



Changhong Meiling Co., Ltd.

The First Quarterly Report of 2021

April 2021

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

Mr. Wu Dinggang, person in charge of the Company, Mr. Pang Haitao, person in charge of accounting works and Mr. Yang Jun, person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

Prompt of non-standard audit opinion

Applicable Not applicable

The First Quarterly Report of 2021 has not been audited.

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

Section II. Basic situation of the Company

I. Main accounting data and financial indexes

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

Yes No

	This Period	Same period of last year	Changes of this period over same period of last year
Operating income (RMB)	4,130,121,476.44	2,281,578,242.02	81.02%
Net profit attributable to shareholders of the listed company (RMB)	5,297,826.42	-270,008,124.67	101.96%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-26,469,858.74	-282,956,643.92	90.65%
Net cash flow arising from operating activities (RMB)	-968,522,457.80	-1,003,451,132.76	3.48%
Basic earnings per share (RMB/Share)	0.0051	-0.2585	101.97%
Diluted earnings per share (RMB/Share)	0.0051	-0.2585	101.97%
Weighted average ROE	0.11%	-5.54%	5.65 percentage points increased
	End of this period	End of last period	Changes of this period-end over same period-end of last year
Total assets (RMB)	16,470,661,999.78	16,103,355,454.46	2.28%
Net assets attributable to shareholder of listed company (RMB)	4,853,488,708.14	4,854,173,682.43	-0.01%

Items of non-recurring gains and losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-489,522.55	Found in "Asset disposal income", "Non-operating expenditure"
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)	13,160,582.16	Found in "Other income"
Losses/gains from changes of fair values occurred in holding trading financial assets, derivative financial assets, trading	21,063,671.48	Found in "Investment income" and "Changes in fair value gains/losses"

financial liabilities and derivative financial liabilities, and investment income obtaining from the disposal of trading financial assets, derivative financial assets, trading financial liability, derivative financial liability and other debt investment, excluded effective hedging business relevant with normal operations of the Company		
Other non-operating income and expenditure except for the aforementioned items	4,032,625.02	Found in “Non-operating income”, “Non-operating expenditure”
Less: impact on income tax	39,843.29	
Impact on minority shareholders’ equity (post-tax)	5,959,827.66	
Total	31,767,685.16	--

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

Applicable Not applicable

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

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

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

In shares

Total number of common shareholders at the end of report period	85,066	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 lock-up 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	0	-	-
Hefei Industrial Investment Holding (Group) Co., Ltd.	State-owned legal person	4.58%	47,823,401	0	-	-

Changhong (Hong Kong) Trade Co., Ltd.	Foreign legal person	2.59%	27,077,797	0	-	-
Ma Guobin	Domestic nature person	2.23%	23,333,500	0	-	-
CAO SHENGCHUN	Foreign nature person	1.41%	14,766,086	0	-	-
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	1.03%	10,733,452	0	-	-
Securities A/C for Repurchase under the name of Changhong Meiling Co., Ltd.	Domestic general legal person	0.80%	8,388,888	0	-	-
Philip Securities (H.K.) Co., Ltd.	Foreign legal person	0.60%	6,296,913	0	-	-
Gu Jie	Domestic nature person	0.41%	4,285,700	0	-	-
Wang Yumei	Domestic nature person	0.41%	4,267,600	0	-	-
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sichuan Changhong Electric Co., Ltd.	248,457,724	RMB ordinary shares	248,457,724			
Hefei Industrial Investment Holding (Group) Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401			
Changhong (Hong Kong) Trade Co., Ltd.	27,077,797	Domestically listed foreign shares	27,077,797			
Ma Guobin	23,333,500	RMB ordinary shares	23,333,500			
CAO SHENGCHUN	14,766,086	Domestically listed foreign shares	14,766,086			
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	10,733,452	RMB ordinary shares	10,733,452			
Securities A/C for Repurchase under the name of Changhong Meiling Co., Ltd.	8,388,888	Domestically listed foreign shares	8,388,888			
Philip Securities (H.K.) Co., Ltd.	6,296,913	Domestically listed foreign shares	6,296,913			
Gu Jie	4,285,700	RMB ordinary shares	4,285,700			
Wang Yumei	4,267,600	RMB ordinary shares	4,267,600			
Explanation on associated	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					

relationship among the aforesaid shareholders	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) Co., Ltd., 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 6 shareholders (except Philip Securities (H.K.) Co., Ltd.); “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 March 31, 2021, among the top 10 common shareholders, Ma Guobin holds 22,514,000 shares of the Company through customer credit trading secured account of Founder Securities Co., Ltd., and 819,500 shares hold through common securities account, thus 23,333,500 shares of the Company are held in total. The shareholder-Gu Jie holds 4,285,700 shares of the Company through customer credit trading secured account of China Merchants Securities Co., Ltd.

Note 1: At end of the reporting period, the person acting in concert with controlling shareholder Sichuan Changhong--CHANGHONG (HK) TRADING LIMITED, holds B-stock of the Company as 33,374,710 shares, among which, 6,296,913 shares are held through Philip Securities (H.K.) Co., Ltd. by CHANGHONG (HK) TRADING LIMITED.

Note 2: In the above table, "Particulars about shares held above 5% by shareholders or top 10 shares holding" is subject to the data on stock transfer books provided by China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

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

Yes No

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

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

Applicable Not applicable

Section III. Significant Events

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

√ Applicable □ Not applicable

(i) Changes and reasons of items in balance sheet

In RMB

Item	Ending balance	Opening balance	Changes ratio	Item
Money funds	4,408,281,323.05	6,594,786,789.98	-33.16%	Mainly due to the purchase of financial products and net cash outflow from operating activities in the Period
Trading financial assets	1,028,680,651.61	47,242,339.07	2,077.45%	Mainly due to the purchase of financial products in the Period
Accounts receivable	1,778,186,759.73	1,130,275,780.66	57.32%	Mainly due to the increase of operation revenue in the Period
Advance payment	58,012,556.17	30,105,373.40	92.70%	Mainly due to the advance purchase payment increased in the Period
Inventory	2,667,019,319.18	1,715,354,951.43	55.48%	Mainly due to the gain in yield in the Period
Right-of-use asset	22,258,350.11	-	100.00%	Mainly due to the implementation of new leasing standards in the Period
Employee compensation payable	198,470,767.14	290,321,776.05	-31.64%	Mainly due to the payment of wages in the Period
Taxes payable	61,038,028.05	89,682,433.90	-31.94%	Mainly due to the VAT retention credit from subsidiary Changhong Air-conditioner increased in the Period
Non-current liabilities due within one year	115,715,827.98	407,825,150.74	-71.63%	Mainly due to the repayment of long-term loans due within one year in the Period
Other current liabilities	34,135,600.19	22,923,698.73	48.91%	Mainly due to the taxes on contract liabilities increased in the Period
Long term loan	488,518,705.55	188,231,439.30	159.53%	Mainly due to the long-term loans increased in the Period
Lease liability	12,940,572.85	-	100.00%	Mainly due to the implementation of new leasing standards in the Period
Deferred income tax liabilities	6,268,762.89	10,575,582.33	-40.72%	Mainly due to the reversal of deferred income tax liabilities in the Period

