



Hefei Meiling Co., Ltd.

The First Quarterly Report of 2017

April 2017

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 should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.

Mr. Liu Tibin, person in charge of the Company, Mr. Zhang Xiaolong, person in charger of accounting works and Mr. Luo Bo, person in charger of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

Prompt of non-standard audit opinion

Applicable Not applicable

The First Quarterly Report of 2017 has not been audited.

All Directors are attended the Board Meeting for Quarterly Report deliberation.

Section II. Basic situation of the Company

I. Main accounting data and financial indexes

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

Yes No

	This Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	3,666,603,957.50	2,926,400,488.89	25.29%
Net profit attributable to shareholders of the listed company(RMB)	61,303,717.56	53,709,680.24	14.14%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	41,625,189.75	41,338,292.32	0.69%
Net cash flow arising from operating activities(RMB)	551,271,013.44	139,597,747.12	294.90%
Basic earnings per share (RMB/Share)	0.0587	0.0703	-16.55%
Diluted earnings per share (RMB/Share)	0.0587	0.0703	-16.55%
Weighted average ROE	1.20%	1.53%	0.33 percentage points down
	End of this period	End of last period	Changes of this period-end over same period-end of last year
Total assets (RMB)	14,635,416,631.04	12,507,567,310.84	17.01%
Net assets attributable to shareholder of listed company (RMB)	5,156,130,270.26	5,095,160,291.91	1.20%

Note: the number of EPS calculated for last period was based on the total stock of 763,739,205 shares. Private placement of the Company was completed in October 2016, totally 280,858,676 ordinary RMB shares (A share) issued, total share capital of the Company up to 1,044,597,881 shares. Therefore, the number of EPS for this period was based on the total stock of 1,044,597,881 shares.

Items of non-recurring gains and losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to period-end	Note

Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-10,585,821.73	Found in "Non-operating income and expenditure", "Investment income"
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)	15,544,848.47	Found in "Non-operating income"
Held transaction financial asset, gains/losses of changes of fair values from transaction financial liabilities, and investment gains from disposal of transaction financial asset, transaction financial liabilities and financial asset available for sales, exclude the effective hedging business relevant with normal operations of the Company	1,507,583.23	Found in "Changing income of fair value"
Other non-operating income and expenditure except for the aforementioned items	700,118.93	Found in "Non-operating income and expenditure"
Gain/losses items qualified definition of the non-recurring gains/losses	13,895,258.54	Found in "Investment income"
Less : impact on income tax	1,302,388.92	--
Impact on minority shareholders' equity (post-tax)	81,070.71	--
Total	19,678,527.81	--

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

Item	Involved amount (RMB)	Reason
Non-operating income	364,301.04	During the reporting period, the wholly owned subsidiary - Mianyang Meiling Software Technology Co., Ltd. has received VAT refunds of software products according to "Notice about VAT policy of software products by Ministry of Finance & State Administration of Taxation" CS No. [2011] 100 document, and adequately disclosed the company's business situation, in accordance with relevant provisions in the third article of the second item of CSRC "No. 1 explanatory announcement about information disclosure of the company publicly issues securities - non-recurring profit and loss (2008)", the public subsidies which are closely related to the company's business, conform to the national policies and regulations and continue to be enjoyed according to a certain standard rating or quantity should be included in the company's recurring gains and losses.

II. Total number of shareholders at the end of this report period and top ten shareholders

1. Total number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In shares

Total number of common shareholders at the end of report period	61,973	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	N/A			
Top ten shareholders						
Shareholder's name	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	22.47%	234,705,968	69,877,638	--	--
Hefei Industrial Investment Holding (Group) Co., Ltd.	State-owned legal person	4.58%	47,823,401	0	--	--
Changhong (Hong Kong) Trade Co., Ltd.	Foreign legal person	2.41%	25,165,823	0	--	--
Ping An Annuity Insurance Company of China, Ltd. – Ping An Pension Ruifu private placement No.1 Assets Management Products	Domestic non-State-owned legal person	2.26%	23,613,595	23,613,595	--	--
Golden Eagle- SPD-U Trust-U Trust JinYue No.4 Collected Asset Trust Plan	Domestic non-State-owned legal person	2.26%	23,613,595	23,613,595	--	--
CAO SHENGCHUN	Foreign nature person	1.30%	13,542,207	0	--	--
Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd.	Domestic non-State-owned legal person	1.20%	12,522,361	12,522,361	--	--
Ping An Bank – Ping An UOB Dingtai Flexible Mix Stock Investment Fund	Domestic non-State-owned legal person	1.20%	12,522,361	12,522,361	--	--
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-State-owned legal person	1.03%	10,733,452	10,733,452	--	--
National Social Security Funds-504	Domestic non-State-owned legal person	0.94%	9,838,998	9,838,998	--	--
Harvest Fund- Ping An Bank- Huaxia Asset Management Co., Ltd.	Domestic non-State-owned	0.94%	9,838,998	9,838,998	--	--

