

FOSHAN ELECTRICAL AND LIGHTING CO., LTD.
SEMI-ANNUAL REPORT 2016

August 2016

Section I Important Statements, Contents and Terms

The board of directors (the “Board”), the board of supervisors (the “Board of Supervisors”) as well as the directors, supervisors and senior management of Foshan Electrical and Lighting Co., Ltd. (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of the Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in the Report.

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

The Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.

He Yong, head of the Company, Liu Xingming, accounting head for the Report, and Tang Qionglan, head of the accounting organ (head of accounting), hereby guarantee that the Financial Report carried in the Report is factual, accurate and complete.

Any future plans and other forward-looking statements mentioned in the Report shall not be considered as virtual promises of the Company to investors. Therefore, investors are kindly reminded to pay attention to possible investment risks.

The 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.

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Terms

Term	Meaning
The Company, Company, FSL	Foshan Electrical and Lighting Co., Ltd.
CSRC	China Securities Regulatory Commission
SZSE	Shenzhen Stock Exchange
General Meeting	Shareholders' General Meeting of Foshan Electrical and Lighting Co., Ltd.
Board	Board of Directors of Foshan Electrical and Lighting Co., Ltd.
Board of Supervisors	Board of Supervisors of Foshan Electrical and Lighting Co., Ltd.
RMB	Renminbi
Reporting Period, Current Period	1 January 2016-30 June 2016

Section II Corporate Profile

I Corporate information

Stock name	FSL / FSL B	Stock code	000541/200541
Stock exchange	Shenzhen Stock Exchange		
Company name in Chinese	佛山电器照明股份有限公司		
Abbr. (if any)	佛山照明		
Company name in English (if any)	FOSHAN ELECTRICAL AND LIGHTING CO.,LTD		
Abbr. (if any)	FSL		
Legal representative	He Yong		

II Contact information

	Board Secretary	Securities Representative
Name	Lin Yihui	Huang Yufen
Address	No. 64, Fenjiang North Road, Chancheng District, Foshan City, Guangdong Province, P.R.China	No. 64, Fenjiang North Road, Chancheng District, Foshan City, Guangdong Province, P.R.China
Tel.	(0757) 82966062/82810239	(0757) 82966028
Fax	(0757) 82816276	(0757) 82816276
E-mail	fsl-yh@126.com	fslhyf@163.com

III Other information

1. Ways to contact the Company

Did any change occur to the registered address, office address and their postal codes, website address and email address of the Company during the Reporting Period?

Applicable Not applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

2. About information disclosure and the place where the Report is kept

Did any change occur to information disclosure media and the place where the Report is kept during the Reporting Period?

Applicable Not applicable

The newspapers designated by the Company for information disclosure, the website designated by CSRC for disclosing the Report and the location where the Report is placed did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

3. Change of the registered information

Did any change occur to the registered information during the Reporting Period?

Applicable Not applicable

The registration date and place of the Company, its business license No., taxation registration No. and organizational code did not change during the Reporting Period. The said information can be found in the 2015 Annual Report.

Section III Highlights of Accounting Data and Financial Indicators

I Major accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes No

	Reporting Period	Same period of last year	+/- (%)
Operating revenues (RMB)	1,755,670,927.44	1,524,362,786.49	15.17%
Net profit attributable to shareholders of the Company (RMB)	206,925,812.72	100,258,759.31	106.39%
Net profit attributable to shareholders of the Company after excluding exceptional profit and loss (RMB)	206,637,093.68	91,812,010.45	125.07%
Net cash flows from operating activities (RMB)	291,628,307.06	99,274,347.70	193.76%
Basic earnings per share (RMB/share)	0.1627	0.0788	106.47%
Diluted earnings per share (RMB/share)	0.1627	0.0788	106.47%
Weighted average return on equity (%)	3.94%	3.48%	0.46%
	As at the end of the Reporting Period	As at the end of last year	+/- (%)
Total assets (RMB)	6,502,583,732.09	6,048,296,432.78	7.51%
Net assets attributable to shareholders of the Company (RMB)	5,354,894,438.92	5,023,546,888.12	6.60%

II Differences in accounting data under domestic and overseas accounting standards

1. Differences in the net profit and the net assets disclosed in the financial reports prepared under international and Chinese accounting standards

Applicable Not applicable

No such differences for the Reporting Period.

2. Differences in the net profit and the net assets disclosed in the financial reports prepared under overseas and Chinese accounting standards

Applicable Not applicable

No such differences for the Reporting Period.

