

Wuxi Little Swan Company Limited

Report for the First Quarter of 2014



April 2014

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. Yin Bitong, General Manager, Mr. Zhang Zhaofeng, 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. 2014	Jan.-Mar. 2013	+/- (%)
Operating revenues (RMB Yuan)	2,576,160,088.43	2,359,241,990.64	9.19%
Net profit attributable to shareholders of the Company (RMB Yuan)	170,774,457.85	111,003,706.39	53.85%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	151,478,381.44	97,158,049.17	55.91%
Net cash flows from operating activities (RMB Yuan)	271,964,312.53	277,826,039.48	-2.11%
Basic EPS (RMB Yuan/share)	0.27	0.18	50%
Diluted EPS (RMB Yuan/share)	0.27	0.18	50%
Weighted average ROE (%)	4.28%	2.97%	1.31%
	31 Mar. 2014	31 Dec. 2013	+/- (%)
Total assets (RMB Yuan)	9,185,771,871.64	9,222,527,380.74	-0.4%
Net assets attributable to shareholders of the Company (RMB Yuan)	4,079,910,391.09	3,908,897,654.74	4.37%

Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	1 Jan. 2014-31 Mar. 2014	Explanation
Gain/loss on the disposal of non-current assets (including the offset part of the asset impairment provisions)	7,808.97	
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	3,223,476.09	
Gain/loss on entrusting others with investments or asset management	20,060,768.66	
Gain/loss on debt restructuring	129,996.52	
Other gain and loss items that meet the definition of an	3,991,820.23	

extraordinary gain/loss		
Less: Income tax effects	4,112,080.57	
Minority interests effects (after tax)	4,005,713.49	
Total	19,296,076.41	--

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

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

Unit: share

Total number of shareholders at the period-end	31,796					
Shareholdings of top 10 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	35.2%	222,661,571			
GAOLING FUND,L.P.	Overseas corporation	8.56%	54,151,586			
TITONI INVESTMENTS DEVELOPMENT LTD.	Overseas corporation	4.88%	30,851,714			
FINANCE BUREAU OF WUXI	State-owned corporation	3.49%	22,057,657			
BOCI SECURITIES LIMITED	Overseas corporation	3.35%	21,189,109			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporation	2.29%	14,477,631			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 102	Other	1.9%	12,000,000			
ICBC—CHINA UNIVERSAL EQUILIBRIUM GROWTH STOCK SECURITIES INVESTMENT FUND	Other	1.32%	8,332,125			

CHINA CONSTRUCTION BANK—PENGHUA ADVANCED STOCK SECURITIES INVESTMENT FUND	Other	1.12%	7,093,148			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	Other	0.98%	6,180,101			
Shareholdings of top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held	Variety of shares				
		Variety	Number			
MIDEA GROUP CO., LTD.	222,661,571	RMB ordinary shares	222,661,571			
GAOLING FUND,L.P.	54,151,586	Domestically listed foreign shares	54,151,586			
TITONI INVESTMENTS DEVELOPMENT LTD.	30,851,714	Domestically listed foreign shares	30,851,714			
FINANCE BUREAU OF WUXI	22,057,657	RMB ordinary shares	22,057,657			
BOCI SECURITIES LIMITED	21,189,109	Domestically listed foreign shares	21,189,109			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	14,477,631	Domestically listed foreign shares	14,477,631			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 102	12,000,000	RMB ordinary shares	12,000,000			
ICBC—CHINA UNIVERSAL EQUILIBRIUM GROWTH STOCK SECURITIES INVESTMENT FUND	8,332,125	RMB ordinary shares	8,332,125			
CHINA CONSTRUCTION BANK—PENGHUA ADVANCED STOCK SECURITIES INVESTMENT FUND	7,093,148	RMB ordinary shares	7,093,148			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	6,180,101	RMB ordinary shares	6,180,101			
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	MIDEA GROUP CO., LTD. and TITONI INVESTMENTS DEVELOPMENT LTD. are parties acting in concert.					

