



**Hefei Meiling Co., Ltd.**

**The First Quarterly Report of 2018**

**April 2018**

## 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. Li Wei, person in charge of the Company, Mr. Pang Haitao, person in charge of accounting works and Mr. Luo Bo, person in charge 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 2018 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 or not

Yes  No

	This Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	4,245,506,565.60	3,666,603,957.50	15.79%
Net profit attributable to shareholders of the listed company (RMB)	56,261,852.68	61,303,717.56	-8.22%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	23,011,689.73	41,625,189.75	-44.72%
Net cash flow arising from operating activities (RMB)	-771,375,311.87	551,271,013.44	-239.93%
Basic earnings per share (RMB/Share)	0.0539	0.0587	-8.18%
Diluted earnings per share (RMB/Share)	0.0539	0.0587	-8.18%
Weighted average ROE	1.11%	1.20%	0.09 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)	16,634,614,645.28	15,961,511,966.81	4.22%
Net assets attributable to shareholder of listed company (RMB)	5,102,743,060.86	5,051,066,095.31	1.02%

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)	3,634,169.59	Found in "Asset disposal 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)	10,367,452.07	Found in "Other 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	22,553,620.50	Found in "Investment income" and "Changes in fair value gains"

asset available for sales, exclude the effective hedging business relevant with normal operations of the Company		
Other non-operating income and expenditure except for the aforementioned items	1,541,060.07	Found in “Non-operating income and expenditure”
Less : impact on income tax	4,680,769.05	--
Impact on minority shareholders' equity (post-tax)	165,370.23	--
Total	33,250,162.95	--

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

The Company has no 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, in the period.

## 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	61,541	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
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	2.96%	30,895,442	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	0	-	-

CAO SHENGCHUN	Foreign nature person	1.32%	13,829,383	0	-	-
Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd.	Domestic non-State-owned legal person	1.20%	12,522,361	0	-	-
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-State-owned legal person	1.03%	10,733,452	0	-	-
National Social Security Funds-504	Domestic non-State-owned legal person	0.94%	9,838,998	0	-	-
Harvest Fund- Ping An Bank- Huaxia Asset Management Co., Ltd.	Domestic non-State-owned legal person	0.94%	9,838,998	0	-	-
Caitong Fund—Everbright Bank—Soochow Securities Co., Ltd.	Domestic non-State-owned legal person	0.80%	8,370,031	0	-	-
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sichuan Changhong Electric Co., Ltd.	164,828,330	RMB ordinary shares	164,828,330			
Hefei Industrial Investment Holding (Group) Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401			
Changhong (Hong Kong) Trade Co., Ltd.	30,895,442	Domestically listed foreign shares	30,895,442			
Ping An Annuity Insurance Company of China, Ltd. – Ping An Pension Ruifu private placement No.1 Assets Management Products	23,613,595	RMB ordinary shares	23,613,595			
CAO SHENGCHUN	13,829,383	Domestically listed foreign shares	13,829,383			
Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd.	12,522,361	RMB ordinary shares	12,522,361			
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	10,733,452	RMB ordinary shares	10,733,452			
National Social Security Funds-504	9,838,998	RMB ordinary shares	9,838,998			
Harvest Fund- Ping An Bank- Huaxia Asset Management Co., Ltd.	9,838,998	RMB ordinary shares	9,838,998			
Caitong Fund—Everbright Bank—Soochow Securities Co., Ltd.	8,370,031	RMB ordinary shares	8,370,031			
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; and top ten shareholders with unrestricted subscription; Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership) and Caitong Fund – Everbright Bank – Soochow Securities Co., Ltd. refers to the products of Caitong Fund Management Co., Ltd. subscribe for privately placement of 2016; “National Social Security Funds-504” and “Harvest Fund- Ping An Bank- Huaxia Asset Management Co., Ltd.” have subscribed the products managed by Harvest Fund Management Co., Ltd. in the Company’s non-public offering of shares in 2016. The company neither knows whether there is any association among other shareholders, nor knows whether other shareholders belong to the persons acting in concert that is stipulated in the “Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies”.
Explanation on top ten common shareholders involving margin business (if applicable)	N/A

Note 1: At end of the reporting period, the person acting in concert with controlling shareholder Sichuan Changhong-- Changhong (Hong Kong) Trading Company Limited, holds B-stock of the Company as 30,895,442 shares, among which, 3,817,645 shares are held through Philip Securities (H.K.) Co., Ltd.

