

# WUXI LITTLE SWAN COMPANY LIMITED

## FIRST QUARTER REPORT 2019



**April 2019**

## **Part I Important Notes**

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Wuxi Little Swan Company Limited (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.**

**All the Company’s directors have attended the Board meeting for the review of this Report and its summary.**

**Mr. Fang Hongbo, the Company’s legal representative, Mr. Sun Yunan, the Company’s Chief Financial Officer (CFO), and Mr. Xu Yunwei, the Company’s Financial Manager hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

**This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.**

## Part II Key Corporate Information

### I Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

	Q1 2019	Q1 2018	Change (%)
Operating revenue (RMB)	7,359,616,847.47	6,811,940,933.68	8.04%
Net profit attributable to the listed company's shareholders (RMB)	603,252,543.54	511,022,240.89	18.05%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	601,855,509.38	501,731,839.62	19.96%
Net cash generated from/used in operating activities (RMB)	177,234,177.24	284,655,859.29	-37.74%
Basic earnings per share (RMB/share)	0.95	0.81	17.28%
Diluted earnings per share (RMB/share)	0.95	0.81	17.28%
Weighted average return on equity (%)	7.00%	7.00%	0.00%
	31 March 2019	31 December 2018	Change (%)
Total assets (RMB)	23,438,092,671.50	23,561,899,125.85	-0.53%
Equity attributable to the listed company's shareholders (RMB)	8,930,052,500.09	8,312,062,507.53	7.43%

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	Q1 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-330,222.11	
Gain or loss on fair-value changes in trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and available-for-sale financial assets (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	749,009.52	
Non-operating income and expense other than the above	1,384,066.96	
Less: Income tax effects	270,518.42	
Non-controlling interests effects (net of tax)	135,301.79	

Total	1,397,034.16	--
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Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable  Not applicable

No such cases for the Reporting Period.

## II Total Number of Shareholders and Holdings of Top 10 Shareholders at 31 March 2019

### 1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end	25,441	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
MIDEA GROUP CO., LTD.	Domestic non-state-owned legal person	37.78%	238,948,117			
TITONI INVESTMENTS DEVELOPMENT LTD.	Foreign legal person	14.89%	94,204,942			
HONGKONG SECURITIES CLEANING CO., LTD	Foreign legal person	7.33%	46,351,423			
GAOLING FUND,L.P.	Foreign legal person	3.74%	23,664,125			
GREENWOODS CHINA ALPHA MASTER FUND	Foreign legal person	1.89%	11,957,218			
AGRICULTURAL BANK OF CHINA- E FUND CONSUMPTION SECTOR STOCK INVESTMENT FUND	Domestic non-state-owned legal person	1.72%	10,876,259			
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	State-owned legal person	1.61%	10,156,300			
BILL & MELINDA GATES FOUNDATION TRUST	Foreign legal person	1.28%	8,070,506			
NATIONAL SOCIAL SECURITY FUND	Domestic	1.18%	7,470,973			

406 PORTFOLIO	non-state-owned legal person				
NATIONAL SOCIAL SECURITY FUND 101 PORTFOLIO	Domestic non-state-owned legal person	0.99%	6,290,900		
Top 10 unrestricted shareholders					
Name of shareholder	Unrestricted shares held	Shares by type			
		Type	Shares		
MIDEA GROUP CO., LTD.	238,948,117	RMB-denominated ordinary stock	238,948,117		
TITONI INVESTMENTS DEVELOPMENT LTD.	94,204,942	Domestically listed foreign stock	94,204,942		
HONGKONG SECURITIES CLEANING CO., LTD	46,351,423	RMB-denominated ordinary stock	46,351,423		
GAOLING FUND,L.P.	23,664,125	Domestically listed foreign stock	23,664,125		
GREENWOODS CHINA ALPHA MASTER FUND	11,957,218	Domestically listed foreign stock	11,957,218		
AGRICULTURAL BANK OF CHINA- E FUND CONSUMPTION SECTOR STOCK INVESTMENT FUND	10,876,259	RMB-denominated ordinary stock	10,876,259		
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	10,156,300	RMB-denominated ordinary stock	10,156,300		
BILL & MELINDA GATES FOUNDATION TRUST	8,070,506	RMB-denominated ordinary stock	8,070,506		
NATIONAL SOCIAL SECURITY FUND 406 PORTFOLIO	7,470,973	RMB-denominated ordinary stock	7,470,973		
NATIONAL SOCIAL SECURITY FUND 101 PORTFOLIO	6,290,900	RMB-denominated ordinary stock	6,290,900		
Related or acting-in-concert parties among the shareholders above	Midea Group and TITONI INVESTMENTS DEVELOPMENT LTD. are parties acting in concert.				
Top 10 ordinary shareholders involved in securities margin trading (if any)	None				