Did any shareholder of the Company carry out an agreed buy-back in the reporting period?

☐ Yes ☒ No

Section III. Significant Events

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

Statement item	31 Mar. 2014/Jan.-Mar. 2014 (RMB Ten thousand)	31 Dec. 2013/Jan.-Mar. 2013 (RMB Ten thousand)	+/- (RMB Ten thousand)	+/- %	Notes
Transactional financial assets	309.09	1,501.67	-1,192.58	-79.42%	Affected by RMB depreciation, the fair value of forward exchange contracts decreased.
Inventories	47,452.44	79,814.18	-32,361.75	-40.55%	Due to the production and sale cycle
Notes payable	58,142.61	38,567.31	19,575.30	50.76%	The banker's acceptance bills issued by the Company increased.
Accounts received in advance	46,948.81	105,795.26	-58,846.45	-55.62%	Due to the sale cycle
Taxes and fares payable	31,746.36	19,920.38	11,825.98	59.37%	The sales and profit increased.
Financial expenses	-270.63	886.19	-1,156.82	-130.54%	The exchange loss decreased.
Gain on fair value changes	-1,192.58	391.95	-1,584.53	-404.27%	Affected by exchange rate fluctuations, the gain on the fair value of forward exchange contracts decreased.
Investment gain	2,298.71	1,640.62	658.10	40.11%	The investment in bank wealth management products and their earning rates both increased, resulting in more gain.
Non-operating expense	140.86	325.44	-184.58	-56.72%	The loss on disposal of wasted fixed assets decreased.
Total profit	21,929.55	14,165.12	7,764.43	54.81%	The sales and the gross profit rate both increased.
Income tax expenses	3,160.22	2,144.73	1,015.49	47.35%	Total profit increased.
Net profit	18,769.33	12,020.39	6,748.94	56.15%	The sales and the gross profit rate both increased.
Minority interests	1,691.89	920.02	771.87	83.90%	Subsidiary Hefei Midea Washing Machine Co., Ltd. recorded increased net

					profit.
Other comprehensive incomes	23.83	-3.07	26.89	877.03%	Due to exchange rate fluctuations, the foreign-currency statement translation difference of the Singapore subsidiary changed.

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

Naught

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

Commitment	Commitment maker	Contents of commitment	Date of commitment	Term of commitment	Execution
Commitment on share reform	Controlling shareholder	Where the controlling shareholder Midea Group Co., Ltd. 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 Group decreases over 5% shares within six months since the first reduction of holdings, Midea Group 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 made in an acquisition report or a report on equity changes					
Commitment made in asset reorganization	Controlling shareholder and actual controller	1. As for the commitment of avoiding horizontal competition made by Midea Group and the actual controller, Midea Group and Mr. He Xiangjian (the actual controller) has promised that, for the period after the said transaction when the Company's controlling shareholder and actual controller remain unchanged, Midea Group, Mr. He Xiangjian and other subsidiary companies under their control excluding the Company and the Company's subordinate companies will not increase business or establish new subsidiary companies engaged in business which is the same with or similar to the Company's main business or forms substantial horizontal competition with the Company. If	1 Dec. 2010	Long-term	In the process of implementation

