

# **Wuxi Little Swan Company Limited**

## **Report for the First Quarter of 2015**



**Apr. 2015**

## **Section I. Important Reminders**

**The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of Wuxi Little Swan Company Limited (hereinafter referred to as “the Company”) warrant that the information carried in this report is factual, accurate and complete, without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.**

**Mr. Fang Hongbo, company principal, Mr. Sun Yunan, chief of the accounting work, and Mr. Zhong Fangliu, chief of the accounting organ (chief of accounting), hereby confirm that the Financial Report enclosed in this report is factual, accurate and complete.**

**All directors have attended the board session for reviewing this report.**

**This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.**

## Section II. Financial Highlights & Change of Shareholders

### I. Main accounting data and financial indicators

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

Yes  No

	Jan.-Mar. 2015	Jan.-Mar. 2014	+/- (%)
Operating revenues (RMB Yuan)	3,293,972,545.08	2,576,160,088.43	27.86%
Net profit attributable to shareholders of the Company (RMB Yuan)	242,314,468.72	170,774,457.85	41.89%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	214,814,273.09	151,478,381.44	41.81%
Net cash flows from operating activities (RMB Yuan)	394,282,134.54	271,964,312.53	44.98%
Basic EPS (RMB Yuan/share)	0.38	0.27	40.74%
Diluted EPS (RMB Yuan/share)	0.38	0.27	40.74%
Weighted average ROE (%)	5.33%	4.28%	1.05%
	31 Mar. 2015	31 Dec. 2014	+/- (%)
Total assets (RMB Yuan)	11,622,314,983.41	11,376,793,928.71	2.16%
Net assets attributable to shareholders of the Company (RMB Yuan)	4,672,579,250.04	4,427,982,112.33	5.52%

Items and amounts of extraordinary gains and losses

Applicable  Inapplicable

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Explanation
Gain/loss on the disposal of non-current assets (including the offset part of the asset impairment provisions)	-1,412,540.72	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	3,700,689.75	
Gain/loss on entrusting others with investments or asset management	30,726,398.10	
Other gain and loss items that meet the definition of an extraordinary gain/loss	2,700,989.95	
Less: Income tax effects	5,357,330.56	

Minority interests effects (after tax)	2,858,010.89	
Total	27,500,195.63	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

Applicable  Inapplicable

No such cases in the reporting period.

## II. Total number of shareholders at the period-end and shareholdings of top 10 shareholders

### 1. Total number of common shareholders at the period-end and shareholdings of top 10 common shareholders

Unit: share

Total number of common shareholders at the period-end	25,656					
Shareholdings of top 10 common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
MIDEA GROUP CO., LTD.	Domestic non-state-owned corporation	37.78%	238,948,117			
TITONI INVESTMENTS DEVELOPMENT LTD.	Overseas corporation	14.89%	94,204,942			
GAOLING FUND,L.P.	Overseas corporation	4.23%	26,727,686			
FINANCE BUREAU OF WUXI	State-owned corporation	3.49%	22,057,657			
Agricultural Bank of China — Bocom Schroeder Growth Stock Securities Investment Fund	Domestic non-state-owned corporation	1.56%	9,865,754			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 102	Domestic non-state-owned corporation	1.34%	8,500,000			
China Ping'an Life Insurance Co., Ltd.—Unit-linked insurance—Personal Insurance unit-linked insurance	Domestic non-state-owned corporation	1.15%	7,282,757			
NATIONAL SOCIAL SECURITY	Domestic	0.98%	6,180,101			