(ii) Changes and reasons of items in profit statement

In RMB

Item	Amount at the period	Amount at the same period of last year	Changes ratio	Reasons of changes
Operation revenue	4,130,121,476.44	2,281,578,242.02	81.02%	Mainly due to the impact of COVID-19 outbreak in the same period of the previous year
Operating cost	3,462,713,769.04	1,991,759,544.67	73.85%	Same as "Operation revenue"
Taxes and surcharges	27,280,660.16	18,907,987.65	44.28%	Same as "Operation revenue"
Financial expenses	-1,483,821.14	4,376,275.14	-133.91%	Mainly due to the gains/losses of changes in foreign exchange
Gains from changes in fair value	-17,465,727.43	-3,935,681.27	-343.78%	Mainly due to the fair value changes in forward foreign exchange contract
Investment income	31,431,230.42	7,493,976.04	319.42%	Mainly due to the y-o-y increase of forward foreign exchange contract delivery proceeds
Credit impairment loss	-14,975,095.55	-33,262,321.33	54.98%	Mainly due to the impairment loss of note receivable and account receivable increased from a year earlier
Assets disposal income	-132,879.85	262,008.65	-150.72%	Mainly due to the loss from part of the assets disposal in the Period
Income tax expenses	5,426,757.07	-6,990,752.22	177.63%	The income tax expenses increased due to the taxable income amount increased in the Period
Minority interest	6,070,032.95	-8,756,819.19	169.32%	Profitability from part of the non-wholly-owned subsidiaries increased from a year earlier

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

In RMB

Item	Amount at the period	Amount at the same period of last year	Changes ratio	Reasons of changes
Cash received from selling goods and providing services	3,373,434,107.23	2,514,448,244.56	34.16%	Cash received from selling goods and providing services increased on a y-o-y basis
Other cash paid concerning operation activities	270,888,821.50	188,388,232.21	43.79%	The restricted monetary funds increased in the Period
Cash received from investment income	0.00	2,279,362.48	-100.00%	At same period last year, received dividends from joint venture subsidiaries while no such amount occurred in the Period
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	226,967.80	600.00	37,727.97%	The cash received from disposal of fixed assets and intangible assets are increased from a year earlier
Other cash received in connection with	65,932,678.99	39,748,651.98	65.87%	The income from forward foreign exchange contract

investment activities				delivery proceeds increased from a year earlier
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	86,274,381.23	65,387,929.38	31.94%	The cash flow paid for purchasing fixed assets in the Period increased on a y-o-y basis
Cash paid for investments	1,000,000,000.00	150,000,000.00	566.67%	Purchase of financial management in the Period increased on a y-o-y basis
Cash received from borrowing	647,079,820.49	976,420,210.00	-33.73%	The loans obtained in the Period declined on a y-o-y basis
Cash paid for debt repayment	904,900,000.00	377,260,642.92	139.86%	The cash paid for debt service in the Period increased on a y-o-y basis
Other cash paid concerning financing activities	6,339,329.84	358,999.60	1,665.83%	Cash paid for buy-back of B-stock in the Period

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

√ Applicable □ Not applicable

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

The Company held the 41st session of 9th BOD, 22nd session of 9th BOS and Fourth Extraordinary Shareholder's Meeting of 2020 on 14 August 2020 and 12 October respectively, deliberated and approved the "Proposal on Renewal of Financial Services Agreement with Sichuan Changhong Group Finance Co., Ltd and Related Transactions", and agreed the Company to continued financial services cooperation and renewal of the Financial Services Agreement for a period of three years with Sichuan Changhong Group Finance Co. Ltd. (hereinafter referred to as Changhong Finance Company). 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.

The Company held the 4th session of 10th BOD, 3rd session of 10th BOS and Fifth Extraordinary Shareholder's Meeting of 2020 on 11 December 2020 and 19 December respectively, deliberated and approved the "Proposal on the Expected Continuing Related Transactions between the Company and its Subsidiaries and Sichuan Changhong Group Finance Co., Ltd for year of 2021".

The related transactions between the company and its subsidiaries and Changhong Finance Company from the beginning of the year to the end of the reporting period are as follows:

In RMB

Item	Opening balance	Increased during the Period	Decreased during the Period	Ending balance	Interest, handling charge paid or received
I. Savings in Changhong Group Finance Company	2,798,256,008.52	10,043,782,166.63	10,530,709,013.62	2,311,329,161.53	20,366,873.01
II. Borrowings from Changhong					

Item	Opening balance	Increased during the Period	Decreased during the Period	Ending balance	Interest, handling charge paid or received
Group Finance Company					
1.Short-term loans					
2.Long-term loans					
III. Other financial business					
1.Notes drawing	1,515,518,972.25	751,830,184.89	746,806,409.20	1,520,542,747.94	406,775.09
2.Notes discounted	1,346,246,973.62	219,112,106.42	721,317,558.85	844,041,521.19	2,792,620.67

(ii) Other significant events

Overview	Date for disclosure	Information index for temporary report disclosure
After review and approval by the resolution of the BOD and BOS, it was agreed that the company would use the idle raised funds with 120 million yuan at most (the quota can be used on a rolling basis) to invest in the high-security, good-liquidity and capital-guaranteed financial products with maturity within one year. The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 3, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-008, No. 2021-009 and No. 2021-010)
After review and approval by the resolution of the BOD, it was agreed that the subordinate controlling subsidiary Zhongke Meiling to newly established a wholly-owned subsidiary-Anhui Linghe Medical Devices Co., Ltd. (tentative name, subject to the approved name with Industry & Commerce authority) with 10 million yuan.	March 3, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-008)
After review and approval by the resolution of the BOD and BOS, it was agreed that the Company provide a credit guarantee line (not exceeding 359 million yuan) with a period of one year to its subordinate controlling subsidiary Changmei Domestic Appliance. The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 3, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-008, No. 2021-009 and No. 2021-011)
After review and approval by the resolution of the BOD, it was agreed to performing technical renovations on the production line of Hefei Base Refrigerator (cabinet) with 24.4276 million yuan, achieving the cost reduction and efficiency gains to reduce manufacturing costs and further enhance the market competitiveness of the company's products.	March 3, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-008)
After review and approval by the resolution of the BOD, it was agreed that the Company and its subordinate subsidiaries carry out the forward foreign exchange funds trading business between 1 July 2021 and 30 June 2022. The balance of trading shall not exceed US\$ 720 million (mainly including: USD, AUD and EUR, all other foreign currencies are converted to USD), the maximum settlement period of a single transaction shall not exceed one year. The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-013 and No. 2021-019)
After review and approval by the resolution of the BOD, it was agreed that the Company to formulated the "Shareholder Return Plan for the Next Three Years (2021-2023)". The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-013)