		they act against the commitment above, profits thus generated will be attributable to the Company.			
	Controlling shareholder and actual controller	2. As for the commitment made by Midea Group and the actual controller concerning regulating related-party transactions, Midea Group and Mr. He Xiangjian (the actual controller) have promised that when there are inevitable related-party transactions or such transaction incurred with rational reasons after the completion of the transaction, they will follow the fair, reasonable and market principles in formulating and signing relevant agreements on such related-party transactions and ensure that no harm will be done to interests of the Company and other shareholders. Where Midea Group and Mr. He Xiangjian act against the promise above and damage interests of the Company and other shareholders, they will assume liabilities for compensation according to relevant provisions.	1 Dec. 2010	Long-term	In the process of implementation
	Controlling shareholder	3. As for the commitment made by Midea Group on ensuring independence, Midea Group has promised to protect Little Swan's independence in terms of assets, staff, finance, organization and business.	1 Dec. 2010	Long-term	In the process of implementation
	Controlling shareholder	4. As for the commitment made by Midea Group on the related-party deposits and borrowings with Hefei Midea Washing Machine Co., Ltd. (formerly known as "Hefei Royalstar Washing Equipment Manufacturing Co., Ltd."), up to 8 Apr. 2010, the Financial Settlement Center of Midea Group had settled all internal deposits and borrowings with Hefei Midea Washing Machine; and Midea Group has promised that there will be no more deposits, borrowings or other funds flows incurred between the Financial Settlement Center and Hefei Midea Washing Machine.	1 Dec. 2010	Long-term	In the process of implementation
	Controlling shareholder	5. The commitment made by Midea Group on housing properties with no ownership certificates of the target company for sale is detailed as follows: Two pieces of the buildings of Hefei Midea Washing Machine 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 Hefei Midea Washing Machine, Hewa Road, Hefei. Midea Group has promised that if loss occurs due to the said two buildings without ownership	1 Dec. 2010	Long-term	In the process of implementation

		certificates in the asset disposal process in the future, it will assume the loss thus caused and make compensation to the Company.			
	Controlling shareholder	6. The commitment made by Midea Group on trademarks is detailed as follows: (1) Concerning the “Midea” trademark: Upon approval and implementation of the equity transfer transaction, Midea Group has promised that it will make sure that Hefei Midea Washing Machine uses the “Midea” trademark in a proper manner. Hefei Midea Washing Machine will be allowed to use the “Midea” trademark with a trademark use fee not more than that paid by Midea Group and its subsidiaries, 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: Midea Group has signed the “Contract for Trademark Use” with Royalstar Group and obtained the ordinary use rights of the “Royalstar” (and “荣事达”) trademark. As the transferor in the transfer transaction of equity interests of Royalstar Washing Equipment, Midea Group 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 Royalstar Washing Equipment and Little Swan have to assume any responsibility or loss due to the aforesaid dispute, Midea Group is willing to take on the responsibility instead and make compensations to Royalstar Washing Equipment and Little Swan at full amount.	1 Dec. 2010	(2) Concerning the “Royalstar” trademark was expired on 31 Mar. 2013 and will not be renewed, others are in the process of long term implementation	In the process of implementation
	Controlling shareholder	7. The commitment made by Midea Group on social security payment and tax risks is detailed as follows: Midea Group has promised that upon the completion of the said equity transfer deal, if Hefei Midea Washing Machine Co., Ltd. (formerly known as “Hefei Royalstar Washing Equipment Manufacturing Co., Ltd.”) is obliged to take on any responsibility or pay relevant fares as required by relevant government authorities due	1 Dec. 2010	Long-term	In the process of implementation

		to its social security payment before the said deal, Midea Group is willing to pay relevant fares for Hefei Midea Washing Machine to relevant government authorities in a timely manner and assume any other liability. If any loss thus occurs to Hefei Midea Washing Machine or Little Swan, Midea Group 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 Hefei Midea Washing Machine, Midea Group 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, Midea Group will assume the corresponding responsibility for compensation.			
Commitment made in IPO or re-financing					
Commitment made to minority shareholders of the Company					
Executed in time or not	Yes				
Specific reason for failing to fulfill the commitment and the plan for the next step (If any)	Inapplicable				

