

Wuxi Little Swan Company Limited
The Report for the First Quarter of 2016



April 2016

Section I Important Statements

The Board of Directors, Supervisory Committee, directors, supervisors and senior management of Wuxi Little Swan Company Limited (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this Report is factual, accurate and complete, and shall be jointly and severally liable for any false information, misleading statements or material omissions carried in this Report.

Mr. Fang Hongbo, Board Chairman, Mr. Sun Yunan, CFO, and Mr. Xu Yunwei, chief of the accounting organ (chief of accounting), hereby confirm that the financial report carried in this Report is factual, accurate and complete.

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

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.

Section II Financial Results and Changes in Shareholders

I Financial results

Whether the Company performed any retroactive adjustments to or restatement of its accounting data due to changes of accounting policies or correction of accounting errors

Yes No

	January-March 2016	January-March 2015	+/-%
Operating revenues (RMB)	4,239,779,074.70	3,293,972,545.08	28.71%
Net profit attributable to shareholders of the Company (RMB)	317,052,211.46	242,314,468.72	30.84%
Net profit attributable to shareholders of the Company after exceptional profit and loss (RMB)	311,794,446.12	245,540,671.19	26.98%
Net operating cash flow (RMB)	573,548,265.90	394,282,134.54	45.47%
Basic earnings per share (RMB/share)	0.50	0.38	31.58%
Diluted earnings per share (RMB/share)	0.50	0.38	31.58%
Weighted average return on equity (%)	6.00%	5.33%	0.67%
	31 March 2016	31 December 2015	+/-%
Total assets (RMB)	14,927,470,103.94	14,327,655,366.60	4.19%
Net assets attributable to shareholders of the Company (RMB)	5,460,647,864.77	5,124,866,173.14	6.55%

Note: In the fourth quarter of 2015, “to make financial investments with the Company’s own funds” was added to the business scope of the Company. As such, profit/loss on financial investments has been restated as recurrent profit/loss. In order to help investors better understand the business results of the Company, the “net profit attributable to shareholders of the Company after exceptional profit and loss” for January-March 2015 is restated in the above table on the same basis.

Exceptional profit and loss

Applicable Not applicable

Unit: RMB

Item	January-March 2016	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	99,572.65	
Government grants charged to the profit/loss for the Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State’s uniform standards)	6,222,716.87	

Non-operating income and expense other than the above	1,362,249.97	
Less: Corporate income tax	1,152,680.92	
Minority interests (after tax)	1,274,093.23	
Total	5,257,765.34	--

Explain the reasons if the Company classifies an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or classifies any exceptional profit/loss item mentioned in the said explanatory announcement as recurrent profit/loss

Applicable Not applicable

No such cases in the Reporting Period.

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

1. Numbers of common shareholders and preference shareholders with resumed voting rights as well as shareholdings of top ten shareholders

Unit: share

Total number of common shareholders at the period-end	20,826	Total number of preference shareholders with resumed voting rights at the period-end (if any)	0			
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
MIDEA GROUP CO., LTD.	Domestic non-state-owned corporation	37.78%	238,948,117			
TITONI INVESTMENTS DEVELOPMENT LTD.	Foreign corporation	14.89%	94,204,942			
GAOLING FUND, L.P.	Foreign corporation	3.43%	21,694,456			
FINANCE BUREAU OF WUXI	On behalf of the State	2.70%	17,054,071			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 101	Domestic non-state-owned corporation	2.33%	14,727,290			
GREENWOODS CHINA ALPHA MASTER FUND	Foreign corporation	2.17%	13,742,333			
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	Domestic non-state-owned corporation	1.98%	12,499,640			
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	State-owned corporation	1.61%	10,156,300			

