



CHANGHONG MEILING CO., LTD.

THE THIRD QUARTERLY REPORT FOR 2019

October 2019

Section I. Important Notes

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

Principal of the Company Mr. Wu Dinggang, Person in Charge of Accounting Works Mr. Pang Haitao and Person in Charge of Accounting Organ (Accounting Officer) Mr. Yang Jun hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Prompt of non-standard audit opinion

Applicable Not applicable

Third quarterly report of 2019 has not been audited.

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

Section II Basic information of Company

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	End of this period	End of last period	Changes of this period-end over same period-end of last year	
Total assets(RMB)	14,817,745,280.38	15,561,810,184.54	-4.78%	
Net assets attributable to shareholders of listed company (RMB)	5,028,249,585.27	5,015,730,486.57	0.25%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	3,907,875,881.65	-1.74%	13,041,038,562.59	-1.57%
Net profit attributable to shareholders of the listed company (RMB)	26,417,996.84	76.66%	80,752,019.41	23.03%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	8,955,796.33	274.85%	13,431,193.18	214.58%
Net cash flow arising from operating activities(RMB)	--	--	201,226,091.90	-16.58%
Basic earnings per share (RMB/Share)	0.0253	76.66%	0.0773	23.03%
Diluted earnings per share (RMB/Share)	0.0253	76.66%	0.0773	23.03%
Weighted average ROE	0.53%	0.23 percentage points up	1.60%	0.30 percentage points up

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to	Note
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	end of the Period	
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-4,436,536.97	Found more in "Income from assets disposal"
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)	77,124,210.10	Found more in "Other income" and "Non-operation income"
Except for the effective hedging business relevant with normal operations of the Company, gains/losses from change of the fair value for holding the trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liability, as well as the investment income from disposing the trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liability and other creditors' investment	4,464,614.42	Found more in "Gain/loss of changes in fair value", "investment income"
Switch-back of the receivables for separate impairment tests and provision for impairment of contract assets	662,652.68	--
Other non-operation income and expenditure except for the aforementioned items	1,763,043.66	Found more in "non-operation income and expenditure"
Less: impact on income tax	11,543,274.56	--
Impact on minority shareholders' equity (post-tax)	713,883.10	--
Total	67,320,826.23	--

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. 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	64,377	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	23.79%	248,457,724	69,877,638	-	-
Hefei Industrial Investment Holding (Group) Co., Ltd.	State-owned legal person	4.58%	47,823,401	-	-	-
CHANGHONG (HK) TRADING LIMITED	Foreign legal person	2.59%	27,077,797	-	-	-
CAO SHENGCHUN	Foreign natural person	1.41%	14,765,386	-	-	-
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	1.03%	10,733,452	-	-	-
China Construction Bank -Huaxia Zhongzheng Sichuan SOE reform ETF	Domestic non-state-owned legal person	0.67%	6,996,400	-	-	-
Phillip Securities (Hong Kong) Limited	Foreign legal person	0.60%	6,296,913	-	-	-
Ma Guobin	Domestic natural person	0.56%	5,874,969	-	-	-
Zheng Huiru	Domestic natural person	0.45%	4,680,000	-	-	-
China Securities Finance Corporation Limited	Domestic general legal person	0.42%	4,362,500	-	-	-
Particular about top ten shareholders with un-restrict shares held						
Shareholders' name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sichuan Changhong Electric Co., Ltd.	178,580,086	RMB ordinary shares	178,580,086			
Hefei Industrial Investment Holding (Group) Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401			
CHANGHONG (HK) TRADING LIMITED	27,077,797	Domestically listed foreign shares	27,077,797			

CAO SHENGCHUN	14,765,386	Domestically listed foreign shares	14,765,386
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	10,733,452	RMB ordinary shares	10,733,452
China Construction Bank -Huaxia Zhongzheng Sichuan SOE reform ETF	6,996,400	RMB ordinary shares	6,996,400
Phillip Securities (Hong Kong) Limited	6,296,913	Domestically listed foreign shares	6,296,913
Ma Guobin	5,874,969	RMB ordinary shares	5,874,969
Zheng Huiru	4,680,000	RMB ordinary shares	4,680,000
China Securities Finance Corporation Limited	4,362,500	RMB ordinary shares	4,362,500
Explanation on associated relationship or consistent actors among the aforesaid shareholders	Among the above shareholders, CHANGHONG (HK) TRADING LIMITED (hereinafter referred to as Hong Kong Changhong) is the wholly-owned subsidiary of Sichuan Changhong Electric Co., Ltd. (hereinafter referred to as Sichuan Changhong); except the shares of the Company directly held by Hong Kong Changhong, 6,296,913 shares of B-stock are also held through Phillip Securities (Hong Kong) Limited, the foregoing shareholders constitute persons of uniform action. 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, Hong Kong Changhong and other top 7 shareholders; “Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership) ” refers to the products of Caitong Fund Management Company subscribe for privately placement of 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)	As of 30 th September 2019, among the top 10 common shareholders, Ma Guobin holds 5,874,969 shares of the Company through customer credit trading secured account of Founder Securities Co., Ltd., and 0 shares hold through common securities account, thus 5,874,969 shares of the Company are held in total		

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. Important events

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

√ Applicable □ Not applicable

(i) Changes of items of balance sheet and cause analysis

In RMB

Item	Closing balance	Opening balance	Changes	Reasons
Tradable financial assets	18,609,751.92	9,253,635.59	101.11%	Change of the fair value of forward foreign exchange contract in the period
Account receivable	2,206,388,200.30	1,673,362,136.29	31.85%	The account receivable from subsidiary Changhong Air-conditioner and Zhongshan Changhong increased in the period
Account paid in advance	55,225,984.20	86,180,459.26	-35.92%	The account of equipment relocation are paid in advance from subsidiary Changhong Air-conditioner in the period
Other account receivable	130,723,288.12	63,192,740.93	106.86%	Cash deposit for the engineering projects are paid in the period
Investment real estate	97,231,072.87	46,846,507.41	107.55%	The investment real estate from subsidiary Changhong Air-conditioner increased in the period
Tradable financial liability	18,131,337.32	55,586,666.70	-67.38%	Change of the fair value of forward foreign exchange contract in the period
Account received in advance	240,271,809.66	354,551,354.80	-32.23%	The account received in advance from subsidiary Meiling Group declined in the period
Taxes Payable	65,314,443.39	109,753,432.17	-40.49%	VAT are paid by subsidiary Changhong Air-conditioner and Meiling Group in the period
Non-current liability due within one year	300,000.00	273,682,737.85	-99.89%	The long-term loans due within one year are paid by parent company in the period
Long-term loans	301,280,000.00	1,920,000.00	15,591.67%	The long-term loans from parent company increased in the period
Deferred income tax liability	5,996,351.53	3,098,699.11	93.51%	The deferred income tax liability recognize by subsidiary Changhong Air-conditioner increased in the period

(ii) Changes of items of profit statement and cause analysis

In RMB

Item	Current Period	Same period of last year	Changes	Reasons
Financial expenses	-9,844,161.99	-33,207,231.05	70.36%	The exchange loss increased on a y-o-y basis in the period

Income from fair value changes	43,185,470.53	-25,833,772.85	267.17%	Change of the fair value of forward foreign exchange contract in the period
Investment income	-38,327,115.65	20,726,039.38	-284.92%	The loss of forward exchange contract delivery increased from a year earlier
Income from the investment for associated enterprise and joint venture	1,251,855.70	-12,056,138.08	110.38%	The income from investment for associated enterprise increased on a y-o-y basis in the period
Credit impairment loss	1,082,468.11	-	-	The financial assets impairment are listed under the item of "Credit impairment loss" for change of the accounting policy in the period
Income from assets disposal	-4,436,536.97	3,476,687.51	-227.61%	Losses of the assets disposal in the period
Non-operation expenditure	3,776,106.23	60,249.87	6,167.41%	Relocation expenditure from subsidiary Changhong Air-conditioner increased from a year earlier
Income tax expenses	36,397,055.33	25,015,797.92	45.50%	Income tax expenses increased on a y-o-y basis in the period
Gains/losses of minority shareholders	-11,984,976.39	196,132.62	-6,210.65%	Mainly due to the year-on-year increase in losses of some non-wholly-owned subsidiaries of the company.

(iii) Changes of items of cash flow statement and cause analysis

In RMB

Item	Current Period	Same period of last year	Changes	Reasons
Refunds of taxes	280,384,080.90	455,080,647.00	-38.39%	The export rebates received in the period declined on a y-o-y basis
Other cash received concerning operating activities	125,280,221.18	234,806,474.37	-46.65%	The reversal of the restricted money declined in the period
Taxes paid	448,423,347.16	297,025,746.90	50.97%	VAT paying increased on a y-o-y basis
Cash paid for purchasing fixed assets, intangible assets and other long-term assets	266,302,834.52	436,847,276.96	-39.04%	Fixed assets purchased in the period declined on a y-o-y basis
Cash paid for investment	1,981,000,000.00	3,020,000,001.00	-34.40%	The entrusted financial principal paid in the period declined on a y-o-y basis
Other cash paid concerning investment activities	76,709,995.61	255,500.00	29,923.48%	The loss of forward exchange contract delivery increased from a year earlier
Cash received for absorbing investment	-	24,865,000.00	-100.00%	Investment from minority shares are received at same period last year while no such amount

				occurred in the period
Cash received by borrowing	1,308,256,908.10	2,021,566,261.86	-35.28%	Borrowings received in the period declined on a y-o-y basis
Other cash paid concerning financing activities	32,764,857.16	2,050,458.19	1,497.93%	The restriction for utilization of the financing guarantee increased on a y-o-y basis
Influence on cash and cash equivalents due to fluctuation in exchange rate	12,976,331.25	3,791,101.79	242.28%	Changes in foreign currency exchange rate in the period

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

Applicable Not applicable

(i) Particular about the process of the fund raised and investment of fund raised

In 2016, the Company carried out private placement of A-share with 1,569,999,998.84 Yuan raise in total. Net amount raise as 1,540,732,722.76 Yuan after vary issuance costs (tax included) 29,267,276.08 Yuan deducted.

