7 "Recognition of Fair Value" of "The Accounting Standards for Enterprises No. 22—Recognition and Measurement of Financial Instruments", the Company determined and measure the fair value basically in line with the price provided or obtained from pricing services such as banks. As for the calculation of fair value for derivatives, it mainly refers to the un-matured contract of forward exchange facilities that signed with the banks in reporting period, and recognized as transactional financial assets or liabilities based on the difference of forward exchange facilities' contract quotation at period-end and forward rate. In the reporting period, the gains/losses of forward foreign exchange contract amounting to RMB 519,200.
Explanation on major changes on specific principle of accounting policy and accounting calculation for derivatives in Period, by comparing with last period	In accordance with relevant regulations and guideline of "The Accounting Standards for Enterprises No. 22—Recognition and Measurement of Financial Instruments", "Accounting Standards for Enterprises No. 24—Hedging" and "Accounting Standards for Enterprises No. 37—Presentation of Financial Instruments" from Ministry of Finance, carry out accounting treatments correspondingly for the forward exchange dealings that plans to exercise, shows relevant items of balance sheet and profit statement.
Specific opinions from independent directors on derivative investment and risk controlling	Independent directors of the Company consider that: the fund trading of future exchange in 3Q of 2014 is closely related with the routine operation needs of the Company, the risks are controllable, and relevant business are exercise in line with the laws, regulations and relevant rules, no interest of the Company and whole shareholders are been violated, minority shareholders in particular.

VII. Registration form of receiving research, communication and interview in the report period

√ Applicable □ Not applicable

Date	Place	Way	Type	Object	Content discussed and documents provided
2014-1-17	Conference room of the Company	Field research	Institute	E&B Assets Management Co., Ltd.	Operation of the Company, no materials provided
2014-1-21	Conference room of the Company	Field research	Institute	Changjiang Securities, Caitong Securities, ICBC Credit Suisse Asset Management	Operation of the Company, no materials provided
2014-1-24	Conference	Field research	Institute	CITIC Securities	Operation of the

	room of the Company				Company, no materials provided
2014-2-11	Conference room of the Company	Field research	Institute	Minsen Investment, SWS Research, Orient Securities Asset Management, Changsheng Fund Management	Operation of the Company, no materials provided
2014-2-14	Conference room of the Company	Field research	Institute	Changjiang Securities, China Southern Asset Management, ABC-CA Fund Management, BOCAM Schroders Fund Management, HFT Investment Management	Operation of the Company, no materials provided
2014-2-18	Conference room of the Company	Field research	Institute	China Investment Securities, Guotai Junan Securities, China Merchants Fund Management, Taikang Asset Management, Sinolink Securities, Haitong Securities, Shanghai Entertainment Holding Co., Ltd., GTJA Allianz Funds Management, Anbang Asset Management	Operation of the Company, no materials provided
2014-5-13	Conference room of the Company	Field research	Institute	Bohai Securities, SMC China Fund	Operation of the Company, no materials provided
2014-5-15	Conference room of the Company	Field research	Institute	GF Securities	Operation of the Company, no materials provided
2014-5-27	Conference room of the Company	Field research	Institute	Sinolink Securities, ABC-CA Fund Management, BOCAM Schroders Fund Management, China Bodao Capital, Beijing Jiahuiying Investment Management (limited partnership), Harvest Fund Management	Operation of the Company, no materials provided
2014-6-18	Conference room of the Company	Field research	Institute	GF Securities, Huabao Investment	Operation of the Company, no materials provided
2014-6-24	Conference room of the	Field research	Institute	Changjiang Securities, GTJA Allianz Funds	Operation of the Company, no materials

	Company				provided
2014-8-19	Conference room of the Company	Field research	Institute	Great Wall Securities	Operation of the Company, no materials provided
2014-9-3	Conference room of the Company	Field research	Institute	Sinolink Securities, Investment, UBS SDIC Huabao	Operation of the Company, no materials provided