NORGES BANK	Foreign corporation	0.64%	4,023,181			
CHINA RESOURCES SZITIC TRUST CO., LTD. – JINGLIN DIANJIN TRUST PLAN NO. 2 OF ASSEMBLED FUNDS	Domestic non-state-owned corporation	0.56%	3,529,712			
Shareholdings of top ten non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held	Variety of shares		Variety	Number	
MIDEA GROUP CO., LTD.	238,948,117	RMB common shares			238,948,117	
TITONI INVESTMENTS DEVELOPMENT LTD.	94,204,942	Domestically listed foreign shares			94,204,942	
GAOLING FUND, L.P.	21,694,456	Domestically listed foreign shares			21,694,456	
FINANCE BUREAU OF WUXI	17,054,071	RMB common shares			17,054,071	
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 101	14,727,290	RMB common shares			14,727,290	
GREENWOODS CHINA ALPHA MASTER FUND	13,742,333	Domestically listed foreign shares			13,742,333	
NATIONAL SOCIAL SECURITY FUND PORTFOLIO 108	12,499,640	RMB common shares			12,499,640	
CENTRAL HUIJIN ASSET MANAGEMENT CO., LTD.	10,156,300	RMB common shares			10,156,300	
NORGES BANK	4,023,181	Domestically listed foreign shares			4,023,181	
CHINA RESOURCES SZITIC TRUST CO., LTD. – JINGLIN DIANJIN TRUST PLAN NO. 2 OF ASSEMBLED FUNDS	3,529,712	RMB common shares			3,529,712	
Related or acting-in-concert parties among the above shareholders	MIDEA GROUP CO., LTD. and TITONI INVESTMENTS DEVELOPMENT LTD. are parties acting in concert.					

Did any of the top ten common shareholders or the top ten non-restricted common shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea No

No such cases in the Reporting Period.

2. Total number of preference shareholders and shareholdings of the top ten of them

Applicable Not applicable

Section III Significant Events

I Changes in major accounting statement items and financial indicators for the Reporting Period, as well as reasons for such changes

Unit: RMB Ten Thousand Yuan

Statement item	31 March 2016	31 December 2015	+/-	+/-%	Note
Accounts receivable	123,441.91	89,607.55	33,834.36	38%	The sales volume increased.
Accounts paid in advance	14,891.89	9,762.86	5,129.03	53%	Prepayments for materials increased.
Other receivables	601.94	920.82	-318.88	-35%	Suspense payments were taken back.
Notes payable	264,101.15	195,306.53	68,794.62	35%	Self-drawn banker's acceptance bills were adopted more often in payment.
Accounts received in advance	93,313.14	165,290.88	-71,977.74	-44%	Due to the sales cycle
Payroll payable	16,582.51	24,828.07	-8,245.56	-33%	The performance bonuses for the year 2015 had been paid.
Other composite income	4,613.77	3,481.33	1,132.44	33%	The fair value of bank financial products increased.
Statement item	January-March 2016	January-March 2015	+/-	+/-%	Note
Business tax and surtaxes	2,556.27	1,712.85	843.42	49%	The turnover tax increased due to the production and sales cycle.
Selling expenses	63,139.65	47,235.74	15,903.91	34%	The sales volume increased.
Financial costs	-3,069.37	-1,191.45	-1,877.92	-158%	The interest income on deposits increased.
Profit on fair value changes	0.00	-2.83	2.83	-100%	Last year saw fair value changes in forward forex contracts while there were no such contracts in the Current Period.
Non-operating expense	229.33	339.14	-109.81	-32%	Last year saw loss on disposal of waste fixed assets.
Total profit	42,711.98	32,645.19	10,066.79	31%	The sales volume increased.
Corporate income tax	6,607.35	4,928.85	1,678.50	34%	The total profit increased.
Net operating cash flow	57,354.83	39,428.21	17,926.62	45%	The cash received from sale of goods and rendering of services increased as the sales volume rose.
Net investment cash flow	-120,661.14	-71,505.40	-49,155.74	-69%	The cash paid for investment increased as the Company increased its investment in bank financial products.