As approved at the 16th session of the 9th BOD, the 8th session of 9th supervisory committee and the 3rd extraordinary meeting of the shareholder general meeting for 2018, being agreed by independent directors as well as the no objection verification opinion required from sponsor institution, the Company was approved to invest in such break-even financing products that are highly safe, in good liquidity and with a term of not more than one year for a single product with the available raised proceeds under the maximum limit of 940 million Yuan. This authorization shall be effective for a year since being approved at the general meeting of the Company.

The resolutions of the 20th session of 9th Board of Directors, the 11th session of 9th Supervisory Committee, and the 2018 Annual General Meeting of Shareholders passed and agreed the company to postpone the date of reaching the expected usable status of the "Intelligent Manufacturing Construction Project" and the "Intelligent R&D Capacity Building and Smart Appliance Technology New Product Development Project" in the 2016 non-public offering to raise funds for investment projects to the end of December 2021.

The resolutions of the 24th session of 9th Board of Directors, the 13th session of the 9th Supervisory Committee, and the 2nd Extraordinary General Meeting of 2019 passed and agreed the company to invest 120 million Yuan of the unused raised funds of the sub-project "intelligent production line construction project for newly increasing 600,000 medium- and large-volume environmental protection and energy-saving freezer per year" of the "Intelligent Manufacturing Construction Project", which was the 2016 non-public offering to raise funds for investment projects, into the "production base project (Phase II) for annual production capacity of 2 million washing machines", and agreed the company to terminate the implementation of the "Smart Life Project" and use the project's remaining raised funds and the interest and other proceeds from wealth management to permanently replenish the working capital. Up to now, the Company are strictly comply with the resolution of the shareholder general meeting and relevant regulations in using the fund raised.

Ended as 30 September 2019, actually fund of raised used accumulative amounted as 1,107,781,648.76 Yuan in total, balance of the account for fund raised counted as 544,831,331.56 Yuan (including interest income

accumulative amounted as 7,679,296.60 Yuan and income from financial product at expiration 73,238,685.81 Yuan, and the bank financial products of 517,000,000.00 Yuan purchased by the idle fund of raised)

Up to 30th September 2019, the Company accumulative used the fund raised in specific account amounted as 1,107,781,648.76 Yuan, the use of purpose including:

1. The intelligent construction (Hefei) has 133,425,464.48 Yuan in used;
2. The production base project (Phase II) for annual production capacity of 2 million washing machines have 1,761,561.00 Yuan paid actually with the self-owned funds, but not transfer out from the specific account of fund raised, thus the fund raised for the project in specific fund raised account amounted as 0 Yuan.
3. Intelligent R & D capacity building and intelligent home appliances technology development project invested 352,661,186.36 Yuan accumulated;
4. The intelligent life project have 350,814,934.15 Yuan fund raised used in total (including the permanent replenishment of working capital) (financial income 27,146,472.44 Yuan and interest income 3,668,461.71 Yuan included), at the same time, on 26 July 2019 and 19 August, the rest fund raised and interest income of 305,813,334.15 Yuan in account for “ intelligent life project” have been withdrawal for supplementing the working capital permanently. On 11 October 2019, the rest interest income of 29,712.17 Yuan in specific account of the project have withdrawal by the Company and the account has been closed. Furthermore, the project’s carrier for implementation - Changmei Technology Co., Ltd. has in the progress of liquidation.
5. Supplementation of the working capital amounted as 270,880,063.77 Yuan (including saving interest 147,341.01 Yuan)

(ii) Progress of shares buy-back

Applicable Not applicable

(iii) Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

(IV) progress of the annual performance incentive fund

The “Implementation Plan of Annual Performance Incentive Fund” has been deliberated and approved by the 16th session of 7th Board and 2nd extraordinary general meeting 2012 on 9 August 2012 and 28 August 2012. Details of the aforesaid event can be found in the announcement (No.: 2012-028 and No.: 2012-035) released on appointed media Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) dated 10 August 2012 and 29 August 2012.

1. Implementation about 2012, 2013, 2014 and 2016 performance incentive fund provision and distribution plan

See details in "Implementation of the company's annual incentive fund" in "XI Implementation of the company's

stock incentive plan, employee stock ownership plan, or other employee incentive measures" in "Section V Significant Events" of the company's "2018 Annual Report" disclosed on March 29, 2019.

Up to the end of this reporting period, the company's stock purchased by some annual performance incentive objects (non-directors, supervisors and senior management) for year of 2012, 2013 and 2014 with their granted incentive funds and self-own funds have been fully open for trading; the company's stock purchased by some 2016 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2016 incentive funds and self-own funds has been deauthorized by 50% for term of holding for two years; see below for the overall reducing holding-shares of some above-mentioned incentive objects. During the reporting period, among the incentive objects, the incumbent director and deputy president Mr. Zhong Ming reducing 78,725 shares (takes 0.0075% of the total shares of the Company) on 22 August 2019 via centralized bidding system in Shenzhen Stock Exchange; other incumbent directors, supervisors and senior managements in incentive objects are not reducing the shares for implementing the performance incentive plan of 2012, 2013, 2014 and 2016.

2. Share holding and reduction of the company's performance incentive objects

As of September 30, 2019, all incentive objects held a total of 11,323,917 shares, accounting for 1.0841% of the company's general capital, of which 9,634,024 shares of A share, accounting for approximately 0.9223% of the company's general capital, 1,689,893 shares of B share, and accounting for about 0.1618% of the company's general capital. Some 2012, 2013, 2014 and 2016 annual performance incentive objects (not directors, supervisors or senior management) have totally reduced share of 5,189,898 shares from September 2014 to the end of the this reporting period, accounting for approximately 0.4968% of the company's general capital, and reduced holding of 352,563 shares from July to September 2019.

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

The resolution of the 34th session of 8th board of directors on August 9, 2017 and the second extraordinary general meeting of 2017 on September 12, 2017 approved and agreed the company to continue carry out the financial service cooperation with Sichuan Changhong Group Finance Co., Ltd. (hereinafter referred to as "Changhong Finance Company") and sign a triennial Financial Service Agreement, It is agreed that the maximum deposit balance (including accrued interest and handling fees) and the highest principal and interest of outstanding loan the Company in any finance company within the three-year validity period from the effective date of the new agreement shall be adjusted to not exceed RMB 3.8 billion per day. In accordance with the agreement, Changhong Finance Company shall provide a series of financial services such as deposit and loan in its business scope according to the requirements of the Company and its subsidiaries.

On 10 December 2018 and 27 December 2018, deliberated and approved by the 17th session of 9th BOD and 4th Extraordinary shareholders general meeting of 2018, the related transactions of financial service with Changhong Finance between the Company and controlling subsidiary for year of 2019 including: the maximum balance in Changhong Finance Company (including accrual interest and handling charges) will not be over 3.8 billion Yuan everyday, the maximum outstanding loan principal and interest shall not exceed 3.8 billion Yuan; the line of credit to the Company and subordinate subsidiary from Changhong Finance will not exceed 6 billion Yuan; the upper limit of notes for business shall not exceed 3 billion Yuan and the upper limit of bill discount business shall not

exceed 3 billion Yuan. The related transaction with Changhong Finance Company from beginning of the year to end of the period including:

Up to 30 September 2019, the Company and its subsidiaries have opened financial business as savings, note drawing and notes discounted with Changhong Finance Company. The Company and its subordinate company owns 2,580,645,538.16 Yuan savings in Changhong Finance Company, takes 23.16% of the deposit taking balance in Changhong Finance Company without 30% occupied, balance of notes drawing at period-end was 1,129,785,016.07 Yuan and balance of notes discounted outstanding as 749,980,883.61 Yuan. More details are:

					CNY/ RMB
Item	Opening balance	Current increased	Current decreased	Ending balance	Interest and handling charge received/paid
I. Savings in Changhong Group Finance Company	3,119,117,207.91	25,096,857,470.56	25,635,329,140.31	2,580,645,538.16	77,721,913.52
II. Borrowings from Changhong Group Finance Company					
1.Short-term loans					
2.Long-term loans					
III. Other financial business					
1.notes drawing	819,806,514.07	1,620,131,958.33	1,310,153,456.33	1,129,785,016.07	647,336.38
2.notes discounted	772,233,395.98	1,097,863,492.58	1,120,116,004.95	749,980,883.61	14,376,818.54

(VI) Other significant events

Overview	Date for disclosure	Information index for temporary report disclosure
Mr. Wu Dinggang, the former president of the company, applied for resignation as the president of the company due to changes in his personal work, but he continues to serve as the vice-president of the company, a member of the strategy committee of the board of directors, and a member of the remuneration and appraisal committee.	2019-1-12	Juchao Website: http://www.cninfo.com.cn (No.: 2019-001)
After the resolution of the board of directors of the company, it's agreed to authorize Mr. Kou Huameng, the director and vice president of the company, to act on the president's behalf, the term is from the effective date of the board resolution, i.e. January 11, 2019, to the date on which the board of directors engages a new president.	2019-1-12	Juchao Website: http://www.cninfo.com.cn (No.: 2019-002)