	legal person				
Top ten shareholders with unrestricted shares held					
Shareholder's name	Amount of unrestricted shares held	Type of shares		Amount	
		Type			
Sichuan Changhong Electric Co., Ltd.	164,828,330	RMB shares	ordinary	164,828,330	
Hefei Industrial Investment Holding (Group) Co., Ltd.	47,823,401	RMB shares	ordinary	47,823,401	
Changhong (Hong Kong) Trade Co., Ltd.	25,165,823	Domestically listed foreign shares		25,165,823	
CAO SHENGCHUN	13,542,207	Domestically listed foreign shares		13,542,207	
Bank of Communications Co., Ltd. – Guotai Golden Eagle Growth Flexible Mix Stock Fund	7,998,817	RMB shares	ordinary	7,998,817	
China Construction Bank – Guotai Value Classic Mix Stock Fund (LOF)	5,998,360	RMB shares	ordinary	5,998,360	
Guotai Fund – ICBC – Guotai Xinyi No.1 Asset Management Plan	5,214,500	RMB shares	ordinary	5,214,500	
NORGES BANK	4,546,432	Domestically listed foreign shares		4,546,432	
China Securities Finance Corporation Limited	4,362,500	RMB shares	ordinary	4,362,500	
Long Qinfang	3,294,937	Domestically listed foreign shares		3,294,937	
Explanation on associated relationship among the aforesaid shareholders	Among the above shareholders, Changhong (Hong Kong) Trade 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) Trade Co., Ltd. and other top 8 shareholders; Ping An –UOB Fund –Ping An Bank- Guohai Securities Co., Ltd. and Ping An Bank Limited - Ping An –UOB Dingtailing Flex Mix Stock Fund is the products managed by Ping An –UOB Fund, the company subscribe stock from private placement of 2016; national Social Security Fund -054 and Harvest Fund – Ping An Bank- China Capital Management Limited is the products managed by Harvest Fund Management Co., Ltd., the company subscribe stock from private placement of 2016. As the Company has not known whether there exists any business relationship among the other shareholders with unrestricted subscription or they belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies.				
Explanation on top ten common shareholders involving margin business (if applicable)	N/A				

Note: In the above table, " the top ten shareholders" is subject to the data on stock transfer books provided by China Securities Depository and Clearing Corporation Limited Shenzhen Branch, during the reporting period, 7 issuing objects including Sichuan Changhong Electric Co., Ltd. , Ping An Dahua Fund Management Co., Ltd., Golden Eagle Fund Management Co., Ltd., Harvest Fund Management Co., Ltd., Ping An Endowment Insurance Co., Ltd., Rongtong Fund Management Co., Ltd., and Caitong Fund Management Co., Ltd. have subscribed the company's non-public offering of shares in 2016, and these shares are all restricted shares. For the number of subscribed shares of the above-mentioned 7 issuing objects and the allocated products of other 6 issuing objects except for Sichuan Changhong, see details on the "Issuing report and listing announcement summary on the non-public offering of shares of Hefei Meiling Co., Ltd." (Announcement No. 2016-057) which the company has disclosed on the designated information disclosure media "Securities Times", "China Securities Journal", "Hong Kong Commercial Daily" and www.cninfo.com.cn on October 13, 2016.

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

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√ Applicable □ Not applicable

(I) Changes and reasons of items in balance sheet

In RMB

Item	Balance at period-end	Balance at year-begin	Changes ratio	Reasons of changes
Accounts paid in advance	192,418,144.94	134,706,488.38	42.84%	The money prepaid for suppliers increased at end of the period
Other receivable	67,095,307.03	39,553,919.44	69.63%	The export tax rebate increased without being collected temporary in the period
Inventories	2,580,866,215.12	1,974,526,734.86	30.71%	Inventory increase with the soaring sales on a y-o-y basis
Non-current asset due within one year	46,984,233.00	12,625,340.00	272.14%	The long-term deposit of subsidiary Zhongshang Changhong Electric Co., Ltd. (Zhongshan Changhong) was re-classified to non-current assets due within one year at period-end
Long-term expenses to be apportioned	1,526,586.33	1,132,075.48	34.85%	Long-term deferred expenses from subsidiary Sichuan Changhong Air-Conditioner Co., Ltd increased in the period
Other non-current asset	-	34,615,630.00	-100.00%	Same reasons as “non-current asset due within one year”
Short-term loans	564,267,373.25	288,343,724.73	95.69%	Short-term loans from parent company increased in the period
Financial liability measured by fair value and with variation reckoned into current gains/losses	308,452.50	559,249.58	-44.85%	Change of the fair value of forward foreign exchange contract
Notes payable	3,618,196,887.91	2,635,051,740.30	37.31%	Payable note without expired temporary increased at period-end
Accounts payable	3,119,782,224.32	2,331,899,310.82	33.79%	Material purchasement increased with the soaring purchase in the period
Wage payable	129,841,677.10	189,592,039.00	-31.52%	The salary and year-end bonus accrual last year was distributed in the period
Interest payable	249,686.32	1,617,352.01	-84.56%	Interest of payable loans are paid by parent company in the period
Long-term loans	4,751,000.00	38,908,788.00	-87.79%	The long-term loans of subsidiary Zhongshan Changhong was re-classified to non-current liability due within one year at period-end
Special accounts payable	980,000.00	1,400,000.00	-30.00%	The government specific money for project, not yet accepted, are paid by Zhongshan Changhong in line with the JDA

(II) Changes and reasons of items in profit statement

In RMB

Item	Amount at the period	Amount at the same period of last year	Changes ratio	Reasons of changes
Financial expenses	-17,885,269.18	-5,371,504.22	-232.97%	Interest income and exchange gains or loss has a y-o-y increased in the period
Add: Changing income of fair value(Loss is listed with “-”)	1,507,583.23	-	100.00%	Gains from fair value changes for forward foreign exchange contract increased while no such amount occurred at same period of last year
Investment income (loss is listed with “-“)	12,860,815.50	358,659.99	3485.80%	Income from financing increased in the period and losses from associated enterprise has declined from a year earlier
Including: income from investment for associated enterprise and joint venture	-1,036,950.02	-4,627,641.38	77.59%	Losses from associated enterprise has declined from a year earlier
Add: non-operation income	16,629,279.66	10,126,101.23	64.22%	The deferred income- relocation subsidy are transfer-in, from subsidiary Mianyang Meiling Refrigeration Co., Ltd. in the period
Including: income from disposal of non-current assets	16,683.33	137,329.94	-87.85%	Income from fixed assets disposal declined on a y-o-y basis
Less: Non-operating expense	10,608,339.93	590,032.72	1697.92%	Loss of disposal on relocation assets from subsidiary Mianyang Refrigeration
Including: Disposal loss of non-current asset	10,605,012.04	324,113.57	3172.00%	Same reason as “Non-operation expense”
Less: income tax expenses	10,357,138.93	6,528,778.06	58.64%	Taxable income increased from a year earlier
Minority interest	1,011,054.00	-1,050,229.32	196.27%	Earnings from some of the non-wholly-owned subsidiaries increased in the period