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	Ending balance	Opening balance	Changes ratio	Reasons of changes
Financial assets measured by fair value and with variation reckoned into current gains/losses	39,197,338.78	15,646,731.48	150.51%	Change of the fair value for FXA (Forward Exchange Agreement) carried out in the period
Interest receivable	942,793.70	4,692,303.18	-79.91%	Subsidiary – Zhongshan Changhong received the interest on fixed deposit that accrual previously in the period
Other receivable	38,730,073.47	64,358,959.73	-39.82%	Export drawback receivables received in the period
Non-current asset due within one year	-	44,497,902.00	-100.00%	The fixed deposit re-classified as non-current assets due within one year are reclaimed by Zhongshan Changhong- subsidiary of the Company in the period
Other current asset	1,337,381,887.78	801,894,930.97	66.78%	The prematurity entrust financing amount increased at period-end from the parent company
Construction in process	234,231,503.26	174,857,717.15	33.96%	More investment for the construction in progress from parent company and its subsidiary Sichuan Air-conditioner in the period
Financial liability measured by fair value and with variation reckoned into current gains/losses	42,876,766.79	16,034,000.00	167.41%	Change of the fair value for FXA (Forward Exchange Agreement) carried out in the period
Interest payable	4,253,236.16	6,441,508.68	-33.97%	The loan interest that accrual previously are paid by the Company in the period
Non-current liabilities due in one year	14,383,060.99	46,454,376.68	-69.04%	The long-term loans re-classified as non-current liability due within one year are returned by the Company in the period

Other comprehensive income	-11,847,209.15	-7,262,322.02	-63.13%	Rate in foreign currency changed from the subsidiary aboard
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**(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	-1,695,567.00	-17,885,269.18	90.52%	Interest expenditure increased on a y-o-y basis and the exchange earnings declined from a year earlier
Changing income of fair value	-3,292,159.49	1,507,583.23	-318.37%	Change of the fair value for FXA (Forward Exchange Agreement) carried out in the period
Investment income	23,858,193.30	12,860,815.50	85.51%	The delivery income for FXA increased from a year earlier in the period
Income from investment for associated enterprise and joint venture	-1,987,586.69	-1,036,950.02	-91.68%	Some of the joint venture and associated enterprises have deficit in the period
Assets disposal income	3,634,169.59	-10,588,328.71	134.32%	The income from non-current assets disposal increased on a y-o-y basis
Other income	10,367,452.07	15,909,149.51	-34.83%	The government grants with daily operation activities concerned are declined on a y-o-y basis
Minority interest	-1,101,397.78	1,011,054.00	-208.94%	Some of the non-wholly-owned subsidiary have deficit in the period with a y-o-y increased

**(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
Write-back of tax received	142,336,736.25	58,851,023.20	141.86%	The export rebate received in the period increased from a year earlier
Taxes paid	65,401,069.62	95,836,698.03	-31.76%	Paying for the VAT declined on a y-o-y basis
Cash received related with other investment activities	348,569,436.98	184,970,402.42	88.45%	The operational limited monetary funds increased on a y-o-y basis
Cash received from investment income	30,148,051.45	5,688,957.18	429.94%	The profit-making from FXA and income from entrust financing are increased on a y-o-y basis
Net cash received from disposal of fixed, intangible and other long-term assets	252,000.00	679,858.84	-62.93%	Fixed assets disposal from parent company declined from a year earlier