<p>On January 14, 2019, the company received a Notification Letter of Caitong Fund Management Co., Ltd. About the Progress of Shareholding Reduction Plan of Changhong Meiling Co., Ltd. from Caitong Fund Management Co., Ltd. (hereinafter referred to as "Caitong Fund") that held more than 5% of the company's shares, Caitong Fund reduced its holdings of the company's shares of 12,160,298 shares in total by centralized bidding transactions or block trading from October 18, 2018 to January 13, 2019, accounting for 1.1641% of the company's total share capital.</p>	<p>2019-1-15</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-003)</p>
<p>The resolutions of Board of Directors, the Board of Supervisors and General Meeting of passed and agreed the company to provide credit guarantees of 2.98 billion yuan in total for its wholly-owned and controlled subsidiaries in 2019, the guarantee period is one year for the newly increased guarantee amount for the current year and the amount of renewal insurance during the year.</p>	<p>2019-1-30 2019-2-14 2019-2-23</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-004, No.: 2019-005, No.: 2019-006, No.: 2019-008, No.: 2019-010 and No.: 2019-012)</p>
<p>The resolution of the Board of Directors of the Company passed and agreed the company to apply for a special credit line of up to 300 million yuan in the bank notes pool to Hefei Branch of China Everbright Bank Co., Ltd.</p>	<p>2019-1-30</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-004, No.: 2019-007)</p>
<p>On February 13, 2019, the company received the "Short Form Report on Changes in Equity of Changhong Meiling Co., Ltd." from Caitong Fund, Caitong Fund and its subordinate assets management plan reduced its holdings of the shares of Changhong Meiling of 2,600,729 shares in total by centralized bidding transactions from January 14, 2019 to February 12, 2019, totally 8,115,894.30 Yuan reduced, accounting for 0.25% of the company's total share capital. After this equity change, Caitong Fund(presenting the assets management plan on behalf) holds 52,229,844 shares of Changhong Meiling, accounting for 4.999995% of Changhong Meiling's total share capital.</p>	<p>2019-2-14</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-011)</p>
<p>On February 25, 2019, the company received the Notice of Sichuan Changhong Electric Co., Ltd. and its Concerted Action Person CHANGHONG (HK) TRADING LIMITED, Ltd. to Increase the Shareholding of Changhong Meiling Co., Ltd. and the Equity Changes (hereinafter referred to as "Notice"). Sichuan Changhong and its concerted action person CHANGHONG (HK) TRADING LIMITED (hereinafter referred to as "HK Changhong" or "concerted action person") bought 16,231,024 shares of Changhong Meiling (including 13,751,756 shares of Changhong Meiling A shares and 2,479,268 shares of Changhong Meiling B shares) by bidding transaction method through the secondary market from November 12, 2018 to February 25, 2019, accounting for 1.55% of Changhong Meiling's total share capital, consequently, the equity ratio of Changhong Meiling held by Sichuan Changhong and concerted action person accumulatively increased by 5% from September 2009 to February 2019.</p>	<p>2019-2-26 2019-2-28</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-013)</p>
<p>In late March 2019, the Company received the "Notice of Civil Penalty" issued by U.S Department of Energy ("DOE", i.e. the US Department of</p>	<p>2019-3-26</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-014)</p>

Energy).		
The resolutions of the Board of Directors, the Board of Supervisors, and the Annual General Meeting of Shareholders passed and agreed the company to change the corresponding accounting policies according to the relevant regulations and requirements of the Ministry of Finance so as to apply to the new regulations.	2019-3-29、 2019-4-27 2019-5-22	Juchao Website: http://www.cninfo.com.cn (No.: 2019-015, No.: 2019-018, No.: 2019-031 and No.: 2019-035)
The resolutions of the Board of Directors and the Annual General Meeting of Shareholders passed and agreed the company and its subsidiaries to carry out forward foreign exchange fund trading business from July 1, 2019 to June 30, 2020, the balance of the business transaction does not exceed US\$650 million (mainly including US dollar, Australian dollar, Euro, and other foreign exchanges are all converted into US dollars), and the maximum single-business delivery period is no more than one year.	2019-3-29 2019-4-27 2019-5-22	Juchao Website: http://www.cninfo.com.cn (No.: 2019-015, No.: 2019-020, No.: 2019-031 and No.: 2019-035)
In accordance with the resolutions of the Board and the Annual General Meeting, it's agreed to revise some of the provisions of the "Articles of Association", "Rules of Procedure of the General Meeting of Shareholders", and "Rules of Procedure of the Board of Directors".	2019-3-29 2019-4-27 2019-5-22	Juchao Website: http://www.cninfo.com.cn (No.: 2019-015, No.: 2019-022, No.: 2019-031 and No.: 2019-035)
The resolution of the Board of Directors of the company passed and agreed the company's subsidiaries, Zhongshan Changhong Electric Appliance Co., Ltd., Guangdong Changhong Technology Co., Ltd. and Hongyuan Geothermal Heat Pump Technology (Zhongshan) Co., Ltd. to donate a total of 130,000 yuan to Nantou Town People's Government of Zhongshan City to expand the Nantou Town Central Primary School.	2019-3-29	Juchao Website: http://www.cninfo.com.cn (No.: 2019-015, No.: 2019-023)
On April 15, 2019, the company received a Notification Letter of Caitong Fund Management Co., Ltd. About the Progress of Shareholding Reduction Plan of Changhong Meiling Co., Ltd. from Caitong Fund. Caitong Fund reduced holding of 7,430,612 shares in The Company via collective bidding trading during the period from 13 Feb. 2019 to 13 April 2019, accounting for 0.7113% of the total share capital of the Company. After the reduction, Caitong Fund still holds 44,799,232 shares of the company, accounting for 4.2887% of the company's total equity.	2019-4-16	Juchao Website: http://www.cninfo.com.cn (No.: 2019-024)
The resolutions of the Board of Directors passed and agreed the company to implement the new financial instrument standards and change the relevant accounting policies in accordance with the relevant regulations and requirements of the Ministry of Finance.	2019-4-20	Juchao Website: http://www.cninfo.com.cn (No.: 2019-025, No.: 2019-028)
The resolution of the Board of Directors of the company passed and agreed Zhongke Meiling Cryogenics Co., Ltd. (hereinafter referred to as "Zhongke Meiling"), a holding subsidiary of the company, to invest 10 million yuan to set up a wholly-owned subsidiary to engage in refrigeration engineering equipment sales, design and other services.	2019-4-20	Juchao Website: http://www.cninfo.com.cn (No.: 2019-025)

<p>The resolution of the Board of Directors passed and agreed the company to withdraw some of the investment under the “Soochow-China Merchants Bank-Donghui 135 Directional Asset Management Plan” issued by Soochow Securities Co., Ltd. in advance, which was subscribed by the company at an earlier stage, that is, withdraw the principal of the face value of 50 million yuan and the one-year investment income corresponding to the asset management plan of about 16 million yuan (after deducting management fees, custody fees and value-added tax) for the daily operation of the company.</p>	<p>2019-4-20</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-025)</p>
<p>Mr. Li Wei, the former president of the company, resigned as the president, director, chairman of the strategy committee of the board of directors and member of the nomination committee of the board of directors of the company for work reasons. At the same time, the resolutions of the board of directors of the company passed and agreed to engage Mr. Wu Dinggang as the company’s chairman of the ninth board of directors for a term of office consistent with the term of the current board of directors.</p>	<p>2019-4-27</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-029, No.: 2019-030)</p>
<p>The resolutions of the Board of Directors and the Annual General Meeting of Shareholders of the company passed and agreed the by-election of Mr. Zhong Ming as a non-independent director of the Ninth Board of Directors of the Company, and his term of office is the same as that of the Ninth Board of Directors.</p>	<p>2019-4-27 2019-5-22</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-030, No.: 2019-031 and No.: 2019-035)</p>
<p>Subordinate controlling subsidiary of the Company, have accumulated received various kinds of government subsidies as 72,467,598.96 Yuan from 1 Jan. 2019 to 13 August 2019.</p>	<p>2019-6-12 2019-8-13</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-036, No.: 2019-048)</p>
<p>The resolutions of the Board of Directors and the Annual General Meeting of Shareholders passed and agreed the company to use the total share capital of 1,044,597,881 shares on December 31, 2018 as the base, and distribute a cash dividend of 0.6 yuan (including tax) per every 10 shares to all shareholders, who distributed cash dividends of 62,675,872.86 yuan (including tax) in total, the above mentioned profit distribution plan has been completed.</p>	<p>2019-3-29 2019-5-22 2019-6-18</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-015, No.: 2019-035 and No.: 2019-037)</p>
<p>On June 28, 2019, the company received the “Shareholding Reduction Plan” from Mr. Zhong Ming, the company’s director and vice president, Mr. Zhong Ming planned to reduce his holdings of the Company’s shares of no more than 78,725 shares (not exceeding 0.0075% of the company’s total share capital) by centralized bidding transactions of the stock exchanges within six months after 15 trading days from the date of the announcement of the shareholding reduction plan due to his own capital arrangements. On 23 August 2019, the Company received an Inform Letter of Share Reduction Plan Completion from Mr. Zhong Ming. Up to 22 August 2019, Mr. Zhong Ming reduced 78,725 shares via centralized bidding system in Shenzhen Stock Exchange.</p>	<p>2019-6-29 2019-8-24</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-039, No.: 2019-055)</p>
<p>Being deliberated and approved by the Board, the bad debt of receivable 12,604,521.25 Yuan that unable to collected by the Company and its subsidiaries are being verified</p>	<p>2019-8-16</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-049, No.: 2019-052)</p>

