

# **WUXI LITTLE SWAN COMPANY LIMITED**

## **THIRD QUARTER REPORT 2017**



**October 2017**

## **Part I Important Statements**

**The board of directors (the “Board”), the supervisory board (the “Supervisory Board”) as well as the directors, supervisors and senior management of Wuxi Little Swan Company Limited (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in this Report.**

**All the directors of the Company attended the board meeting for the review of this Report.**

**Fang Hongbo, chairman of the board, Sun Yunan, CFO, and Xu Yunwei, head of the accounting department (head of accounting) of the Company, hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.**

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

## Part II Company Fundamentals

### I Key Consolidated Operating Results

Indicate by tick mark whether the Company needs to retrospectively restate any of its accounting data.

Yes  No

	September 30, 2017	December 31, 2016	Change	
Total assets (RMB)	18,586,002,157.24	18,885,986,837.64	-1.59%	
Equity attributable to owners of the parent (RMB)	6,672,700,988.22	5,983,847,862.72	11.51%	
	July-September 2017	YoY change	January-September 2017	YoY change
Net sales (RMB)	5,409,053,680.82	32.87%	15,977,114,535.05	32.53%
Net margin attributable to shareholders of the Company (RMB)	411,479,306.87	23.83%	1,143,019,809.34	25.18%
Net margin attributable to shareholders of the Company before exceptional gains and losses (RMB)	399,291,895.16	22.38%	1,114,089,109.91	24.66%
Net cash from operating activities (RMB)	--	--	689,222,217.42	-64.24%
Basic earnings per share (RMB/share)	0.65	22.64%	1.81	25.69%
Diluted earnings per share (RMB/share)	0.65	22.64%	1.81	25.69%
Weighted average return on equity (%)	6.39%	0.40%	17.94%	1.13%

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	January-September 2017	Note
Gains/Losses on disposal of non-current assets (inclusive of offset asset impairment provisions)	2,323,694.16	
Governmental subsidy recorded into current gains/losses (exclusive of governmental subsidy closely relevant to business events, and quantified according to national unified standards)	12,591,448.99	
Gains/Losses on debt restructuring	2,572,954.74	
Gains/Losses on fair value changes of trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities as well as financial assets available for sale (exclusive of effective hedges related to normal business operations of the Company)	14,175,311.33	

Non-operating income and expense other than above	3,353,217.21	
Less: Income tax effects	4,681,159.25	
Minority interests effects (after tax)	1,404,767.75	
Total	28,930,699.43	--

Explanation of why the Company classified an item as an exceptional gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gains and Losses, or reclassified any exceptional gain/loss item given as an example in the said explanatory announcement as a recurrent gain/loss:

Applicable  Not applicable

No such cases in the Reporting Period.

## II Total Number of Shareholders and Shareholdings of Top 10 Shareholders at Period-End

### 1. Numbers of Common Shareholders and Preference Shareholders with Resumed Voting Rights, and Shareholdings of Top 10 Shareholders

Unit: share

Total number of common shareholders at period-end	16,635	Total number of preference shareholders with resumed voting rights at period-end (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at period-end	Restricted shares held at period-end	Pledged or frozen shares	
					Status	Number
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	3.74%	23,664,125			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	Domestic non-state-owned corporation	3.34%	21,097,464			
GREENWOODS CHINA ALPHA MASTER FUND	Foreign corporation	2.81%	17,787,068			
FINANCE BUREAU OF WUXI	State-owned corporation	2.70%	17,054,071			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 101	Domestic non-state-owned corporation	2.17%	13,709,256			

CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD	State-owned corporation	1.61%	10,156,300			
HONGKONG SECURITIES CLEANING CO., LTD	Foreign corporation	1.55%	9,818,148			
ICBC – HUITIANFU GROWING FOCUS HYBRIDSECURITIES INVESTMENT FUND	Domestic non-state-owned corporation	1.28%	8,091,762			
Top 10 non-restricted shareholders						
Name of shareholder	Non-restricted shares held at period-end	Type of stock		Type	Number	
		Type	Number			
MIDEA GROUP CO., LTD.	238,948,117	RMB common stock	238,948,117			
TITONI INVESTMENTS DEVELOPMENT LTD.	94,204,942	Domestically listed stock for foreign investors	94,204,942			
GAOLING FUND,L.P.	23,664,125	Domestically listed stock for foreign investors	23,664,125			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	21,097,464	RMB common stock	21,097,464			
GREENWOODS CHINA ALPHA MASTER FUND	17,787,068	Domestically listed stock for foreign investors	17,787,068			
FINANCE BUREAU OF WUXI	17,054,071	RMB common stock	17,054,071			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 101	13,709,256	RMB common stock	13,709,256			
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD	10,156,300	RMB common stock	10,156,300			
HONGKONG SECURITIES CLEANING CO., LTD	9,818,148	RMB common stock	9,818,148			
ICBC – HUITIANFU GROWING FOCUS HYBRIDSECURITIES INVESTMENT FUND	8,091,762	RMB common stock	8,091,762			
Related or acting-in-concert parties among shareholders above	MIDEA GROUP CO., LTD. and TITONI INVESTMENTS DEVELOPMENT LTD are parties acting in concert.					
Top 10 common shareholders conducting securities margin trading (if any)	Not applicable					

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea  No

No such cases in the Reporting Period.

## 2. Total Number of Preference Shareholders and Shareholdings of Top 10 of Them at Period-End

Applicable  Not applicable

## Part III Significant Events

### I Changes in Key Consolidated Financial Statement Items and Reasons for Such Changes

Unit: RMB'0,000

Item	September 30, 2017	December 31, 2016	Change	Change (%)	Main reason for change
Notes receivable	63,996.89	129,760.92	-65,764.03	-51%	Certain such notes became due
Prepayments	19,751.15	13,151.38	6,599.77	50%	Increased prepayments for raw materials
Interest receivable	4,269.24	2,675.58	1,593.66	60%	Increase in interest receivable on structured deposits
Other accounts receivable	1,333.45	2,369.39	-1,035.94	-44%	Decrease in temporary payments made for non-operating purposes
Long-term deferred expense	1,040.98	438.77	602.21	137%	Higher mold-related expenditure
Other non-current assets	4,005.78	2,565.58	1,440.20	56%	Increased prepayments for equipment and molds
Advances received	108,164.49	301,434.78	-193,270.29	-64%	Due to sales cycles
Item	January-September 2017	January-September 2016	Change	Change (%)	Main reason for change
Net sales	1,597,711.45	1,205,563.59	392,147.86	33%	Increased unit sales
Cost of sales	1,188,708.48	882,946.80	305,761.68	35%	Increased sales
Taxes and surtaxes	9,844.66	6,236.07	3,608.59	58%	Increased turnover tax
Administrative expense	48,004.06	36,704.25	11,299.81	31%	Higher expenditure on employees' compensation and R&D
Finance costs	-2,633.59	-9,401.67	6,768.08	-72%	Greater foreign exchange losses caused by RMB appreciation
Investment income	23,858.99	13,075.82	10,783.17	82%	Higher income from bank wealth management products
Net cash flows from operating activities	68,922.22	192,729.41	-123,807.19	-64%	Increases in cash paid for goods and services, as well as in cash paid to and for employees
Net cash flows from investing activities	-145,498.58	-238,299.15	92,800.57	39%	Increase in cash yielded by bank wealth management products
Net cash flows from financing activities	-53,385.95	-37,600.18	-15,785.77	-42%	Increase in dividends paid

## II Progress, Influence and Solutions Associated with Significant Events

Applicable  Not applicable

## III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

## IV Forecast of 2017 Annual Operating Results

Warning of a possible loss on or a significant year-over-year change in accumulative net margin during the period the beginning of the current year through the end of the next reporting period, as well as the reasons:

