

Stock Code: 000521, 200521

Stock Abbreviation: Changhong Meiling, Hongmeiling B

Announcement No.: 2023-059

Changhong Meiling Co., Ltd.

The Third Quarterly Report of 2023

The Company and whole members of the Board guarantee that the information disclosed is true, accurate and complete and there are no fictitious records, misleading statements or material omissions carried in the Report.

Important Note:

1. 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.

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

3. The Third quarterly report audited or not

Yes No

I. Main financial data

(i) Main accounting data and financial indexes

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

Yes No

	Current period	Increase/decrease in the period compared with the same period of the previous year	Year-begin to period-end	Increase/decrease from year-begin to period-end compared with the same period of the previous year
Operating income (RMB)	6,338,921,510.27	23.07%	19,167,615,833.84	24.66%
Net profit attributable to shareholders of the listed company (RMB)	140,719,309.64	38.20%	498,774,154.38	207.51%

Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	131,279,099.55	76.74%	513,268,943.37	554.80%
Net cash flow arising from operating activities (RMB)	—	—	2,406,267,035.85	30.83%
Basic earnings per share (RMB/Share)	0.1366	38.12%	0.4843	209.06%
Diluted earnings per share (RMB/Share)	0.1366	38.12%	0.4843	209.06%
Weighted average ROE	2.69%	Increase by 0.61 percentage points	9.26%	Increase by 5.95 percentage points
	End of this period	End of last period	Changes of this period-end over same period-end of last year	
Total assets (RMB)	19,316,478,659.62	16,200,361,212.80	19.23%	
Owners' equity attributable to shareholders of listed company (RMB)	5,586,633,843.97	5,168,286,872.09	8.09%	

(ii) Items of non-recurring gains and losses

√ Applicable □ Not applicable

In RMB

Item	Current amount	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)	1,379,107.45	1,379,107.45	See "Proceeds from Asset Disposal"
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, the government subsidy that accord with the provision of national policies and are continuously enjoyed in line with a certain standard quota or quantity are excluded)	24,077,197.41	52,239,458.95	See "Other Earnings" for details.
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the Company's normal business	-16,349,602.74	-75,564,024.77	See "Fair value Change income" and "Investment Income" for details.
Reversal of the account receivable depreciation reserves subject to separate impairment test	866,709.84	4,454,874.91	See "Accounts Receivable" for details.

Other non-operating income and expenses other than the above	1,836,340.33	9,525,560.91	See "Non-operating Income" and "Non-operating Expenses" for details.
Less: impact on income tax	252,305.52	-602,437.72	
Impact on minority shareholders' equity (post-tax)	2,117,236.68	7,132,204.16	
Total	9,440,210.09	-14,494,788.99	--

Details of other profit and loss items that meet the non-recurring profit and loss definition

Applicable Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain 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

Applicable Not applicable

There are 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

(iii) Particulars about material changes in items of main accounting statement financial index and explanations of reasons

Applicable Not applicable

1. Changes and reasons of items in balance sheet

In RMB

Item	Ending balance	Opening balance	Changes ratio	Reasons of changes
Trading financial assets	422,556,947.00	57,660,588.67	632.83%	Mainly due to the purchase of wealth management products by the Company in the current period.
Notes receivable	38,674.50	-	-	Mainly due to the Company's newly increased commercial acceptance bills in the current period
Account receivable	1,707,094,454.29	1,306,871,945.85	30.62%	Mainly due to the growth of operation revenue in the current period
Contract assets	29,701,096.48	3,530,922.13	741.17%	Mainly due to the company's new project quality guarantee fund in the current period
Non-current asset due within one year	292,244,708.33	170,167,638.89	71.74%	Mainly due to the increase in debt investment due within one year of the current period
Other current assets	262,155,370.10	120,589,431.85	117.39%	Mainly due to the increase in time deposits in the current period