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

□ Applicable √ Not applicable

III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

Commitment	Commitment maker	Type of commitment	Contents	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform	Controlling shareholder	Commitment concerning shareholding reduction	Where the controlling shareholder Midea Group 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 an indicative public announcement on share selling through the Company two trading days before its first reduction of holdings.	2008.02.28	Long-standing	In execution
Commitments made in acquisition documents or shareholding alteration documents	Controlling shareholder and actual controller	Commitment of avoiding horizontal competition	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	2010.12.01, 2014.06.06	Long-standing	In execution

		related to operation were belongs to Little Swan.			
Controlling shareholder and actual controller	Commitment on the specification of the related-party transaction	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 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.	2010.12.01, 2014.06.06	Long-standing	In execution
Controlling shareholder and actual controller	Commitment on independence	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.	2010.12.01, 2014.06.06	Long-standing	In execution
Controlling	Commitment	4. As for the commitment on related-party deposits and	2010.12.01	Long-standing	In execution

	shareholder	t on related-party deposits and borrowings	borrowings, up to 8 April 2010, the Financial Settlement Center of Midea Group had settled all internal deposits and borrowings with Hefei Midea Washing Machine Co., Ltd.; 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 Co., Ltd..		ng	
	Controlling shareholder	Commitmen t on housing properties with no ownership certificates	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 Hefei Midea Washing Machine Co., Ltd. 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 on 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.	2010.12.01	Long-standi ng	In execution
	Controlling shareholder	Commitmen t on trademarks	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 Hefei Midea Washing Machine Co., Ltd. uses the “Midea” trademark in a proper manner. Hefei Midea Washing Machine Co., Ltd. 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 Hefei Royalstar Group and obtained the ordinary use rights of the “Royalstar” (both in Chinese and English) 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 Hefei Midea	2010.12.01	The use right of the “Royalstar” trademark detailed in (2) expired on 31 March 2013 and was not renewed. And the other commitment continues.	In execution

			Washing Machine Co., Ltd. and Hefei Royalstar Group over the former's execution of the "Contract for Trademark Use", Little Swan will not be involved. If Hefei Midea Washing Machine Co., Ltd. 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 Hefei Midea Washing Machine Co., Ltd. and Little Swan at full amount.			
	Controlling shareholder	Commitment on social security payment and tax risks	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 Hefei Midea Washing Machine Co., Ltd. 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 Hefei Midea Washing Machine Co., Ltd. to relevant government authorities in a timely manner and assume any other liability. If any loss thus occurs to Hefei Midea Washing Machine Co., Ltd. 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 Co., Ltd., 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.	2010.12.01	Long-standing	In execution
	Controlling shareholder	Commitment on capital safety	8. The commitment by Midea Group on capital safety at the finance companies of the Company: during the validity period of the Financial Services Agreement, when Midea Group occurred emergency situation of payment difficulty at finance companies, it should adopt the effective measures such as increase the capital fund of the finance companies according to the actual needs of solving the payment difficulty to ensure the capital safety of the Company.	2015.03.18	Three years	In execution
Commitments made in time of asset restructuring						
Commitments made in time of IPO or						

refinancing						
Commitments concerning stock ownership incentive						
Other commitments made to minority shareholders						
Executed on time	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step	N/A					

IV Operating result forecast for January-June 2016

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

Applicable Not applicable

V Securities investments

Applicable Not applicable

No such cases in the Reporting Period.

VI Investments in derivative financial instruments

Applicable Not applicable

No such cases in the Reporting Period.

VII Visits paid to the Company in the Reporting Period for purposes of research, communication, interview, etc.

Date of visit	Way of visit	Type of visitor	Index to main inquiry information
2016.01.22	One-on-one meeting	Institution	Sheet of Investor Relations Activities on 22 January 2016 (No. 2016-01) on www.cninfo.com.cn
2016.03.15	One-on-one meeting	Institution	Sheet of Investor Relations Activities on 15 March 2016 (No. 2016-02) on www.cninfo.com.cn

VIII Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes

Applicable Not applicable

No such cases in the Reporting Period.