FUND PORTFOLIO 108	non-state-owned corporation				
LMA SPC F/B/O MAP 147 SEGREGATED PORTFOLIO	Overseas corporation	0.87%	5,508,587		
CHINA CONSTRUCTION BANK—PENGHUA ADVANCED STOCK SECURITIES INVESTMENT FUND	Domestic non-state-owned corporation	0.78%	4,903,148		
Shareholdings of top 10 non-restricted common shareholders					
Name of shareholder	Number of non-restricted common shares held	Variety of shares		Number	
		Variety			
MIDEA GROUP CO., LTD.	238,948,117	RMB ordinary shares		238,948,117	
TITONI INVESTMENTS DEVELOPMENT LTD.	94,204,942	Domestically listed foreign shares		94,204,942	
GAOLING FUND,L.P.	26,727,686	Domestically listed foreign shares		26,727,686	
FINANCE BUREAU OF WUXI	22,057,657	RMB ordinary shares		22,057,657	
Agricultural Bank of China—Bocom Schroeder Growth Stock Securities Investment Fund	9,865,754	RMB ordinary shares		9,865,754	
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 102	8,500,000	RMB ordinary shares		8,500,000	
China Ping'an Life Insurance Co., Ltd.—Unit-linked insurance —Personal Insurance unit-linked insurance	7,282,757	RMB ordinary shares		7,282,757	
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	6,180,101	RMB ordinary shares		6,180,101	
LMA SPC F/B/O MAP 147 SEGREGATED PORTFOLIO	5,508,587	Domestically listed foreign shares		5,508,587	
CHINA CONSTRUCTION BANK—PENGHUA ADVANCED STOCK SECURITIES INVESTMENT FUND	4,903,148	RMB ordinary shares		4,903,148	
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	GD MIDEA HOLDING CO., LTD. and TITONI INVESTMENTS DEVELOPMENT LTD. are parties acting in concert.				

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repo during the reporting period?

Yea  No

No such cases in the reporting period.

## 2. Total number of preferred shareholders at the period-end and shareholdings of top 10 preferred shareholders

Applicable  Inapplicable

## Section III. Significant Events

### I. Significant changes in the major accounting statement items and financial indicators for the reporting period, as well as the reasons for these changes

√ Applicable □ Inapplicable

Statement item	31 Mar. 2015/Jan.-Mar. 2015 (RMB Ten thousand)	31 Dec. 2014/Jan.-Mar. 2014 (RMB Ten thousand)	+/- (RMB Ten thousand)	+/-%	Notes
Other receivables	2,385.01	3,461.20	-1,076.19	-31%	The export tax rebates for last year were received.
Other current assets	330,684.63	194,797.22	135,887.41	70%	The investments in bank wealth management products increased.
Long-term deferred expenses	626.48	185.20	441.28	238%	More expenses on molds
Accounts received in advance	36,402.37	85,159.28	-48,756.92	-57%	Due to the sale cycle
Taxes and fares payable	38,919.62	27,364.89	11,554.73	42%	The sales and profit increased.
Administrative expenses	13,635.67	9,986.72	3,648.95	37%	Expenses on salaries and R&D increased.
Financial expenses	-1,191.45	-270.63	-920.82	-340%	The deposit interest income increased.
Gain on fair value changes	-2.83	-1,192.58	1,189.75	100%	The gain on the fair value changes in forward exchange contracts increased.
Investment gain	3,096.41	2,298.71	797.70	35%	The investment in bank wealth management products increased, resulting in more gain.
Non-operating expense	339.14	140.86	198.28	141%	The loss on disposal of wasted fixed assets increased.
Total profit	32,645.19	21,929.55	10,715.64	49%	The sales increased.
Income tax expenses	4,928.85	3,160.22	1,768.63	56%	Total profit increased.
Net profit	27,716.35	18,769.33	8,947.01	48%	The sales increased.
Minority shareholders' income	3,484.90	1,691.89	1,793.01	106%	Subsidiary Hefei Midea Washing Machine Co., Ltd. recorded increased net profit.

Other comprehensive incomes	11.52	23.83	-12.31	-52%	Due to exchange rate fluctuations, the foreign-currency statement translation difference of the Singapore subsidiary changed.
Net cash flows from operating activities	39,428.21	27,196.43	12,231.78	45%	The business scale expanded and the cash received from sale of goods and rendering of services increased accordingly.
Net cash flows from investing activities	-71,505.40	-19,123.48	-52,381.92	-274%	The investments in bank wealth management products increased, resulting in an increase in the cash paid for investment.