IV. Predict the operating results of Jan.-Jun. 2014

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

Variety of securities	Code of securities	Name of securities	Initial investment cost (RMB Yuan)	Number of shares held at period-begin	Shareholding percentage at period-begin	Number of shares held at period-end	Shareholding percentage at period-end	Closing book value (RMB Yuan)	Gain/loss for reporting period (RMB Yuan)	Accounting title	Source of securities
Total			0.00	0	--	0	--	0.00	0.00	--	--
Disclosure date of the board											

announcement on securities investment approval	
Disclosure date of the general meeting announcement on securities investment approval (if any)	

Shareholdings in other listed companies

☐ Applicable ☒ Inapplicable

VI. Investments in derivatives

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	48,371.34	Jan. 1 2014	Jan. 7 2015	48,371.34		35,916.08	9.2%	-898.06
Total				48,371.34	--	--	48,371.34		35,916.08	9.2%	-898.06
Capital source for derivative investment				All self-owned funds							
Lawsuits (if applicable)				Inapplicable							
Disclosure date of the board announcement approving the wealth management entrustment (if any)				Mar. 7 2014							
Disclosure date of the general meeting announcement approving the wealth management entrustment (if any)				Apr. 17 2014							
Analysis on risks and control measures of derivative products held in the reporting				The Company has formulated the Management Methods for Futures Hedging Business and the Management Methods for Exchange Funds upon review to thoroughly assess							

period (including but not limited to market risk, liquidity risk, credit risk, operation risk, law risk, etc.)	<p>and control derivative investment risks, which are detailed as follows:</p> <p>1. Market risk</p> <p>The forward foreign exchange settlement business: the Company will according to the cost of the product (constituent basic was RMB) and market risk to ensure whether sign the forward foreign exchange settlement agreement or not, signing the contract was equivalent to lock the exchanged costs and profits. through forward foreign exchange settlement business will effectively resist market volatility risk and ensure reasonable and stable level of profit of the Company.</p> <p>2. Liquidity risk</p> <p>This foreign exchange funds business was simple; transaction time limit was operated according to the Company's budget of future account payable and receivable and had no impact on the Company's liquidity.</p> <p>3. The performance risk</p> <p>The corresponding relevant import and export business of the Company's foreign exchange funds business had no speculative operations, nor performance risk.</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.	<p>The Company adopts public quotations in the futures market or forward foreign exchange quotations declared by the People's Bank of China in its analysis on fair values of derivative products.</p>
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	<p>No significant changes.</p>
Specific opinion from independent directors on the Company's derivatives investment and risk control	<p>Independent directors of the Company believe that: A. The Company has formulated derivative investment rules such as the Management Methods for Futures Hedging Business and the Management Methods for Exchange Funds to help it effectively control risks involved; B. During the reporting period, the Company performed the relevant approval procedure before it conducted derivative investments in strict compliance with the lines and ways approved by the Shareholders' General Meeting; And C. 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 lock up the exchange rate and avoid the risk of exchange rate fluctuations. 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>