(III) Changes and reasons of items in cash flow statement

In RMB

Item	Amount at the period	Amount at the same period of last year	Changes ratio	Reasons of changes
Cash received from selling commodities and providing labor services	3,620,133,971.51	2,763,169,371.62	31.01%	Money with sales concerned increased in the period
Cash received related with other operating activities	184,970,402.42	135,505,177.34	36.50%	The restricted monetary fund increased from a year earlier
Cash received related with other investment activities	24,352,099.28	11,813,596.67	106.14%	Interest income from parent company increased from a year earlier
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	66,731,962.61	36,348,248.79	83.59%	Purchasing fixed assets increased from a year earlier

Cash paid for investment	850,000,000.00	95,983,860.00	785.57%	The principal paid for entrust financing increased in the period
Cash received from absorbing investment	-	16,661,794.74	-100.00%	Subsidiary absolve investment from minority at same period of last year while no such money in the period
Cash received related with other financing activities	-	3,451.80	-100.00%	Parent company received fractional dividend at same period of last year while no such money in the period
Cash paid for debt settlement	261,250,000.00	48,119,369.00	442.92%	Short-term loans paid by parent company increased from a year earlier
Cash paid for dividend/profit distribution or interest expenses	2,890,153.13	2,013,571.61	43.53%	Loan interest paid in the period increased from a year earlier
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	9,570,512.21	-5,770,988.16	265.84%	Variation of the rate in foreign money currency

II. Analysis and explanation of significant events and their influence and solutions

Applicable Not applicable

(I) Particular about process of the fund raised and investment of fund raised in the report period

The Company implemented a private placement of A-share in year of 2016, totally 1,569,999,998.84 Yuan raised, net money raised amounting to 1,540,732,722.76 Yuan after deducted vary issuance costs (tax included) 29,267,276.08 Yuan.

To improved the efficiency of use of raised funds, and in spirit of maximized the interest for shareholders, reducing financial costs, and on the premise of normal utilization of the raised-funds for raised-fund investments, the idle raised-fund (900 million Yuan at most and can be scroll to use) was allowed to invested in guaranteed financial products (the products are highly security and better in liquidity) with investment term of one year (since the date obtained approval from shareholders general meeting), that is from 13 December 2016 to 13 December 2017. The above mentioned event has been deliberated and approved by 27th session of 8th BOD of 2016, the 14th session of 8th Supervisory Committee and Second Extraordinary Shareholders General Meeting 2016, agreed by independent directors and also has an agreement from the sponsor institution after review. Till recently, raised fund are use in a standard way under relevant decision and regulations.

Ended as 31 March 2017, actual raised fund was accumulated amounting to 344,513,672.66 Yuan for used, total balance of fund raised amounting to 1,205,829,867.32 Yuan (including interest 9,610,817.22 Yuan, and the 900 million Yuan financial products, purchased with the idle raised-fund).

Accumulated 344,513,672.66 Yuan raised-fund are used for the follow as: accumulated 27,659,226.96 Yuan used for intelligent manufacturing construction; accumulated 27,973,781.93 Yuan used for intelligent R&D capacity building and new product development for the intelligence appliance; 18,000,600.00 Yuan used for Smart Life projects and accumulated 270,880,063.77 Yuan used for supplemented the current capital (including interest 147,341.01 Yuan).

Ended as 31 March 2017, among the project of intelligent manufacturing construction: the phase I

construction for “intelligent manufacturing (Hefei)” has been completed in the main content, and proactively promotes the Phase II construction. The “intelligent production line construction project of increasing 600000 green energy-saving freezers with medium volume size annually” (freezer intelligent construction project for short), is in the process of plant planning and will complete at end of June 2018, for the construction site is the place where Zhongke Meiling Cryogenic Technology Co., Ltd. locates, new factory for Zhongke Cryogenic Technology are in construction. Intelligent R&D capacity building and new product development for the intelligence appliance is on promotion process step by step; Smart Life projects have the implementing subject of Changmei Technology Co., Ltd. (Changmei Technology for short), in reporting period, Changmei Technology proactively exploit markets and promoted normal business.

(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 (No.: 2012-028, No.:2012-035).

1. Implementation about 2012, 2013 and 2014 performance incentive fund provision and distribution plan

Please see the details in "The implementation of the company's annual incentive funds "of "XV-Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives " at "Section Five-Important matters" in "2015 Annual Report" of the company disclosed on Mar. 25, 2016.

Up to the end of this reporting period, the company's stock purchased by some 2012 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2012 annual performance incentive funds and own funds has been fully desterilized, the company's stock purchased by some 2013 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2013 annual performance incentive funds and own funds has been desterilized by 50% for term of holding for two years, see below for the overall reducing holding-shares of some above-mentioned incentive objects; if the stock holding period of the company's stock purchased by 2014 annual performance incentive objects with their granted 2014 annual performance incentive funds and own funds is less than two years, the purchased stock of all incentive objects should be locked according to the commitments. Among the incentive objects, the current directors, supervisors and senior management have not reduced the Company's shares purchased by implementing 2012, 2013, and 2014 annual performance incentive plans.

2. Implementation about 2016 performance incentive fund provision and distribution plan

According to the approved “Incentive Plan”, the 2016 operation performance and actual business condition (audited) have came to the granted condition of annual performance incentive fund. The “proposal of accrual 2016

annual performance incentive fund of the Company” was deliberated and approved by 29th session of 8th BOD and 15th session of 8th supervisory committee held on 28 March 2017, and independent directors express independent opinions, interested directors are avoid the voting. The Company agreed to withdraw 24,182,150.92 Yuan as incentive fund (10% of the audited net profit for year of 2016), the event still needs deliberation and approval from the AGM of 2016. the distribution plan for 2016 performance incentive fund will implemented after deliberation procedures done by BOD and Shareholders General meeting.