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	108,817,240.77	66,731,962.61	63.07%	Purchasing of the fixed assets increased on a y-o-y basis
Other cash paid concerning operating activities	10,010,000.00	-	100.00%	Delivery loss from the FXA in the period
Cash received from loans	607,619,100.00	436,482,592.50	39.21%	The short-term loans received in the period increased on a y-o-y basis
Cash paid for debt settlement	598,642,903.58	261,250,000.00	129.15%	The payment of short-term loans increased on a y-o-y basis
Cash paid for dividend/profit distribution or interest expenses	16,030,019.50	2,890,153.13	454.64%	The loan interest payment by the Company increased on a y-o-y basis
Influence on cash and cash equivalents due to fluctuation in exchange rate	-18,498,907.12	9,570,512.21	-293.29%	Change of the rate in foreign currency in the period

## 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.

The resolutions of the 6th meeting of the 9th session of the Board of Directors of the Company and the 3rd meeting of the 9th session of the Board of Supervisors of the Company, and the first extraordinary general meeting of shareholders in 2018 passed and agreed the Company to use its own idle funds not exceeding RMB 1.06 billion (the limit can be rolled over) to invest in the high security and good liquidity principal-protected financial products with single product term of no more than one year, and the authorization period shall be valid within one year from the date of approval by the Company's general meeting of shareholders. The above mentioned event has been agreed by independent directors and also has an agreement from the sponsor institution after review. The Company, till recently, will standardize the utilization of fund-raised according to decision-making and relevant regulations.

Ended as 31 March 2018, actual raised fund was accumulated amounting to 508,021,647.52 Yuan for used, balance of the account for fund raised counted as 1,085,777,250.09 Yuan (including interest income accumulative amounted as 9,935,977.18 Yuan and income from financial product at expiration 42,982,856.66 Yuan and purchasing bank financial products of 560 million Yuan with temporary idle fund-raised.

Accumulated 508,021,647.52 Yuan raised-fund are used for the follow as: accumulated 82,690,004.44 Yuan used for intelligent manufacturing construction; accumulated 122,950,679.31 Yuan used for intelligent R&D capacity building and new product development for the intelligence appliance; 31,500,900.00 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 2018, among the project of intelligent manufacturing construction: the phase I and phase II construction for “intelligent manufacturing (Hefei)” have been completed in the main content, and phase III till in process, communication works on technology for relevant equipments are in process presently; Because the Company’s No. 9 plant in freezer plant area where the project construction site locates has been used by the subsidiary Zhongke Meiling Cryogenics Company Limited, the implementation of the project “intelligent production line construction project for an annual increase of 600,000 sets of medium and large volume environmental protection energy-saving freezers” was influenced, and the project is still in the stage of factory planning. “Intelligent R&D ability building projects and new product development projects for intelligent home appliances”: the construction of Inspection & Testing Center Building was underway, the project had a smooth progress as planned, it’s expected to be put into use in June 2018; completed the development and marketing of intelligent second-generation products, and the research and development of intelligent third-generation products has also completed the trial production in small batches and is planned to come into the market in the second half of 2018; other projects are being implemented smoothly. 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, 2014 and 2016 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 "2017 Annual Report" of the company disclosed on Mar. 30, 2018.

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) and 2013 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2012 annual performance incentive funds and own funds and 2013 annual performance incentive funds and own funds have been fully desterilized, the company's stock purchased by some 2014 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2014 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; The stock of the Company purchased by incentive objects for year of 2016 with the performance incentive fund and their own capital are lock-up for trading by commitment to all incentive objects, for the share-holding are not hold for two years. Among the incentive objects, the current directors, supervisors and senior management have not reduced the Company's shares purchased by implementing 2012, 2013, 2014 and 2016 annual performance incentive plans.

