



Wuxi Little Swan Company Limited

Report for the Third Quarter of 2014

October 2014

Section I. Important Reminders

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Wuxi Little Swan Company Limited (hereinafter referred to as “the Company”) warrant that 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.

All directors attended the board session for reviewing this report.

Mr. Fang Hongbo, chairman of the Board of Directors, Mr. Zhang Zhaofeng, CFO, 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.

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. Major accounting data and financial indexes

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

	30 Sept. 2014	31 Dec. 2013		Increase/decrease (%)
Total assets (RMB Yuan)	10,575,549,706.77	9,222,527,380.74		14.67%
Net assets attributable to shareholders of the Company (RMB Yuan)	4,243,024,026.22	3,908,897,654.74		8.55%
	Jul.-Sept. 2014	YoY increase/decrease (%)	Jan.-Sept. 2014	YoY increase/decrease (%)
Operating revenues (RMB Yuan)	2,804,258,384.17	19.23%	7,778,315,404.72	22.49%
Net profit attributable to shareholders of the Company (RMB Yuan)	197,842,982.94	92.37%	514,201,515.06	58.80%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	172,201,108.23	123.90%	444,699,105.33	68.69%
Net cash flows from operating activities (RMB Yuan)	--	--	1,013,018,933.44	9.62%
Basic EPS (RMB Yuan/share)	0.31	92.37%	0.81	58.80%
Diluted EPS (RMB Yuan/share)	0.31	92.37%	0.81	58.80%
Weighted average ROE (%)	4.78%	75.09%	12.53%	46.38%

Items and amounts of extraordinary gains and losses

Applicable Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2014	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	5,611,098.89	
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 country's unified standards	10,750,842.62	
Gain/loss on entrusting others with investments or asset management	77,363,661.47	
Gain/loss on debt restructuring	1,688,200.34	
Reversal of impairment provisions for the accounts receivable on which impairment tests were carried out separately	5,548,244.81	

Other non-operating income and expenses than the above	4,622,384.28	
Other gain/loss items that meet the definition of an extraordinary gain/loss	-10,167,408.75	
Less: Income tax effects	15,877,500.88	
Minority interests effects (after tax)	10,037,113.05	
Total	69,502,409.73	--

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 and shareholdings of the top ten shareholders at the period-end

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

Unit: share

Total number of common shareholders at the period-end	28,874					
Shareholdings of the top ten common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the 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.	Foreign corporation	14.89%	94,204,942			
GAOLING FUND,L.P.	Foreign corporation	4.23%	26,727,686			
FINANCE BUREAU OF WUXI	On behalf of the government	3.49%	22,057,657			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	2.28%	14,408,237			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 102	Domestic non-state-owned corporation	1.90%	12,000,000			
NATIONAL SOCIAL	Domestic non-state-owned	0.98%	6,180,101			

SECURITY FUND PORTFOLIO 108	corporation					
CCB—PENGHUA VALUE ADVANTAGE STOCK SECURITIES INVESTMENT FUND	Domestic non-state-owned corporation	0.88%	5,593,148			
INDUSTRIAL SECURITIES CO., LTD	Domestic non-state-owned corporation	0.65%	4,100,000			
Li Zhuangyu	Domestic individual	0.63%	4,000,000			
Shareholdings of the top ten non-restricted common shareholders						
Name of shareholder	Number of non-restricted common shares held at the period-end	Type of shares				
		Type	Number			
MIDEA GROUP CO., LTD.	238,948,117	RMB ordinary share				
TITONI INVESTMENTS DEVELOPMENT LTD.	94,204,942	Domestically listed foreign share				
GAOLING FUND,L.P.	26,727,686	Domestically listed foreign share				
FINANCE BUREAU OF WUXI	22,057,657	RMB ordinary share				
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	14,408,237	Domestically listed foreign share				
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 102	12,000,000	RMB ordinary share				
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	6,180,101	RMB ordinary share				
CCB—PENGHUA VALUE ADVANTAGE STOCK SECURITIES INVESTMENT FUND	5,593,148	RMB ordinary share				
INDUSTRIAL SECURITIES CO., LTD	4,100,000	RMB ordinary share				
Li Zhuangyu	4,000,000	RMB ordinary share				
Explanation on associated relationship or/and persons	MIDEA GROUP 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 carry out any agreed buy-back in the reporting period?