III Exceptional profit and loss

Applicable Not applicable

Unit: RMB

Item	Reporting Period	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	-202,838.28	
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)	77,499.96	
Profit/loss on entrusting others with investments or asset management	2,659,136.99	
Profit/loss on fair value changes of transactional financial assets and liabilities & investment income from disposal of transactional financial assets and liabilities as well as financial assets available for sale, except for effectively hedging business related to normal business operations of the Company	630,328.38	
Non-operating income and expense other than the above	-3,216,702.04	
Other profit/loss that meet the definition of exceptional profit/loss	0.00	
Less: Income tax	190,543.23	
Minority interests (after tax)	-531,837.26	
Total	288,719.04	--

Explanation of why the Company classified 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 reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable Not applicable

No such cases in the Reporting Period.

Section IV Report by the Board of Directors

I Overview

Amid a stagnant macro-economy and increasingly intense competition in the Reporting Period, our management, under the leadership of the Board, beefed up improvement and innovation of the Company so that we could keep up with market changes. We extended our product line, broke into new markets and at the same time exerted strict control over costs. As a result, our main business maintained a growing trend. For January-June 2016, we achieved operating revenues of RMB 1755.6709 million, up 15.17% from a year earlier. To be specific, LED products created sales revenue of RMB 1058.7601 million, up 42.27% from the same period of last year, while traditional lighting products generated sales revenue of RMB 684.3323 million, representing a YoY decrease of 10.84%; our domestic sales revenue stood at RMB 1160.6609 million, a 10.61% increase from the same period of last year, while our overseas sales revenue stood at RMB 582.4315 million, up 25.96% on a year-on-year basis. Our total profit stood at RMB 246.0382 million, up 97.70% year on year; and the net profit attributable to our shareholders stood at RMB 206.9258 million, representing a YoY growth of 106.39%.

What we have done in the first half of 2016:

1. Optimized the structure of our channels and cultivated new growth points

In domestic marketing, in addition to solidifying our existing channel of wholesale, we also put in a great deal of effort to develop new channels such as exclusive shop, commercial lighting, e-commerce and retail, which have brought in decent revenue. In June 2016, we set up a new division of electrical equipment, trying to create a new growth point for our future.

In overseas marketing, in face of a weak macro-economy, we continued to improve our market structure, further solidifying the advantageous markets while expanding the strategic markets and breaking into new markets. We adjusted our product and customer structure by strengthening the cooperation with heavy buyers. Also, we further enhanced the promotion of our own brands for a larger market share. In the first half of 2016, our own brand “FSL” saw a YoY surge of 172% in export revenue.

2. Beefed up R&D to create new growth points

Due to LED’s nature of a short life and fast update, we need to keep developing new products according to market needs so that our LED revenue can keep growing. In the Reporting Period, we developed 116 new product series (365 specifications) on our own, creating new growth points for revenue and profit.

3. Carried out automatic reform for better production efficiency

We have carried out automatic reform and trial production on different production lines by way of independent

improvement and purchase of external technology and equipment, which has yielded higher production efficiency, a lower labor cost and better product quality. In the second half of the year, we will popularize a mature plan for automatic reform on more production lines.

4. Strengthened management for higher profit

In face of a severe market situation, we have further improved management through improvement of various management mechanisms. As a result, our gross profit margin and profit have also increased. Through improvement and innovation in our procurement management, we have a better ability to bargain and the procurement cost has been cut down. Meanwhile, our operating efficiency has increased due to better control over the production process, inventories and accounts receivable. Keeping in mind “technology for benefits”, we have cut down our costs and increased our efficiency with our R&D results. In addition, we have also brought up our economic benefits by rational utilization of our own idle funds for better capital efficiency.

II Analysis of main business

YoY movements in major financial data

Unit: RMB

	Reporting Period	Same period of last year	YoY +/-%	Main reason for movement
Operating revenues	1,755,670,927.44	1,524,362,786.49	15.17%	
Operating costs	1,322,982,560.70	1,166,043,441.01	13.46%	
Selling expenses	73,251,807.41	82,224,380.27	-10.91%	
Administrative expenses	82,117,827.94	114,295,848.69	-28.15%	
Finance costs	-6,445,753.04	-11,207,940.80	42.49%	Decrease in exchange earnings
Corporate income tax	39,425,977.29	27,933,767.11	41.14%	Increased total profit
R&D expenses	60,464,243.71	44,480,518.51	35.93%	Increase in R&D inputs
Net cash flows from operating activities	291,628,307.06	99,274,347.70	193.76%	Increase in collected sales revenue
Net cash flows from investing activities	-429,601,884.64	-10,708,737.02	-3,911.70%	Increase in wealth management products purchased from banks
Net cash flows from financing activities	-15,935,708.57	-204,113,711.36	92.19%	Decrease in distributed cash dividends
Net increase in cash and cash equivalents	-152,952,917.79	-115,550,831.23	-32.37%	Increase in investment expenditure