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by Hefei Meiling Co., Ltd

In RMB

Items	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	2,229,987,221.64	2,266,192,804.16
Settlement provisions		
Capital lent		
Financial assets measured by fair value and whose change is recorded in current gains and losses	519,200.00	
Notes receivable	2,026,108,961.42	1,722,039,923.01
Accounts receivable	1,147,193,509.04	855,264,087.13
Accounts paid in advance	75,532,422.66	73,636,908.88
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	21,630,251.87	20,115,619.72
Purchase restituted finance asset		
Inventories	1,430,650,323.99	1,593,865,312.94
Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets		
Total current assets	6,931,621,890.62	6,531,114,655.84
Non-current assets:		
Granted loans and advances		
Finance asset available for sales	5,500,000.00	6,500,000.00

Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	19,878,948.10	22,995,387.39
Investment property	15,094,941.15	15,701,377.73
Fixed assets	1,134,745,142.96	1,138,750,631.37
Construction in progress	96,181,887.15	52,514,642.10
Engineering material		
Disposal of fixed asset	76,157,234.11	76,129,471.41
Productive biological asset		
Oil and gas asset		
Intangible assets	569,661,699.38	593,054,170.58
Expense on Research and Development	13,749,779.61	9,516,070.34
Goodwill	5,313,913.50	
Long-term expenses to be apportioned		
Deferred income tax asset	79,549,656.00	75,895,434.58
Other non-current asset		
Total non-current asset	2,015,833,201.96	1,991,057,185.50
Total assets	8,947,455,092.58	8,522,171,841.34
Current liabilities:		
Short-term loans	360,766,913.32	66,433,079.86
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Notes payable	1,683,162,416.08	1,520,088,715.18
Accounts payable	1,453,111,307.43	1,692,121,242.19
Accounts received in advance	319,687,256.95	363,233,745.71
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	127,482,275.31	168,217,307.27

Taxes payable	33,701,352.30	-4,920,046.33
Interest payable		
Dividend payable	2,237,640.91	1,782,087.76
Other accounts payable	1,115,212,093.49	914,983,315.18
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held ready for sale		
Non-current liabilities due within 1 year	11,122,579.10	119,256,114.30
Other current liabilities		
Total current liabilities	5,106,483,834.89	4,841,195,561.12
Non-current liabilities:		
Long-term loans	8,883,700.00	9,523,700.00
Bonds payable		
Long-term account payable		
Special accounts payable		
Projected liabilities	350,116,189.58	356,648,942.74
Deferred income tax liabilities	127,799.85	
Other non-current liabilities	101,578,690.20	107,073,628.76
Total non-current liabilities	460,706,379.63	473,246,271.50
Total liabilities	5,567,190,214.52	5,314,441,832.62
Owner's equity (or shareholders' equity):		
Paid-in capital (or share capital)	763,739,205.00	763,739,205.00
Capital public reserve	1,474,015,986.37	1,478,904,455.90
Less: Inventory shares		
Reasonable reserve		
Surplus public reserve	337,902,735.75	337,902,735.75
Provision of general risk		
Retained profit	802,116,974.29	608,723,517.81
Balance difference of foreign currency translation	-3,459,099.21	-1,939,397.56
Total owner's equity attributable to	3,374,315,802.20	3,187,330,516.90

parent company		
Minority interests	5,949,075.86	20,399,491.82
Total owner's equity(or shareholders' equity)	3,380,264,878.06	3,207,730,008.72
Total liabilities and owner's equity(or shareholders' equity)	8,947,455,092.58	8,522,171,841.34

Legal representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

2. Balance Sheet of parent company

Prepared by Hefei Meiling Co., Ltd

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	1,743,129,291.93	2,001,187,367.05
Financial assets measured by fair value and whose change is recorded in current gains and losses	519,200.00	
Notes receivable	1,351,722,120.11	1,295,619,890.23
Accounts receivable	759,538,420.16	782,391,484.40
Accounts paid in advance	167,762,622.51	130,573,509.64
Interest receivable		
Dividend receivable		
Other receivables	40,200,748.98	45,236,748.46
Inventories	743,071,803.73	599,275,043.05
Divided into assets held ready for sales		
Non-current asset due within one year		
Other current assets		
Total current assets	4,805,944,207.42	4,854,284,042.83
Non-current assets:		
Finance asset available for sales	5,000,000.00	5,000,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	832,488,920.01	791,879,895.59
Investment real estate	12,398,264.83	12,753,681.33
Fixed assets	795,166,429.75	825,467,943.47
Construction in progress	87,180,455.27	44,630,882.53