Found more in Notices (No. 2017-010, No.2017-011 and No.2017-015) released on appointed media Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) dated 30 March 2017.

3. Shareholding and reducing of performance incentive objects of the Company

Up to March 31, 2017, the total number of the company’s stock held by incentive objects is 10,161,379 shares, accounting for 0.973% of the company’s total share capital, of which A stock is 8,828,247 shares, accounting for about 0.845% of the company’s total share capital, B stock is 1,333,132 shares, accounting for about 0.128% of the company’s total share capital. Up to March 31, 2017, some 2012 & 2013 annual performance incentive objects (non directors, supervisors or senior management) have cumulatively reduced holding of 3,244,577 shares from September 2014 to the end of this reporting period, accounting for 0.31% of the company’s total share capital, and no shares reduced in the Period

(III) Transaction with Sichuan Changhong Group Finance Co., Ltd

Being deliberated and approved by 18th session of 8th BOD and First Extraordinary Shareholders General Meeting held respectively on 18 March 2016 and 6 April 2016, the Company agreed to sign an Agreement on Financial Services with Sichuan Changhong Group Finance Co., Ltd. (Changhong Finance for short) for continues financial services with term of three years. In line with the Agreement, Changhong Finance Company will provide serial financial services as savings and loans, in business scope, according to the requirement of the Company and its subordinate subsidiaries. Related transactions from beginning of the year to end of the Period are as:

Subject to approval from the board of directors and general meeting of the Company, it is agreed for the Company to enter into Financial Service Agreement with Sichuan Changhong Group Finance Co., Ltd. (“Changhong Finance Company”) for a term of three years. Pursuant to the agreement, Changhong Finance Company will provide a series of financial services including savings and loans within its operating scope according to requirements of the Company and its subsidiaries. From the beginning of this year to the end of reporting period, the connected transactions occurred between the Company and Changhong Finance Company are set out below:

In RMB

Item	Opening balance	Increased during the Year	Decreased during the Year	Ending balance	Interest, handling charge paid or received

Item	Opening balance	Increased during the Year	Decreased during the Year	Ending balance	Interest, handling charge paid or received
I. Savings in Changhong Group Finance Company	1,908,842,163.20	5,986,846,966.68	5,990,227,712.11	1,905,461,417.77	8,822,574.43
II. Borrowings from Changhong Group Finance Company					
1.Short-term loans					
2.Long-term loans					
III. Other financial business					
1.notes drawing	544,374,441.19	556,671,928.74	447,053,929.82	653,992,440.11	143,335.97
2.notes discounted	565,252,574.29	785,255,397.88	242,460,789.18	1,108,047,182.99	6,661,980.44

(IV) Other significant events

Overview	Date for disclosure	Information index for temporary report disclosure
Controlling shareholder-Sichuan Changhong Electric Co., Ltd. (Sichuan Changhong for short) plans to take some A-stock of the Company and their fruits (including capital surplus, allotment, bonus and dividend etc.) as the target of exchangeable bonds for the private placement	2017-2-28	Juchao Website: http://www.cninfo.com.cn (No.: 2017-004)
Former staff supervisor Mr. Shang Wen resigned the job as staff supervisor for 8 th supervisory committee of the Company for individual reason. For normal operation of the supervisory, the Company holding a worker's congress on 28 Feb. 2017, and Mr. Deng Li approved to supplement as staff supervisor of 8 th supervisory committee of the Company by democratic election, office term is same as the term of 8 th supervisory committee.	2017-3-2	Juchao Website: http://www.cninfo.com.cn (No.: 2017-005)
Approved by the Board Meeting, subordinate subsidiary Jiangxi Meiling Electric Co., Ltd. (Jiangxi Meiling for short) was agreed to contributed 209.6 million Yuan for construction of intelligent production line for the one million environment protection energy-saving refrigerators. Meanwhile, the Company will increase 200 million Yuan for the construction to Jiangxi Meiling for purpose of ensuring the smooth implementation of the construction.	2017-3-14	Juchao Website: http://www.cninfo.com.cn (No.: 2017-006)
Approved by the Board Meeting, subordinate subsidiary Zhongshan Changhong Electric Co., Ltd. (Zhongshan Changhong for short) was agreed to established a Zhongshan Hongyou HVAC Equipment Co., Ltd. (Tentative name, name verify by Industrial & Commerce Bureau should prevail) together with Zhuhai Sanyou Environment Technology Co., Ltd. (Sanyou Environment	2017-3-14	Juchao Website: http://www.cninfo.com.cn (No.: 2017-006)