## II. Progress of significant events and analysis & explanations on their influence and solutions

Applicable  Inapplicable

## III. Commitments made by the Company or any shareholder with a shareholding over 5% in the reporting period or such commitments made in previous period and carried down into the reporting period

Applicable  Inapplicable

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	Controlling shareholder	Where the controlling shareholder GD Midea Holding Co., Ltd. (Midea Holding) plans to sell the Company's shares released from trading moratorium held by it via the bid trading system of the Shenzhen Stock Exchange, and Midea Holding decreases over 5% shares within six months since the first reduction of holdings, Midea Holding will disclose the suggestive announcement on share selling through the Company two trading days before its first reduction of holdings.	28 Feb. 2008	Long-term	In the process of implementation
Commitment in the acquisition report or the report on equity changes	Controlling shareholder and actual controller	1. As for the commitment of avoiding horizontal competition, Midea Holding (the controlling shareholder) and Mr. He Xiangjian (the actual controller) has promised that, and for the period after the said transaction when the Company's controlling shareholder and actual controller remain unchanged, the actual controller Mr. He Xiangjian and his direct relatives, Midea Group and its controlling other enterprises recently no and will neither engage in the same or similar production and operating activities as the current main business of Little and its controlling enterprises, nor control other economic entities, institutions and economic organizations to engage in or participate at the same competitive business	1 Dec. 2010, 6 Jun. 2014	Long-term	In the process of implementation

		with the current main business of Little Swan and the enterprises controlled by it. If Little Swan and its controlling enterprises developed their operation business scope on the basis of the current business, the actual controller Mr. He Xiangjian and his direct relatives, Midea Group and its controlling other enterprises if had ceased production on those business, the Company will solve the horizontal competition caused by them during reasonable period, and if at the moment had not execute any production and operation, they will not engage in those new business competed with Little Swan or its controlling enterprises. If there was any situation violated the above commitments, the profits gained from the relevant business should be enjoyed by Little Swan.			
	Controlling shareholder and actual controller	2. As for the commitment for regulating related-party transactions, GD Midea Holding (the controlling shareholder) and Mr. He Xiangjian (the actual controller) have promised that when there are inevitable related-party transactions or such transaction incurred with rational reasons of the period after the said transaction when the Company's controlling shareholder and actual controller remain unchanged, the actual controller Mr. He Xiangjian and his direct relatives, Midea Group and its controlling other enterprises will standard and try their best to reduce the related transactions between Little Swan and its controlled enterprises. If there was unavoidable related transactions with Little Swan and its controlling enterprises, the Company will sign the standard related transaction agreement with Little Swan according to law and execute the approval procedure according to relevant regulations for ensuring the fairness of the price of the related transactions; guarantee that to execute the information disclosure obligations of the related transactions according to relevant regulations; guarantee not to make use of the related transactions illegally transfer the capital and profits of Little Swan as well as not to make use of the related transactions to do harm to the interests of Little Swan and the shareholders; will not require Little Swan to provide more favorable conditions than the conditions that provides for the independent third parties among any market fair deal; when those other enterprise relevant events involved with the actual controller Mr. He Xiangjian and his direct relatives, Midea Group and its controlling enterprises taking the voting, the Company should execute the voting avoiding obligations. If there did any situation that violated the above commitments and guarantees own to Midea Group and Mr. He Xiangjian that harmed the equities of Little or other shareholders, Midea Group and Mr. He Xiangjian should take the corresponding compensation responsibility according to laws.	1 Dec. 2010, 6 Jun. 2014	Long-term	In the process of implementation
	Controlling shareholder and actual	3. As for the commitment on independence, for further ensure the independent operation of Little Swan, Midea Group and the actual controller Mr. He Xiangjian and its controlling other enterprises will maintain mutual independent in the aspects such as personnel, finance,	1 Dec. 2010, 6 Jun. 2014	Long-term	In the process of implementation