<p>In order to further utilize the mature intelligent trading platform of Sichuan Zhiyijia Network Technology Co., Ltd. (hereinafter referred to as Zhiyijia Company), reducing the repeat investment for such platform construction, and making use of the intelligent trading platform to give full play to the Company's and controlling shareholder Sichuan Changhong's collaborative advantages in home appliance marketing, make it better to adapt to the market competition and consumer behavior. Being approved by the resolution of the Board and shareholders general meeting, self-owned capital 29,087,040 Yuan of the Company (including: 20 million Yuan for registered capital and 9,087,040 Yuan reckoned into capital reserves) is agreed to increase the capital for Zhiyijia Company. After capital increased, the shareholding ratio by the Company and Sichuan Changhong for Zhiyijia Company comes to 50% each. Meanwhile, it is agreed to increase the related trading amount predicted for 2019 to 803 million Yuan in total, occurred by the Company and its controlling companies with Zhiyijia Company in aspect of good sales and accepting services; it is estimated that the amount from related trading as good sales and accepting services for year of 2020 was 8526 million Yuan in total.</p>	<p>2019-8-31 2019-9-6 2019-9-10 2019-9-27</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-057, No.: 2019-058, No.: 2019-059 and No.: 2019-067)</p>
<p>To ensure the benefit and future development of the Meiling CANDY Washing Machine Co., Ltd. (hereinafter referred to as Meiling CANDY) and its shareholders, through friendly consultation with the shareholder-Italy Candy Hoover Group S.r.l., the subordinate controlling subsidiary Meiling CANDY was agreed to be liquidated and canceled.</p>	<p>2019-8-31</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-057)</p>
<p>Being approved by the resolution of the Board and shareholders general meeting, it is agreed to increased the capital to Changhong Finance Company with 500 million Yuan each with self-owned capital together with Changhong Huayi Compressor Co., Ltd. (hereinafter referred to as Changhong Huayi). Total capital comes to 1000 million Yuan. Based on the capital increase has involvement in the assessment results of shareholders' equity, among the 500 million Yuan, 402,998,300 Yuan will reckon into registered capital while 97,001,700 Yuan reckon into capital reserves.</p>	<p>2019-9-10 2019-9-27</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-060, No.: 2019-061, No.: 2019-063 and No.: 2019-067)</p>
<p>Being approved by resolution of the Board, controlling subsidiary Zhongke Meiling agreed to implemented the initial offering of shares for year of 2019. The issuing target will subscribes in cash. It is agreed that the Company waives the rights of preferential subscription under the same conditions for the issuance of shares.</p>	<p>2019-9-10</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-060, No.: 2019-062)</p>
<p>Being approved by resolution of the Board, it is agreed to withdrawal parts of the investment pre-subscribe under the target assets management plan No. 135 issued by Soochow Securities in advance, that is, principal 50 million Yuan and investment income approximately as 1,501,300 Yuan for holding the principal (about more than 4 months) are collected in advance for routine operation of the Company</p>	<p>2019-9-10</p>	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2019-060)</p>

III. Commitments that the company, shareholders, actual controller, offeror, directors,

supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

There are no commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

IV. Forecast of operation performance of 2019

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. Trust financing

Applicable Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Balance un-expired	Overdue amount
Bank financing product	Idle raised funds	90,400	51,700	0
	Own funds	30,000	30,000	0
Financial products of the broker	Own funds	20,000	10,000	0
Total		140,400	91,700	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed:

Applicable Not applicable

In 10 thousand Yuan

Trustee institution name	Trustee type	Type	Amount	Source of funds	Start date	End date	Capital investment purpose	Criteria for fixing reward	Reference annual rate of return	Anticipated income (if applicable)	Actual gains/losses in period	Actual collected gains/losses in period	Amount of reserve for devaluation of withdrawing (if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrust finance plan in the future	Summary of the items and related query index (if applicable)
SOOCHOW Securities Co., Ltd.	Broker	Assets management plan	20,000	5,000	Self-owned funds	2018-4-12	Collected in advance	Expiry liquidation	8.28%	3,345.61	1,756.64	1,756.64	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-014, No.: 2018-015, No.: 2019-025 and No.: 2019-060)
				5,000			Collected in advance									
				10,000			2021-4-12									
Chengdu Branch of China Bohai Bank	Bank	Floating income type	48,000	Idle raise funds	2018-12-21	2019-6-10	Structured deposit products, the structured derivatives link up with 3M Libor	4.20% annual yield	4.20%	944.48	944.48	944.48	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-078)
Hefei Branch of SPD Bank	Bank	Break-even & income protection	23,000	Idle raise funds	2018-12-26	2019-1-30	Investment of the central bank bill in bank market, treasury bond, corporate bonds, short-term financing, medium-term bills, inter-bank borrowing, inter-bank	3.95% annual yield	3.95%	87.12	85.80	85.80	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-080)

							deposits, bills or bill repurchase etc.									
Hefei Branch of CGB	Bank	Floating income type	10,000	Idle raise funds	2018-12-27	2019-1-28	The principal of funds raised by this structured deposit is included in the unified operations management of the funds of China Guangfa Bank. The proportion of investment in money market instruments (including but not limited to bank deposits, inter-bank lending, buy-back, etc.) ranges from 20% to 100%, and the proportion of bonds (including but not limited to national debt, central bank bills, financial bonds, short-term financing bonds, enterprise bonds, medium-term notes, corporate bonds) and other financial assets ranges from 0% to 80%, and the income is invested in the financial derivatives linking to the exchange rate of the US dollar against the Hong Kong dollar.	3.90% annual yield	3.90%	34.19	34.19	34.19	N/A	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-080)	
Mianyang Branch of China Everbright Bank	Bank	Break-even & income protection	10,000	Idle raise funds	2018-12-28	2019-1-28	The product is mainly composed of risk-free assets investment and option trading. The product principal is invested in bank fixed time deposits, and the corresponding application of	3.75% annual yield	3.75%	31.85	31.25	31.25	N/A	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-081)	

							funds is based on the bank deposits, and the income is linked to the bank's comprehensive liability cost.									
Anhui Branch of Bank of Communication Co., Ltd.	Bank	Floating income type	22,400	Idle raise funds	2019-1-31	2019-5-2	Takes the money collect by structured deposit sales as notional principal, and conducted investment income and financial derivatives with the benchmark comparison value of 3Mshibor linked with the counter party by using the cost of above mentioned principal	4.25% annual yield	4.25%	237.35	242.57	242.57	N/A	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-009)	
Hefei Branch of SPD Bank	Bank	Break-even & income protection	10,000	Idle raise funds	2019-1-30	2019-5-2	Investment of the central bank bill in bank market, treasury bond, corporate bonds, short-term financing, medium-term bills, inter-bank borrowing, inter-bank deposits, bills or bill repurchase etc.	4.20% annual yield	4.20%	105.86	110.83	110.83	N/A	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-009)	
Hefei Branch of CGB	Bank	Floating income type	10,000	Idle raise funds	2019-1-30	2019-5-2	The principal of funds raised by this structured deposit is included in the unified operations management of the funds of China Guangfa Bank. The proportion of investment in money market	4.25% annual yield	4.25%	107.12	107.12	107.12	N/A	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-009)	

							instruments (including but not limited to bank deposits, inter-bank lending, buy-back, etc.) ranges from 20% to 100%, and the proportion of bonds (including but not limited to national debt, central bank bills, financial bonds, short-term financing bonds, enterprise bonds, medium-term notes, corporate bonds) and other financial assets ranges from 0% to 80%, and the income is invested in the financial derivatives linking to the exchange rate of the US dollar against the Hong Kong dollar.								
Anhui Branch of Bank of Communication Co., Ltd.	Bank	Floating income type	17,000	Idle raise funds	2019-5-17	2019-7-16	Structured deposit products, the structured derivatives link up with 3M Libor	4.10% annual yield	4.10%	114.58	114.58	114.58	N/A	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-033)
Chengdu Branch of Industrial Bank Co., Ltd.	Bank	Floating income type	20,000	Idle raise funds	2019-5-17	2019-8-19	The corporate financial structural deposit under the Industrial Bank, its annual fixed income rate is 2.01%, the floating earnings are linked to the fluctuation of Shanghai Jingshangwu	3.80% annual yield	3.80%	195.73	195.73	195.73	N/A	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-034)

							benchmark price of the Shanghai Gold Exchange									
Chengdu Branch of China Bohai Bank	Bank	Floating income type	20,000	Idle raise funds	2019-6-20	2019-7-22	Structured deposit products, the structured derivatives link up with 3M Libor	3.55% annual yield	3.55%	62.25	62.25	62.25	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-038)
Chengdu Branch of China Bohai Bank	Bank	Floating income type	26,000	Idle raise funds	2019-6-20	2019-12-18	Structured deposit products, the structured derivatives link up with 3M Libor	3.85% annual yield	3.85%	496.38	-	-	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-038)
Huining Road Branch of Hefei Science & Technology Rural Commercial Bank Co., Ltd.	Bank	Floating income type	5,000	Idle raise funds	2019-7-17	2019-9-17	Structured deposit products, the contract code for investing in gold futures: au1912	3.80% annual yield	3.80%	32.27	32.27	32.27	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-046)
Hefei Branch of Shanghai Pudong Development Bank Co., Ltd.	Bank	Floating income type	5,000	Idle raise funds	2019-7-18	2019-9-24	Structured deposit products, mainly invested in inter-bank central bills, treasury bonds, corporate bonds, short-term financing, medium-term bills, inter-bank lending, inter-bank	3.80% annual yield	3.80%	35.39	34.83	34.83	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-046)

							deposits, bonds or bill repurchase etc., and option products with linked interest rate.									
Hefei Branch of Hua Xia Bank Co., Ltd.	Bank	Floating income type	7,000	Idle raise funds	2019-7-19	2019-9-19	Structured deposit products, all or part of the interest on deposits is linked to the gold futures price	3.90% annual yield	3.90%	46.37	46.37	46.37	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-046)
Chengdu Branch of Industrial Bank Co., Ltd.	Bank	Floating income type	8,700	Idle raise funds	2019-8-23	2019-11-25	Structured deposit products, the structural deposit refers to a business products that enables the depositors to obtain higher returns on basis of assuming certain risks by linking with fluctuations in interest rates, exchange rates, indices or with the credit situation of an entity.	3.80% annual yield	3.80%	85.14	-	-	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-054)
Chengdu Wuyang Dadao Branch of CITIC Bank Co., Ltd.	Bank	Floating income type	30,000	Self-own funds	2019-8-26	2019-11-25	Structured deposit products, invest through structured interest rate swaps	3.90% annual yield	3.90%	291.69	-	-	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2019-056)
Chengdu	Bank	Floating	12,000	Idle	2019-9	2019-12-	Structured deposit products, the	3.95%	3.95%	118.75	-	-	N/A	Y	Not	Juchao Website