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes  No

No such cases in the Reporting Period.

## 2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## Part III Significant Events

### I Changes in Key Financial Statement Line Items and Explanation of why

Unit: RMB'0,000

Item	31 March 2019	31 December 2018	Change	Change (%)	Explanation of why
Monetary capital	340,357.40	192,693.81	147,663.59	76.63%	Redemption of structured deposits upon maturity
Inventories	79,289.75	175,459.71	-96,169.97	-54.81%	Affected by the sales cycle
Financial liabilities at fair value through profit or loss	45.30	307.89	-262.59	-85.29%	Changes in the fair value of forward exchange contracts
Advances from customers	75,234.48	202,494.58	-127,260.10	-62.85%	Affected by the sales cycle
Payroll payable	23,788.39	39,399.81	-15,611.42	-39.62%	Payment of the 2018 year-end performance bonuses to employees
Item	Q1 2019	Q1 2018	Change	Change (%)	Explanation of why
Finance costs	-11,806.19	-6,954.22	-4,851.97	-69.77%	Increase in the interest income from structured deposits and in the exchange gain resulted from exchange rate fluctuations
Asset impairment loss	1,997.79	-994.28	2,992.06	300.93%	Increase in the impairment allowance for an increased balance of accounts receivable
Gain on changes in fair value	262.59	34.28	228.31	665.98%	Increase in the gain on forward exchange contracts due to exchange rate fluctuations
Return on investment	-187.69	3,911.33	-4,099.02	-104.80%	Decrease in income from decreased investments in wealth management products due to more investments in structured deposits
Net profit attributable to non-controlling interests	8,512.79	5,837.68	2,675.11	45.82%	Increase in the profit of the subsidiary
Other comprehensive income	-4.28	51.88	-56.16	-108.25%	Changes in the fair value of available-for-sale financial assets
Net cash generated from/used in operating activities	17,723.42	28,465.59	-10,742.17	-37.74%	Increase in payments for commodities and services
Net cash generated from/used in investing activities	141,793.81	-51,063.11	192,856.91	377.68%	Disinvestment from bank's wealth management products
Net cash generated from/used in financing activities	-12,086.18	-9,066.94	-3,019.24	-33.30%	Increase in repayments of borrowings

## II Progress, Influence and Solutions with regard to Significant Events

On 24 October 2018, the Company announced the major assets restructuring plan. Midea Group intends to issue A-shares to absorb the Company, which means Midea Group issues shares to all shareholders of the Company excluding Midea Group and TITONI to exchange all A-shares and B-shares held by those shareholders. The A-shares and B-shares held by Midea Group and TITONI are not involved in the conversion and these shares will be cancelled after the merger by share swap.

After the completion of the merger by share swap, the Company will terminate the listing and cancel the legal person qualification. Midea Group or its wholly-owned subsidiaries will inherit and undertake all assets, liabilities, business, personnel, contracts and all other rights and obligations of the Company. Midea Group will apply for listing on the main board of the Shenzhen Stock Exchange for all additional A-shares due to the merger by share swap

The above-mentioned major assets restructuring was reviewed and approved on general meetings of both sides on 21 December 2018 and unconditionally passed by the China Securities Regulatory Commission (CSRC) on 20 February 2019 and examined and approved by CSRC on 12 March 2019. At present, the restructuring is in the progress (see [www.cninfo.com.cn](http://www.cninfo.com.cn) for details). Investors are advised to pay attention to the investment risks.