Section IV Financial Statements

I Financial statements

1. Consolidated balance sheet

Prepared by Wuxi Little Swan Company Limited

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	2,292,632,934.33	3,042,843,924.81
Settlement reserves		
Lendings to banks and other financial institutions		
Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period		
Derivative financial assets		
Notes receivable	1,995,023,518.00	2,205,189,379.10
Accounts receivable	1,234,419,143.92	896,075,475.63
Accounts paid in advance	148,918,902.49	97,628,578.17
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable	24,734,172.24	22,932,602.74
Dividends receivable		
Other accounts receivable	6,019,382.18	9,208,180.08
Financial assets purchased under agreement to resell		
Inventories	537,014,206.48	745,412,967.52
Assets held for sale		
Non-current assets due within one year		
Other current assets	7,095,769,317.17	5,733,188,604.23
Total current assets	13,334,531,576.81	12,752,479,712.28
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	67,704,825.47	68,843,047.52
Fixed assets	1,011,578,889.10	1,019,528,291.60
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	196,212,090.32	197,521,625.03
R&D expense		
Goodwill		
Long-term deferred expenses	3,604,078.32	4,238,244.38
Deferred income tax assets	290,303,246.89	251,881,220.89
Other non-current assets	23,335,397.03	32,963,224.90
Total non-current assets	1,592,938,527.13	1,575,175,654.32
Total assets	14,927,470,103.94	14,327,655,366.60
Current liabilities:		
Short-term borrowings		
Borrowings from the Central Bank		
Money deposits accepted and inter-bank deposits		
Loans from banks and other financial institutions		
Financial liabilities measured at fair value with fair value changes included in the profit and loss for the Reporting Period		
Derivative financial liabilities		
Notes payable	2,641,011,480.49	1,953,065,274.06
Accounts payable	2,393,355,945.31	2,419,807,341.95
Accounts received in advance	933,131,410.57	1,652,908,781.44
Financial assets sold for repurchase		
Handling charges and commissions payable		
Payroll payable	165,825,125.93	248,280,716.92
Taxes and fares payable	368,638,351.07	325,108,227.91
Interest payable		

Dividends payable	5,400,652.06	5,400,652.06
Other accounts payable	195,592,427.06	171,807,137.94
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 one year		
Other current liabilities	1,813,872,599.27	1,521,734,293.24
Total current liabilities	8,516,827,991.76	8,298,112,425.52
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable	28,439,299.25	28,439,299.25
Special payables		
Estimated liabilities	9,784,866.44	9,981,021.44
Deferred income	3,282,233.28	3,395,533.29
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	41,506,398.97	41,815,853.98
Total liabilities	8,558,334,390.73	8,339,928,279.50
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserves	1,171,419,996.19	1,164,014,947.85
Less: Treasury stock		
Other composite income	46,137,716.48	34,813,284.64
Special reserves		
Surplus reserves	332,594,722.29	332,594,722.29

Provisions for general risks		
Retained profit	3,278,007,665.81	2,960,955,454.36
Total equity attributable to owners of the Company	5,460,647,864.77	5,124,866,173.14
Minority interests	908,487,848.44	862,860,913.96
Total owners' equity	6,369,135,713.21	5,987,727,087.10
Total liabilities and owners' equity	14,927,470,103.94	14,327,655,366.60

Legal representative: Fang Hongbo

Chief of the accounting work: Sun Yunan

Chief of the accounting organ: Xu Yunwei

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	1,351,465,165.65	2,092,430,579.63
Financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period		
Derivative financial assets		
Notes receivable	1,436,928,355.20	1,410,210,597.47
Accounts receivable	1,649,412,596.49	1,183,394,794.67
Accounts paid in advance	120,049,241.00	98,437,350.05
Interest receivable	23,031,679.11	18,918,219.18
Dividends receivable		
Other accounts receivable	35,426,768.41	6,351,010.17
Inventories	471,624,842.17	482,807,868.13
Assets held for sale		
Non-current assets due within one year		
Other current assets	3,928,932,394.78	3,178,113,808.28
Total current assets	9,016,871,042.81	8,470,664,227.58
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	1,306,323,041.57	1,306,323,041.57