After review and approval by the resolution of the BOD, it was agreed that the subordinate subsidiary of the company- Zhongshan Changhong to write-off a bad debt of 1,657,332.46 yuan in total, which was really beyond collection. The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-013 and No. 2021-020)
After review and approval by the resolution of the BOD, agreed to appoint Mr. Tang Youdao as the Vice President of the Company, his office term will same as the term as the current BOD.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-013)
After review and approval by the resolution of the BOD and BOS, it was agreed that controlling subsidiary - Zhongke Meiling Cryogenic Technology Co., Ltd to provide 60 million yuan credit guarantee line to its wholly-own subsidiary- Anhui Tuoxing Technology Co., Ltd with guarantee period of one year. The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-013, No. 2021-014 and No. 2021-021)
After review and approval by the resolution of the BOD, it was agreed that the company and its subsidiaries to applying for a special credit line for the note pool from the follow institutions as: up to 300 million yuan from Hefei Branch of Industrial Bank Co., Ltd, up to 300 million yuan from Hefei Branch of Ping An Bank Co., Ltd, up to 300 million yuan from Hefei Economic Development Zone Branch of Huishang Bank Co., Ltd., up to 300 million yuan from Hefei Branch of China Merchants Bank and up to 50 million yuan from Hefei Branch of CITIC Bank. The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-013 and No. 2021-022)
After review and approval by the resolution of the BOD, agreed to re-appoints Shine Wing Certified Public Accountants (LLP) as the audit institution of the annual financial report 2021 and internal control of the Company with one year period. At the same time, to request the shareholders' general meeting to authorize management of the Company to determine its annual audit remuneration, according to the industry standards and actual audit works of the company. The matter is subject to the deliberation and approval by AGM of 2020 of the Company.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-013 and No. 2021-017)
Former securities affairs representative and staff supervisor Mr. Zhu Wenjie, apply to resign as the staff supervisor of 10 th BOS and securities affairs representative due to personal reasons. To ensure that the structure of the BOS conforms to the relevant legal requirements, the staff congress held on 30 March 2021, after voting by the staff representative, agreed to elected Ms. Sun Hongying as the staff supervisor of the 10 th BOS, term of office shall commence from the date of deliberation and approved by Staff Congress to the date of expiration of the 10 th BOS.	March 31, 2021	Juchao Website: http://www.cninfo.com.cn (No. 2021-023)

(iii) Progress of shares buy-back

Applicable Not applicable

The company's 40th session of the ninth board of directors, the 21st session of the ninth board of supervisors, and the 3rd extraordinary general meeting of shareholders in 2020 held on July 27, 2020 and August 18, 2020 deliberated and approved the Proposal on the Repurchase of Part of Domestically Listed Foreign Shares (B Shares) of the Company. Agreed the Company to using the own funds to buy-back the B share by means of centralized bidding transactions, within the 12 months since the Buy-back of B share proposal approved by Shareholders

general Meeting. The price of buy-back shall not exceed HK\$ 2.21 per share (inclusive), and shall not be higher than 150% of the average trading price of B shares for the 30 trading days prior to the date when the buy-back proposal approved by the Board. The total amount of buy-back shall not be less than 50 million yuan (inclusive) and not more than 100 million yuan (inclusive), converted at the mid-rate of HKD/CNY exchange rate dated 24 July 2020 (HKD1=CNY0.9023), equivalent to not less than HK\$55,413,942.15 (inclusive) and not exceeding HK\$ 110,827,884.30 (inclusive). (the actual amount of HKD is based on the exchange rate on the date of purchase of foreign exchange, including the relevant expenses as foreign exchange purchase and transaction fees)

The company repurchased its shares for the first time from November 4, 2020 to the disclosure date of the report, and repurchased 8,388,888 shares of the company by centralized bidding through a dedicated securities account for repurchase, accounting for 0.8031% of the company's total share capital, the highest transaction price was HK\$2.21/share, the lowest transaction price was HK\$1.87/share, and the total amount of self-owned funds paid was HK\$17,946,867.40 (excluding transaction fees such as stamp duty and commission).

Among which, from 1 January 2021 to 31 March 2021, repurchased 2,836,737 shares of the company by centralized bidding through a dedicated securities account for repurchase, accounting for 0.2716% of the company's total share capital, the highest transaction price was HK\$2.21/share, the lowest transaction price was HK\$2.15/share, and the total amount of self-owned funds paid was HK\$6,247,402.13 (excluding transaction fees such as stamp duty and commission).

Found more on announcement (Notice No.:2020-047, 2020-048, 2020-049, 2020-063, 2020-064, 2020-066, 2020-081, 2020-092, 2020-093, 2020-094, 2020-095, 2021-001, 2021-007, 2021-012 and 2021-025) released on appointed media China Securities Journal, Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) respectively dated 28 July 2020, 31 July, 14 August, 19 August, 4 September, 10 October, 3 November, 5 November, 6 November, 2 December and 5 January 2021, 3 February, 3 March and 3 April.

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

Applicable Not applicable

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

Applicable Not applicable

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

IV. Financial asset investment

1. Securities investment

Applicable Not applicable

There was no securities investment in the company during the reporting period.

2. Derivative investment

√ Applicable □ Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount purchased in the reporting period	Amount sales in the reporting period	Amount of reserve for devaluation of withdrawal (if applicable)	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the Company at period-end	Actual gains/losses in period
Financial institution	N/A	No	Forward foreign exchange	328,707.20	April 22, 2020	December 31, 2021	208,749.56	119,957.64	97,475.87	-	227,378.39	46.85%	3,852.94
Total				328,707.20	--	--	208,749.56	119,957.64	97,475.87	-	227,378.39	46.85%	3,852.94
Capital resource				Self-owned capital									
Lawsuit involved (if applicable)				Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)				March 28, 2020									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				May 30, 2020									
Risk analysis and controlling measures for derivatives holdings in the Period (including but not limited to market risk, liquidity risk, credit risks, operation risk and law risks etc.)				Risk analysis: 1. Market risk: domestic and international economic situation changes may lead to exchange rate fluctuations, forward foreign exchange transactions are under certain market risk. Forward foreign exchange business is aiming to reducing impact on corporate profits by foreign exchange settlement and sale prices, exchange rate fluctuations. The Company will follow up the exchange fluctuation, on the basis of target rate determined from the business, relying on the research of the foreign currency exchange rates, combined with prediction of consignments, and burdening ability to price variations due to exchange rate fluctuations, then determine the plan of forward foreign exchange contracts, and make dynamic management to the business, to ensure reasonable profit									

	<p>level.</p> <p>2. Liquidity risk: all foreign exchange transactions are based on a reasonable estimate of the future import and export business, to meet the requirements of the trade authenticity. In addition, forward foreign exchange transactions are processed with bank credit, will not affect liquidity of company funds.</p> <p>3. Bank default risk: if cooperative banks collapse within the contract time, the Company will not be able to transact the original foreign exchange contracts with contract price, which leads the risk of income uncertainty. So the Company chose Bank of China, Agricultural Bank of China, Industrial and Commercial Bank of China, China Construction Bank and other Chinese-funded banks with a joint-stock system as Everbright and Industrial Bank, as well as the foreign-funded banks as UOB, Oversea Chinese Bank and the Bank of East Asia etc. to conduct the trading of foreign exchange capital. These banks share a solid strength and management whose failure and the risk of loss may bring to the Company is very low.</p> <p>4. Operational risk: improper operation of the person in charge of forward foreign exchange transactions may cause related risk also. The Company has formulated related management system which defines the operation process and responsibility to prevent and control risks.</p> <p>5. The legal risks: unclear terms based in contract signed with banks for related transactions may lead legal risks when forward foreign exchange transactions are processing. The Company will strengthen legal review, and choose good bank to carry out this kind of business as to risk control.</p>
Risk analysis and controlling measures for derivatives holdings in the Period (including but not limited to market risk, liquidity risk, credit risks, operation risk and law risks etc.)	The Company determines fair value in accordance with the Chapter VII "Determination of Fair Value" carried in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments. Fair-value is basically obtained according to prices offered by bank and other pricing services. While fair-value of derivatives is mainly obtained according to the balance between prices given by outstanding contracts and forward prices given by contracts signed during the reporting period with bank. The differences are identified as trading financial assets and liabilities. During the reporting period, forward foreign exchange contracts and losses of the Company is 38.5294 million yuan.
Specific principle of the accounting policy and calculation for derivatives in the Period compared with last period in aspect of major changes	Not applicable
Special opinion on derivative investment and risk control by independent directors	Upon inspection, the independent directors of the Company believes that: during the reporting period, the Company carried out its foreign exchange forward deals in strict compliance with the <i>Standardized Operation Guidelines for Listed Company</i> issued by Shenzhen Stock Exchange, the <i>Articles of Association</i> , <i>Authorization Management of the Company</i> , <i>Management System in relating to Foreign Exchange Forward Deals of the Company</i> , 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.
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V. Progress of investment projects with raised funds