## 2. Shareholding and reducing of performance incentive objects of the Company

Up to March 31, 2018, the total number of the company's stock held by incentive objects is 12,379,807 shares, accounting for 1.1851% of the company's total share capital, of which A stock is 10,689,914 shares, accounting for about 1.0233% of the company's total share capital, B stock is 1,689,893 shares, accounting for about 0.1618% of the company's total share capital. Some 2012 & 2013 & 2014 annual performance incentive objects (non directors, supervisors or senior management) have cumulatively reduced holding of 4,134,008 shares from September 2014 to the end of this reporting period, accounting for 0.3956% 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 34th session of 8th BOD and Second Extraordinary Shareholders General Meeting held respectively on 9 August 2017 and 12 September 2017, 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:

In RMB

Item	Opening balance	Increased during the Period	Decreased during the Period	Ending balance	Interest, handling charge paid or received
I. Savings in Changhong Group Finance Company	2,762,513,703.88	13,189,697,513.83	13,642,915,137.61	2,309,296,080.10	19,491,687.22
II. Borrowings from Changhong Group Finance Company	-	-	-	-	-
1.Short-term loans	-	-	-	-	-
2.Long-term loans	-	-	-	-	-
III. Other financial business	-	-	-	-	-
1.notes drawing	721,645,627.87	428,409,984.17	356,502,115.03	793,553,497.01	180,024.30
2.notes discounted	699,356,853.98	66,043,697.56	412,295,392.71	353,105,158.83	3,331,822.49

### (IV) Other significant events

Overview	Date for disclosure	Information index for temporary report disclosure
On 9 January 2018, the First Extraordinary Shareholders' General Meeting deliberated and approved the proposal as "Investment on Financial Products by Own Idle Capital" and "Investment on Financial Products by Some of the Idle Fund-Raised"	2018-1-10	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-001)
During the period, the Company purchased principal-guaranteed financial products with idle fund-raised, that is the 1060 million Yuan; including the 500 million Yuan of principal-guaranteed financial products from China Minsheng Banking Corp., Ltd.-Hefei Branch. As of the period-end, balance of the guaranteed financial products purchased with the idle fund-raised amounted as 560 million Yuan	2018-1-16	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-002)
On 15 January 2018, the Company received a Letter of Notice on Progress of the Share Reduction Plan to Hefei Meiling Co., Ltd. from Caitong Fund Management Co., Ltd. (hereinafter referred to as Caitong Fund)- the shareholder of the Company with over 5% stocks held. During the 6 November 2017 to 15 January 2018, Caitong Fund reducing shares of the Company amounted as 11,913,134 shares, a 1.1405% in total share capital of the Company, by way of concentrated bidding transaction and block transaction.	2018-1-16	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-003)
Being approved by the Board Meeting, the Company agreed to change relevant accounting policy according to the relevant regulations and requirement from Ministry of Finance, new enterprise accounting standards and rules are being performed. The event should be deliberated and approved by the AGM 2017	2018-3-30	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005; 2018-010)
Being approved by the Board Meeting, the Company agreed to carry out forward foreign exchange fund transaction from 1 July 2018 to 30 June 2019 by the Company and its subordinate subsidiary, transaction amount for business are within 700 million Yuan in total, and the delivery period will not over one year for single business. The event should be deliberated and approved by the AGM 2017	2018-3-30	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005; 2018-012)
Being approved by the Board Meeting, the Company agreed the "Shareholder Return Plan for the Next Three Years (2018-2020)" formulated by the Company. The event should be deliberated and approved by the AGM 2017	2018-3-30	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005)
Being approved by the Board Meeting, the follow business are agreed by the Company, that is, applying special credit line of bill pool with 600 million Yuan at most to the Bank of Hangzhou- Hefei Branch, the special credit line of bill pool with 500 million Yuan at most to the Hua Xia Bank Co., Ltd. -Hefei Branch, the special credit line of bill pool with one billion Yuan at most to the Bank of Communications Co., Ltd. - Anhui Branch and the special credit line of bill pool with 500 million Yuan at	2018-3-30	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005; 2018-013)

most to China Zhejiang Bank Co., Ltd.- Hefei Branch. The above mentioned events should be deliberated and approved by the AGM 2017		
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### **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 2018**

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	367,218.32	2017-6-14	2019-3-25	210,705.91	156,512.41	64,983.54	0	300,974.65	57.82%	1,260.13
Total				367,218.32	--	--	210,705.91	156,512.41	64,983.54	0	300,974.65	57.82%	1,260.13
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)				2017-3-30									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				2017-5-4									
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.)				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									

	<p>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 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>
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>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 12.6013 million.</p>
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	<p>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</p>

	the Company and entire shareholders, especially minority shareholders, were not prejudiced.
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**VII. Registration form for receiving research, communication and interview in the report period**

Applicable Not applicable

The Company had no receiving research, communication or interview in the reporting period.