Investment property	7,775,954.83	8,040,536.02
Fixed assets	511,595,500.42	514,950,803.50
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	94,608,892.89	95,281,467.96
R&D expense		
Goodwill		
Long-term deferred expenses	3,303,947.59	3,873,799.88
Deferred income tax assets	192,631,333.27	159,759,565.25
Other non-current assets	16,301,398.80	23,027,173.60
Total non-current assets	2,132,690,069.37	2,111,406,387.78
Total assets	11,149,561,112.18	10,582,070,615.36
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value with fair value changes included in the profit and loss for the Reporting Period		
Derivative financial liabilities		
Notes payable	1,886,946,504.88	1,519,749,295.73
Accounts payable	2,248,051,896.90	2,038,397,769.71
Accounts received in advance	624,781,491.16	1,060,643,231.20
Payroll payable	119,591,716.74	184,287,498.34
Taxes and fares payable	269,292,069.99	224,024,964.68
Interest payable		
Dividends payable	5,400,652.06	5,400,652.06
Other accounts payable	119,247,114.75	95,009,275.20
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	1,161,675,916.25	944,905,437.98
Total current liabilities	6,434,987,362.73	6,072,418,124.90
Non-current liabilities:		
Long-term borrowings		

Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Special payables		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	6,434,987,362.73	6,072,418,124.90
Owners' equity:		
Share capital	632,487,764.00	632,487,764.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserves	1,325,956,228.74	1,319,496,538.02
Less: Treasury stock		
Other composite income	22,121,764.14	13,608,826.40
Special reserves		
Surplus reserves	319,944,578.39	319,944,578.39
Retained profit	2,414,063,414.18	2,224,114,783.65
Total owners' equity	4,714,573,749.45	4,509,652,490.46
Total liabilities and owners' equity	11,149,561,112.18	10,582,070,615.36

3. Consolidated income statement

Unit: RMB

Item	January-March 2016	January-March 2015
1. Operating revenues	4,239,779,074.70	3,293,972,545.08
Including: Sales income	4,239,779,074.70	3,293,972,545.08
Interest income		
Premium income		
Handling charge and commission income		

2. Total operating costs	3,845,333,762.02	3,002,591,301.31
Including: Cost of sales	3,047,294,578.28	2,379,120,341.82
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserves		
Expenditure on policy dividends		
Reinsurance premium		
Business tax and surtaxes	25,562,733.25	17,128,541.02
Selling expenses	631,396,475.18	472,357,387.28
Administrative expenses	153,743,559.27	136,356,668.54
Financial costs	-30,693,728.10	-11,914,487.39
Asset impairment loss	18,030,144.14	9,542,850.04
Add: Profit/loss on fair value changes (“-” means loss)		-28,329.51
Profit/loss on investment (“-” means loss)	27,283,315.31	30,964,125.82
Including: Share of profit in associates and joint ventures		-75,272.28
Foreign exchange profit (“-” means loss)		
3. Operating profit (“-” means loss)	421,728,627.99	322,317,040.08
Add: Non-operating income	7,684,539.49	7,526,310.70
Including: Profit on disposal of non-current assets	99,572.65	199,564.26
Less: Non-operating expense	2,293,319.12	3,391,414.54
Including: Loss on disposal of non-current assets		1,612,104.98
4. Total profit (“-” means loss)	427,119,848.36	326,451,936.24
Less: Corporate income tax	66,073,486.70	49,288,455.12
5. Net profit (“-” means loss)	361,046,361.66	277,163,481.12
Net profit attributable to owners of the Company	317,052,211.46	242,314,468.72
Minority shareholders’ income	43,994,150.20	34,849,012.40
6. After-tax net amount of other composite income	12,551,896.48	115,185.74
After-tax net amount of other composite income attributable to owners of the Company	11,324,431.84	115,185.74
6.1 Other composite income that will not be reclassified into profit and loss		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		