for short), the enterprise with superior resources in industry of research and development, technology, channel and foreign clients. Register capital was 40 Million Yuan, including 24 million Yuan contributed by Zhongshan Changhong, the self-owned fund, and 16 million Yuan invested by Sanyou Environment.		
On 21 March 2017, the Company entered into a Strategy Co-operation Frame Agreement with Italy Candy Hoover Group S.r.l. and Candy S.p.A.. In principle of strategic mutual win and playing a synergistic effect in full role in respect of products and resources, the two parties plans, by friendly negotiation, to establish strategic partnership in field of refrigerator(ice box) and washing machine, for expanding the market jointly and promotion the brand for maximizing business value and social value together.	2017-3-21	Juchao Website: http://www.cninfo.com.cn (No.: 2017-007)
Approved by the Board Meeting, the Company and its subsidiaries were agreed to carry out forward foreign exchange fund transaction from 1 July 2017 to 30 June 2018, with transaction balance of \$550 million at most. The single service delivery period will not over one year. The event should deliberate and approved by AGM of 2016.	2017-3-30	Juchao Website: http://www.cninfo.com.cn (No.: 2017-010; 2017-017)
Approved by the Board Meeting, the Company was agreed to invested 371.21 million Yuan at most for the production base construction for producing 2 million fully-automatic washing machine	2017-3-30	Juchao Website: http://www.cninfo.com.cn (No.: 2017-010)
Approved by the Board Meeting, the Company was agreed to participate in the judicial sale of plant office building and lands, under the name of Anhui Dongwei, with owned fund in bid price range. On 30 March 2017, the Company involved in the bidding in accordance with relevant provisions and procedures, and finally successful bidding the plant office building under the name of Anhui Dongwei, with covered area amounting to 86,087.65 M ² and land use right for the 116,233.61 M ² . On 12 April 2017, the Company accepted a Letter of Affirmation of Auction issued from Shushan People's Court of Hefei, Anhui Province. Relevant procedures for assets transfer is in process in line with relevant regulations recently.	2017-3-30, 2017-4-14	Juchao Website: http://www.cninfo.com.cn (No.: 2017-010; 2017-024)
Approved by the Board Meeting, subsidiary Hefei Meiling Non-Ferrous Metal Products Co., Ltd. (Meiling Non-Ferrous Metal for short) was agreed to cooperate with Hefei Vanke Real Estate Co., Ltd., in respect of the land held by Meiling Non-Ferrous Metal locates on Liaoyuan Road East, Feidong County, Hefei City. And two parties are signed the Cooperative Contract of Lands of Feidong Meiling Non-Ferrous Metal	2017-3-30	Juchao Website: http://www.cninfo.com.cn (No.: 2017-010; 2017-018)
Approved by the Board Meeting, the Company was agreed to establish Meiling Kadi Washing Machine Co., Ltd. jointly invested with Candy Hoover Group S.r.l. (Candy Group for short). Registered capital was 150 million Yuan, including 90 million Yuan cash contributed by the Company, and 60 million Yuan or equivalent US dollar invested by Candy Group in cash.	2017-3-30	Juchao Website: http://www.cninfo.com.cn (No.: 2017-010)
The resolution of the 19 th meeting of the Board of Directors of the company	2017-3-30	Juchao Website:

passed and agreed the company to apply for a special credit line of bank notes pool with a maximum of 300 million Yuan to China Merchants Bank Co., Ltd. Hefei Branch, and the credit term was one year, the credit variety was mainly used in bank notes pool special business, and adopted bill pledge.		http://www.cninfo.com.cn (No.: 2017-010; 2017-019)
In reporting period, the Company purchased bank products and trust financial products with owned capital of 477 million Yuan, purchased guaranteed financial products with idle raised-fund of 400 million Yuan (ended as the Period, accumulated 900 million Yuan guaranteed financial products are purchased by the Company with idle raised fund)	2017-1-24, 2017-2-16, 2017-3-23, 2017-3-25, 2017-4-1, 2017-4-8	Juchao Website: http://www.cninfo.com.cn (No.: 2017-002; 2017-003; 2017-008; 2017-009; 2017-020; 2017-021)

III. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

Applicable Not applicable

The Company has no commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

IV. Forecast of operation performance from Jan. – June of 2017

Estimation on 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 on reason

Applicable Not applicable

V. Securities Investment

Applicable Not applicable

No security investment in Period.

VI. Derivative 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 purchased in the reporting period	Amount sales in the reporting period	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 institution	N/A	No	Forward foreign exchange contract	63,230.44	2016-6-8	2018-1-24	37,890.69	56,274.11	30,764.62	N/A	63,230.44	12.09%	169.74
Total				63,230.44	--	--	37,890.69	56,274.11	30,764.62	N/A	63,230.44	12.09%	169.74
Capital resource(if applicable)				Self-owned capital									
Lawsuit involved (if applicable)				Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)				2016-3-19									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				2016-4-7									
Risk analysis and controlling measures for derivatives holdings in the Period (including but not limited to market risk, liquidity risk, credit risks, operation risk and law risks etc.)				<p>Risk analysis:</p> <p>1. Market risk: domestic and international economic situation changes may lead to exchange rate fluctuations, forward foreign exchange transactions are under certain market risk. Forward foreign exchange business is aiming to reducing impact on corporate profits by foreign exchange settlement and sale prices, exchange rate fluctuations. The Company will follow up the exchange fluctuation, on the basis of target rate determined from the business, relying on the research of the foreign currency exchange rates, combined with prediction of consignments, and burdening ability to price variations due to exchange rate fluctuations, then determine the plan of forward foreign exchange contracts, and make dynamic management to the business, to ensure reasonable profit level.</p> <p>2. Liquidity risk: all foreign exchange transactions are based on a reasonable estimate of the future import and export business, to meet the requirements of the trade authenticity. In addition, forward foreign exchange transactions are processed with bank credit, will not affect liquidity of</p>									