√ Applicable □ Not applicable

(i) Particular about process of the fund raised

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

Being deliberated and approved by the 24th session of the 9th board of directors, the 13th session of the 9th board of supervisors, and the second extraordinary general meeting of shareholders in 2019, it was agreed that the company to change the unused raised funds of 120 million yuan from the sub-project “annual additional 600000 sets of medium and large volume environmental protection and energy-saving freezer intelligent production line” under the fund raise project -"Intelligent Manufacturing Construction Project" and put into the "Production base project of annual output of 2 million washing machines(Phase II) "; and agreed the company to terminate the implementation of “Intelligent Life Project” and use the remaining proceeds of the project and interest from financial management to permanently replenish the working capital. Up to now, the company regulates the use of funds raised in line with the decision-making of the shareholders general meeting and relevant regulation.

As of 31 March 2021, the fund raising project of private issuance of 2016 has 1,519,817,853.08 yuan (including the amount of permanent supplementary working capital) actually used in total, balance of the dedicated fund raising account was 145,133,593.35 yuan (including interest income of 3,868,587.54 yuan and maturity income of the bank financial management 38,511,235.70 yuan). Among them, from January to March 2021, the company used a total of 11668519.11 yuan of raised funds.

(ii) Progress of the projects with fund raised involved

1. “Construction of intelligent manufacturing project”

(1) Sub-project “Intelligent manufacturing (Hefei)”: up to now, the project has reached the intended useable condition. The cumulative proceeds amounted to 271,000,000.00 yuan and 38,321,431.22 yuan remain, all of which were the deposit interest and income from financial managements.

(2) Production base project of annual output of 2 million washing machines (Phase II) has a trial production in June 2020. Up to now, the project has substantially reached its intended useable condition. Other projects are ready for use, and the remaining payment is till in the process of payment. The cumulative proceeds amounted to 86,328,918.14 yuan and 37,676,856.31 yuan remain (including 3,880,593.68 yuan financial management income and 125,180.77 yuan deposit interest)

2. “Construction of intelligent R&D capability and new products development of the intelligent appliance technology”

Except for the sub-project “intelligent R&D management platform construction”, other projects have been completed. As of the end of the reporting period, the cumulative proceeds of “Construction of intelligent R&D capability and new products development of the intelligent appliance technology” amounted to 540,764,219.90 yuan (including the cash supplemented the working capital 126,766,362.64 yuan), 69,135,305.82 yuan remain (including interest income 52,617.57 yuan and financial management income 0 yuan)

Being deliberated and approved by 31st session of 9th BOD, 16th session of 9th BOS and Fourth Extraordinary Shareholders Meeting of 2019, it was agreed that the company to change the use and investment of some of the funds raised in the “intelligent research and development project”, and use them to purchase intelligent infrastructure platform construction and software R & D platforms and other R & D assets from Sichuan Changhong Electric Co., Ltd. and its subsidiaries, in order to completed the sub-project “intelligent R&D management platform construction” under the “intelligent research and development project”. However, due to the certain changes outside the environment during the trading period, material uncertainty has arisen regarding the timing and outcome of the completion of the delivery of the underlying assets of the transaction. In order to effectively safeguard the interest of the listed company and all shareholders, considering that the listed company has not yet paid the transaction funds, and has not yet carried out the transfer procedures of the underlying assets, and being deliberated and approved by the 7th session of 10th BOD and 6th session of 10th BOS held on 19 April 2021, agreed the company to terminated the purchasing of R&D assets, such as intelligent infrastructural platform construction and software development platform from Sichuan Changhong and its subsidiary as well as the related transactions. The amount of the related transaction termination amounted to 46.6173 million yuan. After transaction terminated, the remain fund raise of “intelligent R&D capacity construction and new product development project on intelligent home appliance technology” will still be used for the follow-up investment. The company builds its own R&D platform to meet the rapid response of technology iteration and upgrade, improve the R&D efficiency and enhance the competitiveness of independent R&D core technology.

3. “Intelligent life project”

The resolutions of the 24th session of the ninth board of directors of the company, the 13th session of the ninth board of supervisors, and the 2nd extraordinary shareholders’ meeting in 2019 passed and approved the company to terminate the implementation of the “Intelligent life project” and use the remaining raised funds and financial management interest of the project to permanently supplement the working capital. The company has withdrawn the remaining funds raised and interest income from this account, a total of 305,843,051.27 yuan, to permanently supplement the company’s working capital. Meanwhile, the implement subject - Changmei Technology Co., Ltd. (hereinafter referred to as the “Changmei Technology”) has been liquidated and cancelled.

4. Supplementary the floating capital was completed, and the cumulative use of proceeds amounted to 270,880,063.77 yuan (including deposit interest 147,341.01 yuan)

VI. Forecast of operation performance from January – June of 2021

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

VII. Major contracts for daily operations

Applicable Not applicable

VIII. Trust financing√Applicable Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Undue balance	Overdue amount
Bank financing products	Idle own funds	100,000	100,000	0
Total		100,000	100,000	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 (or name of trustee)	Trustee type	Product type	Amount	Source of funds	Start date	Expiry 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 plan in the future	Summary of the items and related query index (if applicable)
Hefei Branch of Bank of East Asia (China) Co., Ltd.	Bank	Principal-guaranteed with floating income	10,000	Idle own funds	January 15, 2021	July 15, 2021	Deposits embedded in financial derivatives absorbed by the Bank are linked to exchange rate fluctuations so that depositors can obtain corresponding returns on the basis of certain risks.	Annualized returns 3.60%	3.60%	181.00	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)