**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	4,088,917,929.86	5,283,081,788.04
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses	39,197,338.78	15,646,731.48
Derivative financial liability		
Notes receivable	2,610,530,552.06	2,074,648,484.36
Accounts receivable	2,211,132,211.96	1,780,416,509.02
Accounts paid in advance	172,415,178.39	200,106,216.59
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable	942,793.70	4,692,303.18
Dividend receivable		
Other receivables	38,730,073.47	64,358,959.73
Purchase restituted finance asset		
Inventories	3,239,419,265.37	2,918,100,650.27
Assets held for sale		
Non-current asset due within one year	-	44,497,902.00
Other current assets	1,337,381,887.78	801,894,930.97
Total current assets	13,738,667,231.37	13,187,444,475.64
Non-current assets:		
Loans and payments on behalf		
Finance asset available for sales	31,000,000.00	31,000,000.00

Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	86,084,062.86	90,534,671.92
Investment property	9,400,478.62	9,569,711.72
Fixed assets	1,502,233,614.46	1,439,427,226.50
Construction in progress	234,231,503.26	174,857,717.15
Engineering material		
Disposal of fixed asset	75,875,517.11	75,875,517.11
Productive biological asset		
Oil and gas asset		
Intangible assets	763,463,364.10	772,853,622.41
Expense on Research and Development	104,380,705.66	85,624,078.79
Goodwill		
Long-term expenses to be apportioned	2,644,263.24	3,635,861.94
Deferred income tax asset	86,633,904.60	90,689,083.63
Other non-current asset		
Total non-current asset	2,895,947,413.91	2,774,067,491.17
Total assets	16,634,614,645.28	15,961,511,966.81
Current liabilities:		
Short-term loans	1,666,757,650.00	1,631,206,000.00
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	42,876,766.79	16,034,000.00
Derivative financial liability		
Notes payable	4,222,057,685.65	4,006,765,857.99
Accounts payable	3,091,747,985.22	2,869,886,049.19
Accounts received in advance	550,793,511.30	438,386,810.72
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	139,077,719.37	184,819,166.86
Taxes payable	71,216,880.56	61,292,671.72
Interest payable	4,253,236.16	6,441,508.68

Dividend payable	2,890,364.80	2,890,364.80
Other accounts payable	922,708,277.57	834,285,636.00
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Liability held for sale		
Non-current liabilities due within 1 year	14,383,060.99	46,454,376.68
Other current liabilities		
Total current liabilities	10,728,763,138.41	10,098,462,442.64
Non-current liabilities:		
Long-term loans	253,160,000.00	253,160,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	10,953,687.53	10,953,687.53
Long-term wages payable	22,530,881.98	24,645,421.94
Special accounts payable	1,530,000.00	1,530,000.00
Projected liabilities	311,586,864.85	313,013,878.20
Deferred income	100,269,036.21	102,569,955.39
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	700,030,470.57	705,872,943.06
Total liabilities	11,428,793,608.98	10,804,335,385.70
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	2,684,806,344.07	2,684,806,344.07
Less: Inventory shares		
Other comprehensive income	-11,847,209.15	-7,262,322.02
Reasonable reserve		
Surplus public reserve	391,029,420.33	391,029,420.33

Provision of general risk		
Retained profit	994,156,624.61	937,894,771.93
Total owner's equity attributable to parent company	5,102,743,060.86	5,051,066,095.31
Minority interests	103,077,975.44	106,110,485.80
Total owner's equity	5,205,821,036.30	5,157,176,581.11
Total liabilities and owner's equity	16,634,614,645.28	15,961,511,966.81