Creditor's rights investment	235,314,579.15	121,543,750.00	93.60%	Mainly due to the increase in the Company's large certificates of deposit in the current period
Long-term amortization	22,192,272.11	14,900,600.59	48.94%	Mainly due to the increase in the Company's asset overhaul in the current period
Other non-current assets	2,648,540.47	893,238.57	196.51%	Mainly due to the increase in the Company's prepaid project payment in the current period
Short-term loan	1,069,166,879.76	674,143,916.67	58.60%	Mainly due to the increase in bank borrowings in the current period
Trading financial liabilities	80,786,616.67	41,961,524.78	92.53%	Mainly due to the non cancelable orders and change of the valuation from forward foreign exchange contracts
Taxes payable	105,393,081.13	80,287,878.62	31.27%	Mainly due to the increase in VAT payable by the Company in the current period
Non-current liabilities due within one year	40,071,769.96	30,287,099.08	32.31%	Mainly due to the increase in long-term borrowings due within one year of the current period
Special reserve	13,238,702.97	2,467,205.78	436.59%	Mainly due to the Company's provision of safety production expenses in the current period.

2.Changes and reasons of items in profit statement

In RMB

Item	Current period	Amount at the same period of last year	Changes ratio	Reasons of changes
Financial expenses	-107,571,987.60	-79,277,613.98	-35.69%	Mainly due to the YOY increases in interest expenses
Income from fair value changes	-63,928,733.56	6,783,043.30	-1042.48%	Mainly due to the non cancelable orders and change of the fair value of forward foreign exchange contract changes
Investment earnings	6,121,002.68	19,970,558.55	-69.35%	Mainly due to the Company's forward foreign exchange contract delivery loss in the current period and the profit in the same period of the previous year
Credit impairment loss	-93,458,661.22	-61,885,204.97	51.02%	Mainly due to the YOY increase in impairment loss from account receivable
Loss of asset impairment	-19,904,174.33	-35,044,901.69	-43.20%	Mainly due to the YOY decrease in the provision for the Company's inventory price decline in the current period
Gains on disposal of assets	1,379,107.45	9,653,201.02	-85.71%	Mainly due to the YOY decrease in the Company's asset disposal income in the current period

Non-operating income	13,003,292.01	7,725,531.66	68.32%	Mainly due to the YOY increase in revenue such as liquidated damages received by the Company in the current period
Income tax expenses	4,446,696.74	-9,091,804.45	148.91%	Mainly due to the increase in income tax expense due to the increase in the Company's taxable income in the current period

3.Changes and reasons of items in cash flow statement

In RMB

Item	Current period	Amount at the same period of last year	Changes ratio	Reasons of changes
Other cash received concerning operation activities	73,343,301.56	172,312,892.42	-57.44%	Mainly due to the YOY decrease in government subsidies received by the Company in the current period.
Cash received from recovery of investment	630,000,000.00	323,322,268.35	94.85%	Mainly due to the YOY increase in the Company's withdrawal of wealth management products in the current period
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,027,612.46	16,653,271.93	-75.81%	Mainly due to the YOY decrease in cash received by the Company for the disposal of assets in the current period.
Cash received from absorbing investment	-	368,459,272.52	-100.00%	Mainly due to the receipt of raised funds by its subsidiary Zhongke Meiling in the same period of the previous year, and there was no such receipt in this period.
Cash received from borrowing	1,135,721,085.04	868,040,918.37	30.84%	Mainly due to the YOY increase in bank borrowings obtained by the company in this period
Other cash received concerning financing activities	250,002,913.48	11,404,482.95	2092.15%	Mainly due to the limited recovery of the Company's guarantee deposits in the current period
Other cash paid concerning financing activities	107,503,081.30	869,994,470.14	-87.64%	Mainly due to the YOY decrease in the Company's guarantee deposits restriction in the current period
Influence on cash and cash equivalents due to fluctuation in exchange rate	1,594,491.69	47,997,201.13	-96.68%	Mainly due to the change of exchange rate in the current period

II. Shareholders

(i) Total number of common shareholders and preference shareholders with voting rights recovered and top ten shareholders