Progress of any share repurchase:

Applicable  Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable  Not applicable

## III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

## IV Operating Performance Forecast for H1 2019

Warning of a forecast loss on or a forecast significant year-on-year change in the net profit of H1 2019, as well as explanation of why:

Applicable  Not applicable



## V Securities Investments

Applicable  Not applicable

No such cases in the Reporting Period.

## VI Investments in Derivative Financial Instruments

Unit: RMB'0,000

Operator	Relationship with the Company	Related-party transaction or not	Type of derivative	Initial investment amount	Starting date	Ending date	Beginning investment amount	Purchased in the Reporting Period	Sold in the Reporting Period	Impairment provision (if any)	Ending investment amount	Proportion of closing investment amount in the Company's closing net assets	Actual gain/loss in the Reporting Period
Bank	Not	Not	Forward forex contract	4,488	17 April 2018	24 May 2019	4,488	0	3,525		963	0.09%	75
Total				4,488	--	--	4,488	0	3,525		963	0.09%	75
Capital source for derivative investment				All from the Company's own funds									
Lawsuits involved (if applicable)				N/A									
Disclosure date of board announcement approving derivative investment (if any)				30 March 2019									
Disclosure date of shareholders' meeting announcement approving derivative investment (if any)				23 April 2019									
Analysis of risks and control measures associated with derivative investments held in the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				<p>The Company has considered and formulated the Management Methods for Forex Trading Business to implement full assessment and control on its derivative investments, with highlights as follows:</p> <p>1. About market risk: Exchange rate fluctuations may cause great risk to the Company's forex trading business. For instance, failure of capital required to arrive in time for performance in forex trading could result in loss and default.</p> <p>Control measures: Speculative trading is not allowed and a prudent and steady principle is adopted. A hierarchical management mechanism has been implemented, whereby the operating unit which has submitted applications for funds business should conduct a risk analysis on the conditions and environment that could affect the operating profit and loss, evaluate the possible greatest revenue and loss, and report the greatest acceptable margin ratio or total margin amount, so that the Company can update the operating status of the funds business on a timely basis thus ensuring the arrangement of proper funds before expiry dates.</p>									

	<p>2. About operational risk: Risks caused by imperfect internal processes, staff, systems and external issues may cause the Company to incur losses during the course of its forex trading business.</p> <p>Control measures: The Company has not only developed relevant management systems that clearly define the assignment of responsibility and approval process for forex trading, but has also established a well-developed monitoring mechanism, aimed at effectively reducing operational risk by strengthening its risk control over the business, decision-making and trading processes.</p> <p>3. About legal risk: The Company's forex trading business is conducted in compliance with laws and regulations, with clearly defined responsibilities and obligations between the Company and agencies.</p> <p>Control measures: The Company has designated relevant departments with the responsibility for enhancing expertise in laws, regulations and market rules, conducting strict examination and verification of contracts, defining responsibility and obligations, and strengthening compliance checks, so as to ensure that the Company's derivatives investment and position operations meet the requirements of the laws and regulations and internal management system of the Company.</p>
Changes in market prices or fair value of derivative investments during the Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	Forward forex quotations announced by the Bank of China are used in the fair value analysis of the Company's derivative investments.
Significant changes in accounting policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to previous reporting period	No significant changes
Opinion of independent directors on derivative investments and risk control	The independent directors of the Company are of the opinion that the Company has formulated the Management Methods for Forex Trading Business to, which enables the Company to effectively control risks associated with derivative investment; that for the Reporting Period, derivative investment was conducted mainly on the Company's export business by signing forward forex contracts with domestic financial institutions to lock in exchange rates and avoid risk caused by exchange rate fluctuations; that no speculative trading is allowed, leading to no risk of non-performance; and that trading deadlines are all set according to the Company's expected payments and collections of payments, with no impact on the Company's liquidity.

## VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### **VIII Irregularities in the Provision of Guarantees**

Applicable  Not applicable

No such cases in the Reporting Period.

### **IX Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes**

Applicable  Not applicable

No such cases in the Reporting Period.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Unit: RMB

Item	31 March 2019	31 December 2018
Current assets:		
Monetary capital	3,403,574,006.66	1,926,938,134.40
Settlement reserve		
Interbank loans granted		
Trading financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable	3,814,815,965.31	3,019,035,979.14
Including: Notes receivable	1,468,208,663.59	1,061,452,503.99
Accounts receivable	2,346,607,301.72	1,957,583,475.15
Prepayments	105,484,983.75	87,926,863.95
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	264,650,572.92	233,956,205.26
Including: Interest receivable	253,365,895.45	213,514,910.10
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	792,897,467.67	1,754,597,149.53
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	13,179,076,369.14	14,670,897,092.07
Total current assets	21,560,499,365.45	21,693,351,424.35
Non-current assets:		
Loans and advances to customers		

Investments in debt obligations		
Available-for-sale financial assets	200,000.00	200,000.00
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments		
Other non-current financial assets		
Investment property	53,862,996.89	54,776,877.23
Fixed assets	1,116,472,164.41	1,121,036,700.25
Construction in progress	17,350,407.43	15,486,834.37
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	180,628,575.95	181,939,282.79
R&D expense		
Goodwill		
Long-term prepaid expense	22,151,107.68	25,540,285.92
Deferred income tax assets	447,125,928.50	427,278,679.21
Other non-current assets	39,802,125.19	42,289,041.73
Total non-current assets	1,877,593,306.05	1,868,547,701.50
Total assets	23,438,092,671.50	23,561,899,125.85
Current liabilities:		
Short-term borrowings		117,603,683.89
Borrowings from central bank		
Interbank loans obtained		
Trading financial liabilities		
Financial liabilities at fair value through profit or loss	452,959.43	3,078,878.95
Derivative financial liabilities		
Notes and accounts payable	8,496,803,784.52	7,979,727,116.02
Advances from customers	752,344,775.74	2,024,945,754.25
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		

Payables for underwriting of securities		
Payroll payable	237,883,873.69	393,998,052.46
Taxes payable	586,411,650.60	559,619,230.00
Other payables	172,909,045.11	175,263,267.57
Including: Interest payable		
Dividends payable	9,049,503.92	9,049,503.92
Handling charges and commissions payable		
Reinsurance payables		
Contractual liabilities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities	2,686,861,485.25	2,507,883,253.19
Total current liabilities	12,933,667,574.34	13,762,119,236.33
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable	9,248,736.22	9,888,772.71
Provisions	1,729,438.52	1,853,074.62
Deferred income	41,168,233.12	39,475,933.17
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	52,146,407.86	51,217,780.50
Total liabilities	12,985,813,982.20	13,813,337,016.83
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,345,431,079.76	1,330,650,826.13

Less: Treasury stock		
Other comprehensive income	-2,248,904.71	-2,206,100.21
Specific reserve		
Surplus reserves	332,594,722.29	332,594,722.29
General reserve		
Retained earnings	6,621,787,838.75	6,018,535,295.32
Total equity attributable to owners of the Company as the parent	8,930,052,500.09	8,312,062,507.53
Non-controlling interests	1,522,226,189.21	1,436,499,601.49
Total owners' equity	10,452,278,689.30	9,748,562,109.02
Total liabilities and owners' equity	23,438,092,671.50	23,561,899,125.85

Legal representative: Fang Hongbo

Chief Financial Officer: Sun Yunan

Financial manager: Xu Yunwei

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 March 2019	31 December 2018
Current assets:		
Monetary capital	1,957,102,494.07	1,054,092,494.27
Trading financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable	3,568,141,138.60	2,612,181,833.04
Including: Notes receivable	764,769,758.65	589,229,066.42
Accounts receivable	2,803,371,379.95	2,022,952,766.62
Prepayments	74,315,416.02	61,976,396.93
Other receivables	184,563,046.60	147,971,734.02
Including: Interest receivable	178,367,746.93	136,241,903.00
Dividends receivable		
Inventories	478,950,665.23	1,012,418,438.83
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	8,457,830,058.05	9,410,921,667.01
Total current assets	14,720,902,818.57	14,299,562,564.10
Non-current assets:		