VII. Researches, visits and interviews received in the reporting period

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
Jan. 14 2014	Conference Room of the Company	Field research	Institution	Changjiang Securities, Hongyuan Securities	Overall operation of the Company
Jan. 15 2014	Conference Room of the Company	Field research	Institution	Baring Asset Management, First State Investments	Overall operation of the Company
Jan. 16 2014	Conference Room of the Company	Field research	Institution	Founder Securities, Macro Vision Investment, Matthews International Capital Management	Overall operation of the Company
Mar. 12 2014	Conference Room of the Company	Field research	Institution	Industrial Securities	Overall operation of the Company
Mar. 26 2014	Conference Room of the Company	Field research	Institution	Cinda Securities	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	1,668,174,675.28	1,617,373,088.50
Settlement reserves		
Intra-group lendings		
Transactional financial assets	3,090,940.00	15,016,740.00
Notes receivable	2,353,623,960.99	2,449,770,225.41
Accounts receivable	949,532,381.03	777,744,132.32
Accounts paid in advance	118,165,028.12	140,841,924.06
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	24,792,645.11	26,163,524.13
Financial assets purchased under agreements to resell		
Inventories	474,524,361.28	798,141,838.58
Non-current assets due within 1 year		
Other current assets	1,982,328,232.56	1,791,288,539.62
Total current assets	7,574,232,224.37	7,616,340,012.62
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	270,480.00	312,816.00
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investment	4,560,311.21	4,579,148.88
Investing property	9,214,185.97	9,466,777.10
Fixed assets	1,165,403,863.86	1,194,244,286.86
Construction in progress	2,184,273.62	
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	218,000,617.69	219,445,532.87
R&D expense		
Goodwill		
Long-term deferred expenses	5,185,794.33	7,147,835.74
Deferred income tax assets	206,720,120.59	170,990,970.67
Other non-current assets		
Total of non-current assets	1,611,539,647.27	1,606,187,368.12
Total assets	9,185,771,871.64	9,222,527,380.74
Current liabilities:		
Short-term borrowings		
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Transactional financial liabilities		
Notes payable	581,426,083.92	385,673,110.34
Accounts payable	2,871,729,647.48	2,768,046,095.46
Accounts received in advance	469,488,073.63	1,057,952,597.52
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	151,074,583.82	207,323,619.92
Tax payable	317,463,648.66	199,203,856.56
Interest payable		
Dividend payable	3,213,112.33	3,740,152.33
Other accounts payable	53,731,239.81	50,021,093.66

Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	4,448,126,389.65	4,671,960,525.79
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Specific payables	2,073,957.30	2,073,957.30
Estimated liabilities	11,119,498.30	11,310,523.59
Deferred income tax liabilities	1,648,222.52	2,284,388.40
Other non-current liabilities	542,800.00	568,600.00
Total non-current liabilities	15,384,478.12	16,237,469.29
Total liabilities	4,463,510,867.77	4,688,197,995.08
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	632,487,764.00	632,487,764.00
Capital reserves	1,129,395,319.31	1,129,431,304.91
Less: Treasury stock		
Specific reserves		
Surplus reserves	290,958,368.49	290,958,368.49
Provisions for general risks		
Retained profits	2,030,354,388.97	1,859,579,931.10
Foreign exchange difference	-3,285,449.68	-3,559,713.76
Total equity attributable to owners of the Company	4,079,910,391.09	3,908,897,654.74
Minority interests	642,350,612.78	625,431,730.92
Total owners' (or shareholders') equity	4,722,261,003.87	4,534,329,385.66
Total liabilities and owners' (or shareholders') equity	9,185,771,871.64	9,222,527,380.74

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

2. Balance sheet of the Company

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	760,225,483.95	910,325,739.17
Transactional financial assets	1,879,130.00	8,727,740.00
Notes receivable	1,724,744,735.04	1,541,082,811.22
Accounts receivable	508,299,591.70	731,446,199.69
Accounts paid in advance	68,676,012.45	56,620,106.39
Interest receivable		
Dividend receivable		
Other accounts receivable	18,004,029.46	18,752,200.83
Inventories	309,765,239.74	543,401,541.27
Non-current assets due within 1 year		
Other current assets	1,369,104,473.90	939,664,538.10
Total current assets	4,760,698,696.24	4,750,020,876.67
Non-current assets:		
Available-for-sale financial assets	270,480.00	312,816.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	1,401,704,802.78	1,601,723,640.45
Investing property	9,214,185.97	9,466,777.10
Fixed assets	551,784,216.23	568,924,123.24
Construction in progress	2,184,273.62	
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	100,367,182.92	101,069,007.28
R&D expense		