	<p>company funds.</p> <p>3. Bank default risk: if cooperative banks collapse within the contract time, the Company will not be able to transact the original foreign exchange contracts with contract price, which leads the risk of income uncertainty. So the Company chose Bank of China, Agricultural Bank of China, Industrial and Commercial Bank of China, China Construction Bank and other Chinese Banks and part of the larger foreign Banks (such as Deutsche Bank, UOB, Overseas Chinese Bank, HSBC, etc.) to conduct the trading of foreign exchange capital. These banks share a solid strength and management whose failure and the risk of loss may bring to the Company is very low.</p> <p>4. Operational risk: improper operation of the person in charge of forward foreign exchange transactions may cause related risk also. The Company has formulated related management system which defines the operation process and responsibility to prevent and control risks.</p> <p>5. The legal risks: unclear terms based in contract signed with banks for related transactions may lead legal risks when forward foreign exchange transactions are processing. The Company will strengthen legal review, and choose good bank to carry out this kind of business as to risk control. 。</p>
Invested derivative products have changes in market price or fair value in the Period, as for analysis of the fair value of derivatives, disclosed specific applied methods and correlation assumption and parameter setting	The Company determines fair value in accordance with the Chapter VII “Determination of Fair Value” carried in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments. Fair-value is basically obtained according to prices offered by bank and other pricing services. While fair-value of derivatives is mainly obtained according to the balance between prices given by outstanding contracts and forward prices given by contracts signed during the reporting period with bank. The differences are identified as trading financial assets and liabilities. During the reporting period, forward foreign exchange contracts and losses of the Company is RMB 1,697,400.
Specific principle of the accounting policy and calculation for derivatives in the Period compared with last period in aspect of major changes	Not applicable
Special opinion on derivative investment and risk control by independent directors	Upon inspection, the independent directors of the Company believes that: during the reporting period, the Company carried out its foreign exchange forward deals in strict compliance with the standardized operation guidelines for listed issuer on main board (2015 amended) issued by Shenzhen Stock Exchange, the Articles of Association, Authorization Management of the Company, Management System in relating to Foreign Exchange Forward Deals of Hefei Meiling Co., Ltd., and these deals were conducted within the authorization scope under general meeting and board meeting. The Company conducts no foreign exchange transactions on the purpose of getting profit only, all of the forward foreign exchange transactions are operates based on normal operating and production, which is relying on specific business operations with purpose of avoiding the preventing the risks in exchange rate. The forward foreign exchange transactions of the Company are beneficial to prevent the exchange risks exposed by import and export business and thus met its requirement for operation development. There was no speculative operation, no break of relevant rules and regulations and relevant business was conducted under corresponding decision-making procedures. Interests of the Company and entire shareholders, especially minority shareholders, were not prejudiced.

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

Applicable Not applicable

Time	Way	Type	Basic situation index of investigation
2017-1-12	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2017-1-18	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2017-2-15	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2017-2-24	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521

VIII. Guarantee outside against the regulation

Applicable Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

IX. Non-operational fund occupation from controlling shareholders and its related party

Applicable Not applicable

The Company had no non-operational fund occupation from controlling shareholders or its related party in the reporting period.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Hefei Meiling Co., Ltd.

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	4,387,264,191.76	4,058,869,234.63
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses	13,876,249.03	12,060,213.30
Derivative financial liability		
Notes receivable	1,846,882,354.71	1,421,429,723.73
Accounts receivable	1,366,799,283.25	1,118,960,552.49
Accounts paid in advance	192,418,144.94	134,706,488.38
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable	2,960,006.68	2,645,494.32
Dividend receivable		
Other receivables	67,095,307.03	39,553,919.44
Purchase restituted finance asset		
Inventories	2,580,866,215.12	1,974,526,734.86
Divided into assets held for sale		
Non-current asset due within one year	46,984,233.00	12,625,340.00
Other current assets	1,869,704,048.05	1,454,346,297.42
Total current assets	12,374,850,033.57	10,229,723,998.57
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales	17,000,000.00	17,000,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	93,207,751.18	81,643,631.37
Investment property	13,073,485.86	13,275,631.40
Fixed assets	1,179,381,188.63	1,204,093,169.72
Construction in progress	137,454,259.37	107,037,409.95
Engineering material		
Disposal of fixed asset	75,834,950.69	75,788,138.47
Productive biological asset		
Oil and gas asset		
Intangible assets	602,076,289.14	613,969,271.63
Expense on Research and Development	57,494,500.45	45,023,750.60
Goodwill		
Long-term expenses to be apportioned	1,526,586.33	1,132,075.48
Deferred income tax asset	83,517,585.82	84,264,603.65
Other non-current asset	-	34,615,630.00
Total non-current asset	2,260,566,597.47	2,277,843,312.27
Total assets	14,635,416,631.04	12,507,567,310.84
Current liabilities:		
Short-term loans	564,267,373.25	288,343,724.73
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	308,452.50	559,249.58
Derivative financial liability		
Notes payable	3,618,196,887.91	2,635,051,740.30
Accounts payable	3,119,782,224.32	2,331,899,310.82
Accounts received in advance	436,542,611.75	390,935,440.46
Selling financial asset of repurchase		
Commission charge and commission payable		

Wage payable	129,841,677.10	189,592,039.00
Taxes payable	51,947,328.80	59,849,032.13
Interest payable	249,686.32	1,617,352.01
Dividend payable	2,545,801.23	2,545,801.23
Other accounts payable	681,930,681.87	622,580,323.43
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year	309,908,018.01	272,202,590.10
Other current liabilities		
Total current liabilities	8,915,520,743.06	6,795,176,603.79
Non-current liabilities:		
Long-term loans	4,751,000.00	38,908,788.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	28,061,416.36	29,696,403.85
Special accounts payable	980,000.00	1,400,000.00
Projected liabilities	330,050,549.13	331,575,430.79
Deferred income	126,091,425.29	142,919,562.49
Deferred income tax liabilities	2,081,437.35	1,809,032.00
Other non-current liabilities		
Total non-current liabilities	492,015,828.13	546,309,217.13
Total liabilities	9,407,536,571.19	7,341,485,820.92
Owner's equity:		
Share capital	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	2,687,961,060.65	2,687,961,060.65

Less: Inventory shares		
Other comprehensive income	3,140,807.74	3,474,546.95
Reasonable reserve		
Surplus public reserve	391,029,420.33	391,029,420.33
Provision of general risk		
Retained profit	1,029,401,100.54	968,097,382.98
Total owner's equity attributable to parent company	5,156,130,270.26	5,095,160,291.91
Minority interests	71,749,789.59	70,921,198.01
Total owner's equity	5,227,880,059.85	5,166,081,489.92
Total liabilities and owner's equity	14,635,416,631.04	12,507,567,310.84