Branch of China Bohai Bank		income type		raise funds	-23	23	structured derivatives link up with 3M Libor	annual yield						applicab le	(www.cninfo.com.cn) (No.: 2019-065)
Chengdu Branch of China Bohai Bank	Bank	Floating income type	5,000	Idle raise funds	2019-9-26	2019-12-23	Structured deposit products, the structured derivatives link up with 3M Libor	3.95% annual yield	3.95%	47.61	-	-	N/A	Not Y applicab le	Juchao Website (www.cninfo.com.cn) (No.: 2019-066)
Total			309,100	--	--	--	--	--	--	6,419.74	3,798.91	--	--	--	--

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable Not applicable

VII. Particulars about derivatives investment

Applicable Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount purchased during the reporting period	Amount sold during 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 institutions	N/A	No	Forward foreign exchange contract	200,656.30	2017-9-29	2020-5-26	149,739.86	168,156.14	194,857.95	--	130,709.04	25.49%	-7,671.00

Total	200,656.30	--	--	149,739.86	168,156.14	194,857.95	--	130,709.04	25.49%	-7,671.00
Capital resource	Self-owned capital									
Lawsuits (if applicable)	Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)	2019-3-29									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)	2019-5-22									
Venture analysis and explanation on control measures for derivatives holding in Period (including but not limited to market risk, liquidity risk, credit risks, operational risk and legal risk etc.)	<p>1. Market risk: the changes in domestic and foreign economic situation may create a major volatility in exchange rate, future exchange business under certain market risks. Forward exchange transaction business of the Company aims at lock-up the price in sale and purchase of foreign exchange, and lowers the impact on profit from exchange fluctuations. The Company will closely following the changes in exchange rate, based on the target rate fix by business, with the research and judgment in aspect of the trend in foreign exchange rate, determine the signature planning of agreement for forward exchange transaction combine with prediction on receipt and payment as well as the tolerance capacity of changing price arising from rate fluctuation; implement dynamic management on the business to guarantee a reasonable profit standards for the Company.</p> <p>2. Liquidity risk: all of the foreign exchange funds trading are depend on reasonably estimated of the import-export business in future, satisfy the requirement of trading truth. In addition, forward exchange transaction operates in way of bank credit; there is no impact on the fund liquidity of the Company.</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 the five major state-owned banks, joint –stock Chinese funded banks as Everbright and Industrial Bank, as well as the foreign funded banks as UOB, Overseas Chinese Bank and Bank of East Asia 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: the money trading in forward exchange might causes relevant risks due to the incorrect operations by handling personnel, relevant management mechanism has formulated by the Company, well-defined the operation procedure and duty officer in favor of preventing risk and risk control.</p> <p>5. Legal risk: legal disputes may arise from the un-clear trading agreement signed between the Company and banks in aspect of money trading in forward exchange. The Company strengthens the review on relevant contracts in way of law, and chooses banks for cooperation with good credit status</p>									

	in order to control the risk.
Particular about the changes of market price or product's fair value of invested derivatives in Period; as for analysis of the fair value of derivatives, disclosed specific treatment methods and relevant hypothesis and parameter setting	In accordance with the Article 7 "Recognition of Fair Value" of "The Accounting Standards for Enterprises No. 22—Recognition and Measurement of Financial Instruments", the Company determined and measure the fair value basically in line with the price provided or obtained from pricing services such as banks. As for the calculation of fair value for derivatives, it mainly refers to the un-matured contract of forward exchange facilities that signed with the banks in reporting period, and recognized as tradable financial assets or liabilities based on the difference of forward exchange facilities' contract quotation at period-end and forward rate. In the reporting period, the gains/losses of forward foreign exchange contract amounting to -7,671,000,000 Yuan
Explanation on major changes on specific principle of accounting policy and accounting calculation for derivatives in Period, by comparing with last period	Not applicable
Specific opinions from independent directors on derivative investment and risk controlling	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 Changhong 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.

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

√ Applicable □ Not applicable

Time	Way	Type	Basic situation index of investigation
2019-2-26	Field research	Institute	http://www.cninfo.com.cn/new/disclosure/stock?orgId=gssz0000521&stockCode=000521#
2019-7-2	Field research	Institute	http://www.cninfo.com.cn/new/disclosure/stock?orgId=gssz0000521&stockCode=000521#

IX. Guarantee outside against the regulation

□ Applicable √ Not applicable

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

X. 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 and its related party.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Changhong Meiling Co., Ltd.

In RMB

Item	2019-9-30	2018-12-31
Current assets:		
Monetary funds	4,075,740,120.45	4,596,077,557.40
Settlement provisions		
Capital lent		
Tradable financial assets	18,609,751.92	
Financial assets measured by fair value and with variation reckoned into current gains/losses		9,253,635.59
Derivative financial assets		
Note receivable	2,024,194,132.60	2,387,830,887.74
Account receivable	2,206,388,200.30	1,670,988,644.76
Receivable financing		
Accounts paid in advance	55,225,984.20	86,180,459.26
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	130,723,288.12	62,129,574.17
Including: Interest receivable	7,207,229.14	2,653,712.36
Dividend receivable		
Buying back the sale of financial assets		
Inventories	1,724,779,445.29	2,174,436,573.67
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	993,583,134.61	1,184,686,956.96

Total current assets	11,229,244,057.49	12,171,584,289.55
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Finance asset available for sales		45,000,000.00
Other debt investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	67,054,112.07	61,869,440.55
Investment in other equity instrument		
Other non-current financial assets	45,000,000.00	
Investment real estate	97,231,072.87	46,846,507.41
Fixed assets	2,030,130,808.74	1,733,957,012.14
Construction in progress	343,617,526.44	464,558,352.60
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	829,624,319.88	817,579,958.94
Expense on Research and Development	82,477,256.77	108,210,966.60
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	93,366,126.12	112,203,656.75
Other non-current asset		
Total non-current asset	3,588,501,222.89	3,390,225,894.99
Total assets	14,817,745,280.38	15,561,810,184.54
Current liabilities:		
Short-term loans	1,684,437,250.66	2,336,373,929.62
Loan from central bank		
Capital borrowed		
Tradable financial liability	18,131,337.32	
Financial liability measured by fair value and with variation reckoned into current gains/losses		55,586,666.70
Derivative financial liability		
Note payable	3,739,952,714.58	3,727,754,399.60

Account payable	2,297,568,758.71	2,282,174,981.38
Accounts received in advance	240,271,809.66	354,551,354.80
Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and inter-bank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	140,009,283.08	163,638,627.79
Taxes payable	65,314,443.39	109,753,432.17
Other account payable	788,933,166.42	660,320,360.26
Including: Interest payable	24,590,642.71	7,519,756.26
Dividend payable	3,579,491.94	17,317,286.45
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	300,000.00	273,682,737.85
Other current liabilities		
Total current liabilities	8,974,918,763.82	9,963,836,490.17
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	301,280,000.00	1,920,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	5,362,034.17	5,017,208.00
Long-term wages payable	14,353,019.26	19,073,101.29
Accrual liability	209,105,962.59	273,063,677.21
Deferred income	178,674,326.23	160,250,963.60
Deferred income tax liabilities	5,996,351.53	3,098,699.11
Other non-current liabilities		
Total non-current liabilities	714,771,693.78	462,423,649.21
Total liabilities	9,689,690,457.60	10,426,260,139.38

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	2,684,369,598.46	2,684,369,598.46
Less: Inventory shares		
Other comprehensive income	-19,943,038.08	-18,143,569.26
Reasonable reserve		
Surplus public reserve	399,650,743.38	400,673,993.50
Provision of general risk		
Retained profit	919,574,400.51	904,232,582.87
Total owner's equity attributable to parent company	5,028,249,585.27	5,015,730,486.57
Minority interests	99,805,237.51	119,819,558.59
Total owner's equity	5,128,054,822.78	5,135,550,045.16
Total liabilities and owner's equity	14,817,745,280.38	15,561,810,184.54

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

2. Balance Sheet of Parent Company

In RMB

Item	2019-9-30	2018-12-31
Current assets:		
Monetary funds	2,533,546,477.86	2,897,004,041.87
Tradable financial assets	18,609,751.92	
Financial assets measured by fair value and with variation reckoned into current gains/losses		9,253,635.59
Derivative financial assets		
Note receivable	1,859,464,078.52	2,433,243,946.64
Account receivable	1,591,344,853.71	1,050,282,023.37