Goodwill		
Long-term deferred expenses	4,408,893.48	6,781,326.79
Deferred income tax assets	145,386,058.84	119,667,809.75
Other non-current assets		
Total of non-current assets	2,215,320,093.84	2,407,945,500.61
Total assets	6,976,018,790.08	7,157,966,377.28
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Notes payable	345,881,550.92	273,399,760.34
Accounts payable	2,000,138,881.86	1,766,585,288.21
Accounts received in advance	290,231,147.34	724,228,146.67
Employee's compensation payable	81,651,511.46	118,237,120.06
Tax payable	240,877,542.25	156,722,107.53
Interest payable		
Dividend payable	3,213,112.33	3,740,152.33
Other accounts payable	14,562,986.46	208,682,591.14
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	2,976,556,732.62	3,251,595,166.28
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	1,465,977.00	1,341,038.40
Other non-current liabilities		
Total non-current liabilities	1,465,977.00	1,341,038.40
Total liabilities	2,978,022,709.62	3,252,936,204.68
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	632,487,764.00	632,487,764.00
Capital reserves	1,291,447,374.54	1,291,483,360.14

Less: Treasury stock		
Specific reserves		
Surplus reserves	278,308,224.59	278,308,224.59
Provisions for general risks		
Retained profits	1,795,752,717.33	1,702,750,823.87
Foreign exchange difference		
Total owners' (or shareholders') equity	3,997,996,080.46	3,905,030,172.60
Total liabilities and owners' (or shareholders') equity	6,976,018,790.08	7,157,966,377.28

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

3. Consolidated income statement

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Operating revenues	2,576,160,088.43	2,359,241,990.64
Including: Sales income	2,576,160,088.43	2,359,241,990.64
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	2,373,449,895.21	2,240,011,104.63
Including: Cost of sales	1,863,580,470.12	1,782,597,479.96
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	18,158,736.21	17,327,435.34

Selling and distribution expenses	384,822,055.79	328,751,508.21
Administrative expenses	99,867,200.75	94,490,588.19
Financial expenses	-2,706,279.81	8,861,929.20
Asset impairment loss	9,727,712.15	7,982,163.73
Add: Gain/(loss) from change in fair value ("-" means loss)	-11,925,800.00	3,919,510.00
Gain/(loss) from investment ("-" means loss)	22,987,140.99	16,406,187.35
Including: share of profits in associates and joint ventures		
Foreign exchange gains ("-" means loss)		
III. Business profit ("-" means loss)	213,771,534.21	139,556,583.36
Add: non-operating income	6,932,588.41	5,349,057.97
Less: non-operating expense	1,408,605.94	3,254,442.84
Including: loss from non-current asset disposal		
IV. Total profit ("-" means loss)	219,295,516.68	141,651,198.49
Less: Income tax expense	31,602,176.95	21,447,270.34
V. Net profit ("-" means loss)	187,693,339.73	120,203,928.15
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	170,774,457.85	111,003,706.39
Minority shareholders' income	16,918,881.88	9,200,221.76
VI. Earnings per share	--	--
(I) Basic earnings per share	0.27	0.18
(II) Diluted earnings per share	0.27	0.18
VII. Other comprehensive incomes	238,278.48	-30,665.17
VIII. Total comprehensive incomes	187,931,618.21	120,173,262.98
Attributable to owners of the Company	171,012,736.33	110,973,041.22
Attributable to minority shareholders	16,918,881.88	9,200,221.76

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

4. Income statement of the Company

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Operating revenues	1,894,175,621.32	1,730,234,964.83
Less: operating costs	1,390,057,329.94	1,315,047,547.80
Business taxes and surcharges	13,547,483.63	12,169,504.53
Distribution expenses	292,227,018.27	255,824,327.32
Administrative expenses	77,795,813.89	61,089,128.95
Financial costs	808,182.35	6,476,360.62
Impairment loss	6,171,520.43	7,620,160.27
Add: gain/(loss) from change in fair value (“-” means loss)	-6,848,610.00	2,241,900.00
Gain/(loss) from investment (“-” means loss)	1,511,386.24	8,527,122.76
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	108,231,049.06	82,776,958.10
Add: non-business income	3,999,006.92	2,502,917.60
Less: non-business expense	2,816,063.68	2,821,645.74
Including: loss from non-current asset disposal		
III. Total profit (“-” means loss)	109,413,992.30	82,458,229.96
Less: income tax expense	16,412,098.85	12,359,561.70
IV. Net profit (“-” means loss)	93,001,893.45	70,098,668.26
V. Earnings per share	--	--
(I) Basic earnings per share	0.15	0.11
(II) Diluted earnings per share	0.15	0.11
VI. Other comprehensive income	-35,985.60	51,979.20
VII. Total comprehensive income	92,965,907.85	70,150,647.46