Yes No

2. Total number of preferred share holders and shareholdings of the top ten preferred share holders at the period-end

Applicable Inapplicable

Section III. Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

1. Major changes of main accounting statement items in the reporting period, as well as reasons for the changes

Unit: RMB Ten thousand

Financial statement item	30 Sept. 2014	31 Dec. 2013	Increase /decrease	Increase /decrease (%)	Explanation
Monetary funds	238,078.34	161,737.31	76,341.03	47%	We enhanced capital management, adopting notes instead of cash more often in payment.
Financial assets measured at fair value and of which the gains are recorded into current gains and losses	162.59	1,501.67	-1,339.08	-89%	The fair value of the forward foreign exchange contracts decreased due to exchange rate fluctuations, and the forward foreign exchange contracts signed with banks decreased.
Accounts receivable	104,145.35	77,774.41	26,370.94	34%	Accounts receivable increased due to the sales cycle.
Prepayments	19,821.61	14,084.19	5,737.42	41%	Prepayments for materials increased.
Construction in progress	218.43	-	218.43	100%	Plant engineering of the Company
Long-term deferred expenses	257.81	714.78	-456.97	-64%	Molds were amortized and the book value decreased.
Deferred income tax assets	25,414.38	17,099.10	8,315.29	49%	The deductible temporary difference increased.
Short-term borrowings	10,036.07	-	10,036.07	100%	Subsidiaries secured new short-term borrowings from banks.
Notes payable	93,270.39	38,567.31	54,703.08	142%	Banker's acceptance bills drawn by the Company were adopted more often in payment.
Accounts received in advance	49,163.55	105,795.26	-56,631.71	-54%	Accounts received in advance decreased due to the sales cycle.
Accounts payable	358,771.25	276,804.61	81,966.64	30%	Accounts payable increased due to the procurement scale and cycle.
Taxes and fares payable	27,589.62	19,920.39	7,669.23	38%	Taxes payable increased due to growth in the sales scale and profits.

Deferred income tax liabilities	27.40	228.44	-201.04	-88%	The book value of transactional financial assets decreased.
Financial statement item	Jan.-Sept. 2014	Jan.-Sept. 2013	Increase /decrease	Increase /decrease (%)	Explanation
Financial expenses	-4,341.62	2,210.16	-6,551.77	-296%	The exchange loss decreased as a result of exchange rate fluctuations. And the interest income increased along with the monetary funds.
Gains on fair value changes	-1,339.08	1,395.17	-2,734.25	-196%	The gains on fair value changes of forward exchange contracts decreased.
Non-business expenses	762.88	1,448.66	-685.78	-47%	The loss on disposal of worn-out fixed assets decreased.
Total profits	69,169.44	43,009.10	26,160.34	61%	The sales scale and the gross profit rate both increased.
Income tax expenses	10,938.08	6,559.94	4,378.14	67%	Total profits increased.
Net profits	58,231.35	36,449.16	21,782.19	60%	The sales scale and the gross profit rate both increased.
Minority shareholders' income	6,811.20	4,068.58	2,742.63	67%	The net profits of subsidiary Hefei Midea Washing Machine Co., Ltd. increased.
Other comprehensive incomes	26.65	-67.25	93.90	140%	The translation difference of foreign-currency statements of the Singapore subsidiary changed as a result of exchange rate fluctuations.
Net cash flows from investing activities	-17,600.36	-60,771.69	43,171.33	71%	The difference between returns and expenditures on bank wealth management products narrowed.
Net cash flows from financing activities	-8,999.89	-18,331.20	9,331.32	51%	Cash received as short-term borrowings increased.

2. Influence of the amended accounting standards on the consolidated financial statements of the Company

According to the definitions and examples given in the <Notice on Making Efforts to Accomplish the Financial Information Disclosure in Regard to the Newly Promulgated or Amended Accounting Standards>, we did not need to adjust our consolidated financial statements for the reporting period.

II. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments 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 Group (the controlling shareholder) 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, the actual controller Mr. He Xiangjian, his immediate family, Midea Group and its controlled other enterprises neither recently nor in the future will engage in any production or operation activity the same as or similar to the recently main business of Little Swan or its controlled enterprises, as well as will neither engage in nor participate in any competitive business the same as the recently main business of Little Swan or its controlled enterprises through controlling other economic entities, institutions, economic organizations. If Little Swan and its controlled enterprises further developed its scope of the operation business on the basis of the recently business, and if the actual controller Mr. He Xiangjian, his immediate family, Midea Group and its controlled other enterprises had executed production of that, would solve the corresponding horizontal competition problems within the reasonable period. If recently there was no any production or operation, would not engage in the similar new business that competed with Little Swan and its controlled enterprises. If there was any situation violated the above commitments, the profits gained from the business related to operation were belongs to Little Swan.	1 Dec. 2010, 6 Jun. 2014	Long-term	In the process of implementation
	Controlling shareholder and actual controller	2. The commitment by Midea Group and the actual controller on the specification of the related-party transaction. Midea Group (the controlling shareholder) and Mr. He Xiangjian (the actual controller) has promised that, for the period after the said transaction when the Company's controlling	1 Dec. 2010, 6 Jun. 2014	Long-term	In the process of implementation

		shareholder and actual controller remain unchanged, the actual controller Mr. He Xiangjian, his immediate family, Midea Group and its controlled other enterprises will specify and try their best to reduce the related-party transactions with Little Swan and its controlled enterprises. If occurred the unavoidable related transactions with Little Swan and its controlled enterprises, would sign the normative related-party transactions agreement Little Swan according to laws and would execute the approval procedure according to the relevant regulations to ensure the fairness of the price of the related-party transactions; ensure to execute the information disclose obligation of related-party transactions according to the relevant regulations; ensure not to make advantage of the related-party transactions for illegally transferring the assets and profits of Little Swan, as well as not to make advantage of the related-party transactions for harming to the interests of Little Swan and the shareholders; would not require Little Swan to offer any more favorable condition compared with that offered to the independent third party in any fair trade market transaction; execute the voting debarb obligation when involved in the voting of the related events of the actual controller Mr. He Xiangjian, his immediate family, Midea Group and its controlled other enterprises. If Midea Group and Mr. He Xiangjian violated the above commitments and promises that led to the harm for the equity of Little Swan or other shareholders, Midea Group and Mr. He Xiangjian should take the responsibility of the corresponding liability for damage.			
	Controlling shareholder	3. As for the commitment on independence, Midea Group has promised to protect Little Swan's independence in terms of assets, staff, finance, organization and business. 3. As for the commitment on independence, Midea Group and the actual controller Mr. He Xiangjian has promised that, to further ensure the independent operation of Little Swan, Mr. He Xiangjian, Midea Group and its controlled other enterprises would maintain the mutual independent in terms of personnel, finance, assets, business and institutions with Little Swan according to the relevant laws and regulations as well as the normative documents.	1 Dec. 2010, 6 Jun. 2014	Long-term	In the process of implementation
	Controlling shareholder	4. As for the commitment on related-party deposits and borrowings, up to 8 Apr. 2010, the Financial Settlement Center of Midea Group had settled all internal deposits and borrowings with Hefei Royalstar Washing Equipment Manufacturing Co., Ltd.; and Midea Group has promised that	1 Dec. 2010	Long-term	In the process of implementation

		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..			
	Controlling shareholder	5. The commitment 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 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. Midea Group 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 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 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 Midea Group) 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: Midea Group has signed the “Contract for Trademark Use” with Royalstar Group and obtained the ordinary use rights of the “Royalstar” (or “RongShiDa”) 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	1 Dec. 2010	No. (2), RongShiDa trademark is due by March 31, 2013 and won’t renew its contract; Other items for a long term implement	In the process of implementation

		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.			
	Controlling shareholder	7. The commitment 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 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, Midea Group 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, 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 Royalstar Washing Equipment, 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.	1 Dec. 2010	Long-term	In the process of implementation
Commitments made in an asset exchange		Naught			
Commitments made in first public issuance or refinancing.		Naught			
Other commitments made to minority shareholders		Naught			
Executed timely or not?	Yes				

III. Predict the 2014 annual operating results

Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next reporting period compared with the same period of the last year according to prediction, as well as explanations on the reasons

Applicable Inapplicable

IV. Investments in derivatives

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	48,371	16 May 2013	7 Jan 2015	48,371		8,613	1.74%	-764.5
Total				48,371	--	--	48,371		8,613	1.74%	-764.5
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)				7 Mar. 2014							
Disclosure date of the general meeting announcement approving the wealth management entrustment (if any)				16 April 2014							
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 Futures Hedging Business and 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>Price movements of bulk raw materials and fluctuations of exchange rates may incur a great market risk in the futures business and the foreign exchange funds business. Meanwhile, if the Company fails to input enough funds in time to create and maintain hedging positions in its futures hedging operations, or fails to input foreign exchanges on time for contract execution in the foreign exchange funds business, hedging loss and contract breach risk may incur.</p>							