Engineering material		
Disposal of fixed asset	43,352,418.01	43,307,418.01
Productive biological asset		
Oil and gas asset		
Intangible assets	436,804,868.32	444,942,445.00
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	72,626,542.23	69,171,492.26
Other non-current asset		
Total non-current asset	2,285,017,898.42	2,237,153,758.19
Total assets	7,090,962,105.84	7,091,437,801.02
Current liabilities:		
Short-term loans	275,539,604.44	25,340,889.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Notes payable	1,076,784,515.00	1,156,825,213.50
Accounts payable	1,006,087,966.78	1,100,326,742.67
Accounts received in advance	182,764,519.05	192,083,732.72
Wage payable	59,846,114.84	97,469,125.91
Taxes payable	-74,077,271.96	-7,709,679.63
Interest payable		
Dividend payable	2,237,640.91	1,767,979.23
Other accounts payable	813,201,842.63	743,651,849.94
Divided into liability held ready for sale		
Non-current liabilities due within 1 year	7,489,277.00	117,490,683.80
Other current liabilities		
Total current liabilities	3,349,874,208.69	3,427,246,537.14
Non-current liabilities:		
Long-term loans	8,883,700.00	9,523,700.00
Bonds payable		
Long-term account payable		
Special accounts payable		

Projected liabilities	350,116,189.58	356,648,942.74
Deferred income tax liabilities	77,880.00	
Other non-current liabilities	77,408,469.36	83,024,561.91
Total non-current liabilities	436,486,238.94	449,197,204.65
Total liabilities	3,786,360,447.63	3,876,443,741.79
Owner's equity (or shareholders' equity):		
Paid-up capital (or share capital)	763,739,205.00	763,739,205.00
Capital public reserve	1,497,987,059.46	1,497,898,194.51
Less: Inventory shares		
Reasonable reserve		
Surplus public reserve	337,684,570.07	337,684,570.07
General risk reserve		
Retained profit	705,190,823.68	615,672,089.65
Balance difference of foreign currency translation		
Total owner's equity(or shareholders' equity)	3,304,601,658.21	3,214,994,059.23
Total liabilities and owner's equity(or shareholders' equity)	7,090,962,105.84	7,091,437,801.02

Legal representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

3. Consolidated Profit Statement (this report period)

Prepared by Hefei Meiling Co., Ltd

In RMB

Item	Amount in this period	Amount in last period
I. Total operating income	2,441,249,157.46	2,559,189,440.77
Including: Operating income	2,441,249,157.46	2,559,189,440.77
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	2,361,091,843.34	2,498,411,836.87
Including: Operating cost	1,877,752,624.64	1,921,520,790.60
Interest expense		
Commission charge and commission expense		
Cash surrender value		

Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	20,964,799.06	29,914,674.46
Sales expenses	388,899,395.16	476,941,238.56
Administration expenses	111,943,441.95	103,158,201.97
Financial expenses	-22,903,142.26	-25,355,276.32
Losses of devaluation of asset	-15,565,275.21	-7,767,792.40
Add: Changing income of fair value(Loss is listed with "-")	519,200.00	
Investment income (Loss is listed with "-")	-2,398,304.89	-95,499.31
Including: Investment income on affiliated company and joint venture	-680,826.33	-139,164.37
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	78,278,209.23	60,682,104.59
Add: Non-operating income	6,317,326.37	19,250,730.17
Less: Non-operating expense	1,064,736.66	1,889,655.94
Including: Disposal loss of non-current asset	1,041,736.66	1,823,469.85
IV. Total Profit (Loss is listed with "-")	83,530,798.94	78,043,178.82
Less: Income tax expense	16,443,099.19	21,319,601.05
V. Net profit (Net loss is listed with "-")	67,087,699.75	56,723,577.77
Including: net profit realized before consolidation by merged party		
Net profit attributable to owner's of parent company	80,111,532.95	69,441,621.00
Minority shareholders' gains and losses	-13,023,833.20	-12,718,043.23
VI. Earnings per share	--	--
i. Basic earnings per share	0.1049	0.0909
ii. Diluted earnings per share	0.1049	0.0909
VII. Other consolidated income	-2,022,474.38	-1,135,962.85
Inc: Other comprehensive items un-able to re-classify as gains/losses in later accounting period	88,864.95	
Other comprehensive items able to re-classify as gains/losses in later accounting period while regulated	-2,111,339.33	-1,135,962.85