	controller	assets, business and institutions according to the relevant laws and regulations as well as the normative documents.			entation
	Controlling shareholder	4. As for the commitment on related-party deposits and borrowings, up to 8 Apr. 2010, the Financial Settlement Center of GD Midea Holding had settled all internal deposits and borrowings with Hefei Royalstar Washing Equipment Manufacturing Co., Ltd.; and GD Midea Holding has promised that there will be no more deposits, borrowings or other funds flows incurred between the Financial Settlement Center and Hefei Royalstar Washing Equipment Manufacturing Co., Ltd..	1 Dec. 2010	Long-term	In the process of implementation
	Controlling shareholder	5. The commitment by GD Midea Holding on housing properties with no ownership certificates of the target company for sale is detailed as follows. Two pieces of the buildings of Royalstar Washing Equipment assessed and sold to the Company are of no ownership certificates—the warehouse for half-finished products (176 square meters) and the workshop for injection molding (834 square meters), both located in the old factory of Royalstar Washing Equipment, Hewa Road, Hefei. GD Midea Holding has promised that if loss occurs due to the said two buildings without ownership certificates in the asset disposal process in the future, it will assume the loss thus caused and make compensation to the Company.	1 Dec. 2010	Long-term	In the process of implementation
	Controlling shareholder	6. The commitment by GD Midea Holding on trademarks is detailed as follows. (1) Concerning the “Midea” trademark: Upon approval and implementation of the equity transfer transaction, GD Midea Holding has promised that it will make sure that Royalstar Washing Equipment uses the “Midea” trademark in a proper manner. Royalstar Washing Equipment will be allowed to use the “Midea” trademark with a trademark use fee not more than that paid by Midea Group (the controlling shareholder of GD Midea Holding) and its subsidiaries (currently 3% of the annual sales income generated by products using the “Midea” trademark), and upon negotiation and signing of the “Agreement for Trademark Use”. The related-party transactions incurred due to the said use of the “Midea” trademark will be submitted to the decision-making organ of the Company for approval according to the stipulated procedure. As such, interests of the Company and its minority shareholders will be safeguarded. (2) Concerning the “Royalstar” trademark: GD Midea Holding has signed the “Contract for Trademark Use” with Royalstar Group and obtained the ordinary use rights of the “Royalstar” (or “荣事达”) trademark. As the transferor in the transfer transaction of equity interests of Royalstar Washing Equipment, GD Midea Holding has promised that within the scope as agreed in the “Contract for Trademark Use”, if any dispute arises between Royalstar Washing Equipment and Royalstar Group over the former’s execution of the “Contract for Trademark Use”, Little Swan will not be involved. If	1 Dec. 2010	(2) Concerning the “Royalstar” trademark was expired on 31 Mar. 2013 and will not be renewed, others are in the proces	In the process of implementation

		Royalstar Washing Equipment and Little Swan have to assume any responsibility or loss due to the aforesaid dispute, GD Midea Holding is willing to take on the responsibility instead and make compensations to Royalstar Washing Equipment and Little Swan at full amount.		s of long term implementation	
	Controlling shareholder	7. The commitment by GD Midea Holding on social security payment and tax risks is detailed as follows. GD Midea Holding has promised that upon the completion of the said equity transfer deal, if Royalstar Washing Equipment is obliged to take on any responsibility or pay relevant fares as required by relevant government authorities due to its social security payment before the said deal, GD Midea Holding is willing to pay relevant fares for Royalstar Washing Equipment to relevant government authorities in a timely manner and assume any other liability. If any loss thus occurs to Royalstar Washing Equipment or Little Swan, GD Midea Holding is willing to assume relevant responsibilities for compensation. Upon the completion of the said equity transfer deal, if income tax evasion or any other tax risk is found in Royalstar Washing Equipment, GD Midea Holding is willing to assume relevant legal responsibilities and risks and pay relevant taxes in a timely manner to relevant government authorities; and if any loss thus occurs to Little Swan, GD Midea Holding will assume the corresponding responsibility for compensation.	1 Dec. 2010	Long-term	In the process of implementation
	Controlling shareholder	8. The commitment by Midea Group on capital safety at the finance companies of the Company: during the validity period of the Financial Services Agreement, when Midea Group occurred emergency situation of payment difficulty at finance companies, it should adopt the effective measures such as increase the capital fund of the finance companies according to the actual needs of solving the payment difficulty to ensure the capital safety of the Company.	18 Mar. 2015	3 years validity	In the process of implementation
Commitments made upon the assets reorganization					
Commitments made upon IPO or refinancing					
Other commitments made to minority shareholders					

Executed timely or not?	Yes
Specific reasons fail to complete execution and further plans (if any)	Inapplicable

#### IV. Predict the operating results of Jan.-Jun. 2015

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-begin to the end of the next reporting period according to prediction, as well as explanations on the reasons:

Applicable  Inapplicable

#### V. Securities investments

Applicable  Inapplicable

No such cases in the reporting period.

#### VI. Shareholdings in other listed companies

Applicable  Inapplicable

No such cases in the reporting period.