6.1.2 Enjoyable share in other comprehensive income in investees that cannot be reclassified into profit and loss under the equity method		
6.2 Other composite income that will be reclassified into profit and loss	11,324,431.84	115,185.74
6.2.1 Enjoyable share in other composite income in investees that will be reclassified into profit and loss under the equity method		
6.2.2 Profit and loss on fair value changes of available-for-sale financial assets	11,325,961.79	
6.2.3 Profit and loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective hedging profit and loss on cash flow		
6.2.5 Foreign-currency financial statement translation difference	-1,529.95	115,185.74
6.2.6 Other		
After-tax net amount of other composite income attributable to minority shareholders	1,227,464.64	
7. Total composite income	373,598,258.14	277,278,666.86
Attributable to owners of the Company	328,376,643.30	242,429,654.46
Attributable to minority shareholders	45,221,614.84	34,849,012.40
8. Earnings per share		
8.1 Basic earnings per share	0.50	0.38
8.2 Diluted earnings per share	0.50	0.38

Legal representative: Fang Hongbo

Chief of the accounting work: Sun Yunan

Chief of the accounting organ: Xu Yunwei

4. Income statement of the Company

Unit: RMB

Item	January-March 2016	January-March 2015
1. Operating revenues	3,090,853,563.00	2,470,525,958.78
Less: Operating costs	2,259,939,915.08	1,847,860,647.42
Business tax and surtaxes	19,651,012.59	11,711,081.29
Selling expenses	481,965,327.52	354,864,794.58
Administrative expenses	125,466,388.65	101,692,072.59
Financial costs	-25,425,553.41	-5,537,625.27

Asset impairment loss	13,164,671.57	2,865,647.81
Add: profit/loss on fair value changes (“-” means loss)		-42,086.28
Profit/loss on investment (“-” means loss)	7,682,222.22	23,137,782.86
Including: Income form investment on associates and joint ventures		-75,272.28
2. Operating profit (“-” means loss)	223,774,023.21	180,165,036.94
Add: Non-operating income	2,209,315.20	3,253,117.90
Including: Profit on disposal of non-current assets	99,572.65	195,124.26
Less: Non-operating expense	1,374,415.91	2,655,612.33
Including: Loss on disposal of non-current assets		1,441,396.64
3. Total profit (“-” means loss)	224,608,922.50	180,762,542.51
Less: Corporate income tax	34,660,291.98	27,114,381.38
4. Net profit (“-” means loss)	189,948,630.52	153,648,161.13
5. After-tax net amount of other composite income	8,512,924.14	
5.1 Other composite income that will not be reclassified into profit and loss		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Enjoyable share in other composite income in investees that cannot be reclassified into profit and loss under the equity method		
5.2 Other composite income that will be reclassified into profit and loss	8,512,924.14	
5.2.1 Enjoyable share in other composite income in investees that will be reclassified into profit and loss under the equity method		
5.2.2 Profit and loss on fair value changes of available-for-sale financial assets	8,512,924.14	
5.2.3 Profit and loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective hedging profit and loss on cash flow		
5.2.5 Foreign-currency financial statement translation difference		
5.2.6 Other		
6. Total composite income	198,461,554.66	153,648,161.13
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	January-March 2016	January-March 2015
1. Operating cash flow:		
Cash received from sale of commodities and rendering of service	3,078,123,735.58	2,311,468,394.08
Net increase in money deposits from customers and inter-bank placements		
Net increase in loans from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment fund		
Net increase in disposal of financial assets measured at fair value with fair value changes included in the profit and loss for the Reporting Period		
Cash received from interest, handling charges and commissions		
Net increase in loans from banks and other financial institutions		
Net increase in funds in repurchase business		
Tax refunds received		22,306,916.59
Other operating cash received	29,195,276.02	16,382,898.79
Subtotal of operating cash inflow	3,107,319,011.60	2,350,158,209.46
Cash paid for goods and services	1,460,899,639.17	1,128,751,660.68
Net increase in loans and advances to customers		
Net increase in funds deposited in the Central Bank and inter-bank placements		
Cash for paying claims of original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	298,371,022.35	283,468,238.34
Taxes and fares paid	226,899,499.05	131,441,100.55
Other cash payment relating to operating activities	547,600,585.13	412,215,075.35