	<p>Counter-measures: The Company will not carry out speculative trading in its futures hedging business and foreign exchange funds business. And the Company will stick to the principle of being prudent in operations. As for the futures hedging business, the hedging volume should be determined and futures trading applications should be filed in strict accordance with production and operation needs. In principle, the hedging volume shall not exceed one third of the planned volume for the year. And a stop-loss mechanism is adopted. Guarantee deposits are paid as required and increased according to production and operation needs. As for the foreign exchange funds business, 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 hedging and foreign exchange business in compliance with applicable laws and regulations, with rights and duties between the Company and agencies being stated 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 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.
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	Independent directors of the Company believe that: The Company has formulated derivative

directors on the Company's derivatives investment and risk control	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; 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.
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V. Researches, visits and interviews received in the reporting period

Applicable Inapplicable

Time	Place	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
1 Jul. 2014	Conference Room of the Company	Field research	Institution	Guosen Securities, GUOLIAN Securities	Overall operation of the Company
7 Jul. 2014	Conference Room of the Company	Field research	Institution	Huatai Securities	Overall operation of the Company
7 Aug. 2014	Conference Room of the Company	Field research	Institution	ESSENCE Securities	Overall operation of the Company
1 Sep. 2014	Conference Room of the Company	Field research	Institution	Chinese Fund, Founder Securities	Overall operation of the Company
4 Sep. 2014	Conference Room of the Company	Field research	Institution	Huatai 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	2,380,783,432.66	1,617,373,088.50
Settlement reserves		
Intra-group lendings		
Financial assets measured at fair value and of which changes are recorded into current gains and losses	1,625,900.00	15,016,740.00
Notes receivable	2,677,582,220.93	2,449,770,225.41
Accounts receivable	1,041,453,515.70	777,744,132.32
Accounts paid in advance	198,216,108.62	140,841,924.06
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	31,680,859.49	26,163,524.13
Financial assets purchased under agreements to resell		
Inventories	634,779,029.10	798,141,838.58
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	1,997,278,786.50	1,791,288,539.62
Total current assets	8,963,399,853.00	7,616,340,012.62
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	501,056.00	512,816.00
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investment	3,169,463.53	4,379,148.88
Investing property	8,709,058.60	9,466,777.10
Fixed assets	1,121,031,153.22	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	219,832,882.92	219,445,532.87
R&D expense		
Goodwill		
Long-term deferred expenses	2,578,135.48	7,147,835.74
Deferred income tax assets	254,143,830.40	170,990,970.67
Other non-current assets		
Total of non-current assets	1,612,149,853.77	1,606,187,368.12
Total assets	10,575,549,706.77	9,222,527,380.74
Current liabilities:		
Short-term borrowings	100,360,740.00	
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Financial liabilities measured at fair value and of which changes are recorded into current gains and losses		
Notes payable	932,703,928.71	385,673,110.34
Accounts payable	3,587,712,503.20	2,768,046,095.46
Accounts received in advance	491,635,454.20	1,057,952,597.52
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	189,622,771.48	207,323,619.92
Tax payable	275,896,166.92	199,203,856.56
Interest payable		
Dividend payable	4,088,128.36	3,740,152.33
Other accounts payable	43,225,364.88	50,021,093.66