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 transaction	Type of derivative	Initial investment amount	Starting date	Ending date	Opening investment amount	Purchased in the Reporting Period	Sold in the Reporting Period	Impairment provision (if any)	Closing investment amount	Proportion of closing investment amount in the Company's closing net assets	Actual gain/loss in the Reporting Period
Bank	Not related	Not	Forward forex contract	0	04/24/2017	09/13/2018	0	133,580	97,776	0	35,804	5.37%	1,418
Total				0	--	--	0	133,580	97,776	0	35,804	5.37%	1,418
Capital source for derivative investment				All from the Company's own funds									
Lawsuits involved (if applicable)				N/A									
Disclosure date of board announcement				03/09/2017									

approving derivative investment (if any)	
Disclosure date of shareholders' meeting announcement approving derivative investment (if any)	04/11/2017
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	No significant changes

policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to previous reporting period	
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 Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Date of visit	Way of visit	Type of visitor	About
07/04/2017	By one-on-one meeting	Institution	Sheet of Investor Relations Activities on July 4, 2017 (No. 2017-03) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
08/07/2017 -08/10/2017	By one-on-one meeting	Institution	Sheet of Investor Relations Activities on August 7-10, 2017 (No. 2017-04) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
08/23/2017	By one-on-one meeting	Institution	Sheet of Investor Relations Activities on August 23, 2017 (No. 2017-05) on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>

## VIII Irregularities Arising from Provision of Guarantees for Third Parties

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

## X Targeted Measures Taken to Help People Lift Themselves out of Poverty

Applicable  Not applicable

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	3,104,235,150.95	4,272,077,211.11
Settlement reserve		
Interbank lendings		
Financial assets at fair value through gains/losses	7,279,041.33	
Derivative financial assets		
Notes receivable	639,968,894.57	1,297,609,202.29
Accounts receivable	1,600,541,720.56	1,465,654,497.90
Prepayments	197,511,513.27	131,513,792.18
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable	42,692,360.90	26,755,807.07
Dividends receivable		
Other accounts receivable	13,334,545.48	23,693,886.54
Financial assets purchased under agreements to resell		
Inventories	1,414,074,811.50	1,724,837,944.69
Assets held for sale		
Non-current assets due within one year		
Other current assets	9,880,082,620.77	8,385,724,282.16
Total current assets	16,899,720,659.33	17,327,866,623.94
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	200,000.00	200,000.00
Held-to-maturity investments		
Long-term accounts receivable		

Long-term equity investments		
Investment property	61,965,822.25	64,854,903.25
Fixed assets	1,006,798,867.34	970,859,291.03
Construction in progress	14,733,569.06	
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	188,354,882.02	192,283,486.15
R&D expense		
Goodwill		
Long-term deferred expense	10,409,765.85	4,387,728.14
Deferred income tax assets	363,760,831.94	299,879,029.23
Other non-current assets	40,057,759.45	25,655,775.90
Total non-current assets	1,686,281,497.91	1,558,120,213.70
Total assets	18,586,002,157.24	18,885,986,837.64
Current liabilities:		
Short-term borrowings	149,470,000.00	183,813,064.12
Borrowings from Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through gains/losses		
Derivative financial liabilities		
Notes payable	2,629,320,974.93	2,620,549,815.47
Accounts payable	3,733,802,682.63	3,335,089,672.06
Advances received	1,081,644,947.93	3,014,347,762.24
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	257,433,831.48	288,592,163.29
Taxes payable	405,748,686.13	412,238,029.96
Interest payable		
Dividends payable	6,996,784.06	7,150,684.06
Other accounts payable	219,230,536.72	199,926,402.04
Reinsurance premiums payable		

Insurance contract reserve		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	2,274,382,191.77	1,844,413,154.26
Total current liabilities	10,758,030,635.65	11,906,120,747.50
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable	13,104,735.62	16,101,348.60
Special payables		
Provisions	1,524,217.08	1,727,340.89
Deferred income	2,602,433.22	2,942,333.25
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	17,231,385.92	20,771,022.74
Total liabilities	10,775,262,021.57	11,926,891,770.24
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	1,230,146,749.94	1,191,490,133.01
Less: Treasury shares		
Other comprehensive income	52,300,046.81	70,757,524.61
Special reserve		
Surplus reserve	332,594,722.29	332,594,722.29
Provisions for general risks		
Retained earnings	4,425,171,705.18	3,756,517,718.81
Equity attributable to owners of the parent	6,672,700,988.22	5,983,847,862.72