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

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	2,725,212,469.88	3,411,454,144.54
Financial assets measured by fair value and with variation reckoned into current gains/losses	31,270,888.00	14,077,531.48
Derivative financial liability		
Notes receivable	2,056,393,436.12	1,748,615,925.92
Accounts receivable	1,226,032,239.05	1,372,870,968.26
Account paid in advance	121,183,443.92	162,232,742.46
Interest receivable		
Dividends receivable		
Other receivables	16,318,074.73	39,849,732.36
Inventories	1,030,564,745.97	1,028,423,929.21
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	1,167,958,407.02	615,877,268.44
Total current assets	8,374,933,704.69	8,393,402,242.67
Non-current assets:		
Available-for-sale financial assets	31,000,000.00	31,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	1,705,567,610.20	1,705,007,815.84
Investment property	7,875,229.34	7,960,789.08

Fixed assets	960,248,074.55	933,149,895.50
Construction in progress	96,482,131.11	67,205,463.02
Project materials		
Disposal of fixed assets	43,582,333.35	43,582,333.35
Productive biological assets		
Oil and natural gas assets		
Intangible assets	456,975,002.16	457,534,626.06
Research and development costs	23,498,303.72	23,782,085.92
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	70,978,480.94	76,015,591.58
Other non-current assets		
Total non-current assets	3,396,207,165.37	3,345,238,600.35
Total assets	11,771,140,870.06	11,738,640,843.02
Current liabilities:		
Short-term borrowings	1,304,405,000.00	1,186,026,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses	42,876,766.79	16,034,000.00
Derivative financial liability		
Notes payable	2,080,439,408.00	2,001,732,195.76
Accounts payable	1,526,233,087.19	1,674,129,819.20
Accounts received in advance	75,301,959.55	53,558,493.11
Wage payable	14,394,599.18	33,060,896.41
Taxes payable	27,503,724.57	16,641,410.98
Interest payable	2,677,540.91	3,999,358.60
Dividend payable	2,890,364.80	2,890,364.80
Other accounts payable	922,597,322.92	1,013,257,972.75
Liability held for sale		
Non-current liabilities due within 1 year	7,715,255.64	7,715,255.20
Other current liabilities		
Total current liabilities	6,007,035,029.55	6,009,045,766.81
Non-current liabilities:		
Long-term loans	253,160,000.00	253,160,000.00
Bonds payable		

Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	22,530,881.98	24,645,421.94
Special accounts payable		
Projected liabilities	311,586,864.85	313,013,878.20
Deferred income	54,978,170.69	56,906,985.04
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	642,255,917.52	647,726,285.18
Total liabilities	6,649,290,947.07	6,656,772,051.99
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	933,423,780.24	893,442,648.28
Total owner's equity	5,121,849,922.99	5,081,868,791.03
Total liabilities and owner's equity	11,771,140,870.06	11,738,640,843.02

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

### 3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	4,245,506,565.60	3,666,603,957.50
Including: Operating income	4,245,506,565.60	3,666,603,957.50
Interest income		
Insurance gained		

Commission charge and commission income		
II. Total operating cost	4,213,805,314.53	3,614,321,385.47
Including: Operating cost	3,395,348,853.41	2,934,581,098.67
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	25,629,526.25	28,783,478.79
Sales expenses	659,262,709.74	541,328,415.48
Administration expenses	117,724,986.27	112,056,183.22
Financial expenses	-1,695,567.00	-17,885,269.18
Losses of devaluation of asset	17,534,805.86	15,457,478.49
Add: Changing income of fair value(Loss is listed with “-”)	-3,292,159.49	1,507,583.23
Investment income (Loss is listed with “-”)	23,858,193.30	12,860,815.50
Including: Investment income on affiliated company and joint venture	-1,987,586.69	-1,036,950.02
Exchange income (Loss is listed with “-”)		
Assets disposal income (Loss is listed with “-”)	3,634,169.59	-10,588,328.71
Other income	10,367,452.07	15,909,149.51
III. Operating profit (Loss is listed with “-”)	66,268,906.54	71,971,791.56
Add: Non-operating income	1,557,612.64	703,446.82
Less: Non-operating expense	16,552.57	3,327.89
IV. Total Profit (Loss is listed with “-”)	67,809,966.61	72,671,910.49
Less: Income tax expense	12,649,511.71	10,357,138.93
V. Net profit (Net loss is listed with “-”)	55,160,454.90	62,314,771.56
(I) Continuous operation net profit (Net loss is listed with “-”)	55,160,454.90	62,314,771.56
(II) Discontinued operation net profit (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	56,261,852.68	61,303,717.56