Receivable financing		
Accounts paid in advance	70,902,531.74	58,710,427.38
Other account receivable	120,202,355.79	182,744,033.52
Including: Interest receivable	4,375,967.13	2,653,712.36
Dividend receivable		
Inventories	508,513,344.71	911,130,106.30
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	932,869,684.42	1,113,987,528.70
Total current assets	7,635,453,078.67	8,656,355,743.37
Non-current assets:		
Debt investment		
Available-for-sale financial assets		45,000,000.00
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	1,673,298,342.35	1,731,109,903.70
Investment in other equity instrument		
Other non-current financial assets	45,000,000.00	
Investment real estate	7,401,135.77	7,618,550.16
Fixed assets	1,107,406,361.27	1,082,915,540.08
Construction in progress	119,090,090.55	125,064,106.10
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	490,249,642.28	462,425,105.64
Research and development costs	50,073,095.15	57,383,653.72
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	69,879,472.55	78,357,299.17
Other non-current assets		
Total non-current assets	3,562,398,139.92	3,589,874,158.57

Total assets	11,197,851,218.59	12,246,229,901.94
Current liabilities:		
Short-term borrowings	1,490,939,946.14	1,911,719,726.13
Tradable financial liability	15,587,041.20	
Financial liability measured by fair value and with variation reckoned into current gains/losses		19,893,875.00
Derivative financial liability		
Notes payable	1,914,046,194.51	2,001,442,110.63
Account payable	1,463,334,535.04	2,011,821,519.82
Accounts received in advance	136,130,911.42	105,815,140.88
Contractual liability		
Wage payable	10,403,330.27	31,271,182.48
Taxes payable	15,279,477.06	21,992,129.58
Other accounts payable	405,280,969.94	427,293,961.56
Including: Interest payable	21,406,060.48	5,801,215.14
Dividend payable	3,579,491.94	17,317,286.45
Liability held for sale		
Non-current liabilities due within one year	300,000.00	258,588,504.48
Other current liabilities		
Total current liabilities	5,451,302,405.58	6,789,838,150.56
Non-current liabilities:		
Long-term loans	301,280,000.00	1,920,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable	14,353,019.26	19,073,101.29
Accrued liabilities	201,749,137.83	266,641,323.73
Deferred income	65,485,095.39	53,118,676.50
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	582,867,252.48	340,753,101.52

Total liabilities	6,034,169,658.06	7,130,591,252.08
Owners' 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	2,753,017,007.10	2,753,017,007.10
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve	399,432,577.70	400,455,827.82
Retained profit	966,634,094.73	917,567,933.94
Total owner's equity	5,163,681,560.53	5,115,638,649.86
Total liabilities and owner's equity	11,197,851,218.59	12,246,229,901.94

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	3,907,875,881.65	3,977,110,177.70
Including: Operating income	3,907,875,881.65	3,977,110,177.70
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	3,877,092,843.63	3,959,824,308.46
Including: Operating cost	3,120,899,900.24	3,205,017,999.93
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		
Tax and extras	37,337,949.44	37,835,191.90
Sales expense	596,324,632.05	597,903,240.88
Administrative expense	75,991,835.54	79,376,133.44
R&D expense	74,045,366.13	59,438,945.43
Financial expense	-27,506,839.77	-19,747,203.12
Including: Interest expenses	15,687,265.39	9,955,079.26
Interest income	38,289,853.37	24,694,760.73
Add: other income	44,877,387.39	19,485,556.40
Investment income (Loss is listed with “-”)	-49,991,079.10	5,976,620.29
Including: Investment income on affiliated company and joint venture	10,073,856.02	3,618,239.73
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	39,820,680.29	-7,042,861.74
Loss of credit impairment (Loss is listed with “-”)	-8,463,027.84	
Losses of devaluation of asset (Loss is listed with “-”)	-14,086,299.07	-9,548,787.87
Income from assets disposal (Loss is listed with “-”)	-3,498,765.23	192,920.94
III. Operating profit (Loss is listed with “-”)	39,441,934.46	26,349,317.26
Add: Non-operating income	3,218,452.87	1,361,065.01
Less: Non-operating expense	1,413,579.86	19,458.62
IV. Total profit (Loss is listed with “-”)	41,246,807.47	27,690,923.65
Less: Income tax expense	18,695,794.99	14,864,849.63
V. Net profit (Net loss is listed with “-”)	22,551,012.48	12,826,074.02
(i) Classify by business continuity		

1.continuous operating net profit (net loss listed with ‘-’)	22,551,012.48	12,826,074.02
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	26,417,996.84	14,954,274.39
2.Minority shareholders’ gains and losses	-3,866,984.36	-2,128,200.37
VI. Net after-tax of other comprehensive income	3,855,002.26	2,472,400.15
Net after-tax of other comprehensive income attributable to owners of parent company	2,611,878.24	1,782,853.09
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	2,611,878.24	1,782,853.09
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements	2,611,878.24	1,782,853.09

9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	1,243,124.02	689,547.06
VII. Total comprehensive income	26,406,014.74	15,298,474.17
Total comprehensive income attributable to owners of parent Company	29,029,875.08	16,737,127.48
Total comprehensive income attributable to minority shareholders	-2,623,860.34	-1,438,653.31
VIII. Earnings per share:		
(i) Basic earnings per share	0.0253	0.0143
(ii) Diluted earnings per share	0.0253	0.0143

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination while 0 Yuan achieved last period

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

4. Profit Statement of Parent Company (the period)

In RMB

Item	Current Period	Last Period
I. Operating income	2,664,004,704.29	2,490,700,722.60
Less: Operating cost	2,406,427,108.32	2,148,535,254.62
Taxes and surcharge	21,743,329.48	14,469,596.73
Sales expenses	138,981,640.75	201,139,184.30
Administration expenses	32,418,153.86	36,055,056.31
R&D expenses	29,405,298.29	23,407,166.72
Financial expenses	-6,393,797.98	-3,565,651.74
Including: interest expenses	11,934,462.19	13,724,471.67
Interest income	28,622,977.37	16,389,944.68
Add: other income	38,236,515.77	13,689,025.64
Investment income (Loss is listed with "-")	-3,964,727.76	19,003,123.97
Including: Investment income on affiliated Company and joint venture	5,794,277.12	1,686,779.58
The termination of income recognition		

for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	6,592,242.68	-11,287,554.36
Loss of credit impairment (Loss is listed with “-”)	-2,371,132.58	
Losses of devaluation of asset (Loss is listed with “-”)	-3,585,011.06	-10,616,799.13
Income on disposal of assets (Loss is listed with “-”)	132,203.39	-3,617.48
II. Operating profit (Loss is listed with “-”)	76,463,062.01	81,444,294.30
Add: Non-operating income	23,930.00	128,162.00
Less: Non-operating expense	248,133.83	
III. Total Profit (Loss is listed with “-”)	76,238,858.18	81,572,456.30
Less: Income tax	7,419,865.03	10,250,540.26
IV. Net profit (Net loss is listed with “-”)	68,818,993.15	71,321,916.04
(i)continuous operating net profit (net loss listed with “-”)	68,818,993.15	71,321,916.04
(ii) termination of net profit (net loss 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 of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		

2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
VI. Total comprehensive income	68,818,993.15	71,321,916.04
VII. Earnings per share:		
(i) Basic earnings per share	0.0659	0.0683
(ii) Diluted earnings per share	0.0659	0.0683

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Total operating income	13,041,038,562.59	13,248,619,747.37
Including: Operating income	13,041,038,562.59	13,248,619,747.37
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	12,994,783,658.83	13,201,080,887.97
Including: Operating cost	10,611,455,437.49	10,963,171,561.02
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		
Tax and extras	117,977,709.18	102,882,052.60
Sales expense	1,840,716,388.92	1,787,644,342.20
Administrative expense	240,384,878.24	228,370,924.33
R&D expense	194,093,406.99	152,219,238.87
Financial expense	-9,844,161.99	-33,207,231.05
Including: Interest expenses	73,580,264.70	70,110,789.68
Interest income	97,691,279.74	88,992,292.78
Add: other income	80,188,595.99	68,046,614.02
Investment income (Loss is listed with "-")	-38,327,115.65	20,726,039.38
Including: Investment income on affiliated company and joint venture	1,251,855.70	-12,056,138.08
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with "-")		
Exchange income (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Income from change of fair value (Loss is listed with "-")	43,185,470.53	-25,833,772.85
Loss of credit impairment (Loss is listed with "-")	1,082,468.11	
Losses of devaluation of asset (Loss is listed with "-")	-24,702,231.08	-28,486,908.52
Income from assets disposal (Loss is listed with "-")	-4,436,536.97	3,476,687.51
III. Operating profit (Loss is listed with "-")	103,245,554.69	85,467,518.94
Add: Non-operating income	5,694,649.89	5,443,167.59
Less: Non-operating expense	3,776,106.23	60,249.87
IV. Total profit (Loss is listed with "-")	105,164,098.35	90,850,436.66

Less: Income tax expense	36,397,055.33	25,015,797.92
V. Net profit (Net loss is listed with “-”)	68,767,043.02	65,834,638.74
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	68,767,043.02	65,834,638.74
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	80,752,019.41	65,638,506.12
2.Minority shareholders’ gains and losses	-11,984,976.39	196,132.62
VI. Net after-tax of other comprehensive income	-3,102,378.92	-6,466,960.36
Net after-tax of other comprehensive income attributable to owners of parent company	-1,799,468.82	-5,210,496.62
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	-1,799,468.82	-5,210,496.62
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		