Mianyang Branch of Bank of Communications Co., Ltd.	Bank	Principal-guaranteed with floating income	20,000	Idle own funds	January 18, 2021	April 19, 2021	The funds raised from the structured deposit products of Bank of Communications are operated uniformly by the Bank of Communications, and business management is carried out in accordance with the principle of separating basic deposits from derivative transactions. The principal part raised is included in the unified operation and management of the internal funds of the Bank of China, and included in the payment scope of deposit reserves and deposit insurance premiums. The embedded derivatives of a product are lined to exchange rates, interest rates, commodities indexes and other targets.	Annualized returns : 3.15%	3.15%	157.07	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
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Anhui Branch of Bank of Communications Co., Ltd.	Bank	Principal-guaranteed with floating income	10,000	Idle own funds	January 19, 2021	April 19, 2021	The funds raised from the structured deposit products of Bank of Communications are operated uniformly by the Bank of Communications, and business management is carried out in accordance with the principle of separating basic deposits from derivative transactions. The principal part raised is included in the unified operation and management of the internal funds of the Bank of China, and included in the payment scope of deposit reserves and deposit insurance premiums. The embedded derivatives of a product are lined to exchange rates, interest rates, commodities indexes and other targets.	Annualized returns : 3.15%	3.15%	77.67	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
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Hefei Branch of Bank of China Limited	Bank	Guaranteed capital and minimum return	10,000	Idle own funds	January 18, 2021	July 14, 2021	Funds raised by this product are operated uniformly by the Bank of China, and business management is carried out in accordance with the principle of separating basic deposits from derivative transactions. The principal part raised is included in the unified operation and management of the internal funds of the Bank of China, and included in the payment scope of deposit reserves and deposit insurance premiums. Products embedded derivatives are partly invested in derivatives markets such as exchange rates, interest rates, commodities, and indices, and the final product performance is linked to derivatives.	Annualized returns : 3.63%	3.63%	176.03	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)
Hefei Branch of Bohai Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000	Idle own funds	January 20, 2021	July 21, 2021	A structured deposit product whose derivatives are partially linked to the mid-rate of the U.S. dollar against Japanese Yen exchange rate	Annualized returns : 3.50%	3.50%	87.26	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)

Chengdu Branch of Bohai Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	10,000	Idle own funds	January 20, 2021	July 21, 2021	A structured deposit product whose derivatives are partially linked to the mid-rate of the U.S. dollar against Japanese Yen exchange rate	Annualized returns : 3.50%	3.50%	174.52	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-004)
Mianyang branch of Bank of China Limited	Bank	Guaranteed capital and minimum return	20,000	Idle own funds	January 18, 2021	April 20, 2021	Funds raised by this product are operated uniformly by the Bank of China, and business management is carried out in accordance with the principle of separating basic deposits from derivative transactions. The principal part raised is included in the unified operation and management of the internal funds of the Bank of China, and included in the payment scope of deposit reserves and deposit insurance premiums. Products : embedded derivatives are partly invested in derivatives markets such as exchange rates, interest rates, commodities, and indices, and the final product performance is linked to derivatives. During the investment period, Bank of China uses the income method to value the embedded option price of this structured deposit.	Annualized returns : 3.54%	3.54%	178.45	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-003)

Hefei Changdong Branch of Industrial and Commercial Bank of China Limited	Bank	Principal-guaranteed with floating income	10,000	Idle own funds	January 26, 2021	April 28, 2021	The principal part of this product shall be incorporated into the unified internal fund operation and management of ICBC, the income is invested in the derivative linked to the exchange rate of US dollar against Japanese Yen, and earnings of the products are linked to the performance of the US dollar/Japanese Yen exchange rate in the international markets during the observation period. Returns of the investors are depend on the performance of the US dollar against the Japanese Yen over the observation period.	Annualized returns : 3.30%	3.30%	83.18	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-005)
Hefei Branch of China Everbright Bank Co., Ltd.	Bank	Principal-guaranteed with floating income	5,000	Idle own funds	January 15, 2021	April 15, 2021	This product is a RMB structured deposit product with embedded financial derivative instruments. The bank will invest the raised structured deposit funds in bank time deposits, and at the same time invest in financial derivative transactions (including but not limited to options and swaps and other derivative transactions) in domestic or international financial markets by limiting the income of the time deposits to the upper limit, the sum of the investment gains and losses of financial derivative transactions and the bank deposit interest together constitute the income of structured deposit products.	Annualized returns : 3.00%	3.00%	37.50	-	-	N/A	Y	Not applicable	Juchao Website(www.cninfo.com.cn) (Notice No.: 2021-004)
Total			100,000	--	--	--	--	--	--	1,152.68	-	--	--	--	--	--

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

Applicable Not applicable

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 or its related party in the reporting period.

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

Applicable Not applicable

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

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Changhong Meiling Co., Ltd.

In RMB

Item	March 31, 2021	March 31, 2020
Current assets:		
Monetary fund	4,408,281,323.05	6,594,786,789.98
Settlement provisions		
Capital lent		
Trading financial assets	1,028,680,651.61	47,242,339.07
Derivative financial assets		
Note receivable	319,034,920.06	340,421,386.71
Account receivable	1,778,186,759.73	1,130,275,780.66
Receivable financing	1,528,145,863.81	1,632,388,702.83
Accounts paid in advance	58,012,556.17	30,105,373.40
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	149,284,188.35	145,705,978.26
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	2,667,019,319.18	1,715,354,951.43
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	244,822,465.13	198,353,464.98
Total current assets	12,181,468,047.09	11,834,634,767.32
Non-current assets:		
Loans and payments on behalf		
Debt investment		

Other debt investment		
Long-term account receivable		
Long-term equity investment	69,683,549.24	76,982,822.38
Investment in other equity instrument		
Other non-current financial assets	548,148,931.34	548,148,931.34
Investment real estate	54,588,057.54	53,888,462.00
Fixed assets	2,369,501,821.01	2,391,859,440.31
Construction in progress	67,835,296.75	60,775,088.96
Productive biological asset		
Oil and gas asset		
Right-of-use assets	22,258,350.11	
Intangible assets	953,035,638.26	936,851,520.65
Expense on Research and Development	79,614,245.23	73,028,441.56
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	124,528,063.21	127,185,979.94
Other non-current asset		
Total non-current asset	4,289,193,952.69	4,268,720,687.14
Total assets	16,470,661,999.78	16,103,355,454.46
Current liabilities:		
Short-term loans	993,337,141.77	1,336,209,050.55
Loan from central bank		
Capital borrowed		
Trading financial liability	3,488,116.48	4,584,076.51
Derivative financial liability		
Note payable	4,653,004,079.61	4,439,607,982.34
Account payable	3,451,101,623.90	2,851,999,684.30
Accounts received in advance		
Contractual liability	455,639,599.56	522,550,891.28
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	198,470,767.14	290,321,776.05

Taxes payable	61,038,028.05	89,682,433.90
Other account payable	781,898,901.41	724,701,686.72
Including: Interest payable		
Dividend payable	4,466,628.25	4,466,628.25
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	115,715,827.98	407,825,150.74
Other current liabilities	34,135,600.19	22,923,698.73
Total current liabilities	10,747,829,686.09	10,690,406,431.12
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	488,518,705.55	188,231,439.30
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	12,940,572.85	
Long-term account payable	1,481,910.81	1,705,323.91
Long-term wages payable	9,804,235.21	10,571,526.69
Accrual liability	46,674,564.52	62,392,735.07
Deferred income	174,664,662.34	177,377,450.12
Deferred income tax liabilities	6,268,762.89	10,575,582.33
Other non-current liabilities		
Total non-current liabilities	740,353,414.17	450,854,057.42
Total liabilities	11,488,183,100.26	11,141,260,488.54
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	2,683,834,267.96	2,683,837,229.12
Less: Inventory shares	15,158,122.98	9,929,336.18
Other comprehensive income	-22,202,136.92	-21,451,084.17
Reasonable reserve		