#### VII. Investments in derivatives

Applicable  Inapplicable

Shareholdings in other listed companies

#### VII. Derivative investments

Applicable  Inapplicable

Unit: RMB Ten Thousand Yuan

Operator	Relation	Related-party transaction or not	Type of derivative investment	Initial investment amount	Beginning date	Ending date	Opening investment amount	Impairment provision (if any)	Closing investment amount	Proportion of the closing investment amount in the Company's closing net assets (%)	Actual gain/loss in reporting period

Bank	No	No	Forward exchange contract	5,770	7 Jan. 2015	19 May 2015	5,770		1,699	0.31%	31.3
Total				5,770	--	--	5,770		1,699	0.31%	31.3
Capital source for derivative investment				All self-owned funds							
Lawsuit situations (if applicable)				Inapplicable							
Disclosure date of the board announcement approving the wealth management entrustment (if any)				20 Mar. 2015							
Disclosure date of the general meeting announcement approving the wealth management entrustment (if any)				22 Apr. 2015							
Analysis on risks and control measures of derivative products held in the reporting period (including but not limited to market risk, liquidity risk, credit risk, operation risk, law risk, etc.)				<p>The Company has formulated the Management Methods for Exchange Funds upon review to thoroughly assess and control derivative investment risks, which are detailed as follows:</p> <p>1. Market risk</p> <p>Fluctuations of exchange rates may incur a great market risk in the foreign exchange funds business. Meanwhile, if the Company fails to input foreign exchanges on time for contract execution in the foreign exchange funds business, contract breach risk may incur.</p> <p>Counter-measures: The Company will not carry out speculative trading in its foreign exchange funds business. And the Company will stick to the principle of being prudent in operations. A from-the-bottom-up management mechanism is adopted. When subsidiaries or product enterprises file applications for funds business, they will give a risk analysis on conditions or circumstances that might affect gains and losses, estimate the maximum gain and loss, and state the ratio or total amount of guarantee deposits they can bear. And the Company will, according to their applications, update operations in time in its funds business and make funds arrangements before the maturity date.</p> <p>2. Operation risk</p> <p>The Company may suffer loss in its hedging business and foreign exchange funds business due to faulty internal procedures, staff, systems and external events.</p> <p>Counter-measures: Responsibility division and approval procedures for the hedging and foreign exchange business have been specified in relevant management rules. And a sound supervision mechanism has been established. And operation risk can be effectively reduced by enhancing risk control over procedures for operation, decision-making and trading.</p> <p>3. Risk concerning laws and regulations</p> <p>The Company carries out its foreign exchange business in compliance with applicable laws and regulations, with rights and duties between the Company and agencies being stated</p>							

	<p>clearly.</p> <p>Counter-measures: The Company urges responsible departments to understand better about relevant laws, regulations and market rules; be strict in contract re-checks; make clear relevant rights and duties; and enhance compliance checks to make sure that the Company operates derivative investments in compliance with applicable laws, regulations and the Company's internal management rules.</p>
Changes of market prices or fair values in the reporting period of the invested derivatives. And the analysis on the fair value of the derivatives should include the specific use methods and the relevant assumptions and parameters.	The Company adopts forward foreign exchange quotations declared by the People's Bank of China in its analysis on fair values of derivative products.
Whether significant changes occurred to the Company's accounting policy and specific accounting principles of derivatives in the reporting period compared to the previous reporting period	No significant changes.
Specific opinion from independent directors on the Company's derivatives investment and risk control	<p>Independent directors of the Company believe that: The Company has formulated derivative investment rules such as the Management Methods for Exchange Funds to help it effectively control risks involved; the Company's derivative investments in the reporting period mainly targeted its exports. It signed forward exchange contracts with domestic financial institutions, which helped it to lock up the exchange rate and avoid the risk of exchange rate fluctuations.</p> <p>The Company conducted no speculative operations, so there was no credit risk. And transaction periods were determined according to expectations and payment receiving and making, with no influence on the Company's fluidity.</p>

### VIII. Researches, visits and interviews received in the reporting period

√ Applicable □ Inapplicable

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
22 Jan. 2015	Conference Room of the Company	Field research	Institution	Changjiang Securities, Huatai Assets, Fullgoal Fund, China AMC, Sinolink Securities, Zhong Ou AMC, Essences Securities, BOCOM Securities, Ping An Asset	Overall operation of the Company