Investments in debt obligations		
Available-for-sale financial assets	150,000.00	150,000.00
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	958,235,041.57	958,235,041.57
Investments in other equity instruments		
Other non-current financial assets		
Investment property	4,417,816.48	4,458,055.96
Fixed assets	614,127,821.75	615,882,736.87
Construction in progress	1,806,014.02	61,980.58
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
R&D expense	86,537,991.93	87,210,567.00
Goodwill		
Long-term prepaid expense	7,651,019.71	8,812,163.74
Deferred income tax assets	285,012,831.61	264,335,974.30
Other non-current assets	28,533,922.49	28,091,110.19
Total non-current assets	1,986,472,459.56	1,967,237,630.21
Total assets	16,707,375,278.13	16,266,800,194.31
Current liabilities:		
Short-term borrowings		43,362,419.45
Trading financial liabilities		
Financial liabilities at fair value through profit or loss	264,895.14	1,597,534.54
Derivative financial liabilities		
Notes and accounts payable	7,925,479,168.58	7,020,284,546.83
Advances from customers	439,300,151.01	1,198,597,569.21
Contractual liabilities		
Payroll payable	176,491,665.42	302,942,210.91
Taxes payable	352,469,184.12	347,233,227.80
Other payables	124,557,599.30	124,362,696.11
Including: Interest payable		



Dividends payable	9,049,503.92	9,049,503.92
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities	1,656,885,339.31	1,536,311,047.76
Total current liabilities	10,675,448,002.88	10,574,691,252.61
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income	30,000,000.00	30,000,000.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	30,000,000.00	30,000,000.00
Total liabilities	10,705,448,002.88	10,604,691,252.61
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,486,972,184.63	1,473,906,707.63
Less: Treasury stock		
Other comprehensive income	-39,831.00	
Specific reserve		
Surplus reserves	319,944,578.39	319,944,578.39
Retained earnings	3,562,562,579.23	3,235,769,891.68
Total owners' equity	6,001,927,275.25	5,662,108,941.70
Total liabilities and owners' equity	16,707,375,278.13	16,266,800,194.31

## 3. Consolidated Income Statement

Unit: RMB

Item	Q1 2019	Q1 2018
1. Revenue	7,359,616,847.47	6,811,940,933.68
Including: Operating revenue	7,359,616,847.47	6,811,940,933.68
Interest income		
Premium income		
Handling charge and commission income		
2. Costs and expenses	6,573,599,669.26	6,177,665,009.55
Including: Cost of sales	5,228,073,476.41	4,955,290,678.71
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	33,194,877.74	31,716,440.26
Selling expense	1,162,142,285.97	1,026,609,941.05
Administrative expense	65,374,752.65	63,700,807.13
R&D expense	182,898,300.50	179,832,126.62
Finance costs	-118,061,874.18	-69,542,219.96
Including: Interest expense	16,403,917.80	18,716,285.06
Interest income	-168,770,819.69	-119,235,309.52
Asset impairment loss	19,977,850.17	-9,942,764.26
Credit impairment loss		
Add: Other income	8,870,432.86	18,401,624.34
Return on investment (“-” for loss)	-1,876,910.00	39,113,264.51
Including: Share of profit or loss of joint ventures and associates		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	2,625,919.52	342,817.90
Asset disposal income (“-” for loss)	-330,222.11	87,113.61