Subtotal of operating cash outflow	2,533,770,745.70	1,955,876,074.92
Net operating cash flow	573,548,265.90	394,282,134.54
2. Investment cash flow:		
Cash received from retraction of investments	1,895,000,000.00	1,726,000,000.00
Cash received from return on investments	27,283,315.31	31,039,398.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	116,500.00	4,440.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investment activities	20,632,286.64	
Subtotal of investment cash inflow	1,943,032,101.95	1,757,043,838.10
Cash paid to acquire fixed assets, intangible assets and other long-term assets	3,643,548.60	21,097,886.03
Cash paid for investment	3,146,000,000.00	2,451,000,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investment activities		
Subtotal of investment cash outflow	3,149,643,548.60	2,472,097,886.03
Net investment cash flow	-1,206,611,446.65	-715,054,047.93
3. Financing cash flow:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings		116,148,521.47
Cash received from issuance of bonds		
Other financing cash received		
Subtotal of financing cash inflow		116,148,521.47
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit		
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		
Sub-total of financing cash outflow		
Net financing cash flow		116,148,521.47
4. Effect of foreign exchange rate changes on cash and cash equivalents		

5. Net increase in cash and cash equivalents	-633,063,180.75	-204,623,391.92
Add: Opening balance of cash and cash equivalents	2,792,685,328.69	1,516,739,804.86
6. Closing balance of cash and cash equivalents	2,159,622,147.94	1,312,116,412.94

6. Cash flow statement of the Company

Unit: RMB

Item	January-March 2016	January-March 2015
1. Operating cash flow:		
Cash received from sale of commodities and rendering of service	1,884,113,725.72	1,466,060,466.05
Tax refunds received		4,291,106.27
Other operating cash received	17,939,349.96	7,312,358.87
Subtotal of operating cash inflow	1,902,053,075.68	1,477,663,931.19
Cash paid for goods and services	1,162,262,194.02	676,848,631.05
Cash paid to and for employees	212,137,786.99	190,585,043.67
Taxes and fares paid	155,701,868.69	71,039,924.50
Other operating cash payments	417,610,973.90	302,459,281.81
Subtotal of operating cash outflow	1,947,712,823.60	1,240,932,881.03
Net operating cash flow	-45,659,747.92	236,731,050.16
2. Investment cash flow:		
Cash received from retraction of investments	1,000,000,000.00	1,150,000,000.00
Cash received from return on investments	7,682,222.22	23,213,055.14
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	116,500.00	
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investment activities	15,104,692.20	
Subtotal of investment cash inflow	1,022,903,414.42	1,173,213,055.14
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,142,846.70	12,283,921.60
Cash paid for investment	1,586,000,000.00	1,295,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Other investment cash payments		
Subtotal of investment cash outflow	1,587,142,846.70	1,307,283,921.60
Net investment cash flow	-564,239,432.28	-134,070,866.46

3. Financing cash flow:		
Cash received from capital contributions		
Cash received as borrowings		16,404,201.00
Cash received from issuance of bonds		
Other financing cash received		
Subtotal of financing cash inflow		16,404,201.00
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit		
Other cash payments relating to financing activities		
Sub-total of financing cash outflow		
Net financing cash flow		16,404,201.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-609,899,180.20	119,064,384.70
Add: Opening balance of cash and cash equivalents	1,866,443,114.64	600,231,105.51
6. Closing balance of cash and cash equivalents	1,256,543,934.44	719,295,490.21

II Auditor's report

Is this Report audited?

Yes No

This Report is not audited.

Legal representative: Fang Hongbo

Wuxi Little Swan Company Limited

22 April 2016