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	5,625,245,057.75	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	10,133,489.48	11,310,523.59
Deferred income tax liabilities	273,998.40	2,284,388.40
Other non-current liabilities	491,200.00	568,600.00
Total non-current liabilities	12,972,645.18	16,237,469.29
Total liabilities	5,638,217,702.93	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	1,138,655,354.58	1,129,250,666.31
Less: Treasury stock		
Specific reserves		
Other comprehensive income	170,642.60	180,638.60
Surplus reserves	290,958,368.49	290,958,368.49
Provisions for general risks		
Retained profits	2,184,035,116.96	1,859,579,931.10
Foreign exchange difference	-3,283,220.41	-3,559,713.76
Total equity attributable to owners of the Company	4,243,024,026.22	3,908,897,654.74
Minority interests	694,307,977.62	625,431,730.92
Total owners' (or shareholders') equity	4,937,332,003.84	4,534,329,385.66
Total liabilities and owners' (or shareholders') equity	10,575,549,706.77	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	1,323,130,037.11	910,325,739.17
Financial assets measured at fair value and of which changes are recorded into current gains and losses	1,041,490.00	8,727,740.00
Notes receivable	1,731,202,885.88	1,541,082,811.22
Accounts receivable	752,563,653.83	731,446,199.69
Accounts paid in advance	87,538,570.83	56,620,106.39
Interest receivable		
Dividend receivable		
Other accounts receivable	26,976,811.61	18,752,200.83
Inventories	386,451,105.49	543,401,541.27
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	1,169,115,028.77	939,664,538.10
Total current assets	5,478,019,583.52	4,750,020,876.67
Non-current assets:		
Available-for-sale financial assets	451,056.00	462,816.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	1,400,363,955.10	1,601,573,640.45
Investing property	8,709,058.60	9,466,777.10
Fixed assets	535,691,845.15	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	98,644,343.35	101,069,007.28
R&D expense		
Goodwill		

Long-term deferred expenses	2,216,468.83	6,781,326.79
Deferred income tax assets	172,350,916.77	119,667,809.75
Other non-current assets		
Total of non-current assets	2,220,611,917.42	2,407,945,500.61
Total assets	7,698,631,500.94	7,157,966,377.28
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value and of which changes are recorded into current gains and losses		
Notes payable	496,708,666.84	273,399,760.34
Accounts payable	2,499,713,630.94	1,766,585,288.21
Accounts received in advance	302,534,321.05	724,228,146.67
Employee's compensation payable	114,184,556.95	118,237,120.06
Tax payable	194,904,065.59	156,722,107.53
Interest payable		
Dividend payable	4,088,128.36	3,740,152.33
Other accounts payable	14,044,690.38	208,682,591.14
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	3,626,178,060.11	3,251,595,166.28
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	186,336.90	1,341,038.40
Other non-current liabilities		
Total non-current liabilities	186,336.90	1,341,038.40
Total liabilities	3,626,364,397.01	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	1,298,896,328.95	1,291,302,721.54

Less: Treasury stock		
Specific reserves		
Other comprehensive income	170,642.60	180,638.60
Surplus reserves	278,308,224.59	278,308,224.59
Provisions for general risks		
Retained profits	1,862,404,143.79	1,702,750,823.87
Foreign exchange difference		
Total owners' (or shareholders') equity	4,072,267,103.93	3,905,030,172.60
Total liabilities and owners' (or shareholders') equity	7,698,631,500.94	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 for the reporting period

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jul.-Sept. 2014	Jul.-Sept. 2013
I. Total operating revenues	2,804,258,384.17	2,351,890,369.69
Including: Sales income	2,804,258,384.17	2,351,890,369.69
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	2,576,607,738.71	2,243,884,051.22
Including: Cost of sales	2,091,801,523.78	1,773,421,672.92
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	19,941,950.55	14,711,505.82
Selling and distribution expenses	371,631,466.09	333,805,764.77
Administrative expenses	115,738,140.00	110,382,703.36

Financial expenses	-33,516,356.24	1,958,463.49
Asset impairment loss	11,011,014.51	9,603,940.85
Add: Gain/(loss) from change in fair value (“-” means loss)	138,950.00	3,367,000.00
Gain/(loss) from investment (“-” means loss)	34,382,091.67	35,231,232.64
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	262,171,687.13	146,604,551.11
Add: non-operating income	15,602,937.06	11,627,742.66
Less: non-operating expense	2,880,560.12	7,054,088.32
Including: loss from non-current asset disposal		
IV. Total profit (“-” means loss)	274,894,064.07	151,178,205.45
Less: Income tax expense	42,944,237.62	22,607,062.03
V. Net profit (“-” means loss)	231,949,826.45	128,571,143.42
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	197,842,982.94	102,844,386.40
Minority shareholders’ income	34,106,843.51	25,726,757.02
VI. Earnings per share	--	--
(I) Basic earnings per share	0.31	0.16
(II) Diluted earnings per share	0.31	0.16
VII. Other comprehensive incomes	40,488.59	-102,839.73
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods		
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	40,488.59	-102,839.73
VIII. Total comprehensive incomes	231,990,315.04	128,468,303.69
Attributable to owners of the Company	197,883,471.54	102,741,546.67
Attributable to minority shareholders	34,106,843.50	25,726,757.02