3. Operating profit (“-” for loss)	795,306,398.48	692,220,744.49
Add: Non-operating income	702,847.15	2,325,811.45
Less: Non-operating expense	2,475.89	174,119.84
4. Profit before tax (“-” for loss)	796,006,769.74	694,372,436.10
Less: Income tax expense	107,626,297.24	124,973,358.33
5. Net profit (“-” for net loss)	688,380,472.50	569,399,077.77
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	688,380,472.50	569,399,077.77
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	603,252,543.54	511,022,240.89
5.2.1 Net profit attributable to non-controlling interests	85,127,928.96	58,376,836.88
6. Other comprehensive income, net of tax	-42,804.47	518,838.47
Attributable to owners of the Company as the parent	-42,804.47	335,212.02
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit pension schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value of the company’s credit risks		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-42,804.47	335,212.02
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		1,949,466.02
6.2.4 Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt obligations		
6.2.7 Reserve for cash flow hedges	-39,831.00	-1,606,733.75

6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	-2,973.47	-7,520.25
6.2.9 Other		
Attributable to non-controlling interests		183,626.45
7. Total comprehensive income	688,337,668.03	569,917,916.24
Attributable to owners of the Company as the parent	603,209,739.07	511,357,452.91
Attributable to non-controlling interests	85,127,928.96	58,560,463.33
8. Earnings per share		
8.1 Basic earnings per share	0.95	0.81
8.2 Diluted earnings per share	0.95	0.81

Legal representative: Fang Hongbo

Chief Financial Officer: Sun Yunan

Financial manager: Xu Yunwei

#### 4. Income Statement of the Company as the Parent

Unit: RMB

Item	Q1 2019	Q1 2018
1. Operating revenue	5,051,151,978.48	4,767,686,978.91
Less: Cost of sales	3,756,372,193.55	3,605,293,753.66
Taxes and surcharges	20,070,260.98	19,507,963.32
Selling expense	758,760,472.09	693,236,807.81
Administrative expense	54,107,157.43	54,631,697.61
R&D expense	146,015,498.24	147,928,399.97
Finance costs	-75,096,541.63	-37,055,059.17
Including: Interest expense	8,292,187.20	8,748,219.08
Interest income	-106,037,556.17	-68,554,772.15
Asset impairment loss	18,746,732.23	-13,543,369.25
Credit impairment loss		
Add: Other income	342,829.57	
Return on investment (“-” for loss)	-868,960.00	22,701,985.06
Including: Share of profit or loss of joint ventures and associates		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	1,332,639.40	253,065.85
Asset disposal income (“-” for loss)	-38,954.93	-440,752.80
2. Operating profit (“-” for loss)	372,943,759.63	320,201,083.07

Add: Non-operating income	546,925.86	1,256,241.40
Less: Non-operating expense	2,475.89	132,679.98
3. Profit before tax (“-” for loss)	373,488,209.60	321,324,644.49
Less: Income tax expense	46,695,522.05	50,937,581.81
4. Net profit (“-” for net loss)	326,792,687.55	270,387,062.68
4.1 Net profit from continuing operations (“-” for net loss)	326,792,687.55	270,387,062.68
4.2 Net profit from discontinued operations (“-” for net loss)	326,792,687.55	270,387,062.68
5. Other comprehensive income, net of tax	-39,831.00	-75,103.61
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit pension schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value of the company’s credit risks		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss	-39,831.00	-75,103.61
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		1,531,630.14
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges	-39,831.00	-1,606,733.75
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	326,752,856.55	270,311,959.07
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

**5. Consolidated Cash Flow Statement**

Unit: RMB

Item	Q1 2019	Q1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	5,095,730,055.67	4,265,171,195.76
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	8,186,737.16	13,193,598.89
Cash generated from other operating activities	27,114,249.54	20,560,607.10
Subtotal of cash generated from operating activities	5,131,031,042.36	4,298,925,401.75
Payments for commodities and services	3,975,685,722.88	3,053,498,810.41
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in financial assets held for trading purposes		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	509,997,699.83	462,414,920.99
Taxes paid	269,099,415.47	314,170,117.48
Cash used in other operating activities	199,014,026.93	184,185,693.58
Subtotal of cash used in operating activities	4,953,796,865.11	4,014,269,542.46
Net cash generated from/used in operating activities	177,234,177.24	284,655,859.29
2. Cash flows from investing activities:		