Minority shareholders' gains and losses	-1,101,397.78	1,011,054.00
VI. Net after-tax of other comprehensive income	-6,515,999.71	-513,283.80
Net after-tax of other comprehensive income attributable to owners of parent company	-4,584,887.13	-333,739.21
(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	-4,584,887.13	-333,739.21
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	-4,584,887.13	-333,739.21
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-1,931,112.58	-179,544.59
VII. Total comprehensive income	48,644,455.19	61,801,487.76
Total comprehensive income attributable to owners of parent Company	51,676,965.55	60,969,978.35
Total comprehensive income attributable to minority shareholders	-3,032,510.36	831,509.41
VIII. Earnings per share:		
(i) Basic earnings per share	0.0539	0.0587
(ii) Diluted earnings per share	0.0539	0.0587

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

#### 4. Profit Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Operating income	2,108,581,292.40	1,934,766,853.38
Less: Operating cost	1,809,944,883.90	1,767,844,331.87
Operating tax and extras	13,489,765.30	14,808,515.57
Sales expenses	204,911,029.89	91,268,818.65
Administration expenses	52,534,393.18	54,006,692.81
Financial expenses	307,773.98	-15,115,474.14
Losses of devaluation of asset	-1,979,239.78	-1,527,203.79
Add: Changing income of fair value(Loss is listed with “-”)	-9,649,410.27	1,507,583.23
Investment income (Loss is listed with “-”)	20,171,924.50	15,714,133.06
Including: Investment income on affiliated company and joint venture	559,794.36	1,816,367.54
Assets disposal income (Loss is listed with “-”)	-627,343.74	-902,891.26
Other income	4,241,513.91	3,607,017.78
II. Operating profit (Loss is listed with “-”)	43,509,370.33	43,407,015.22
Add: Non-operating income	1,508,872.27	139,120.81
Less: Non-operating expense	-	3,309.00
III. Total Profit (Loss is listed with “-”)	45,018,242.60	43,542,827.03
Less: Income tax expense	5,037,110.64	7,321,619.88
IV. Net profit (Net loss is listed with “-”)	39,981,131.96	36,221,207.15
(I) Continuous operation net profit (Net loss is listed with “-”)	39,981,131.96	36,221,207.15
(II) Discontinued operation net profit (Net loss is listed with “-”)		
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	39,981,131.96	36,221,207.15
VII. Earnings per share:		
(i) Basic earnings per share	0.0383	0.0347
(ii) Diluted earnings per share	0.0383	0.0347