In Shares

Total number of common shareholders at the end of report period	50,291	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	Information of shares pledged, tagged or frozen	
					State of share	Amount
Sichuan Changhong Electric Co., Ltd.	State-owned legal person	24.12%	248,457,724	0	-	--
Hefei Industry Investment Holding (Group) Co., Ltd.	State-owned legal person	4.64%	47,823,401	0	-	-
CHANGHONG (HK) TRADING LIMITED	Foreign legal person	2.63%	27,077,797	0	-	-
CAO SHENGCHUN	Foreign natural person	1.43%	14,766,086	0	-	-
Bank of China—Investment quantitative selection of stock initiated securities investment fund	Domestic non-state-owned legal person	0.96%	9,847,692	0	-	-
China construction Bank—Bank of Communications Schroeder consumer new drive equity securities investment fund	Domestic non-state-owned legal person	0.85%	8,715,868	0	-	-
Agricultural bank of China—Bank of Communications Schroder domestic demand growth of a year holding period of hybrid securities investment fund	Domestic non-state-owned legal person	0.76%	7,843,800	0	-	-
Bank of China—Jiashi theme selected hybrid securities investment fund	Domestic non-state-owned legal person	0.68%	7,046,809	0	-	-
Phillip Securities(HK) Co., Ltd.	Foreign legal person	0.61%	6,296,913	0	-	-
Wu Lili	Domestic natural person	0.57%	5,875,000	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 Industry 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
CAOSHENGCHUN	14,766,086	Domestically listed foreign shares	14,766,086
Bank of China—Investment quantitative selection of stock initiated securities investment fund	9,847,692	RMB ordinary shares	9,847,692
China construction Bank—Bank of Communications Schroeder consumer new drive equity securities investment fund	8,715,868	RMB ordinary shares	8,715,868
Agricultural bank of China—Bank of Communications Schroder domestic demand growth of a year holding period of hybrid securities investment fund	7,843,800	RMB ordinary shares	7,843,800
Bank of China—Jiashi theme selected hybrid securities investment fund	7,046,809	RMB ordinary shares	7,046,809
Phillip Securities(HK) Co., Ltd.	6,296,913	Domestically listed foreign shares	6,296,913
Wu Lili	5,875,000	RMB ordinary shares	5,875,000
Explanation on associated relationship among the aforesaid shareholders	<p>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.; except the shares of the Company directly held of the B shares of the Company, 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 Electric Co., Ltd, Hong Kong Changhong and other top 7 shareholders, 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”.</p>		
Explanation on top ten shareholders involving margin business (if applicable)	<p>As of September 30,2023, among the top 10 common shareholders, Wu Lili Holds 5,500,000 shares of the Company through Customer credit trading secured account of Guotai Junan Securities Co., Ltd., and 375,000 shares hold through common securities account, thus 5,875,000 shares of the Company are held in total.</p>		

(ii) Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

III. Other important matters

Applicable Not applicable

Overview	Date for disclosure	Information index for temporary report disclosure
<p>After the resolution adopted by the board of directors , the board of supervisors and shareholders General Meeting of the Company , it's agreed that the Company will with its own funds of 45 million yuan participate in the establishment of "Sichuan Hongyun Information Technology Venture Capital Fund Partnership (Limited Partnership)" (tentative name, subject to the approval and registration of the market regulatory department), and serve as a limited partner of the fund.</p>	<p>January 18, 2023, April 26, 2023</p>	<p>Juchao website http://www.cninfo.com.cn (No.:2023-002,2023-003,2023-004,2023-030)</p>
<p>After the resolution adopted by the board of directors , the board of supervisors and shareholders General Meeting of the Company, it's agreed that the Company and its subsidiaries will make a single provision for bad debts for receivables of the customer Changhong RUBA Electric Appliance Co., Ltd(an associate of Zhongshan Changhong Electric Appliance Co., Ltd-a subsidiary to the Company) in the fourth quarter of 2022, and agreed that the Company, its subsidiaries Hefei Meiling Group Holdings Co., Ltd. and Sichuan Changhong Air Conditioning Co., Ltd and Sichuan Zhiyijia Network Technology Co., Ltd-an associate of the Company, made a single provision for bad debts for the receivables of Gome System(Gome System is the collective name of Gome's subsidiaries, branches, offices and agencies at all levels), with the total amount for the aforementioned single provisions for bad debts of 101,962,546.44 yuan.</p>	<p>January 18, 2023, April 26, 2023</p>	<p>Juchao website http://www.cninfo.com.cn (No.:2023-002,2023-003,2023-005,2023-030)</p>
<p>After the resolution adopted by the board of directors , the board of supervisors and shareholders General Meeting of the Company, The Profit Distribution Plan of 2022 was deliberated and approved, meanwhile, independent director of the Company expressed their independent approval of the Plan. By focusing on the investor's interest and long-term development needs, Based on the total share capital of the Company of 1,029,923,715 shares on December 31, 2022,distributed 0.9 yuan (tax included) in cash for every 10 shares to whole shareholders, no bonus shares and no share capital increased from public reserves. After distribution, total share capital of the Company remains unchanged. The remaining accumulated retain profit of the parent company amounted to 971,443,732.63 yuan, and the remaining retained profit will carry forward for distribution in later years. On June 10,2023,the Company disclosed the "2022 Annual Profit Distribution Plan Implementation Announcement" and implemented the aforementioned profit distribution plan.</p>	<p>March 31,2023, April 26, 2023, June 10,2023</p>	<p>Juchao website http://www.cninfo.com.cn (No.:2023-011,2023-012,2023-014,2023-030,2023-037)</p>