## Section IV. Financial Statements

### I. Financial statements

#### 1. Consolidated balance sheet

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	2,163,913,113.11	3,059,914,956.21
Settlement reserves		
Intra-group lendings		
Financial assets measured at fair value of which	220,578.24	248,907.75
Derivative financial assets		
Notes receivable	2,840,015,166.92	3,147,153,535.61
Accounts receivable	1,068,886,722.15	856,343,229.70
Accounts paid in advance	175,541,071.09	142,977,522.28
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	23,850,112.20	34,611,969.22
Financial assets purchased under agreements to		
Inventories	460,044,879.93	605,616,993.25
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	3,306,846,269.58	1,947,972,214.72
Total current assets	10,039,317,913.22	9,794,839,328.74
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	200,000.00	200,000.00
Held-to-maturity investments		
Long-term accounts receivable		

Long-term equity investment	2,774,768.17	2,850,040.45
Investing real estate	72,253,482.13	73,229,177.52
Fixed assets	1,038,145,055.66	1,065,820,898.65
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	201,450,839.52	202,760,577.70
R&D expense		
Goodwill		
Long-term deferred expenses	6,264,755.50	1,851,978.15
Deferred income tax assets	261,908,169.21	235,241,927.50
Other non-current assets		
Total of non-current assets	1,582,997,070.19	1,581,954,599.97
Total assets	11,622,314,983.41	11,376,793,928.71
Current liabilities:		
Short-term borrowings	116,148,521.47	
Borrowings from Central Bank		
Customer bank deposits and due to banks and other		
Intra-group borrowings		
Financial liabilities measured at fair value of which		
Derivative financial liabilities		
Notes payable	1,339,477,601.67	1,173,851,127.31
Accounts payable	3,718,090,880.34	3,614,077,813.37
Accounts received in advance	364,023,659.51	851,592,826.03
Financial assets sold for repurchase		
Handling charges and commissions payable		
Payroll payable	202,382,870.86	250,377,809.92
Tax payable	389,196,199.65	273,648,854.64
Interest payable		
Dividend payable	4,088,128.36	4,088,128.36
Other accounts payable	48,798,275.84	48,540,416.84
Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		

Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	6,182,206,137.70	6,216,176,976.47
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables	2,073,957.30	2,073,957.30
Estimated liabilities	9,956,354.38	9,960,830.74
Deferred income	3,735,433.32	3,848,733.33
Deferred income tax liabilities	33,086.73	37,336.16
Other non-current liabilities		
Total non-current liabilities	15,798,831.73	15,920,857.53
Total liabilities	6,198,004,969.43	6,232,097,834.00
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Of which: preferred shares		
Perpetual bonds		
Capital reserves	1,142,123,819.28	1,139,956,336.03
Less: Treasury stock		
Other comprehensive income	-3,334,503.83	-3,449,689.57
Specific reserves		
Surplus reserves	332,594,722.29	332,594,722.29
Provisions for general risks		
Retained profits	2,568,707,448.30	2,326,392,979.58
Total equity attributable to owners of the Company	4,672,579,250.04	4,427,982,112.33
Minority interests	751,730,763.94	716,713,982.38
Total owners' equity	5,424,310,013.98	5,144,696,094.71
Total liabilities and owners' equity	11,622,314,983.41	11,376,793,928.71

Legal representative: Fang Hongbo    Chief of the accounting work: Sun Yunan    Chief of the accounting organ: Zhong Fangliu



## 2. Balance sheet of the Company

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	1,343,465,555.67	1,911,559,698.48
Financial assets measured at fair value of which	127,385.07	169,471.35
Derivative financial assets		
Notes receivable	2,046,345,765.51	1,995,701,371.99
Accounts receivable	728,323,276.24	599,080,895.73
Accounts paid in advance	72,443,332.64	82,118,815.39
Interest receivable		
Dividend receivable		
Other accounts receivable	17,738,475.97	16,162,292.29
Inventories	292,461,587.51	391,600,972.50
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	1,823,850,586.05	1,024,148,072.06
Total current assets	6,324,755,964.66	6,020,541,589.79
Non-current assets:		
Available-for-sale financial assets	150,000.00	150,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	1,342,469,259.74	1,342,544,532.02
Investing real estate	8,837,994.22	9,112,459.48
Fixed assets	519,527,738.88	536,196,976.55
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	97,299,193.17	97,971,768.25
R&D expense		
Goodwill		
Long-term deferred expenses	5,778,644.38	1,525,311.48
Deferred income tax assets	170,926,135.27	156,000,386.72
Other non-current assets		
Total of non-current assets	2,144,988,965.66	2,143,501,434.50