conditions are satisfy		
VIII. Total comprehensive income	65,065,225.37	55,587,614.92
Total consolidated income attributable to owners of parent company	78,089,058.57	68,760,043.29
Total consolidated income attributable to minority shareholders	-13,023,833.20	-13,172,428.37

Legal representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

4. Profit Statement of parent company (this report period)

Prepared by Hefei Meiling Co., Ltd

In RMB

Items	Amount in this period	Amount in last period
I. Operating income	1,406,719,083.14	1,540,604,775.06
Less: operating cost	1,181,399,527.97	1,302,612,196.20
Operating tax and extras	4,377,611.36	13,196,611.59
Sales expenses	106,141,503.38	142,924,357.58
Administration expenses	60,590,292.49	51,061,524.99
Financial expenses	-21,328,540.42	-20,343,480.82
Losses of devaluation of asset	-1,220,777.79	2,760,055.38
Add: Changing income of fair value(Loss is listed with "-")	519,200.00	
Investment income (Loss is listed with "-")	1,754,750.88	3,168,694.55
Including: Investment income on affiliated company and joint venture	79,689.49	142,594.45
II. Operating profit (Loss is listed with "-")	79,033,417.03	51,562,204.69
Add: Non-operating income	3,380,437.80	11,884,547.11
Less: Non-operating expense	1,061,305.28	191,990.87
Including: Disposal loss of non-current asset	1,038,305.28	191,990.87
III. Total Profit (Loss is listed with "-")	81,352,549.55	63,254,760.93
Less: Income tax expense	11,765,491.50	9,366,683.42
IV. Net profit (Net loss is listed with "-")	69,587,058.05	53,888,077.51
V. Earnings per share	--	--
i. Basic earnings per share	0.0911	0.0706
ii. Diluted earnings per share	0.0911	0.0706
VI. Other consolidated income	88,864.95	
Inc: Other comprehensive items un-able to re-classify as gains/losses in later accounting period	88,864.95	

Other comprehensive items able to re-classify as gains/losses in later accounting period while regulated conditions are satisfy		
VII. Total comprehensive income	69,675,923.00	53,888,077.51

Legal representative: Liu Tabin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

5. Consolidated profit statement (year-begin to end of this period)

Prepared by Hefei Meiling Co., Ltd

In RMB

Item	Amount in this period	Amount in last period
I. Total operating income	8,785,638,209.63	8,510,634,016.09
Including: Operating income	8,785,638,209.63	8,510,634,016.09
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	8,524,489,865.94	8,288,241,624.77
Including: Operating cost	6,658,248,346.20	6,447,874,893.83
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	66,615,799.33	88,458,009.30
Sales expenses	1,545,371,615.68	1,526,147,921.07
Administration expenses	306,490,897.12	273,112,363.51
Financial expenses	-66,743,441.16	-61,596,202.21
Losses of devaluation of asset	14,506,648.77	14,244,639.27
Add: Changing income of fair value(Loss is listed with "-")	519,200.00	
Investment income (Loss is listed with "-")	-3,182,602.11	655,790.37
Including: Investment income on affiliated company and joint venture	-1,465,123.55	-732,404.61

Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	258,484,941.58	223,048,181.69
Add: Non-operating income	26,715,233.53	28,267,868.84
Less: Non-operating expense	3,877,664.58	5,353,454.24
Including: Disposal loss of non-current asset	1,596,131.19	5,127,519.33
IV. Total Profit (Loss is listed with “-”)	281,322,510.53	245,962,596.29
Less: Income tax expense	53,237,882.50	57,410,906.13
V. Net profit (Net loss is listed with “-”)	228,084,628.03	188,551,690.16
Including: net profit realized before consolidation by merged party		
Net profit attributable to owner’s of parent company	239,217,808.78	205,133,196.62
Minority shareholders’ gains and losses	-11,133,180.75	-16,581,506.46
VI. Earnings per share	--	--
i. Basic earnings per share	0.3132	0.2686
ii. Diluted earnings per share	0.3132	0.2686
VII. Other consolidated income	-1,430,836.70	-1,135,962.85
Inc: Other comprehensive items un-able to re-classify as gains/losses in later accounting period	88,864.95	
Other comprehensive items able to re-classify as gains/losses in later accounting period while regulated conditions are satisfy	-1,519,701.65	-1,135,962.85
VIII. Total comprehensive income	226,653,791.33	187,415,727.31
Total consolidated income attributable to owners of parent company	237,786,972.08	204,451,618.91
Total consolidated income attributable to minority shareholders	-11,133,180.75	-17,035,891.60

Legal representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

6. Profit Statement of parent company (year-begin to end of this period)

Prepared by Hefei Meiling Co., Ltd

In RMB

Items	Amount in this period	Amount in last period
I. Operating income	4,998,288,343.35	5,370,326,674.20

Less: operating cost	4,216,852,282.82	4,524,038,709.31
Operating tax and extras	23,716,964.02	49,418,069.92
Sales expenses	462,903,848.24	550,473,642.29
Administration expenses	153,809,199.59	129,986,596.14
Financial expenses	-55,158,901.15	-51,631,229.81
Losses of devaluation of asset	40,908,797.89	5,315,086.63
Add: Changing income of fair value(Loss is listed with "-")	519,200.00	
Investment income (Loss is listed with "-")	1,659,630.18	4,453,856.39
Including: Investment income on affiliated company and joint venture	-15,431.21	353,998.99
II. Operating profit (Loss is listed with "-")	157,434,982.12	167,179,656.11
Add: Non-operating income	20,283,748.28	17,661,051.57
Less: Non-operating expense	3,644,710.84	2,919,889.33
Including: Disposal loss of non-current asset	1,466,703.00	2,919,889.33
III. Total Profit (Loss is listed with "-")	174,074,019.56	181,920,818.35
Less: Income tax expense	38,730,933.23	29,500,870.49
IV. Net profit (Net loss is listed with "-")	135,343,086.33	152,419,947.86
V. Earnings per share	--	--
i. Basic earnings per share	0.1772	0.1996
ii. Diluted earnings per share	0.1772	0.1996
VI. Other consolidated income	88,864.95	
Inc: Other comprehensive items un-able to re-classify as gains/losses in later accounting period	88,864.95	
Other comprehensive items able to re-classify as gains/losses in later accounting period while regulated conditions are satisfy		
VII. Total comprehensive income	135,431,951.28	152,419,947.86

Legal representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

7. Consolidated Cash Flow Statement (year-begin to end of this period)

Prepared by Hefei Meiling Co., Ltd

In RMB

Item	Amount in this period	Amount in last period
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I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	5,661,182,032.06	5,299,131,034.59
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of disposal of transaction financial asset		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	75,985,996.85	73,488,620.82
Other cash received concerning operating activities	27,382,231.39	86,775,073.57
Subtotal of cash inflow arising from operating activities	5,764,550,260.30	5,459,394,728.98
Cash paid for purchasing commodities and receiving labor service	4,410,540,747.94	3,933,972,150.59
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	626,401,987.79	545,480,178.09
Taxes paid	322,955,088.33	461,939,182.35
Other cash paid concerning operating activities	598,862,694.58	631,130,042.54
Subtotal of cash outflow arising from operating activities	5,958,760,518.64	5,572,521,553.57
Net cash flows arising from operating activities	-194,210,258.34	-113,126,824.59
II. Cash flows arising from investing activities:		
Cash received from recovering investment	676,076.88	720,000.00
Cash received from investment income	2,150,605.76	1,729,002.25
Net cash received from disposal of fixed, intangible and other long-term assets	41,316,035.71	18,269,532.35
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	75,688,576.33	43,682,448.19