Surplus public reserve	416,364,790.43	416,364,790.43
Provision of general risk		
Retained profit	746,052,028.65	740,754,202.23
Total owner's equity attributable to parent company	4,853,488,708.14	4,854,173,682.43
Minority interests	128,990,191.38	107,921,283.49
Total owner's equity	4,982,478,899.52	4,962,094,965.92
Total liabilities and owner's equity	16,470,661,999.78	16,103,355,454.46

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	March 31, 2021	March 31, 2020
Current assets:		
Monetary funds	2,815,568,155.70	4,605,962,184.11
Trading financial assets	1,016,113,133.40	37,589,391.07
Derivative financial assets		
Note receivable	259,552,018.68	286,990,200.00
Account receivable	1,412,255,771.35	1,019,299,017.40
Receivable financing	1,403,688,997.80	1,561,429,139.80
Accounts paid in advance	61,624,838.78	39,571,728.09
Other account receivable	57,048,384.71	49,093,918.57
Including: Interest receivable		
Dividend receivable		
Inventories	718,459,280.47	578,905,855.30
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	130,304,219.64	142,573,164.77
Total current assets	7,874,614,800.53	8,321,414,599.11
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		

Long-term equity investments	1,861,699,274.53	1,834,115,835.95
Investment in other equity instrument		
Other non-current financial assets	548,148,931.34	548,148,931.34
Investment real estate	3,909,377.22	3,961,590.38
Fixed assets	1,216,967,117.05	1,229,803,474.56
Construction in progress	48,794,936.02	47,570,309.13
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	474,746,704.55	479,923,618.32
Research and development costs	55,584,317.14	42,913,363.51
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	102,112,716.18	103,462,284.33
Other non-current assets		
Total non-current assets	4,311,963,374.03	4,289,899,407.52
Total assets	12,186,578,174.56	12,611,314,006.63
Current liabilities		
Short-term borrowings	961,070,887.80	1,234,926,592.05
Trading financial liability	2,255,736.00	2,512,269.00
Derivative financial liability		
Notes payable	2,779,772,716.35	2,510,288,511.69
Account payable	1,624,897,477.72	1,918,960,127.71
Accounts received in advance		
Contractual liability	178,104,923.64	281,974,752.24
Wage payable	84,860,294.58	130,314,834.51
Taxes payable	12,451,118.30	19,582,700.30
Other accounts payable	673,838,162.33	624,090,798.72
Including: Interest payable		
Dividend payable	3,866,628.25	3,866,628.25
Liability held for sale		
Non-current liabilities due within one year	106,761,067.52	407,141,888.08
Other current liabilities	5,000,621.88	6,432,113.43
Total current liabilities	6,429,013,006.12	7,136,224,587.73

Non-current liabilities:		
Long-term loans	488,518,705.55	188,231,439.30
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable	9,804,235.21	10,571,526.69
Accrued liabilities	39,317,739.76	55,035,910.31
Deferred income	66,752,084.26	67,315,337.57
Deferred income tax liabilities	1,969,647.39	6,102,908.01
Other non-current liabilities		
Total non-current liabilities	606,362,412.17	327,257,121.88
Total liabilities	7,035,375,418.29	7,463,481,709.61
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	2,753,134,826.83	2,753,137,787.99
Less: Inventory shares	15,158,122.98	9,929,336.18
Other comprehensive income		
Special reserve		
Surplus reserve	416,146,624.75	416,146,624.75
Retained profit	952,481,546.67	943,879,339.46
Total owner's equity	5,151,202,756.27	5,147,832,297.02
Total liabilities and owner's equity	12,186,578,174.56	12,611,314,006.63

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

3. Consolidated Profit Statement

In RMB

Item	Current period	Last period
I. Total operating income	4,130,121,476.44	2,281,578,242.02

Including: Operating income	4,130,121,476.44	2,281,578,242.02
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	4,114,082,728.16	2,534,145,650.00
Including: Operating cost	3,462,713,769.04	1,991,759,544.67
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	27,280,660.16	18,907,987.65
Sales expense	470,854,477.88	371,060,681.20
Administrative expense	69,868,119.38	66,823,587.40
R&D expense	84,849,522.84	81,217,573.94
Financial expense	-1,483,821.14	4,376,275.14
Including: Interest expenses	19,017,594.62	21,823,849.54
Interest income	32,955,063.89	36,615,193.00
Add: other income	13,160,582.16	10,962,097.40
Investment income (Loss is listed with "-")	31,431,230.42	7,493,976.04
Including: Investment income on affiliated company and joint venture	-7,098,168.49	-131,480.96
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 "-")	-17,465,727.43	-3,935,681.27
Loss of credit impairment (Loss is listed with "-")	-14,975,095.55	-33,262,321.33
Losses of devaluation of asset (Loss is listed with "-")	-14,938,223.91	-15,425,929.32
Income from assets disposal (Loss is listed with "-")	-132,879.85	262,008.65
III. Operating profit (Loss is listed with "-")	13,118,634.12	-286,473,257.81
Add: Non-operating income	4,126,563.91	1,226,885.79
Less: Non-operating expense	450,581.59	509,324.06

IV. Total profit (Loss is listed with “-”)	16,794,616.44	-285,755,696.08
Less: Income tax expense	5,426,757.07	-6,990,752.22
V. Net profit (Net loss is listed with “-”)	11,367,859.37	-278,764,943.86
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	11,367,859.37	-278,764,943.86
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	5,297,826.42	-270,008,124.67
2.Minority shareholders’ gains and losses	6,070,032.95	-8,756,819.19
VI. Net after-tax of other comprehensive income	-1,223,856.13	-5,014,374.15
Net after-tax of other comprehensive income attributable to owners of parent company	-751,052.75	-4,643,772.99
(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	-751,052.75	-4,643,772.99
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	-751,052.75	-4,643,772.99
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-472,803.38	-370,601.16
VII. Total comprehensive income	10,144,003.24	-283,779,318.01

Total comprehensive income attributable to owners of parent Company	4,546,773.67	-274,651,897.66
Total comprehensive income attributable to minority shareholders	5,597,229.57	-9,127,420.35
VIII. Earnings per share:		
(i) Basic earnings per share	0.0051	-0.2585
(ii) Diluted earnings per share	0.0051	-0.2585

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

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

In RMB

Item	Current period	Last period
I. Operating income	2,002,187,328.72	1,281,482,775.64
Less: Operating cost	1,884,584,795.96	1,184,575,349.81
Taxes and surcharge	12,864,364.47	11,663,936.82
Sales expenses	39,803,747.21	33,721,660.12
Administration expenses	28,593,297.77	27,845,465.65
R&D expenses	34,843,973.62	36,443,568.44
Financial expenses	-3,887,945.46	-3,083,596.30
Including: interest expenses	15,877,999.09	18,493,137.60
Interest income	21,275,632.44	29,941,251.74
Add: other income	6,222,349.77	4,057,643.39
Investment income (Loss is listed with "-")	26,150,697.17	5,887,302.00
Including: Investment income on affiliated Company and joint venture	-7,416,561.42	
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 "-")	-21,219,724.67	-3,210,372.30
Loss of credit impairment (Loss is listed with "-")	-10,302,416.82	-22,678,326.56
Losses of devaluation of asset (Loss is listed with "-")	-1,578,459.71	-2,385,899.85
Income on disposal of assets (Loss is listed with "-")	-117,050.08	-4,964.88
II. Operating profit (Loss is listed with "-")	4,540,490.81	-28,018,227.10