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

5. Consolidated cash flow statement

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,646,521,888.52	1,900,494,571.74
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 tradable financial assets		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received	1,379,269.70	8,641,019.92
Other cash received relating to operating activities	8,523,758.56	8,476,911.76
Subtotal of cash inflows from operating activities	1,656,424,916.78	1,917,612,503.42
Cash paid for goods and services	723,257,042.69	1,112,603,553.86
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	211,254,229.32	145,551,958.80
Various taxes paid	148,479,258.31	62,526,204.16
Other cash payment relating to operating activities	301,470,073.93	319,104,747.12
Subtotal of cash outflows from operating activities	1,384,460,604.25	1,639,786,463.94
Net cash flows from operating activities	271,964,312.53	277,826,039.48
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	2,298,000,000.00	2,420,499,865.02
Cash received from return on investments	23,005,978.66	415,750.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	72,000.00	4,750,805.93
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	2,321,077,978.66	2,425,666,420.95
Cash paid to acquire fixed assets, intangible assets and other long-term assets	22,942,809.96	17,033,366.40
Cash paid for investment	2,489,370,000.00	2,661,080,000.00
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	2,512,312,809.96	2,678,113,366.40
Net cash flows from investing activities	-191,234,831.30	-252,446,945.45

III. Cash flows from financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings		
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
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		
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	80,729,481.23	25,379,094.03
Add: Opening balance of cash and cash equivalents	1,543,513,880.63	1,293,126,217.00
VI. Closing balance of cash and cash equivalents	1,624,243,361.86	1,318,505,311.03

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

6. Cash flow statement of the Company

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,387,187,542.05	1,147,973,657.85
Tax refunds received		4,250,944.97
Other cash received relating to operating activities	6,135,064.74	5,578,616.43
Subtotal of cash inflows from operating activities	1,393,322,606.79	1,157,803,219.25
Cash paid for goods and services	613,008,773.48	701,454,690.27
Cash paid to and for employees	139,756,464.02	99,816,582.05
Various taxes paid	113,320,106.80	43,800,824.48
Other cash payment relating to operating activities	229,543,047.77	154,932,694.85
Subtotal of cash outflows from operating activities	1,095,628,392.07	1,000,004,791.65
Net cash flows from operating activities	297,694,214.72	157,798,427.60
II. Cash flows from investing activities:		
Cash received from retraction of investments	1,000,000,000.00	877,248,800.44
Cash received from return on investments	10,043,278.39	247,750.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,747,079.00
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	1,010,082,255.53	882,243,629.44
Cash paid to acquire fixed assets, intangible assets and other long-term assets	15,764,370.14	13,390,812.17
Cash paid for investment	1,430,000,000.00	1,297,000,000.00
Net cash paid to acquire subsidiaries and other business units		

Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	1,445,764,370.14	1,310,390,812.17
Net cash flows from investing activities	-435,682,114.61	-428,147,182.73
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
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		
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-137,987,899.89	-270,348,755.13
Add: Opening balance of cash and cash equivalents	882,413,120.18	848,257,647.96
VI. Closing balance of cash and cash equivalents	744,425,220.29	577,908,892.83

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

II. Audit report

Is this report audited?

☐ Yes ☒ No

This report is not audited.

Wuxi Little Swan Company Limited

Legal representative: Fang Hongbo

22 April 2014