7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements	-1,799,468.82	-5,210,496.62
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-1,302,910.10	-1,256,463.74
VII. Total comprehensive income	65,664,664.10	59,367,678.38
Total comprehensive income attributable to owners of parent Company	78,952,550.59	60,428,009.50
Total comprehensive income attributable to minority shareholders	-13,287,886.49	-1,060,331.12
VIII. Earnings per share:		
(i) Basic earnings per share	0.0773	0.0628
(ii) Diluted earnings per share	0.0773	0.0628

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination while 0 Yuan achieved last period

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Operating income	7,198,760,931.63	6,883,945,824.65
Less: Operating cost	6,438,821,213.52	6,102,437,941.57
Taxes and surcharge	59,372,381.91	44,193,309.99
Sales expenses	477,587,775.78	501,143,891.03
Administration expenses	100,853,326.37	94,252,573.07
R&D expenses	80,879,626.58	69,052,600.75
Financial expenses	2,111,585.97	9,606,238.12
Including: interest expenses	54,418,469.14	55,250,636.77
Interest income	68,936,401.63	57,329,240.66
Add: other income	56,735,800.59	49,742,843.47
Investment income (Loss is listed with “-”)	20,154,143.04	42,953,713.52

Including: Investment income on affiliated Company and joint venture	2,961,957.42	3,776,002.08
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)	10,027,189.27	-14,687,912.73
Loss of credit impairment (Loss is listed with “-”)	10,417,545.43	
Losses of devaluation of asset (Loss is listed with “-”)	-6,377,866.03	-14,834,202.44
Income on disposal of assets (Loss is listed with “-”)	-659,108.67	-880,921.32
II. Operating profit (Loss is listed with “-”)	129,432,725.13	125,552,790.62
Add: Non-operating income	244,520.00	3,874,754.46
Less: Non-operating expense	248,133.83	
III. Total Profit (Loss is listed with “-”)	129,429,111.30	129,427,545.08
Less: Income tax	8,477,826.62	7,816,660.55
IV. Net profit (Net loss is listed with “-”)	120,951,284.68	121,610,884.53
(i)continuous operating net profit (net loss listed with “-”)	120,951,284.68	121,610,884.53
(ii) termination of net profit (net loss 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 of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which		

will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
VI. Total comprehensive income	120,951,284.68	121,610,884.53
VII. Earnings per share:		
(i) Basic earnings per share	0.1158	0.1164
(ii) Diluted earnings per share	0.1158	0.1164

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	12,688,809,148.13	12,294,447,275.35
Net increase of customer deposit and inter-bank 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		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	280,384,080.90	455,080,647.00
Other cash received concerning operating activities	125,280,221.18	234,806,474.37
Subtotal of cash inflow arising from operating activities	13,094,473,450.21	12,984,334,396.72
Cash paid for purchasing commodities and receiving labor service	10,506,147,051.44	10,544,503,046.16
Net increase of customer loans and advances		
Net increase of deposits in central bank and inter-bank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	1,153,887,410.73	1,233,337,030.56
Taxes paid	448,423,347.16	297,025,746.90
Other cash paid concerning operating activities	784,789,548.98	668,241,202.55
Subtotal of cash outflow arising from operating activities	12,893,247,358.31	12,743,107,026.17
Net cash flows arising from operating activities	201,226,091.90	241,227,370.55
II. Cash flows arising from investing activities:		
Cash received from recovering investment	2,174,000,000.00	1,900,000,000.00
Cash received from investment income	37,989,139.50	39,313,892.16
Net cash received from disposal of fixed, intangible and other long-term assets	19,483,459.24	17,944,967.00
Net cash received from disposal of subsidiaries		

and other units		
Other cash received concerning investing activities	94,129,473.53	95,944,328.41
Subtotal of cash inflow from investing activities	2,325,602,072.27	2,053,203,187.57
Cash paid for purchasing fixed, intangible and other long-term assets	266,302,834.52	436,847,276.96
Cash paid for investment	1,981,000,000.00	3,020,000,001.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	76,709,995.61	255,500.00
Subtotal of cash outflow from investing activities	2,324,012,830.13	3,457,102,777.96
Net cash flows arising from investing activities	1,589,242.14	-1,403,899,590.39
III. Cash flows arising from financing activities		
Cash received from absorbing investment		24,865,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		24,865,000.00
Cash received from loans	1,308,256,908.10	2,021,566,261.86
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,308,256,908.10	2,046,431,261.86
Cash paid for settling debts	1,925,202,449.42	2,133,854,035.14
Cash paid for dividend and profit distributing or interest paying	127,772,072.70	109,269,826.49
Including: Dividend and profit of minority shareholder paid by subsidiaries	2,274,030.00	
Other cash paid concerning financing activities	32,764,857.16	2,050,458.19
Subtotal of cash outflow from financing activities	2,085,739,379.28	2,245,174,319.82
Net cash flows arising from financing activities	-777,482,471.18	-198,743,057.96
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	12,976,331.25	3,791,101.79
V. Net increase of cash and cash equivalents	-561,690,805.89	-1,357,624,176.01
Add: Balance of cash and cash equivalents at the period -begin	4,484,643,187.93	5,089,765,770.39
VI. Balance of cash and cash equivalents at the period -end	3,922,952,382.04	3,732,141,594.38

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	6,358,153,483.13	5,886,537,353.55
Write-back of tax received	135,160,922.67	214,262,771.43
Other cash received concerning operating activities	66,198,821.85	51,985,080.37
Subtotal of cash inflow arising from operating activities	6,559,513,227.65	6,152,785,205.35
Cash paid for purchasing commodities and receiving labor service	5,874,686,994.43	5,200,208,904.42
Cash paid to/for staff and workers	327,130,629.38	382,116,598.39
Taxes paid	156,564,790.86	59,998,461.89
Other cash paid concerning operating activities	330,317,153.84	280,528,778.03
Subtotal of cash outflow arising from operating activities	6,688,699,568.51	5,922,852,742.73
Net cash flows arising from operating activities	-129,186,340.86	229,932,462.62
II. Cash flows arising from investing activities:		
Cash received from recovering investment	2,174,000,000.00	1,860,000,000.00
Cash received from investment income	42,579,139.50	41,935,522.31
Net cash received from disposal of fixed, intangible and other long-term assets	6,708,283.94	220,903.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	309,067,175.10	89,093,823.56
Subtotal of cash inflow from investing activities	2,532,354,598.54	1,991,250,248.87
Cash paid for purchasing fixed, intangible and other long-term assets	139,125,420.63	144,003,295.22
Cash paid for investment	1,987,000,000.00	3,030,704,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	75,426,953.88	30,000,000.00
Subtotal of cash outflow from investing activities	2,201,552,374.51	3,204,707,295.22
Net cash flows arising from investing activities	330,802,224.03	-1,213,457,046.35

III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	1,064,409,999.44	1,549,720,995.00
Other cash received concerning financing activities	28,609,663.72	7,594,599.50
Subtotal of cash inflow from financing activities	1,093,019,663.16	1,557,315,594.50
Cash paid for settling debts	1,451,985,025.00	1,468,595,600.00
Cash paid for dividend and profit distributing or interest paying	114,912,675.86	99,520,906.42
Other cash paid concerning financing activities	121,717,485.21	279,276,931.43
Subtotal of cash outflow from financing activities	1,688,615,186.07	1,847,393,437.85
Net cash flows arising from financing activities	-595,595,522.91	-290,077,843.35
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	8,391,306.55	6,180,497.06
V. Net increase of cash and cash equivalents	-385,588,333.19	-1,267,421,930.02
Add: Balance of cash and cash equivalents at the period -begin	2,894,384,811.05	3,410,029,424.54
VI. Balance of cash and cash equivalents at the period -end	2,508,796,477.86	2,142,607,494.52

II. Financial statement adjustment

1.Relevant items of the financial statement at beginning of the year when implementing the new financial instrument standards, new revenue standards or new leasing standards since 2019

Applicable Not applicable

Consolidated Balance Sheet

In RMB

Item	2018-12-31	2019-01-01	Adjustment
Current assets:			
Monetary funds	4,596,077,557.40	4,596,077,557.40	
Settlement provisions			
Capital lent			
Tradable financial assets		9,253,635.59	9,253,635.59
Financial assets measured by fair value and with variation reckoned into current gains/losses	9,253,635.59		-9,253,635.59
Derivative financial assets			
Note receivable	2,387,830,887.74	2,370,568,253.64	-17,262,634.10

Account receivable	1,670,988,644.76	1,673,362,136.29	2,373,491.53
Receivable financing			
Accounts paid in advance	86,180,459.26	86,180,459.26	
Insurance receivable			
Reinsurance receivables			
Contract reserve of reinsurance receivable			
Other account receivable	62,129,574.17	63,192,740.93	1,063,166.76
Including: Interest receivable	2,653,712.36	2,653,712.36	
Dividend receivable			
Buying back the sale of financial assets			
Inventories	2,174,436,573.67	2,174,436,573.67	
Contractual assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	1,184,686,956.96	1,184,686,956.96	
Total current assets	12,171,584,289.55	12,157,758,313.74	-13,825,975.81
Non-current assets:			
Loans and payments on behalf			
Debt investment			
Finance asset available for sales	45,000,000.00		-45,000,000.00
Other debt investment			
Held-to-maturity investment			
Long-term account receivable			
Long-term equity investment	61,869,440.55	67,552,541.78	5,683,101.23
Investment in other equity instrument			
Other non-current financial assets		45,000,000.00	45,000,000.00
Investment real estate	46,846,507.41	46,846,507.41	
Fixed assets	1,733,957,012.14	1,733,957,012.14	
Construction in progress	464,558,352.60	464,558,352.60	
Productive biological asset			
Oil and gas asset			
Right-of-use assets			
Intangible assets	817,579,958.94	817,579,958.94	
Expense on Research and Development	108,210,966.60	108,210,966.60	