Minority interests	1,138,039,147.45	975,247,204.68
Total owners' equity	7,810,740,135.67	6,959,095,067.40
Total liabilities and owners' equity	18,586,002,157.24	18,885,986,837.64

## 2. Parent Company Balance Sheet

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	1,471,360,289.53	2,397,428,457.92
Financial assets at fair value through gains/losses	6,482,343.61	
Derivative financial assets		
Notes receivable	451,178,277.23	1,088,559,252.21
Accounts receivable	1,930,254,991.70	2,310,254,576.98
Prepayments	145,479,231.32	89,477,823.29
Interest receivable	33,480,770.36	18,798,031.69
Dividends receivable		
Other accounts receivable	19,024,712.35	16,176,106.89
Inventories	877,821,535.01	1,068,494,123.28
Assets held for sale		
Non-current assets due within one year		
Other current assets	6,234,037,625.21	4,965,682,855.69
Total current assets	11,169,119,776.32	11,954,871,227.95
Non-current assets:		
Available-for-sale financial assets	150,000.00	150,000.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	1,375,785,041.57	1,375,785,041.57
Investment property	7,278,796.74	7,546,955.16
Fixed assets	508,168,069.13	490,047,802.72
Construction in progress	14,733,569.06	
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		

Intangible assets	90,573,442.43	92,591,167.64
R&D expense		
Goodwill		
Long-term deferred expense	3,101,948.40	1,817,228.83
Deferred income tax assets	227,238,156.95	197,091,251.29
Other non-current assets	21,476,594.90	18,313,858.80
Total non-current assets	2,248,505,619.18	2,183,343,306.01
Total assets	13,417,625,395.50	14,138,214,533.96
Current liabilities:		
Short-term borrowings	108,000,000.00	123,943,093.80
Financial liabilities at fair value through gains/losses		
Derivative financial liabilities		
Notes payable	1,779,185,570.99	1,508,017,904.49
Accounts payable	3,658,904,954.11	3,913,090,507.89
Advances received	665,096,569.85	1,854,711,663.46
Payroll payable	191,781,499.15	216,530,836.37
Taxes payable	265,352,704.80	249,034,768.38
Interest payable		
Dividends payable	6,996,784.06	7,150,684.06
Other accounts payable	133,275,825.22	143,124,857.82
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,390,609,601.77	1,173,641,937.69
Total current liabilities	8,199,203,509.95	9,189,246,253.96
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Special payables		
Provisions		
Deferred income		

Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	8,199,203,509.95	9,189,246,253.96
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	1,385,109,598.55	1,350,656,531.65
Less: Treasury shares		
Other comprehensive income	41,133,481.56	37,515,343.84
Special reserve		
Surplus reserve	319,944,578.39	319,944,578.39
Retained earnings	2,839,746,463.05	2,608,364,062.12
Total owners' equity	5,218,421,885.55	4,948,968,280.00
Total liabilities and owners' equity	13,417,625,395.50	14,138,214,533.96

### 3. Consolidated Income Statement for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	5,409,053,680.82	4,070,848,719.32
Including: Net sales	5,409,053,680.82	4,070,848,719.32
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	4,915,302,618.03	3,669,637,983.51
Including: Cost of sales	4,025,713,025.98	3,016,876,202.80
Interest expense		
Fee and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		