Total assets	8,469,744,930.32	8,164,043,024.29
Current liabilities:		
Short-term borrowings	16,404,201.00	
Financial liabilities measured at fair value of which		
Derivative financial liabilities		
Notes payable	787,061,907.45	584,317,575.73
Accounts payable	2,725,912,809.14	2,548,193,911.40
Accounts received in advance	218,847,645.15	536,032,679.79
Payroll payable	130,984,859.84	156,971,021.63
Tax payable	279,741,748.76	178,868,538.14
Interest payable		
Dividend payable	4,088,128.36	4,088,128.36
Other accounts payable	10,978,006.17	15,256,765.11
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	4,174,019,305.87	4,023,728,620.16
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	19,107.76	25,420.70
Other non-current liabilities		
Total non-current liabilities	19,107.76	25,420.70
Total liabilities	4,174,038,413.63	4,023,754,040.86
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Of which: preferred shares		
Perpetual bonds		
Capital reserves	1,301,894,334.32	1,300,124,962.20

Less: Treasury stock		
Other comprehensive income		
Specific reserves		
Surplus reserves	319,944,578.39	319,944,578.39
Retained profits	2,041,379,839.98	1,887,731,678.84
Total owners' equity	4,295,706,516.69	4,140,288,983.43
Total liabilities and owners' equity	8,469,744,930.32	8,164,043,024.29

### 3. Consolidated income statement

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Total operating revenues	3,293,972,545.08	2,576,160,088.43
Including: Sales income	3,293,972,545.08	2,576,160,088.43
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating costs	3,002,591,301.31	2,373,449,895.21
Including: Cost of sales	2,379,120,341.82	1,863,580,470.12
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	17,128,541.02	18,158,736.21
Selling and distribution expenses	472,357,387.28	384,822,055.79
Administrative expenses	136,356,668.54	99,867,200.75
Financial expenses	-11,914,487.39	-2,706,279.81
Asset impairment loss	9,542,850.04	9,727,712.15
Add: Gain/(loss) from change in fair value ("-" means loss)	-28,329.51	-11,925,800.00
Gain/(loss) from investment ("-" means loss)	30,964,125.82	22,987,140.99
Including: share of profits in associates and joint		

ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	322,317,040.08	213,771,534.21
Add: non-operating income	7,526,310.70	6,932,588.41
Including: Gains on disposal of non-current assets		
Less: non-operating expense	3,391,414.54	1,408,605.94
Including: Losses on disposal of non-current assets		
IV. Total profit (“-” means loss)	326,451,936.24	219,295,516.68
Less: Income tax expense	49,288,455.12	31,602,176.95
V. Net profit (“-” means loss)	277,163,481.12	187,693,339.73
Net profit attributable to owners of the Company	242,314,468.72	170,774,457.85
Minority shareholders’ income	34,849,012.40	16,918,881.88
VI. After-tax net amount of other comprehensive incomes	115,185.74	238,278.48
After-tax net amount of other comprehensive incomes attributable to owners of the Company	115,185.74	238,278.48
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	115,185.74	238,278.48
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		

5. Foreign-currency financial statement translation difference	115,185.74	238,278.48
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive incomes	277,278,666.86	187,931,618.21
Attributable to owners of the Company	242,429,654.46	171,012,736.33
Attributable to minority shareholders	34,849,012.40	16,918,881.88
VIII. Earnings per share		
(I) Basic earnings per share	0.38	0.27
(II) Diluted earnings per share	0.38	0.27

Legal representative: Fang Hongbo    Chief of the accounting work: Sun Yunan    Chief of the accounting organ: Zhong Fangliu

#### 4. Income statement of the Company

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Total sales	2,470,525,958.78	1,894,175,621.32
Less: cost of sales	1,847,860,647.42	1,390,057,329.94
Business taxes and surcharges	11,711,081.29	13,547,483.63
Distribution expenses	354,864,794.58	292,227,018.27
Administrative expenses	101,692,072.59	77,795,813.89
Financial costs	-5,537,625.27	808,182.35
Impairment loss	2,865,647.81	6,171,520.43
Add: gain/(loss) from change in fair value (“-” means loss)	-42,086.28	-6,848,610.00
Gain/(loss) from investment (“-” means loss)	23,137,782.86	1,511,386.24
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	180,165,036.94	108,231,049.06
Add: non-operating income	3,253,117.90	3,999,006.92
Including: Gains on disposal of non-current assets		
Less: non-operating expense	2,655,612.33	2,816,063.68
Including: Losses on disposal of non-current assets		