After the resolution adopted by the board of directors , the board of supervisors and shareholders General Meeting of the Company, it's agreed to renew the appointment of ShineWing CPA (LLP) as the auditor of the Company's 2023 annual financial report and internal control for one year.	March 31,2023, April 26, 2023	Juchao website http://www.cninfo.com.cn (No.:2023-011,2023-015,2023-030)
After the resolution adopted by the board of directors and shareholders General Meeting of the Company, it's agreed that the Company and its subsidiaries will carry out forward foreign exchange fund trading business from July 1, 2023 to June 30, 2024, with a transaction balance of not more than USD 1.046 billion (mainly including: USD, AUD,EURO, and all other foreign currencies converted into USD), and the delivery period of a single business shall not exceed 1 year.	March 31,2023, April 26, 2023	Juchao website http://www.cninfo.com.cn (No.:2023-011,2023-016,2023-030)
After the resolution of the board of directors and the resolution of the board of supervisors of the Company, in accordance with the principles of legal compliance, standardized operation, one-by-one examination and approval, and account write-off records, Zhongshan Changhong Electric Appliance Co., Ltd., a subsidiary of the company, was agreed to write off a total of 1,307,424.41 yuan of bad debts that had been truly unrecoverable.	March 31,2023	Juchao website http://www.cninfo.com.cn (No.:2023-011,2023-012,2023-017)
After the resolution adopted by the board of directors of the Company, it's approved that the Company and its subsidiaries will apply for a special credit line of up to 400 million yuan for the bill pool from Hefei Branch of Industrial Bank Co., Ltd; will apply for a special credit line of up to 300 million yuan for the bill pool from Hefei Branch of Ping An Bank Co., Ltd; and will apply for a special credit line of up to 400 million yuan for the bill pool from Hefei Branch of Jiujiang Bank Co., Ltd.	March 31,2023, April 26, 2023	Juchao website http://www.cninfo.com.cn (No.:2023-011,2023-018,2023-030)
From April 17, 2023 to April 19, 2023, the Company's stock closing price rise for three consecutive trading days had accumulated more than 20% deviation from the stock index. According to the relevant regulations of the Shenzhen Stock Exchange, the Company issued the "Announcement of Abnormal Fluctuation in Stock Trading". According to the Company's self-examination, the Company, the controlling shareholder and the actual controller did not have any material matters about the Company that should be disclosed but have not been disclosed or were in the planning stage.	April 20,2023	Juchao website http://www.cninfo.com.cn (No.:2023-029)
After the resolution of the Company's board of directors and the resolution of shareholders' general meeting, according to the Company's operation and management needs, and combined with the actual situation of the Company, it's agreed to amend some articles of the Articles of Association of the Company.	April 20,2023, May 11,2023	Juchao website http://www.cninfo.com.cn (No.:2023-023,2023-027,2023-033)
On April 27, 2023, the Company received a notice from Mr. Tang Youdao, Vice President of the Company, that based on his firm confidence in the Company's future development prospect and recognition of the Company's long-term investment value, Mr. Tang Youdao increased his holdings by 800,000 RMB ordinary shares (A shares) of the Company by way of centralized bidding through the trading system of the Shenzhen Stock	April 29,2023	Juchao website http://www.cninfo.com.cn (No.:2023-032)