Add: Non-operating income	1,278,023.93	125,200.11
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	5,818,514.74	-27,893,026.99
Less: Income tax	-2,783,692.47	-7,778,997.67
IV. Net profit (Net loss is listed with “-”)	8,602,207.21	-20,114,029.32
(i) continuous operating net profit (net loss listed with “-”)	8,602,207.21	-20,114,029.32
(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.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	8,602,207.21	-20,114,029.32
VII. Earnings per share:		
(i) Basic earnings per share	0.0082	-0.0193
(ii) Diluted earnings per share	0.0082	-0.0193

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

5. Consolidated Cash Flow Statement

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	3,373,434,107.23	2,514,448,244.56
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
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	143,775,589.37	110,892,572.91
Other cash received concerning operating activities	20,772,768.09	25,388,923.86
Subtotal of cash inflow arising from operating activities	3,537,982,464.69	2,650,729,741.33
Cash paid for purchasing commodities and receiving labor service	3,693,784,072.40	3,028,183,707.21
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
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	460,407,255.70	357,488,873.85
Taxes paid	81,424,772.89	80,120,060.82
Other cash paid concerning operating activities	270,888,821.50	188,388,232.21
Subtotal of cash outflow arising from operating activities	4,506,504,922.49	3,654,180,874.09
Net cash flows arising from operating activities	-968,522,457.80	-1,003,451,132.76
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		2,279,362.48

Net cash received from disposal of fixed, intangible and other long-term assets	226,967.80	600.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	65,932,678.99	39,748,651.98
Subtotal of cash inflow from investing activities	66,159,646.79	42,028,614.46
Cash paid for purchasing fixed, intangible and other long-term assets	86,274,381.23	65,387,929.38
Cash paid for investment	1,000,000,000.00	150,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	24,740.79	
Subtotal of cash outflow from investing activities	1,086,299,122.02	215,387,929.38
Net cash flows arising from investing activities	-1,020,139,475.23	-173,359,314.92
III. Cash flows arising from financing activities		
Cash received from absorbing investment	15,000,000.00	
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	15,000,000.00	
Cash received from loans	647,079,820.49	976,420,210.00
Other cash received concerning financing activities	3,982,026.24	
Subtotal of cash inflow from financing activities	666,061,846.73	976,420,210.00
Cash paid for settling debts	904,900,000.00	377,260,642.92
Cash paid for dividend and profit distributing or interest paying	19,467,766.75	23,019,861.96
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	6,339,329.84	358,999.60
Subtotal of cash outflow from financing activities	930,707,096.59	400,639,504.48
Net cash flows arising from financing activities	-264,645,249.86	575,780,705.52
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-3,538,183.05	-3,198,606.93
V. Net increase of cash and cash equivalents	-2,256,845,365.94	-604,228,349.09
Add: Balance of cash and cash equivalents at the period -begin	6,425,529,815.10	5,385,807,475.51
VI. Balance of cash and cash equivalents at the period -end	4,168,684,449.16	4,781,579,126.42

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

6. Cash Flow Statement of Parent Company

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	1,414,975,958.11	1,503,481,532.94
Write-back of tax received	80,886,642.50	68,849,689.93
Other cash received concerning operating activities	8,342,146.00	7,674,946.80
Subtotal of cash inflow arising from operating activities	1,504,204,746.61	1,580,006,169.67
Cash paid for purchasing commodities and receiving labor service	1,883,907,437.30	1,611,391,194.70
Cash paid to/for staff and workers	138,209,129.02	92,574,310.37
Taxes paid	19,528,320.95	19,950,761.92
Other cash paid concerning operating activities	65,698,344.94	83,323,378.97
Subtotal of cash outflow arising from operating activities	2,107,343,232.21	1,807,239,645.96
Net cash flows arising from operating activities	-603,138,485.60	-227,233,476.29
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		661,434.48
Net cash received from disposal of fixed, intangible and other long-term assets	221,343.80	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	54,389,725.95	30,225,918.40
Subtotal of cash inflow from investing activities	54,611,069.75	30,887,352.88
Cash paid for purchasing fixed, intangible and other long-term assets	46,747,393.22	37,868,399.94
Cash paid for investment	1,035,000,000.00	150,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	97,662.47	
Subtotal of cash outflow from investing activities	1,081,845,055.69	187,868,399.94
Net cash flows arising from investing activities	-1,027,233,985.94	-156,981,047.06
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	642,079,820.49	699,899,950.00
Other cash received concerning financing activities	57,660,735.85	5,230,480.90

Subtotal of cash inflow from financing activities	699,740,556.34	705,130,430.90
Cash paid for settling debts	830,000,000.00	359,757,944.82
Cash paid for dividend and profit distributing or interest paying	18,628,079.68	20,706,333.52
Other cash paid concerning financing activities	9,281,338.94	56,113,405.64
Subtotal of cash outflow from financing activities	857,909,418.62	436,577,683.98
Net cash flows arising from financing activities	-158,168,862.28	268,552,746.92
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-2,620,717.67	-98,749.36
V. Net increase of cash and cash equivalents	-1,791,162,051.49	-115,760,525.79
Add: Balance of cash and cash equivalents at the period -begin	4,597,503,833.78	4,017,400,437.18
VI. Balance of cash and cash equivalents at the period -end	2,806,341,782.29	3,901,639,911.39

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

II. Explanation on financial statement adjustment

1. Financial statement adjustment at the beginning of the first year when implementation of new leasing rules from 2021

Applicable Not applicable

Whether to adjust the balance sheet account at the beginning of the year

Yes No

(1) Consolidate balance sheet

In RMB

Item	December 31, 2020	January 1, 2021	Adjustment amount
Current assets:			
Monetary fund	6,594,786,789.98	6,594,786,789.98	
Settlement provisions			
Capital lent			
Trading financial assets	47,242,339.07	47,242,339.07	
Derivative financial assets			
Note receivable	340,421,386.71	340,421,386.71	
Account receivable	1,130,275,780.66	1,130,275,780.66	
Receivable financing	1,632,388,702.83	1,632,388,702.83	
Accounts paid in advance	30,105,373.40	30,070,303.06	-35,070.34
Insurance receivable			
Reinsurance receivables			

Contract reserve of reinsurance receivable			
Other account receivable	145,705,978.26	145,705,978.26	
Including: Interest receivable			
Dividend receivable			
Buying back the sale of financial assets			
Inventories	1,715,354,951.43	1,715,354,951.43	
Contractual assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	198,353,464.98	198,353,464.98	
Total current assets	11,834,634,767.32	11,834,599,696.98	-35,070.34
Non-current assets:			
Loans and payments on behalf			
Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	76,982,822.38	76,982,822.38	
Investment in other equity instrument			
Other non-current financial assets	548,148,931.34	548,148,931.34	
Investment real estate	53,888,462.00	53,888,462.00	
Fixed assets	2,391,859,440.31	2,391,859,440.31	
Construction in progress	60,775,088.96	60,775,088.96	
Productive biological asset			
Oil and gas asset			
Right-of-use assets		9,818,834.44	9,818,834.44
Intangible assets	936,851,520.65	936,851,520.65	
Expense on Research and Development	73,028,441.56	73,028,441.56	
Goodwill			
Long-term expenses to be apportioned			
Deferred income tax asset	127,185,979.94	127,185,979.94	
Other non-current asset			
Total non-current asset	4,268,720,687.14	4,278,539,521.58	9,818,834.44
Total assets	16,103,355,454.46	16,113,139,218.56	9,783,764.10
Current liabilities:			