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

4. Income statement of the Company for the reporting period

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jul.-Sept. 2014	Jul.-Sept. 2013
I. Total sales	2,045,214,108.73	1,674,972,222.91
Less: cost of sales	1,551,013,865.02	1,313,528,463.00
Business taxes and surcharges	14,895,038.76	10,712,797.70
Distribution expenses	287,110,364.16	243,078,146.76
Administrative expenses	80,643,242.07	70,987,207.69
Financial costs	-12,084,031.02	55,060.61
Impairment loss	9,489,035.72	3,791,558.79
Add: gain/(loss) from change in fair value (“-” means loss)	149,660.00	1,818,010.00
Gain/(loss) from investment (“-” means loss)	27,323,011.72	19,663,159.44
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	141,619,265.74	54,300,157.80
Add: non-business income	6,170,955.53	3,467,962.17
Less: non-business expense	2,599,036.26	2,213,259.41
Including: loss from non-current asset disposal		
III. Total profit (“-” means loss)	145,191,185.01	55,554,860.56
Less: income tax expense	22,917,494.19	8,333,229.08
IV. Net profit (“-” means loss)	122,273,690.82	47,221,631.48
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other comprehensive income	41,983.20	49,980.00
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods		
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	41,983.20	49,980.00
VII. Total comprehensive income	122,315,674.02	47,271,611.48

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

5. Consolidated income statement for Jan.-Sept. 2014

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Total operating revenues	7,778,315,404.72	6,350,114,706.00
Including: Sales income	7,778,315,404.72	6,350,114,706.00
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	7,183,578,691.28	6,022,580,316.08
Including: Cost of sales	5,747,116,600.37	4,779,232,584.06
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	51,122,619.48	40,669,122.03
Selling and distribution expenses	1,080,503,620.01	873,771,862.53
Administrative expenses	325,821,024.69	283,474,894.04
Financial expenses	-43,416,185.10	22,101,561.23
Asset impairment loss	22,431,011.83	23,330,292.19
Add: Gain/(loss) from change in fair value (“-” means loss)	-13,390,840.00	13,951,660.00
Gain/(loss) from investment (“-” means loss)	90,760,162.13	73,812,914.09
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	672,106,035.57	415,298,964.01
Add: non-operating income	27,217,146.86	29,278,637.87
Less: non-operating expense	7,628,798.78	14,486,580.26
Including: loss from non-current asset disposal		
IV. Total profit (“-” means loss)	691,694,383.65	430,091,021.62
Less: Income tax expense	109,380,840.22	65,599,413.96
V. Net profit (“-” means loss)	582,313,543.43	364,491,607.66
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	514,201,515.06	323,805,853.35

Minority shareholders' income	68,112,028.37	40,685,754.31
VI. Earnings per share	--	--
(I) Basic earnings per share	0.81	0.51
(II) Diluted earnings per share	0.81	0.51
VII. Other comprehensive incomes	266,497.35	-672,531.38
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods		
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	266,497.35	-672,531.38
VIII. Total comprehensive incomes	582,580,040.78	363,819,076.28
Attributable to owners of the Company	514,468,012.41	323,133,321.97
Attributable to minority shareholders	68,112,028.37	40,685,754.31

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

6. Income statement of the Company for Jan.-Sept. 2014

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Total sales	5,687,914,331.68	4,585,374,586.77
Less: cost of sales	4,269,756,795.64	3,510,911,722.40
Business taxes and surcharges	36,659,116.46	31,033,628.81
Distribution expenses	805,413,041.27	637,153,613.83
Administrative expenses	225,606,342.21	180,536,721.37
Financial costs	-16,645,680.21	12,229,740.00
Impairment loss	3,540,560.15	6,642,092.71
Add: gain/(loss) from change in fair value ("-" means loss)	-7,686,250.00	8,331,530.00
Gain/(loss) from investment ("-" means loss)	50,796,884.88	42,405,848.12
Including: income from investment on associates and joint ventures		
II. Business profit ("-" means loss)	406,694,791.04	257,604,445.77
Add: non-business income	9,905,491.91	11,460,429.17
Less: non-business expense	5,790,568.60	6,814,563.01