Exchange.		
In order to establish a variety of shareholder return mechanisms, thank shareholders for their long-term care and support for the Company, and meanwhile let shareholders experience the Company's new products and services, and improve investors' understanding and recognition of the Company's intrinsic value, the Company held the "Meiling 40th Anniversary Shareholder Gratitude Giving Festival" from May 20, 2023 to May 28, 2023.	May 18,2023	Juchao website http://www.cninfo.com.cn (No.:2023-034)
Mr. Liu Hongwei, former executive vice president of the Company, applied to resign from his position as the executive vice president of the Company due to personal reasons; After resigning from Executive Vice President, Mr. Liu Hongwei still works for the Company.	May 25,2023	Juchao website http://www.cninfo.com.cn (No.:2023-036)
After the resolution of the board of directors of the Company, it's agreed to adjust the equity structure of Sichuan Hongmei Intelligent Technology Co., Ltd. (hereinafter referred to as "Hongmei Company"), that was, the total 100% equity held by the original shareholders Sichuan Changhong Air Conditioning Co., Ltd. (a wholly-owned subsidiary of the Company, which holds 99% of the equity of Hongmei Company) and Mianyang Meiling Refrigeration Co., Ltd. (a wholly-owned subsidiary of the Company, which holds 1% of the equity of Hongmei Company) was transferred to the Company-which thus directly holds it, with the equity transfer price was based on the audited net asset value of 22,725,052.60 yuan of Hongmei Company as of December 31, 2022.	August 18,2023	Juchao website http://www.cninfo.com.cn (No.:2023-040)
After the resolution of the board of directors of the Company, it's agreed to cancel Hefei Meiling Electric Marketing Co., Ltd., a wholly-owned subsidiary of the Company.	August 18,2023	Juchao website http://www.cninfo.com.cn (No.:2023-040)
After the resolution of the board of directors of the Company, it's agreed that its subsidiary, Zhongshan Changhong Electric Appliance Co., Ltd., will invest 36.526 million yuan by its own funds to carry out technical transformation of its production line to improve its manufacturing capacity, reduce costs and improve efficiency, and enhance product competitiveness.	August 18,2023	Juchao website http://www.cninfo.com.cn (No.:2023-040)
Approved by the resolution of the board of directors of the Company, in accordance with the Company's development strategy and the business development needs of Hongyuan Geoenergy Heat Pump Technology (Zhongshan) Co., Ltd. (hereinafter referred to as "Heat Pump Zhongshan")-a subsidiary to the Company's subsidiary -Sichuan Changhong Air Conditioning Co., Ltd., in order to solve the problem of insufficient production capacity of the Heat Pump Zhongshan production and manufacturing base, further improve its production and manufacturing capacity, and enhance the competitiveness and profitability of its products, it's agreed that Heat Pump Zhongshan will implement the relocation and expansion project with its own funds of 34.62 million yuan to ensure its future business development.	August 18,2023	Juchao website http://www.cninfo.com.cn (No.:2023-040)

<p>After the resolution of the Company's directors and the resolution of shareholders' general meeting of the Company, it's agreed to provide an additional credit guarantee line of not more than RMB 80 million for Meiling life Appliances, with a guarantee period of one year, for its daily production and operation.</p>	<p>August 18,2023</p>	<p>Juchao website http://www.cninfo.com.cn (No.:2023-043)</p>
<p>Sichuan Hongyun New Generation Information Technology Venture Capital Fund Partnership (Limited Partnership), jointly funded by the Company and its controlling shareholder Sichuan Changhong Electric Co., Ltd. (hereinafter referred to as "Sichuan Changhong"), and the controlling shareholder's subsidiary Sichuan Changhong Jiahua Digital Technology Co., Ltd. (hereinafter referred to as "Jiahua Digital") and other investment institutions, was established in October 2015 with a duration of 8 years and will expire in October 2023. After the resolution of the board of directors and the resolution of the board of supervisors of the Company, it's agreed to extend the existence of the fund for 1 year (the specific expiry date shall be subject to the industrial and commercial registration), that is, the cumulative duration of the fund after this extension is 9 years.</p>	<p>September 8,2023</p>	<p>Juchao website http://www.cninfo.com.cn (No.:2023-044,2023-045,2023-046)</p>
<p>After the resolution of the board of directors and the board of supervisors of the Company, it's agreed that the Company will increase the estimated amount of not to exceed 25 million yuan (excluding tax) of routine related party transactions such as the purchase of commodities and raw materials between the Company and its subsidiaries and Sichuan Changhong Electronics Holding Group Co., Ltd. and its subsidiaries in 2023 ; and will increase the estimated amount of not to exceed 10 million yuan (excluding tax) of routine related party transactions such as the purchase of goods between the Company and its subsidiaries and Sichuan Changhong Electronic Parts Co., Ltd. in 2023.</p>	<p>September 8,2023</p>	<p>Juchao website http://www.cninfo.com.cn (No.:2023-044,2023-045,2023-047)</p>
<p>After the resolution of the board of directors of the Company, in order to further improve the production and manufacturing capacity of Sichuan Changhong Air Conditioning Co., Ltd. (hereinafter referred to as "Changhong Air Conditioning") and meet its business development needs, it's agreed to Changhong Air Conditioning to implement the capacity improvement and transformation project with its own funds of 32,206,700 yuan; Meanwhile, in order to further improve the production and manufacturing system capacity of Changhong Air Conditioning and meet its needs for improvement in production efficiency, product quality, on-site image, and prevent potential safety hazards, it's agreed to Changhong Air Conditioning to carry out technical transformation with its own funds of 17,135,700 yuan.</p>	<p>September 8,2023</p>	<p>Juchao website http://www.cninfo.com.cn (No.:2023-044)</p>