Subtotal of cash inflow from investing activities	119,831,294.68	64,400,982.79
Cash paid for purchasing fixed, intangible and other long-term assets	66,984,816.97	61,005,364.72
Cash paid for investment	1,217,812.00	2,011,142.68
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	68,202,628.97	63,016,507.40
Net cash flows arising from investing activities	51,628,665.71	1,384,475.39
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	1,322,865,410.42	526,937,824.68
Cash received from issuing bonds		
Other cash received concerning financing activities	88,864.95	
Subtotal of cash inflow from financing activities	1,322,954,275.37	526,937,824.68
Cash paid for settling debts	1,146,752,483.72	118,788,409.39
Cash paid for dividend and profit distributing or interest paying	60,590,588.42	41,946,233.84
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	3,068,420.75	77,487.63
Subtotal of cash outflow from financing activities	1,210,411,492.89	160,812,130.86
Net cash flows arising from financing activities	112,542,782.48	366,125,693.82
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	6,852,120.57	13,377,740.60
V. Net increase of cash and cash equivalents	-23,186,689.58	267,761,085.22
Add: Balance of cash and cash equivalents at the period -begin	2,238,884,137.50	1,701,307,578.13
VI. Balance of cash and cash equivalents at the period -end	2,215,697,447.92	1,969,068,663.35

Legal representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

8. Cash Flow Statement of parent company (year-begin to end of this period)

Prepared by Hefei Meiling Co., Ltd

In RMB

Item	Amount in this period	Amount in last period
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I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,289,895,343.34	3,536,958,646.65
Write-back of tax received	34,967,339.65	27,035,146.34
Other cash received concerning operating activities	3,590,403.68	75,353,695.42
Subtotal of cash inflow arising from operating activities	3,328,453,086.67	3,639,347,488.41
Cash paid for purchasing commodities and receiving labor service	3,106,443,257.32	2,984,643,571.24
Cash paid to/for staff and workers	218,123,897.75	238,396,461.18
Taxes paid	113,834,004.67	178,135,868.02
Other cash paid concerning operating activities	252,580,757.65	161,208,698.58
Subtotal of cash outflow arising from operating activities	3,690,981,917.39	3,562,384,599.02
Net cash flows arising from operating activities	-362,528,830.72	76,962,889.39
II. Cash flows arising from investing activities:		
Cash received from recovering investment		45,000,000.00
Cash received from investment income	2,000,605.76	4,616,453.40
Net cash received from disposal of fixed, intangible and other long-term assets	961,417.31	18,171,710.60
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	69,008,126.56	36,877,696.25
Subtotal of cash inflow from investing activities	71,970,149.63	104,665,860.25
Cash paid for purchasing fixed, intangible and other long-term assets	44,602,433.46	44,250,114.04
Cash paid for investment	40,950,000.00	
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	85,552,433.46	44,250,114.04
Net cash flows arising from investing activities	-13,582,283.83	60,415,746.21
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	1,131,724,576.65	452,929,528.78
Cash received from issuing bonds		
Other cash received concerning financing activities	45,690,154.62	63,251,961.78
Subtotal of cash inflow from financing activities	1,177,414,731.27	516,181,490.56
Cash paid for settling debts	999,105,583.72	34,205,440.00
Cash paid for dividend and profit distributing or interest paying	58,149,356.51	41,550,181.93

Other cash paid concerning financing activities	4,453,408.40	1,609,572.38
Subtotal of cash outflow from financing activities	1,061,708,348.63	77,365,194.31
Net cash flows arising from financing activities	115,706,382.64	438,816,296.25
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	5,345,392.94	10,047,569.17
V. Net increase of cash and cash equivalents	-255,059,338.97	586,242,501.02
Add: Balance of cash and cash equivalents at the period -begin	1,996,577,625.49	1,235,992,818.90
VI. Balance of cash and cash equivalents at the period -end	1,741,518,286.52	1,822,235,319.92

Legal representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institution: Tang Bin

II. Audit Report

Whether the third quarter report was audited or not

Yes No

Hefei Meiling Co., Ltd.

Chairman: Liu Tibin

18 October 2014