Reinsurance premium expense		
Taxes and surtaxes	33,914,345.16	17,636,853.40
Selling expense	702,045,545.50	539,563,649.92
Administrative expense	151,877,449.91	101,096,489.36
Finance costs	-2,812,709.83	-30,617,265.06
Asset impairment losses	4,564,961.31	25,082,053.07
Add: Gains on fair value changes (“-” for losses)	2,361,168.20	
Investment income (“-” for losses)	56,923,988.62	63,442,725.63
Including: Share of gains/losses of associates and joint ventures		
Exchange gains (“-” for losses)		
Other income	6,835,783.31	
3. Operating margin (“-” for losses)	559,872,002.92	464,653,461.44
Add: Non-operating income	8,370,654.72	9,451,463.63
Including: Gains on disposal of non-current assets	42,043.69	20,217.78
Less: Non-operating expense	73,435.06	1,706,463.30
Including: Losses on disposal of non-current assets	42,435.06	371,314.11
4. Gross margin (“-” for losses)	568,169,222.58	472,398,461.77
Less: Income tax expense	87,620,162.08	72,828,206.62
5. Net margin (“-” for losses)	480,549,060.50	399,570,255.15
Attributable to owners of the parent	411,479,306.87	332,295,999.87
Attributable to minority interests	69,069,753.63	67,274,255.28
6. Other comprehensive income, net of tax	3,779,053.96	4,246,647.68
Other comprehensive income, net of tax attributable to owners of the parent	8,467,880.09	1,964,616.39
6.1 Other comprehensive income that will not be reclassified into gains/losses		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
6.2 Other comprehensive income to be subsequently reclassified into gains/losses	8,467,880.09	1,964,616.39
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	8,472,611.20	1,962,537.08
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		

6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences	-4,731.11	2,079.31
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests	-4,688,826.13	2,282,031.29
7. Total comprehensive income	484,328,114.46	403,816,902.83
Attributable to owners of the parent	419,947,186.96	334,260,616.26
Attributable to minority interests	64,380,927.50	69,556,286.57
8. Earnings per share		
8.1 Basic earnings per share	0.65	0.53
8.2 Diluted earnings per share	0.65	0.53

#### 4. Parent Company Income Statement for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	4,137,270,472.44	2,922,039,454.39
Less: Operating expenses	3,238,940,527.27	2,334,276,302.85
Taxes and surtaxes	21,653,606.79	12,900,966.92
Selling expense	492,184,783.36	335,708,432.38
Administrative expense	114,518,266.69	72,985,560.69
Finance costs	-343,883.61	-20,072,180.35
Asset impairment losses	3,457,037.13	16,504,313.87
Add: Gains on fair value changes (“-” for losses)	2,204,741.62	
Investment income (“-” for loss)	16,012,684.13	30,279,080.67
Including: Share of gains/losses of associates and joint ventures		
Other income		
2. Operating margin (“-” for losses)	285,077,560.56	200,015,138.70
Add: Non-operating income	4,425,956.50	3,387,007.20
Including: Gains on disposal of non-current assets	223,909.00	
Less: Non-operating expense		674,514.67
Including: Losses on disposal of non-current assets		347,731.17
3. Gross margin (“-” for losses)	289,503,517.06	202,727,631.23
Less: Income tax expense	45,420,985.67	31,992,675.86
4. Net margin (“-” for losses)	244,082,531.39	170,734,955.37

5. Other comprehensive income, net of tax	18,981,275.77	-3,229,072.28
5.1 Other comprehensive income that will not be reclassified into gains and losses		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses	18,981,275.77	-3,229,072.28
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	18,981,275.77	-3,229,072.28
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	263,063,807.16	167,505,883.09
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

## 5. Consolidated Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	15,977,114,535.05	12,055,635,914.24
Including: Net sales	15,977,114,535.05	12,055,635,914.24
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	14,717,291,930.91	10,948,766,070.41
Including: Cost of sales	11,887,084,837.76	8,829,467,976.48
Interest expense		
Fee and commission expense		
Surrenders		
Net claims paid		

Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	98,446,618.90	62,360,730.86
Selling expense	2,235,935,416.90	1,730,895,706.04
Administrative expense	480,040,555.32	367,042,544.04
Finance costs	-26,335,907.67	-94,016,729.52
Asset impairment losses	42,120,409.70	53,015,842.51
Add: Gains on fair value changes (“-” for losses)	7,279,041.33	
Investment income (“-” for losses)	238,589,870.73	130,758,204.67
Including: Share of gains/losses of associates and joint ventures		
Exchange gains (“-” for losses)		
Other income	22,642,337.07	
3. Operating margin (“-” for losses)	1,528,333,853.27	1,237,628,048.50
Add: Non-operating income	23,994,408.02	30,937,449.39
Including: Gains on disposal of non-current assets	4,620,758.39	137,055.45
Less: Non-operating expense	3,153,092.92	3,941,368.67
Including: Losses on disposal of non-current assets	2,297,064.23	609,898.08
4. Gross margin (“-” for losses)	1,549,175,168.37	1,264,624,129.22
Less: Income tax expense	235,865,857.86	200,130,598.37
5. Net margin (“-” for losses)	1,313,309,310.51	1,064,493,530.85
Attributable to owners of the parent	1,143,019,809.34	913,122,562.45
Attributable to minority interests	170,289,501.17	151,370,968.40
6. Other comprehensive income, net of tax	-28,637,223.77	40,511,423.04
Other comprehensive income, net of tax attributable to owners of the parent	-18,953,155.82	34,901,506.32
6.1 Other comprehensive income that will not be reclassified into gains/losses		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
6.2 Other comprehensive income to be subsequently reclassified into gains/losses	-18,953,155.82	34,901,506.32
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
6.2.2 Gains/Losses on fair value changes of	-18,941,998.21	34,892,633.31

available-for-sale financial assets		
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences	-11,157.61	8,873.01
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests	-9,684,067.95	5,609,916.72
7. Total comprehensive income	1,284,672,086.74	1,105,004,953.89
Attributable to owners of the parent	1,124,066,653.52	948,024,068.77
Attributable to minority interests	160,605,433.22	156,980,885.12
8. Earnings per share		
8.1 Basic earnings per share	1.81	1.44
8.2 Diluted earnings per share	1.81	1.44

## 6. Parent Company Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	11,896,493,564.73	8,967,860,546.46
Less: Operating expenses	9,234,940,559.84	6,859,231,278.20
Taxes and surtaxes	66,089,061.73	46,137,270.20
Selling expense	1,510,957,356.69	1,230,788,719.89
Administrative expense	384,653,787.00	282,209,180.40
Finance costs	-28,382,799.86	-65,789,102.80
Asset impairment losses	18,602,355.25	38,000,316.38
Add: Gains on fair value changes (“-” for losses)	6,482,343.61	
Investment income (“-” for loss)	109,372,200.95	47,585,175.04
Including: Share of gains/losses of associates and joint ventures		
Other income		
2. Operating margin (“-” for losses)	825,487,788.64	624,868,059.23
Add: Non-operating income	12,887,071.45	6,170,352.44
Including: Gains on disposal of non-current assets	323,481.65	99,572.65
Less: Non-operating expense	1,598,940.52	1,109,079.32
Including: Losses on disposal of non-current assets	234,891.28	582,622.45
3. Gross margin (“-” for losses)	836,775,919.57	629,929,332.35

Less: Income tax expense	131,027,695.66	102,727,757.06
4. Net margin (“-” for losses)	705,748,223.91	527,201,575.29
5. Other comprehensive income, net of tax	3,618,137.72	22,110,741.45
5.1 Other comprehensive income that will not be reclassified into gains and losses		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses	3,618,137.72	22,110,741.45
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method		
5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	3,618,137.72	22,110,741.45
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	709,366,361.63	549,312,316.74
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

## 7. Consolidated Cash Flow Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	11,502,461,367.12	10,031,334,899.28
Net increase in money deposits from customers and interbank placements		
Net increase in loans from Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received as premiums of original insurance contracts		
Net cash generated by reinsurance business		
Net increase in deposits of policy holders and investment fund		