IV. Quarterly financial statements**(i) Financial statement****1. Consolidate Balance Sheet**

Prepared by Changhong Meiling Co., Ltd.

In RMB

Item	September 30,2023	January 1, 2023
Current assets:		
Monetary fund	8,646,007,671.31	6,839,421,779.13
Settlement provisions		
Capital lent		
Trading financial assets	422,556,947.00	57,660,588.67
Derivative financial assets		
Note receivable	38,674.50	
Account receivable	1,707,094,454.29	1,306,871,945.85
Receivable financing	1,527,554,388.08	1,446,358,719.88
Account paid in advance	34,714,711.68	45,859,491.55
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	65,938,030.81	88,354,803.24
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventory	1,800,812,409.17	1,710,306,933.71
Contract assets	29,701,096.48	3,530,922.13
Assets held for sale		
Non-current asset due within one year	292,244,708.33	170,167,638.89
Other current assets	262,155,370.10	120,589,431.85
Total current assets	14,788,818,461.75	11,789,122,254.90
Non-current assets:		
Loans and payments on behalf		
Creditor's rights investment	235,314,579.15	121,543,750.00
Other Creditor's rights investment		
Long-term account receivable		
Long-term equity investment	105,834,056.10	100,384,428.50
Investment in other equity instrument		
Other non-current financial assets	675,882,782.31	628,549,448.31
Investment real estate	51,414,881.00	52,898,060.89
Fixed assets	2,188,206,930.45	2,229,553,866.96

Construction in progress	50,553,531.15	66,522,492.77
Productive biological asset		
Oil and gas asset		
Right-of-use assets	31,014,133.24	36,646,135.10
Intangible assets	877,640,437.55	900,568,008.21
Expense on research and development	121,489,620.31	102,148,390.57
Goodwill		
Long-term expenses to be apportioned	22,192,272.11	14,900,600.59
Deferred income tax asset	165,468,434.03	161,565,695.30
Other non-current assets	2,648,540.47	893,238.57
Total non-current asset	4,527,660,197.87	4,416,174,115.77
Total assets	19,316,478,659.62	16,205,296,370.67
Current liabilities:		
Short-term loans	1,069,166,879.76	674,143,916.67
Loan from central bank		
Capital borrowed		
Trading financial liability	80,786,616.67	41,961,524.78
Derivative financial liability		
Note payable	6,393,336,445.87	4,964,374,512.60
Account payable	3,607,840,583.74	2,917,997,138.00
Accounts received in advance		
Contract liabilities	309,609,196.24	358,755,397.77
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	376,298,673.25	348,154,915.13
Taxes payable	105,393,081.13	80,287,878.62
Other account payable	1,003,782,295.20	828,207,568.21
Including: Interest payable		
Dividend payable	5,384,407.44	4,978,994.16
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	40,071,769.96	30,287,099.08
Other current liabilities	17,880,068.15	22,605,269.51
Total current liabilities	13,004,165,609.97	10,266,775,220.37
Non-current liabilities:		
Insurance contract reserve		