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	3,086,421,708.08	3,071,362,771.31
Financial liability measured by fair value and with variation reckoned into current gains/losses	13,876,249.03	12,060,213.30
Derivative financial liability		
Notes receivable	1,280,648,402.63	1,053,598,721.93
Accounts receivable	874,487,724.04	1,006,701,894.37
Account paid in advance	285,675,175.03	106,947,474.25
Interest receivable		
Dividends receivable		
Other receivables	64,216,815.48	26,742,423.95
Inventories	1,235,796,884.57	1,017,090,374.81
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	1,829,573,853.91	1,427,283,451.40
Total current assets	8,670,696,812.77	7,721,787,325.32
Non-current assets:		

Available-for-sale financial assets	17,000,000.00	17,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	994,626,656.75	992,282,289.21
Investment property	11,213,543.14	11,332,015.32
Fixed assets	844,189,349.75	861,163,999.99
Construction in progress	23,062,026.10	19,478,121.20
Project materials		
Disposal of fixed assets	43,528,935.29	43,494,954.71
Productive biological assets		
Oil and natural gas assets		
Intangible assets	426,021,982.94	430,435,091.82
Research and development costs	13,504,119.22	12,797,092.26
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	68,237,610.29	69,138,686.26
Other non-current assets		
Total non-current assets	2,441,384,223.48	2,457,122,250.77
Total assets	11,112,081,036.25	10,178,909,576.09
Current liabilities:		
Short-term borrowings	497,220,823.25	261,843,724.73
Financial liability measured by fair value and with variation reckoned into current gains/losses	308,452.50	-
Derivative financial liability		
Notes payable	2,234,654,075.59	1,734,774,950.13
Accounts payable	1,745,414,096.74	1,521,019,717.86
Accounts received in advance	94,657,012.35	104,205,506.34
Wage payable	40,963,246.24	57,714,577.87
Taxes payable	19,533,040.38	25,677,906.64
Interest payable	249,686.32	1,617,352.01
Dividend payable	2,545,801.23	2,545,801.23
Other accounts payable	610,185,989.34	634,561,307.52
Divided into liability held for sale		

Non-current liabilities due within 1 year	257,734,651.20	257,750,238.18
Other current liabilities		
Total current liabilities	5,503,466,875.14	4,601,711,082.51
Non-current liabilities:		
Long-term loans	4,751,000.00	4,751,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	28,061,416.36	29,696,403.85
Special accounts payable		
Projected liabilities	330,050,549.13	331,575,430.79
Deferred income	62,683,214.36	64,601,290.18
Deferred income tax liabilities	2,081,437.35	1,809,032.00
Other non-current liabilities		
Total non-current liabilities	427,627,617.20	432,433,156.82
Total liabilities	5,931,094,492.34	5,034,144,239.33
Owners' equity:		
Share capita	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	2,753,017,007.10	2,753,017,007.10
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	390,811,254.65	390,811,254.65
Retained profit	992,560,401.16	956,339,194.01
Total owner's equity	5,180,986,543.91	5,144,765,336.76
Total liabilities and owner's equity	11,112,081,036.25	10,178,909,576.09

Legal Representative: Liu Tabin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	3,666,603,957.50	2,926,400,488.89
Including: Operating income	3,666,603,957.50	2,926,400,488.89
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	3,614,321,385.47	2,877,106,988.41
Including: Operating cost	2,934,581,098.67	2,286,732,134.67
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	28,783,478.79	27,786,160.01
Sales expenses	541,328,415.48	451,951,041.92
Administration expenses	112,056,183.22	97,624,683.46
Financial expenses	-17,885,269.18	-5,371,504.22
Losses of devaluation of asset	15,457,478.49	18,384,472.57
Add: Changing income of fair value (Loss is listed with "-")	1,507,583.23	-
Investment income (Loss is listed with "-")	12,860,815.50	358,659.99
Including: Investment income on affiliated company and joint venture	-1,036,950.02	-4,627,641.38
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	66,650,970.76	49,652,160.47

Add: Non-operating income	16,629,279.66	10,126,101.23
Including: Disposal gains of non-current asset	16,683.33	137,329.94
Less: Non-operating expense	10,608,339.93	590,032.72
Including: Disposal loss of non-current asset	10,605,012.04	324,113.57
IV. Total Profit (Loss is listed with “-”)	72,671,910.49	59,188,228.98
Less: Income tax expense	10,357,138.93	6,528,778.06
V. Net profit (Net loss is listed with “-”)	62,314,771.56	52,659,450.92
Net profit attributable to owner’s of parent company	61,303,717.56	53,709,680.24
Minority shareholders’ gains and losses	1,011,054.00	-1,050,229.32
VI. Net after-tax of other comprehensive income	-513,283.80	-401,296.49
Net after-tax of other comprehensive income attributable to owners of parent company	-333,739.21	-282,910.76
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	-333,739.21	-282,910.76
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		

3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements	-333,739.21	-282,910.76
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-179,544.59	-118,385.73
VII. Total comprehensive income	61,801,487.76	52,258,154.43
Total comprehensive income attributable to owners of parent Company	60,969,978.35	53,426,769.48
Total comprehensive income attributable to minority shareholders	831,509.41	-1,168,615.05
VIII. Earnings per share:		
(i) Basic earnings per share	0.0587	0.0703
(ii) Diluted earnings per share	0.0587	0.0703

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

4. Profit Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Operating income	1,934,766,853.38	1,550,458,365.77
Less: Operating cost	1,767,844,331.87	1,305,236,415.06
Operating tax and extras	14,808,515.57	12,227,268.52
Sales expenses	91,268,818.65	163,483,635.62
Administration expenses	54,006,692.81	46,061,487.37
Financial expenses	-15,115,474.14	-7,456,125.90
Losses of devaluation of asset	-1,527,203.79	-140,138.17
Add: Changing income of fair value(Loss is listed with “-”)	1,507,583.23	-