Net increase in disposal of financial assets at fair value through gains/losses		
Interest, fees and commissions received		
Net increase in interbank borrowings		
Net increase in funds in repurchase business		
Tax rebates received	60,061,335.71	60,063,076.13
Cash generated by other operating activities	86,857,031.47	72,368,190.31
Subtotal of cash generated by operating activities	11,649,379,734.30	10,163,766,165.72
Cash paid for goods and services	7,437,740,147.06	5,404,416,316.25
Net increase in loans and advances to customers		
Net increase in funds deposited in Central Bank and interbank placements		
Cash paid for claims of original insurance contracts		
Interest, fees and commissions paid		
Cash paid as policy dividends		
Cash paid to and for employees	918,519,618.20	679,507,180.35
Taxes paid	634,889,870.55	640,844,887.26
Cash used in other operating activities	1,969,007,881.07	1,511,703,696.63
Subtotal of cash used in operating activities	10,960,157,516.88	8,236,472,080.49
Net cash from operating activities	689,222,217.42	1,927,294,085.23
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	6,895,000,000.00	6,210,000,000.00
Cash received as investment income	238,758,884.14	130,758,204.67
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	840,384.69	823,553.94
Net cash generated by disposal of subsidiaries or other business units	2,415,000.00	
Cash generated by other investing activities	57,042,308.02	48,649,720.52
Subtotal of cash generated by investing activities	7,194,056,576.85	6,390,231,479.13
Cash paid to acquire fixed assets, intangible assets and other long-term assets	104,042,380.39	17,222,953.39
Cash paid for investments	8,545,000,000.00	8,756,000,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	8,649,042,380.39	8,773,222,953.39

Net cash from investing activities	-1,454,985,803.54	-2,382,991,474.26
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings	429,950,000.00	
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities	429,950,000.00	
Repayment of borrowings	464,293,064.12	
Cash paid for interest expenses and distribution of dividends or profit	499,516,450.57	376,001,781.77
Including: dividends or profit paid by subsidiaries to minority interests		
Cash used in other financing activities		
Sub-total of cash used in financing activities	963,809,514.69	376,001,781.77
Net cash from financing activities	-533,859,514.69	-376,001,781.77
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-1,299,623,100.81	-831,699,170.80
Add: Opening balance of cash and cash equivalents	4,171,689,917.21	2,792,685,328.69
6. Closing balance of cash and cash equivalents	2,872,066,816.40	1,960,986,157.89

## 8. Parent Company Cash Flow Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	9,850,148,284.12	5,783,703,284.45
Tax rebates received		
Cash generated by other operating activities	38,736,675.26	38,053,714.94
Subtotal of cash generated by operating activities	9,888,884,959.38	5,821,756,999.39
Cash paid for goods and services	6,852,988,102.23	3,722,465,740.78
Cash paid to and for employees	645,646,594.51	458,460,415.27
Taxes paid	370,064,700.60	449,874,162.78
Cash used in other operating activities	1,350,354,065.27	1,083,982,648.54
Subtotal of cash used in operating activities	9,219,053,462.61	5,714,782,967.37

Net cash from operating activities	669,831,496.77	106,974,032.02
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	3,185,000,000.00	3,685,000,000.00
Cash received as investment income	104,184,719.36	47,585,175.04
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	192,710.01	791,986.33
Net cash generated by disposal of subsidiaries or other business units	2,415,000.00	
Cash generated by other investing activities	38,174,499.80	39,953,305.21
Subtotal of cash generated by investing activities	3,329,966,929.17	3,773,330,466.58
Cash paid to acquire fixed assets, intangible assets and other long-term assets	46,670,938.80	5,841,421.83
Cash paid for investments	4,475,000,000.00	4,236,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	4,521,670,938.80	4,241,841,421.83
Net cash from investing activities	-1,191,704,009.63	-468,510,955.25
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Cash received as borrowings	243,000,000.00	
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities	243,000,000.00	
Repayment of borrowings	258,943,093.80	376,001,781.77
Cash paid for interest expenses and distribution of dividends or profit	492,786,139.87	
Cash used in other financing activities		
Sub-total of cash used in financing activities	751,729,233.67	376,001,781.77
Net cash from financing activities	-508,729,233.67	-376,001,781.77
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-1,030,601,746.53	-737,538,705.00
Add: Opening balance of cash and cash equivalents	2,353,708,554.75	1,866,443,114.64
6. Closing balance of cash and cash equivalents	1,323,106,808.22	1,128,904,409.64

## **II Auditor's Report**

Are the Q3 2017 financial statements audited?

Yes  No

These financial statements are unaudited.

Wuxi Little Swan Company Limited

Legal representative: Fang Hongbo

October 25, 2017