Major changes to the profit structure or sources of the Company during the Reporting Period:

Applicable Not applicable

No major changes occurred to the profit structure or sources of the Company during the Reporting Period.

Reporting Period progress of the future development planning in the disclosed documents of the Company such as share-soliciting prospectuses, offering prospectuses, asset reorganization reports, etc.:

Applicable Not applicable

The Company did not mention any future planning for the Reporting Period in its disclosed documents such as share-soliciting prospectuses, offering prospectuses, asset reorganization reports, etc.

Review the progress of the previously disclosed business plan in the Reporting Period:

In the Reporting Period, according to the operating plan we drew up at the beginning of the year, we made rational arrangements and then strictly implemented them. Therefore, we achieved a good result with our main business.

In the coming months of the year, we will continue to beef up all the work at a steady pace.

III Breakdown of main business

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Operating revenue: YoY +/-%	Operating cost: YoY +/-%	Gross profit margin: YoY +/-%
By business segment						
Lighting fixtures and lamps	1,743,092,467.69	1,315,261,790.95	24.54%	15.31%	13.32%	1.32%
By product						
Lighting fixtures and lamps	1,743,092,467.69	1,315,261,790.95	24.54%	15.31%	13.32%	1.32%
Of which: traditional lighting products	684,332,323.71	495,834,028.52	27.54%	-10.84%	-10.45%	-0.32%
LED	1,058,760,143.98	819,427,762.43	22.60%	42.27%	34.99%	4.16%
By geographical segment						
Domestic	1,160,660,941.60	865,640,804.95	25.42%	10.61%	7.40%	2.23%
Overseas	582,431,526.09	449,620,986.00	22.80%	25.96%	26.76%	-0.49%

IV Core competitiveness analysis

No significant changes occurred to our core competitiveness in the Reporting Period.

V Investment analysis

1. Investments in equities of external parties

(1) Investments in external parties

√ Applicable □ Not applicable

Investments in external parties		
Investment amount in the Reporting Period (RMB)	Investment amount in the same period of last year (RMB)	+/-%
0.00	0.00	0.00%
Investees' profile		
Name of investee	Main business	Proportion of the Company's investment in the investee's total equity interests (%)
Qinghai Fozhao Lithium Energy Exploitation Co., Ltd.	Integrated development and utilization of salt lake brine resource.	38.00%
Shenzhen Zhonghao (Group) Ltd.	Electronic products, communication devices, household appliances, furniture, speakers, paper, paper products, chemicals for daily use, shoes, hats and garment; domestic commerce, material supply and marketing (excluding goods operated, sold and controlled by special entities); supervision of the self-developed projects	Lower than 5.00%
Chengdu Hongbo Industrial Co., Ltd.	Production and sale of tungsten, molybdenum, nickel and clad metal products, diamond die, thin steel strips, electric light source products, power supply products, industrial gas and special equipment; production, installation, sale, mechanic processing, vehicle repair, consulting service, sale of goods (excluding those prohibited by the government from circulating), export of products produced by it or its member companies; import of needed mechanic equipment, components, raw and auxiliary materials; processing and compensation trade	6.94%
Guoxuan High-tech Co., Ltd.	Development, manufacture and sale of lithium ion batteries and materials, batteries, motors and vehicle control systems; development, manufacture and sale of lithium ion battery emergency power supply, energy storage	8.33%

	batteries and batteries for electric tools; development, manufacture, sale and assembly of high and low voltage switches and package units, digital electric equipment, distribution network intelligent equipment and components and three box girders; development, manufacture, sale and assembly of solar power, wind power and other renewable power equipment; development, manufacture, sale and installation of energy-saving, environment-friendly electrical appliances and equipment, electrical appliances and equipment for ships; development, manufacture and sale of transformers, transformer substations, large-scale charging equipment and stations, and vehicle-mounted chargers and high-voltage compartments; import & export of its own goods and technology and import & export of other entities' goods and technology as an agency; and design and construction of city and road lighting projects.	
Foshan Fochan Road Development Company Limited	Building and operation of the Fochan (Foshan Chencun) Road	7.66%