Investment income (Loss is listed with “-”)	15,714,133.06	5,760,147.93
Including: Investment income on affiliated company and joint venture	1,816,367.54	773,846.56
II. Operating profit (Loss is listed with “-”)	40,702,888.70	36,805,971.20
Add: Non-operating income	3,746,138.59	7,031,366.56
Including: Disposal gains of non-current asset	-	92,759.42
Less: Non-operating expense	906,200.26	310,277.05
Including: Disposal loss of non-current asset	902,891.26	244,077.48
III. Total Profit (Loss is listed with “-”)	43,542,827.03	43,527,060.71
Less: Income tax expense	7,321,619.88	6,541,602.43
IV. Net profit (Net loss is listed with “-”)	36,221,207.15	36,985,458.28
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of		

available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	36,221,207.15	36,985,458.28
VII. Earnings per share:		
(i) Basic earnings per share	0.0347	0.0484
(ii) Diluted earnings per share	0.0347	0.0484

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

5. Consolidated Cash Flow Statement

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,620,133,971.51	2,763,169,371.62
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 amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	58,851,023.20	73,998,123.72
Other cash received concerning operating activities	10,074,167.07	10,898,715.23
Subtotal of cash inflow arising from operating activities	3,689,059,161.78	2,848,066,210.57
Cash paid for purchasing commodities and receiving labor service	2,524,208,265.91	2,164,889,172.42
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	332,772,781.98	329,027,920.11
Taxes paid	95,836,698.03	79,046,193.58
Other cash paid concerning operating activities	184,970,402.42	135,505,177.34
Subtotal of cash outflow arising from operating activities	3,137,788,148.34	2,708,468,463.45
Net cash flows arising from operating activities	551,271,013.44	139,597,747.12
II. Cash flows arising from investing activities:		
Cash received from recovering	430,000,000.00	500,000,000.00

investment		
Cash received from investment income	5,688,957.18	4,986,301.37
Net cash received from disposal of fixed, intangible and other long-term assets	679,858.84	216,587.52
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	24,352,099.28	11,813,596.67
Subtotal of cash inflow from investing activities	460,720,915.30	517,016,485.56
Cash paid for purchasing fixed, intangible and other long-term assets	66,731,962.61	36,348,248.79
Cash paid for investment	850,000,000.00	95,983,860.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	916,731,962.61	132,332,108.79
Net cash flows arising from investing activities	-456,011,047.31	384,684,376.77
III. Cash flows arising from financing activities		
Cash received from absorbing investment	-	16,661,794.74
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	436,482,592.50	384,191,670.80
Cash received from issuing bonds		
Other cash received concerning financing activities	-	3,451.80
Subtotal of cash inflow from financing activities	436,482,592.50	400,856,917.34
Cash paid for settling debts	261,250,000.00	48,119,369.00

Cash paid for dividend and profit distributing or interest paying	2,890,153.13	2,013,571.61
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	264,140,153.13	50,132,940.61
Net cash flows arising from financing activities	172,342,439.37	350,723,976.73
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	9,570,512.21	-5,770,988.16
V. Net increase of cash and cash equivalents	277,172,917.71	869,235,112.46
Add: Balance of cash and cash equivalents at the period -begin	3,986,098,419.76	2,121,161,238.01
VI. Balance of cash and cash equivalents at the period -end	4,263,271,337.47	2,990,396,350.47

Legal Representative: Liu Tabin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

6. Cash Flow Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,104,461,575.79	1,459,425,734.39
Write-back of tax received	17,767,311.59	42,807,549.95
Other cash received concerning operating activities	5,428,029.20	5,404,054.78
Subtotal of cash inflow arising from operating activities	2,127,656,916.58	1,507,637,339.12
Cash paid for purchasing commodities and receiving labor	1,752,073,860.12	1,197,030,174.41

service		
Cash paid to/for staff and workers	146,858,607.87	134,305,529.47
Taxes paid	26,420,881.15	21,297,508.43
Other cash paid concerning operating activities	54,920,570.75	60,265,931.74
Subtotal of cash outflow arising from operating activities	1,980,273,919.89	1,412,899,144.05
Net cash flows arising from operating activities	147,382,996.69	94,738,195.07
II. Cash flows arising from investing activities:		
Cash received from recovering investment	430,000,000.00	500,000,000.00
Cash received from investment income	5,688,957.18	4,986,301.37
Net cash received from disposal of fixed, intangible and other long-term assets	566,647.40	205,587.52
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	18,500,025.97	7,772,259.09
Subtotal of cash inflow from investing activities	454,755,630.55	512,964,147.98
Cash paid for purchasing fixed, intangible and other long-term assets	32,845,762.65	24,183,155.13
Cash paid for investment	850,528,000.00	95,650,000.00
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	883,373,762.65	119,833,155.13
Net cash flows arising from investing activities	-428,618,132.10	393,130,992.85
III. Cash flows arising from financing activities		
Cash received from absorbing		

investment		
Cash received from loans	396,526,192.50	380,831,650.44
Cash received from issuing bonds		
Other cash received concerning financing activities	158,844,058.57	9,427,786.43
Subtotal of cash inflow from financing activities	555,370,251.07	390,259,436.87
Cash paid for settling debts	261,250,000.00	35,028,969.00
Cash paid for dividend and profit distributing or interest paying	2,309,091.67	1,601,868.57
Other cash paid concerning financing activities	1,788,556.49	96,569.57
Subtotal of cash outflow from financing activities	265,347,648.16	36,727,407.14
Net cash flows arising from financing activities	290,022,602.91	353,532,029.73
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	8,527,359.66	-5,237,628.13
V. Net increase of cash and cash equivalents	17,314,827.16	836,163,589.52
Add: Balance of cash and cash equivalents at the period -begin	3,067,671,385.08	1,654,499,494.28
VI. Balance of cash and cash equivalents at the period -end	3,084,986,212.24	2,490,663,083.80

II. Audit report

Whether the 1st quarterly report has been audited or not

Yes No

The 1st quarterly report of the Company has not been audited

Hefei Meiling Co., Ltd.

Chairman: Liu Tibin

18 April 2017