Including: loss from non-current asset disposal		
III. Total profit (“-” means loss)	410,809,714.35	262,250,311.93
Less: income tax expense	61,410,065.24	39,608,473.35
IV. Net profit (“-” means loss)	349,399,649.11	222,641,838.58
V. Earnings per share	--	--
(I) Basic earnings per share	0.55	0.35
(II) Diluted earnings per share	0.55	0.35
VI. Other comprehensive income	-9,996.00	11,995.20
Including: Other comprehensive incomes items that cannot be reclassified as gains and losses in the subsequent accounting periods		
Other comprehensive incomes items that will be reclassified as gains and losses in the subsequent accounting periods as relevant requirements are met	-9,996.00	11,995.20
VII. Total comprehensive income	349,389,653.11	222,653,833.78

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

7. Consolidated cash flow statement for Jan.-Sept. 2014

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	5,854,769,921.86	5,442,525,374.24
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	13,166,555.37	83,523,076.70

Other cash received relating to operating activities	59,179,851.13	29,429,979.50
Subtotal of cash inflows from operating activities	5,927,116,328.36	5,555,478,430.44
Cash paid for goods and services	2,946,834,967.13	2,786,581,207.50
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	533,741,998.28	448,347,381.57
Various taxes paid	501,447,104.33	364,241,388.70
Other cash payment relating to operating activities	932,073,325.18	1,032,160,321.78
Subtotal of cash outflows from operating activities	4,914,097,394.92	4,631,330,299.55
Net cash flows from operating activities	1,013,018,933.44	924,148,130.89
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	5,440,020,000.00	7,593,702,834.77
Cash received from return on investments	83,159,591.47	11,120,460.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	844,540.00	21,044,377.77
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	5,524,024,131.47	7,625,867,672.54
Cash paid to acquire fixed assets, intangible assets and other long-term assets	55,907,723.73	77,524,540.48
Cash paid for investment	5,644,120,000.00	8,156,060,000.00
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	5,700,027,723.73	8,233,584,540.48
Net cash flows from investing activities	-176,003,592.26	-607,716,867.94
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		

Cash received from borrowings	100,360,740.00	
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	100,360,740.00	
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	190,359,596.70	183,312,022.63
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	190,359,596.70	183,312,022.63
Net cash flows from financing activities	-89,998,856.70	-183,312,022.63
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	747,016,484.48	133,119,240.32
Add: Opening balance of cash and cash equivalents	1,558,204,866.53	1,293,126,217.00
VI. Closing balance of cash and cash equivalents	2,305,221,351.01	1,426,245,457.32

Legal representative: Fang Hongbo

Chief of the accounting work: Zhang Zhaofeng

Chief of the accounting organ: Zhong Fangliu

8. Cash flow statement of the Company for Jan.-Sept. 2014

Prepared by Wuxi Little Swan Company Limited

Unit: RMB Yuan

Item	Jan.-Sept. 2014	Jan.-Sept. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	3,902,801,185.93	3,297,310,258.35
Tax refunds received		26,272,444.49
Other cash received relating to operating activities	29,041,956.63	17,751,046.44
Subtotal of cash inflows from operating activities	3,931,843,142.56	3,341,333,749.28
Cash paid for goods and services	1,736,877,561.10	1,475,159,756.56
Cash paid to and for employees	337,293,632.27	277,552,402.16
Various taxes paid	372,812,427.18	276,251,059.17
Other cash payment relating to operating activities	673,354,836.47	807,407,602.30
Subtotal of cash outflows from operating activities	3,120,338,457.02	2,836,370,820.19

Net cash flows from operating activities	811,504,685.54	504,962,929.09
II. Cash flows from investing activities:		
Cash received from retraction of investments	3,049,900,000.00	3,655,470,698.80
Cash received from return on investments	51,659,368.70	6,945,530.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	446,698.24	2,172,280.00
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	3,102,045,044.08	3,664,588,508.80
Cash paid to acquire fixed assets, intangible assets and other long-term assets	30,786,364.18	58,489,377.34
Cash paid for investment	3,280,000,000.00	4,067,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	3,310,786,364.18	4,125,489,377.34
Net cash flows from investing activities	-208,741,320.10	-460,900,868.54
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	189,398,353.17	183,315,363.93
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	189,398,353.17	183,315,363.93
Net cash flows from financing activities	-189,398,353.17	-183,315,363.93
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	413,365,012.27	-139,253,303.38
Add: Opening balance of cash and cash equivalents	882,413,120.18	848,257,647.96
VI. Closing balance of cash and cash equivalents	1,295,778,132.45	709,004,344.58

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 Oct. 2014