Short-term loans	1,336,209,050.55	1,336,209,050.55	
Loan from central bank			
Capital borrowed			
Trading financial liability	4,584,076.51	4,584,076.51	
Derivative financial liability			
Note payable	4,439,607,982.34	4,439,607,982.34	
Account payable	2,851,999,684.30	2,851,999,684.30	
Accounts received in advance			
Contractual liability	522,550,891.28	522,550,891.28	
Selling financial asset of repurchase			
Absorbing deposit and interbank deposit			
Security trading of agency			
Security sales of agency			
Wage payable	290,321,776.05	290,321,776.05	
Taxes payable	89,682,433.90	89,682,433.90	
Other account payable	724,701,686.72	724,701,686.72	
Including: Interest payable			
Dividend payable	4,466,628.25	4,466,628.25	
Commission charge and commission payable			
Reinsurance payable			
Liability held for sale			
Non-current liabilities due within one year	407,825,150.74	412,825,431.41	5,000,280.67
Other current liabilities	22,923,698.73	22,923,698.73	
Total current liabilities	10,690,406,431.12	10,695,406,711.79	5,000,280.67
Non-current liabilities:			
Insurance contract reserve			
Long-term loans	188,231,439.30	188,231,439.30	
Bonds payable			
Including: Preferred stock			
Perpetual capital securities			
Lease liability		4,783,483.43	4,783,483.43
Long-term account payable	1,705,323.91	1,705,323.91	
Long-term wages payable	10,571,526.69	10,571,526.69	
Accrual liability	62,392,735.07	62,392,735.07	

Deferred income	177,377,450.12	177,377,450.12	
Deferred income tax liabilities	10,575,582.33	10,575,582.33	
Other non-current liabilities			
Total non-current liabilities	450,854,057.42	455,637,540.85	4,783,483.43
Total liabilities	11,141,260,488.54	11,151,044,252.64	9,783,764.10
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	2,683,837,229.12	2,683,837,229.12	
Less: Inventory shares	9,929,336.18	9,929,336.18	
Other comprehensive income	-21,451,084.17	-21,451,084.17	
Reasonable reserve			
Surplus public reserve	416,364,790.43	416,364,790.43	
Provision of general risk			
Retained profit	740,754,202.23	740,754,202.23	
Total owner's equity attributable to parent company	4,854,173,682.43	4,854,173,682.43	
Minority interests	107,921,283.49	107,921,283.49	
Total owner's equity	4,962,094,965.92	4,962,094,965.92	
Total liabilities and owner's equity	16,103,355,454.46	16,113,139,218.56	9,783,764.10

Statement of adjustment:

The Company implemented the new leasing standards since 1 January 2021, and according to the cumulative impact of the first implementation of new leasing standards, adjust the amount of items related to financial statements at the beginning of the first year of implementation, without adjusting the information for comparable periods. For the operating lease prior to the first implementation date, the company measures the leasing liability based on the present value of remaining lease payments discounted at the internal resources-internal placement rate, at the date of initial implementation, and the right-of-use assets are adjusted as necessary according to the sum of the leasing liabilities and the prepayment.

(2) Balance Sheet of Parent Company

In RMB

Item	December 31, 2020	January 1, 2021	Adjustment amount
Current assets:			
Monetary funds	4,605,962,184.11	4,605,962,184.11	
Trading financial assets	37,589,391.07	37,589,391.07	
Derivative financial assets			
Note receivable	286,990,200.00	286,990,200.00	

Account receivable	1,019,299,017.40	1,019,299,017.40	
Receivable financing	1,561,429,139.80	1,561,429,139.80	
Accounts paid in advance	39,571,728.09	39,571,728.09	
Other account receivable	49,093,918.57	49,093,918.57	
Including: Interest receivable			
Dividend receivable			
Inventories	578,905,855.30	578,905,855.30	
Contractual assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	142,573,164.77	142,573,164.77	
Total current assets	8,321,414,599.11	8,321,414,599.11	
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	1,834,115,835.95	1,834,115,835.95	
Investment in other equity instrument			
Other non-current financial assets	548,148,931.34	548,148,931.34	
Investment real estate	3,961,590.38	3,961,590.38	
Fixed assets	1,229,803,474.56	1,229,803,474.56	
Construction in progress	47,570,309.13	47,570,309.13	
Productive biological assets			
Oil and natural gas assets			
Right-of-use assets			
Intangible assets	479,923,618.32	479,923,618.32	
Research and development costs	42,913,363.51	42,913,363.51	
Goodwill			
Long-term deferred expenses			
Deferred income tax assets	103,462,284.33	103,462,284.33	
Other non-current assets			
Total non-current assets	4,289,899,407.52	4,289,899,407.52	
Total assets	12,611,314,006.63	12,611,314,006.63	
Current liabilities			

Short-term borrowings	1,234,926,592.05	1,234,926,592.05	
Trading financial liability	2,512,269.00	2,512,269.00	
Derivative financial liability			
Notes payable	2,510,288,511.69	2,510,288,511.69	
Account payable	1,918,960,127.71	1,918,960,127.71	
Accounts received in advance			
Contractual liability	281,974,752.24	281,974,752.24	
Wage payable	130,314,834.51	130,314,834.51	
Taxes payable	19,582,700.30	19,582,700.30	
Other accounts payable	624,090,798.72	624,090,798.72	
Including: Interest payable			
Dividend payable	3,866,628.25	3,866,628.25	
Liability held for sale			
Non-current liabilities due within one year	407,141,888.08	407,141,888.08	
Other current liabilities	6,432,113.43	6,432,113.43	
Total current liabilities	7,136,224,587.73	7,136,224,587.73	
Non-current liabilities:			
Long-term loans	188,231,439.30	188,231,439.30	
Bonds payable			
Including: preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long term employee compensation payable	10,571,526.69	10,571,526.69	
Accrued liabilities	55,035,910.31	55,035,910.31	
Deferred income	67,315,337.57	67,315,337.57	
Deferred income tax liabilities	6,102,908.01	6,102,908.01	
Other non-current liabilities			
Total non-current liabilities	327,257,121.88	327,257,121.88	
Total liabilities	7,463,481,709.61	7,463,481,709.61	
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	2,753,137,787.99	2,753,137,787.99	
Less: Inventory shares	9,929,336.18	9,929,336.18	
Other comprehensive income			
Special reserve			
Surplus reserve	416,146,624.75	416,146,624.75	
Retained profit	943,879,339.46	943,879,339.46	
Total owner's equity	5,147,832,297.02	5,147,832,297.02	
Total liabilities and owner's equity	12,611,314,006.63	12,611,314,006.63	

Statement of adjustment: the parent company has no business applicable to the new leasing standard, there is no adjustment therefore.

2. Retrospective adjustment of the comparative data for initial new leasing rules from 2021

Applicable Not applicable

III. Audit report

Whether the Q1 report has been audited or not

Yes No

The Q1 report of the Company has not been audited.

Changhong Meiling Co., Ltd.

Chairman: Wu Dinggang

20 April 2021