(2) Equity-holdings in financial enterprises

√ Applicable □ Not applicable

Enterprise name	Enterprise type	Initial investment cost (RMB)	Opening equity-holdings (share)	Opening equity-holdings (%)	Closing equity-holdings (share)	Closing equity-holdings (%)	Closing book value (RMB)	Profit/loss in the Reporting Period (RMB)	Accounting title	Equity source
China Everbright Bank	Commercial bank	30,828,816.00	18,546,754	0.04%	18,546,754	0.04%	69,735,795.04	0.00	Available-for-sale financial assets	Additional issue
Xiamen Bank	Commercial bank	292,574,133.00	109,714,176	5.85%	109,714,176	5.85%	292,571,133.00	0.00	Available-for-sale financial assets	Additional issue
Foshan branch of	Commercial bank	500,000.00	229,792	Less than 5.00%	229,792	Less than 5.00%	500,000.00	0.00	Available-for-sale	Additional issue

China Guangfa Bank										financial assets	
Total		323,902,94 9.00	128,490,72 2	--	128,490,72 2	--	362,806,92 8.04	0.00	--	--	--

(3) Securities investments

√ Applicable □ Not applicable

Variety of securities	Code of securities	Name of securities	Initial investment cost (RMB)	Opening securities-holdings (share)	Opening securities-holdings (%)	Closing securities-holdings (share)	Closing securities-holdings (%)	Closing book value (RMB)	Profit/loss in the Reporting Period (RMB)	Accounting title	Securities source
Other	205007	7 Days	60,039,00 0.00						27,635.14	Transact ional financial asset	Purchase
Other	205008	14 Days	140,001,0 00.00						131,177.73	Transact ional financial asset	Purchase
Other	205010	28 Days	19,841,00 0.00						45,661.48	Transact ional financial asset	Purchase
Bond	204001	GC001	19,800,19 8.00						1,342.23	Transact ional financial asset	Purchase
Bond	204004	GC004	79,803,19 2.00						26,965.79	Transact ional financial	Purchase

										al asset	
Bond	204007	GC007	238,911,9 45.00						112,566.52	Transa ct ional financi al asset	Purchase
Bond	204014	GC014	19,901,99 0.00						23,161.39	Transa ct ional financi al asset	Purchase
Stock	300456	Navior	7,005.00						5,018.10	Transa ct ional financi al asset	Purchase
Total			578,305,3 30.00	500	--	0	--	0.00	373,528.38	--	
Disclosure date of the announcement about the board's consent for the securities investment			2014-01-23								
Disclosure date of the announcement about the general meeting's consent for the securities investment (if any)											

Note: The funds for the “pledged repo” and “reverse repo of government bonds” (“other” and “bond” in the table above) were strictly controlled within the line approved by the board, without use out of line. In order to better use the funds, we carried out repeated investment in the mature investment products above in multiple transactions. As such, the investment costs for the “other” and “bond” were their accumulative amounts which were repeatedly invested within the first quarter of 2016.

On 24 March 2016, the Eighth Board convened a third meeting, which resolved on the termination of the said securities investment since April 2016. And we no longer conducted such business in the second quarter of the year.

(4) Shareholdings in other listed companies

√ Applicable □ Not applicable

In the Reporting Period, we held 73,006,150 shares in Guoxuan High-tech Co., Ltd. (stock name: Guoxuan High-tech; stock code: 002074), representing a stake of 8.33%.

2. Cash management entrustment, derivative financial instrument investments and entrusted loans**(1) Cash management entrustment**

√ Applicable □ Not applicable

Unit: RMB'0,000

Name of trustee	Related party or not	Related transaction or not	Product type	Value of entrusted cash	Commencement date	Termination date	Way of repayment	Principals actually recovered in the Reporting Period	Amount provided for impairment (if any)	Projected earnings	Actual profit/loss in the Reporting Period
Xindache ng sub-branch of Bank of Guangzhou	Not	Not	Guaranteed principal and floating earnings	3,000	2016-04-05	2016-07-07	Principal repayment with interest upon maturity			22.17	
Foshan Dunhou sub-branch of China Construction Bank	Not	Not	Guaranteed principal and floating earnings	4,000	2016-04-05	2016-05-10	Principal repayment with interest upon maturity	4,000			9.59
Sales Department of Foshan branch of Industrial and Commercial Bank of China	Not	Not	Guaranteed principal and floating earnings	5,000	2016-04-05	2016-05-10	Principal repayment with interest upon maturity	5,000			13.42
Foshan	Not	Not	Guarantee	8,000	2016-04-	2016-05-	Principal	8,000			25.32