III. Total profit (“-” means loss)	180,762,542.51	109,413,992.30
Less: Income tax expense	27,114,381.38	16,412,098.85
IV. Net profit (“-” means loss)	153,648,161.13	93,001,893.45
V. After-tax net amount of other comprehensive incomes		-35,985.60
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		-35,985.60
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		-35,985.60
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	153,648,161.13	92,965,907.85
VII. Earnings per share		
(I) Basic earnings per share	0.24	0.15
(II) Diluted earnings per share	0.24	0.15

## 5. Consolidated cash flow statement

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and	2,311,468,394.08	1,646,521,888.52

rendering of service		
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of financial assets measured at fair value of which changes are recorded into current gains and losses		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received	22,306,916.59	1,379,269.70
Other cash received relating to operating activities	16,382,898.79	8,523,758.56
Subtotal of cash inflows from operating activities	2,350,158,209.46	1,656,424,916.78
Cash paid for goods and services	1,128,751,660.68	723,257,042.69
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	283,468,238.34	211,254,229.32
Various taxes paid	131,441,100.55	148,479,258.31
Other cash payment relating to operating activities	412,215,075.35	301,470,073.93
Subtotal of cash outflows from operating activities	1,955,876,074.92	1,384,460,604.25
Net cash flows from operating activities	394,282,134.54	271,964,312.53
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	1,726,000,000.00	2,298,000,000.00

Cash received from return on investments	31,039,398.10	23,005,978.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,440.00	72,000.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	1,757,043,838.10	2,321,077,978.66
Cash paid to acquire fixed assets, intangible assets and other long-term assets	21,097,886.03	22,942,809.96
Cash paid for investment	2,451,000,000.00	2,489,370,000.00
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	2,472,097,886.03	2,512,312,809.96
Net cash flows from investing activities	-715,054,047.93	-191,234,831.30
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	116,148,521.47	
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	116,148,521.47	
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit		
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities	116,148,521.47	
IV. Effect of foreign exchange rate changes on cash and cash equivalents		



V. Net increase in cash and cash equivalents	-204,623,391.92	80,729,481.23
Add: Opening balance of cash and cash equivalents	1,516,739,804.86	1,543,513,880.63
VI. Closing balance of cash and cash equivalents	1,312,116,412.94	1,624,243,361.86

## 6. Cash flow statement of the Company

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,466,060,466.05	1,387,187,542.05
Tax refunds received	4,291,106.27	
Other cash received relating to operating activities	7,312,358.87	6,135,064.74
Subtotal of cash inflows from operating activities	1,477,663,931.19	1,393,322,606.79
Cash paid for goods and services	676,848,631.05	613,008,773.48
Cash paid to and for employees	190,585,043.67	139,756,464.02
Various taxes paid	71,039,924.50	113,320,106.80
Other cash payment relating to operating activities	302,459,281.81	229,543,047.77
Subtotal of cash outflows from operating activities	1,240,932,881.03	1,095,628,392.07
Net cash flows from operating activities	236,731,050.16	297,694,214.72
II. Cash flows from investing activities:		
Cash received from retraction of investments	1,150,000,000.00	1,000,000,000.00
Cash received from return on investments	23,213,055.14	10,043,278.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other business units		38,977.14
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	1,173,213,055.14	1,010,082,255.53
Cash paid to acquire fixed assets, intangible assets and other long-term assets	12,283,921.60	15,764,370.14
Cash paid for investment	1,295,000,000.00	1,430,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	1,307,283,921.60	1,445,764,370.14

Net cash flows from investing activities	-134,070,866.46	-435,682,114.61
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	16,404,201.00	
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	16,404,201.00	
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities	16,404,201.00	
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	119,064,384.70	-137,987,899.89
Add: Opening balance of cash and cash equivalents	600,231,105.51	882,413,120.18
VI. Closing balance of cash and cash equivalents	719,295,490.21	744,425,220.29

## II. Auditor's report

Is this report audited?

Yes  No

This report is not audited.

Wuxi Little Swan Company Limited

Legal representative: Fang Hongbo

22 April 2015