Long-term loans	128,000,000.00	148,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability	23,432,385.40	28,164,287.97
Long-term account payable	886,582.50	1,145,286.48
Long-term wages payable	11,909,163.22	10,790,859.64
Accrual liability	31,667,667.06	32,685,631.78
Deferred income	140,348,297.22	161,013,911.91
Deferred income tax liabilities	13,557,581.74	17,509,503.08
Other non-current liabilities		
Total non-current liabilities	349,801,677.14	399,309,480.86
Total liabilities	13,353,967,287.11	10,666,084,701.23
Owner's equity:		
Share capital	1,029,923,715.00	1,029,923,715.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	2,806,493,904.30	2,806,493,904.30
Less: Treasury shares		
Other comprehensive income	-19,571,555.60	-20,881,462.63
Special reserve	13,238,702.97	2,467,205.78
Surplus public reserve	441,218,691.48	441,218,691.48
Provision of general risk		
Retained profit	1,315,330,385.82	909,249,365.79
Total owner's equity attributable to parent company	5,586,633,843.97	5,168,471,419.72
Minority interests	375,877,528.54	370,740,249.72
Total owner's equity	5,962,511,372.51	5,539,211,669.44
Total liabilities and owner's equity	19,316,478,659.62	16,205,296,370.67

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

2. Consolidated Income statement between the beginning of the year and end of the report period

Item	In RMB	
	Current period	Last period
I. Total operating income	19,167,615,833.84	15,375,374,318.73
Including: Operating income	19,167,615,833.84	15,375,374,318.73
Interest income		

Insurance gained		
Commission charge and commission income		
II. Total operating cost	18,542,771,945.98	15,220,350,623.36
Including: Operating cost	16,590,072,964.21	13,432,282,408.89
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	144,925,448.61	121,545,023.40
Sales expense	1,234,618,461.71	1,082,452,911.29
Administrative expense	265,996,948.80	276,767,176.89
R&D expense	414,730,110.25	386,580,716.87
Financial expenses	-107,571,987.60	-79,277,613.98
Including: Interest expenses	19,220,542.10	24,006,944.91
Interest income	138,087,696.57	112,113,274.51
Add: other income	58,843,835.36	78,117,281.45
Investment income (Loss is listed with “-”)	6,121,002.68	19,970,558.55
Including: Investment income on affiliated company and joint venture	15,050,230.24	7,410,470.62
The termination of income recognition for financial assets measured by amortized cost	-21,839,275.77	-21,020,148.10
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)	-63,928,733.56	6,783,043.30
Loss of credit impairment (Loss is listed with “-”)	-93,458,661.22	-61,885,204.97
Losses of devaluation of asset (Loss is listed with “-”)	-19,904,174.33	-35,044,901.69
Income from assets disposal (Loss is listed with “-”)	1,379,107.45	9,653,201.02
III. Operating profit (Loss is listed with “-”)	513,896,264.24	172,617,673.03
Add: Non-operating income	13,003,292.01	7,725,531.66
Less: Non-operating expense	3,477,731.10	4,890,597.15
IV. Total profit (Loss is listed with “-”)	523,421,825.15	175,452,607.54
Less: Income tax expense	4,446,696.74	-9,091,804.45
V. Net profit (Net loss is listed with “-”)	518,975,128.41	184,544,411.99
(i) Classify by business continuity		
1. Net profit from continuing operations (net loss listed with “-”)	518,975,128.41	184,544,411.99
2. Net profit from termination of operations (net loss listed with “-”)		
(ii) Classify by ownership		

1.Net profit attributable to owner's of parent company	498,774,154.38	162,198,444.30
2.Minority shareholders' gains and losses	20,200,974.03	22,345,967.69
VI. Net after-tax of other comprehensive income	1,562,287.57	733,928.17
Net after-tax of other comprehensive income attributable to owners of parent company	1,309,907.03	666,427.72
(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	1,309,907.03	666,427.72
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	1,309,907.03	666,427.72
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	252,380.54	67,500.45
VII. Total comprehensive income	520,537,415.98	185,278,340.16
Total comprehensive income attributable to owners of parent Company	500,084,061.41	162,864,872.02
Total comprehensive income attributable to minority shareholders	20,453,354.57	22,413,468.14
VIII. Earnings per share:		
(i) Basic earnings per share	0.4843	0.1567
(ii) Diluted earnings per share	0.4843	0.1567

Enterprise combine under the same control in the Period, the combined party realized net profit of 0.00 Yuan before combination, and realized 0.00 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

3. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	19,690,794,267.32	16,406,630,708.13
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	545,575,086.82	526,357,420.68
Other cash received concerning operating activities	73,343,301.56	172,312,892.42
Subtotal of cash inflow arising from operating activities	20,309,712,655.70	17,105,301,021.23
Cash paid for purchasing commodities and receiving labor service	15,509,311,028.48	13,083,886,564.95
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	1,443,348,831.94	1,262,282,443.43
Taxes paid	402,056,677.82	429,330,130.27
Other cash paid concerning operating activities	548,729,081.61	490,575,495.74
Subtotal of cash outflow arising from operating activities	17,903,445,619.85	15,266,074,634.39
Net cash flows arising from operating activities	2,406,267,035.85	1,839,226,386.84
II. Cash flows arising from investing activities:		
Cash received from recovering investment	630,000,000.00	323,322,268.35
Cash received from investment income	34,088,250.87	34,407,108.44
Net cash received from disposal of fixed, intangible and other long-term assets	4,027,612.46	16,653,271.93
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	135,312,830.48	110,063,532.63
Subtotal of cash inflow from investing activities	803,428,693.81	484,446,181.35
Cash paid for purchasing fixed, intangible and other long-term	177,289,681.51	202,669,585.70

assets		
Cash paid for investment	1,427,333,334.00	1,150,000,000.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	73,130,700.88	66,344,241.47
Subtotal of cash outflow from investing activities	1,677,753,716.39	1,419,013,827.17
Net cash flows arising from investing activities	-874,325,022.58	-934,567,645.82
III. Cash flows arising from financing activities		
Cash received from absorbing investment		368,459,272.52
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		368,459,272.52
Cash received from loans	1,135,721,085.04	868,040,918.37
Other cash received concerning financing activities	250,002,913.48	11,404,482.95
Subtotal of cash inflow from financing activities	1,385,723,998.52	1,247,904,673.84
Cash paid for settling debts	753,250,888.06	695,000,000.00
Cash paid for dividend and profit distributing or interest paying	126,145,172.10	102,939,182.56
Including: Dividend and profit of minority shareholder paid by subsidiaries	16,677,010.63	25,417,858.64
Other cash paid concerning financing activities	107,503,081.30	869,994,470.14
Subtotal of cash outflow from financing activities	986,899,141.46	1,667,933,652.70
Net cash flows arising from financing activities	398,824,857.06	-420,028,978.86
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	1,594,491.69	47,997,201.13
V. Net increase of cash and cash equivalents	1,932,361,362.02	532,626,963.29
Add: Balance of cash and cash equivalents at the period-begin	6,113,222,069.76	5,840,194,931.57
VI. Balance of cash and cash equivalents at the period-end	8,045,583,431.78	6,372,821,894.86

Legal Representative: Wu Dinggang

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Yang Jun

(ii) The information of the adjusting items related to the financial statements at the beginning of the year of first implementation due to the first implementation of new accounting standards from 2023

Adjustment description

Applicable Not applicable

Explanation of Adjustment

The Company made the accounting policy change in accordance with the "Accounting Standard for Business Enterprises Interpretation No. 16" issued by the Ministry of Finance on November 30, 2022: "The deferred income tax related to assets and liabilities arising from a single transaction is not subject to the accounting treatment of the initial recognition exemption", and chose to implement from January 1, 2023.

Based on the cumulative impact as firstly implemented according to the Interpretation, the retained earnings and other relevant financial statement items at the beginning of the year were adjusted for first implementation, which was as follows:

Affected items	Consolidated statements		
	2022-12-31 (Before adjustment)	Adjustment amount	2023-1-1 (After adjustment)
Deferred income tax asset	156,630,537.43	4,935,157.87	161,565,695.30
Deferred income tax liability	12,750,747.30	4,758,755.78	17,509,503.08
Surplus reserves	441,201,471.98	17,219.50	441,218,691.48
Retained profit	909,082,037.66	167,328.13	909,249,365.79
Minority shareholders' equity	370,748,395.26	-8,145.54	370,740,249.72

(iii) Auditor' report

Is the Third Quarterly Report be audited?

Yes No

The Third Quarterly report is not audited.

The Board of Directors of Changhong Meiling Co., Ltd.

October 24,2023