Goodwill			
Long-term expenses to be apportioned			
Deferred income tax asset	112,203,656.75	112,203,656.75	
Other non-current asset			
Total non-current asset	3,390,225,894.99	3,395,908,996.22	5,683,101.23
Total assets	15,561,810,184.54	15,553,667,309.96	-8,142,874.58
Current liabilities:			
Short-term loans	2,336,373,929.62	2,336,373,929.62	
Loan from central bank			
Capital borrowed			
Tradable financial liability		55,586,666.70	55,586,666.70
Financial liability measured by fair value and with variation reckoned into current gains/losses	55,586,666.70		-55,586,666.70
Derivative financial liability			
Note payable	3,727,754,399.60	3,727,754,399.60	
Account payable	2,282,174,981.38	2,282,174,981.38	
Accounts received in advance	354,551,354.80	354,551,354.80	
Contractual liability			
Selling financial asset of repurchase			
Absorbing deposit and inter-bank deposit			
Security trading of agency			
Security sales of agency			
Wage payable	163,638,627.79	163,638,627.79	
Taxes payable	109,753,432.17	109,753,432.17	
Other account payable	660,320,360.26	660,320,360.26	
Including: Interest payable	7,519,756.26	7,519,756.26	
Dividend payable	17,317,286.45	17,317,286.45	
Commission charge and commission payable			
Reinsurance payable			
Liability held for sale			
Non-current liabilities due within one year	273,682,737.85	273,682,737.85	
Other current liabilities			
Total current liabilities	9,963,836,490.17	9,963,836,490.17	
Non-current liabilities:			

Insurance contract reserve			
Long-term loans	1,920,000.00	1,920,000.00	
Bonds payable			
Including: Preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable	5,017,208.00	5,017,208.00	
Long-term wages payable	19,073,101.29	19,073,101.29	
Accrual liability	273,063,677.21	273,063,677.21	
Deferred income	160,250,963.60	160,250,963.60	
Deferred income tax liabilities	3,098,699.11	3,098,699.11	
Other non-current liabilities			
Total non-current liabilities	462,423,649.21	462,423,649.21	
Total liabilities	10,426,260,139.38	10,426,260,139.38	
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	2,684,369,598.46	2,684,369,598.46	
Less: Inventory shares			
Other comprehensive income	-18,143,569.26	-18,143,569.26	
Reasonable reserve			
Surplus public reserve	400,673,993.50	399,650,743.38	-1,023,250.12
Provision of general risk			
Retained profit	904,232,582.87	901,498,253.96	-2,734,328.91
Total owner's equity attributable to parent company	5,015,730,486.57	5,011,972,907.54	-3,757,579.03
Minority interests	119,819,558.59	115,434,263.04	-4,385,295.55
Total owner's equity	5,135,550,045.16	5,127,407,170.58	-8,142,874.58
Total liabilities and owner's equity	15,561,810,184.54	15,553,667,309.96	-8,142,874.58

Explanation:

The Company implemented the new financial instrument standards since 1 Jan. 2019, the “Financial assets measured by fair value and with its variation reckoned into current gains/losses” adjusted to “Tradable financial assets”, the “Financial assets available for sale” adjusted to “Other non-current financial assets”, the “Financial

liabilities measured by fair value and with its variation reckoned into current gains/losses” adjusted to “Tradable financial liabilities”.

Under the convergence provisions of the new financial instrument standards, the Company need not restate prior comparability, there is no need to adjust the information presented in the comparative financial statements that is inconsistent with the requirements of the new standards. The difference between original book value of a financial instrument and the new book value at the date of implementation of these standards, will reckon into the retained income for period-begin of 2019.

The joint venture-Sichuan Zhiyijia Network Technology Co., Ltd implemented the new financial instrument standards since 2019, and adjusted the owners equity at year-beginning, the Company synchronized adjustment according to the shareholding ratio, and reckoned into the long-term equity investment of year-beginning for year 2019 and retained income for year-begin.

Balance Sheet of Parent Company

In RMB

Item	2018-12-31	2019-01-01	Adjustment
Current assets:			
Monetary funds	2,897,004,041.87	2,897,004,041.87	
Tradable financial assets		9,253,635.59	9,253,635.59
Financial assets measured by fair value and with variation reckoned into current gains/losses	9,253,635.59		-9,253,635.59
Derivative financial assets			
Note receivable	2,433,243,946.64	2,419,743,946.64	-13,500,000.00
Account receivable	1,050,282,023.37	1,047,769,123.31	-2,512,900.06
Receivable financing			
Accounts paid in advance	58,710,427.38	58,710,427.38	
Other account receivable	182,744,033.52	182,841,331.20	97,297.68
Including: Interest receivable	2,653,712.36	2,653,712.36	
Dividend receivable			
Inventories	911,130,106.30	911,130,106.30	
Contractual assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	1,113,987,528.70	1,113,987,528.70	
Total current assets	8,656,355,743.37	8,640,440,140.99	-15,915,602.38
Non-current assets:			
Debt investment			
Available-for-sale financial assets	45,000,000.00		-45,000,000.00

Other debt investment			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	1,731,109,903.70	1,736,793,004.93	5,683,101.23
Investment in other equity instrument			
Other non-current financial assets		45,000,000.00	45,000,000.00
Investment real estate	7,618,550.16	7,618,550.16	
Fixed assets	1,082,915,540.08	1,082,915,540.08	
Construction in progress	125,064,106.10	125,064,106.10	
Productive biological assets			
Oil and natural gas assets			
Right-of-use assets			
Intangible assets	462,425,105.64	462,425,105.64	
Research and development costs	57,383,653.72	57,383,653.72	
Goodwill			
Long-term deferred expenses			
Deferred income tax assets	78,357,299.17	78,357,299.17	
Other non-current assets			
Total non-current assets	3,589,874,158.57	3,595,557,259.80	5,683,101.23
Total assets	12,246,229,901.94	12,235,997,400.79	-10,232,501.15
Current liabilities:			
Short-term borrowings	1,911,719,726.13	1,911,719,726.13	
Tradable financial liability		19,893,875.00	19,893,875.00
Financial liability measured by fair value and with variation reckoned into current gains/losses	19,893,875.00		-19,893,875.00
Derivative financial liability			
Notes payable	2,001,442,110.63	2,001,442,110.63	
Account payable	2,011,821,519.82	2,011,821,519.82	
Accounts received in advance	105,815,140.88	105,815,140.88	
Contractual liability			
Wage payable	31,271,182.48	31,271,182.48	
Taxes payable	21,992,129.58	21,992,129.58	
Other accounts payable	427,293,961.56	427,293,961.56	
Including: Interest payable	5,801,215.14	5,801,215.14	

Dividend payable	17,317,286.45	17,317,286.45	
Liability held for sale			
Non-current liabilities due within one year	258,588,504.48	258,588,504.48	
Other current liabilities			
Total current liabilities	6,789,838,150.56	6,789,838,150.56	
Non-current liabilities:			
Long-term loans	1,920,000.00	1,920,000.00	
Bonds payable			
Including: preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long term employee compensation payable	19,073,101.29	19,073,101.29	
Accrued liabilities	266,641,323.73	266,641,323.73	
Deferred income	53,118,676.50	53,118,676.50	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	340,753,101.52	340,753,101.52	
Total liabilities	7,130,591,252.08	7,130,591,252.08	
Owners' 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	2,753,017,007.10	2,753,017,007.10	
Less: Inventory shares			
Other comprehensive income			
Special reserve			
Surplus reserve	400,455,827.82	399,432,577.70	-1,023,250.12
Retained profit	917,567,933.94	908,358,682.91	-9,209,251.03
Total owner's equity	5,115,638,649.86	5,105,406,148.71	-10,232,501.15
Total liabilities and owner's equity	12,246,229,901.94	12,235,997,400.79	-10,232,501.15

Explanation:

The Company implemented the new financial instrument standards since 1 Jan. 2019, the “Financial assets measured by fair value and with its variation reckoned into current gains/losses” adjusted to “Tradable financial

assets”, the “Financial assets available for sale” adjusted to “Other non-current financial assets”, the “Financial liabilities measured by fair value and with its variation reckoned into current gains/losses” adjusted to “Tradable financial liabilities”.

Under the convergence provisions of the new financial instrument standards, the Company need not restate prior comparability, there is no need to adjust the information presented in the comparative financial statements that is inconsistent with the requirements of the new standards. The difference between original book value of a financial instrument and the new book value at the date of implementation of these standards, will reckon into the retained income for period-begin of 2019.

The joint venture-Sichuan Zhiyijia Network Technology Co., Ltd implemented the new financial instrument standards since 2019, and adjusted the owners equity at year-beginning, the Company synchronized adjustment according to the shareholding ratio, and reckoned into the long-term equity investment of year-beginning for year 2019 and retained income for year-begin.

2. Explanation on comparative data in the early stage of retroactive adjustment while implemented the new financial instrument standards or new leasing standards since 2019

Applicable Not applicable

III. Audit report

Whether the 3rd quarterly report has been audited or not

Yes No

The 3rd quarterly report of the Company has not been audited.

Changhong Meiling Co., Ltd.

Chairman: Wu Dinggang

18 October 2019