Proceeds from disinvestment	5,300,000,000.00	2,700,000,000.00
Return on investment	-1,876,910.00	39,113,264.51
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	61,930.06	731,585.54
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	117,575,368.13	27,027,230.60
Subtotal of cash generated from investing activities	5,415,760,388.19	2,766,872,080.65
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	47,822,331.28	127,503,144.01
Payments for investments	3,950,000,000.00	3,150,000,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	3,997,822,331.28	3,277,503,144.01
Net cash generated from/used in investing activities	1,417,938,056.91	-510,631,063.36
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings obtained		
Net proceeds from the issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayments of borrowings	117,603,683.89	81,393,672.34
Payments for interest and dividends	3,258,130.52	9,275,732.98
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	120,861,814.41	90,669,405.32
Net cash generated from/used in financing activities	-120,861,814.41	-90,669,405.32
4. Effect of foreign exchange rate changes on cash and cash equivalents	-8,481,006.22	-6,380,666.78
5. Net increase in cash and cash equivalents	1,465,829,413.54	-323,025,276.17
Add: Cash and cash equivalents, beginning of the period	1,713,233,957.40	1,417,489,071.71
6. Cash and cash equivalents, end of the period	3,179,063,370.94	1,094,463,795.54

**6. Cash Flow Statement of the Company as the Parent**

Unit: RMB

Item	Q1 2019	Q1 2018
<b>1. Cash flows from operating activities:</b>		
Proceeds from sale of commodities and rendering of services	3,293,536,226.27	2,894,256,697.65
Tax rebates		
Cash generated from other operating activities	19,714,936.23	5,580,871.84
Subtotal of cash generated from operating activities	3,313,251,162.50	2,899,837,569.49
Payments for commodities and services	2,564,838,148.72	2,366,907,563.95
Cash paid to and for employees	365,320,924.92	337,491,044.51
Taxes paid	150,225,224.00	129,207,442.27
Cash used in other operating activities	158,555,918.36	156,061,239.87
Subtotal of cash used in operating activities	3,238,940,216.00	2,989,667,290.60
Net cash generated from/used in operating activities	74,310,946.51	-89,829,721.11
<b>2. Cash flows from investing activities:</b>		
Proceeds from disinvestment	2,900,000,000.00	1,250,000,000.00
Return on investment	-868,960.00	22,683,420.34
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	40,775.00	203,719.13
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	57,328,929.79	11,094,833.33
Subtotal of cash generated from investing activities	2,956,500,744.79	1,283,981,972.80
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	32,082,423.83	94,911,055.59
Payments for investments	2,050,000,000.00	1,500,000,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	2,082,082,423.83	1,594,911,055.59
Net cash generated from/used in investing activities	874,418,320.96	-310,929,082.79
<b>3. Cash flows from financing activities:</b>		
Capital contributions received		
Borrowings obtained		
Net proceeds from the issuance of bonds		



Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayments of borrowings	43,362,419.45	16,806,882.34
Payments for interest and dividends	2,175,304.69	7,262,107.77
Cash used in other financing activities		
Subtotal of cash used in financing activities	45,537,724.14	24,068,990.11
Net cash generated from/used in financing activities	-45,537,724.14	-24,068,990.11
4. Effect of foreign exchange rate changes on cash and cash equivalents	-5,298,758.17	-3,472,400.30
5. Net increase in cash and cash equivalents	897,892,785.15	-428,300,194.31
Add: Cash and cash equivalents, beginning of the period	930,242,006.18	945,759,061.62
6. Cash and cash equivalents, end of the period	1,828,134,791.33	517,458,867.31

## II Adjustments to the Financial Statements

### 1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

Applicable  Not applicable

### 2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

Applicable  Not applicable

## III Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes  No

These financial statements have not been audited by such an auditor.

Wuxi Little Swan Company Limited

Legal representative: Fang Hongbo

27 April 2019