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

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	3,116,283,648.67	3,620,133,971.51
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	142,336,736.25	58,851,023.20
Other cash received concerning operating activities	8,641,836.66	10,074,167.07
Subtotal of cash inflow arising from operating activities	3,267,262,221.58	3,689,059,161.78
Cash paid for purchasing commodities and receiving labor service	3,209,115,632.97	2,524,208,265.91
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	415,551,393.88	332,772,781.98
Taxes paid	65,401,069.62	95,836,698.03
Other cash paid concerning operating activities	348,569,436.98	184,970,402.42
Subtotal of cash outflow arising from operating activities	4,038,637,533.45	3,137,788,148.34
Net cash flows arising from operating activities	-771,375,311.87	551,271,013.44
II. Cash flows arising from investing activities:		
Cash received from recovering investment	540,000,000.00	430,000,000.00
Cash received from investment income	30,148,051.45	5,688,957.18
Net cash received from disposal of fixed, intangible and other long-term assets	252,000.00	679,858.84
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	29,832,743.55	24,352,099.28
Subtotal of cash inflow from investing activities	600,232,795.00	460,720,915.30
Cash paid for purchasing fixed, intangible and other long-term assets	108,817,240.77	66,731,962.61
Cash paid for investment	1,080,000,000.00	850,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	10,010,000.00	-
Subtotal of cash outflow from investing activities	1,198,827,240.77	916,731,962.61
Net cash flows arising from investing activities	-598,594,445.77	-456,011,047.31
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	607,619,100.00	436,482,592.50
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	607,619,100.00	436,482,592.50
Cash paid for settling debts	598,642,903.58	261,250,000.00
Cash paid for dividend and profit distributing or interest paying	16,030,019.50	2,890,153.13
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	614,672,923.08	264,140,153.13
Net cash flows arising from financing activities	-7,053,823.08	172,342,439.37
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-18,498,907.12	9,570,512.21
V. Net increase of cash and cash equivalents	-1,395,522,487.84	277,172,917.71
Add: Balance of cash and cash equivalents at the period -begin	5,089,765,770.39	3,986,098,419.76
VI. Balance of cash and cash equivalents at the period -end	3,694,243,282.55	4,263,271,337.47

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

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	1,622,336,432.60	2,104,461,575.79
Write-back of tax received	72,233,740.77	17,767,311.59
Other cash received concerning operating activities	208,146.11	5,428,029.20
Subtotal of cash inflow arising from operating activities	1,694,778,319.48	2,127,656,916.58
Cash paid for purchasing commodities and receiving labor service	1,634,525,578.72	1,752,073,860.12
Cash paid to/for staff and workers	139,285,545.18	146,858,607.87

Taxes paid	16,622,857.79	26,420,881.15
Other cash paid concerning operating activities	78,553,787.65	54,920,570.75
Subtotal of cash outflow arising from operating activities	1,868,987,769.34	1,980,273,919.89
Net cash flows arising from operating activities	-174,209,449.86	147,382,996.69
II. Cash flows arising from investing activities:		
Cash received from recovering investment	500,000,000.00	430,000,000.00
Cash received from investment income	30,015,681.60	5,688,957.18
Net cash received from disposal of fixed, intangible and other long-term assets	220,000.00	566,647.40
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	14,230,005.57	18,500,025.97
Subtotal of cash inflow from investing activities	544,465,687.17	454,755,630.55
Cash paid for purchasing fixed, intangible and other long-term assets	34,937,488.72	32,845,762.65
Cash paid for investment	1,060,000,000.00	850,528,000.00
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities	9,740,000.00	-
Subtotal of cash outflow from investing activities	1,104,677,488.72	883,373,762.65
Net cash flows arising from investing activities	-560,211,801.55	-428,618,132.10
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	426,678,000.00	396,526,192.50
Cash received from issuing bonds		
Other cash received concerning financing activities	15,281,801.00	158,844,058.57
Subtotal of cash inflow from financing activities	441,959,801.00	555,370,251.07
Cash paid for settling debts	300,000,000.00	261,250,000.00
Cash paid for dividend and profit distributing or interest paying	13,430,070.19	2,309,091.67
Other cash paid concerning financing activities	72,182,236.15	1,788,556.49
Subtotal of cash outflow from financing activities	385,612,306.34	265,347,648.16
Net cash flows arising from financing activities	56,347,494.66	290,022,602.91
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-6,743,197.91	8,527,359.66
V. Net increase of cash and cash equivalents	-684,816,954.66	17,314,827.16

Add: Balance of cash and cash equivalents at the period -begin	3,410,029,424.54	3,067,671,385.08
VI. Balance of cash and cash equivalents at the period -end	2,725,212,469.88	3,084,986,212.24

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

## 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: Li Wei

18 April 2018