branch of China Minsheng Bank			d principal and floating earnings		15	20	repayment with interest upon maturity				
Guangzhou Huanshi Dong sub-branch of SPD Bank	Not	Not	Guaranteed principal and floating earnings	8,000	2016-04-08	2016-07-08	Principal repayment with interest upon maturity			58.8	
Foshan branch of Huaxia Bank	Not	Not	Guaranteed principal and floating earnings	10,000	2016-04-15	2016-07-04	Principal repayment with interest upon maturity			69.62	
Sales Department of Foshan branch of Industrial and Commercial Bank of China	Not	Not	Guaranteed principal and floating earnings	5,000	2016-05-15	2016-11-14	Principal repayment with interest upon maturity			18.58	
Foshan Jiangwan sub-branch of Ping An Bank	Not	Not	Guaranteed principal and floating earnings	3,000	2016-05-12	2016-08-11	Principal repayment with interest upon maturity			11.3	
Foshan Dunhou sub-branch of China Construction Bank	Not	Not	Guaranteed principal and floating earnings	8,000	2016-05-16	2016-11-14	Principal repayment with interest upon maturity			31.25	
Sales	Not	Not	Guarantee	3,000	2016-06-	2016-12-	Principal			5.86	

Department of Foshan branch of Industrial and Commercial Bank of China		principal and floating earnings		06	05	repayment with interest upon maturity				
Total			57,000	--	--	--	17,000		217.58	48.33
Source of entrusted cash			Our own funds							
Cumulative amount of principal and earnings overdue			0							
Lawsuits (if applicable)			N/A							
Disclosure date of the announcement about the board's consent for the cash management entrustment (if any)			2016-03-28							
Disclosure date of the announcement about the general meeting's consent for the cash management entrustment (if any)										

(2) Derivative financial instrument investments

Applicable Not applicable

No such cases in the Reporting Period.

(3) Entrusted loans

Applicable Not applicable

No such cases in the Reporting Period.

3. Use of raised funds

Applicable Not applicable

No such cases in the Reporting Period.

4. Main controlled and joint stock companies

Applicable Not applicable

Main controlled and joint stock companies:

Unit: RMB

Company	Relationship	Industry	Main	Registered	Total assets	Net assets	Operating	Operating	Net profit
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name	with the Company		products/services	capital			revenues	profit	
Foshan Chansheng Electronic Ballast Co., Ltd.	Subsidiary	Manufacture	Production and operation of electronic ballasts, electronic transformers, electronic igniters, electric light source products, equipment, fittings, electrical materials, automobile components, home appliances, socket outlets, power switches, fire-protection products, ventilation equipment and LED products. (Where approval from relevant authorities is required for an operating project according to law, it	1,000,000.00	43,702,754.65	13,807,711.03	79,251,285.62	-6,599,696.06	-5,044,920.47

			shall be obtained before operation.)						
Foshan Chanchang Electric Appliances (Gaoming) Co., Ltd.	Subsidiary	Manufacture	Producer of lamps, electric lighting products and related fittings, providing relevant installation and consulting services	72,782,944.00	106,992,542.19	100,014,580.81	25,826,877.82	53,421.66	43,965.75
Foshan Taimei Times Lamps Co., Ltd.	Subsidiary	Manufacture	R&D, production and sales of lamps, household appliances and fittings, and other electric lighting products	500,000.00	66,390,080.20	33,541,781.56	51,763,010.94	2,084,509.17	1,570,356.09
FSL New Light Source Technology Co., Ltd.	Subsidiary	Manufacture	Development and sale of electrical appliances, lighting and mechanical & electrical products; engineering design, construction and maintenance of lighting and	50,000,000.00	63,574,387.48	53,583,682.22	10,645,659.91	-8,138.48	-46,653.47

			<p>mechanical & electrical projects; design, construction and technical service for intelligent construction projects; investment, design & consulting service, construction and service for energy-saving projects; contractual energy management and technical service; energy-saving project appraisal; international trade; and development, production and sale of electric light source products.</p> <p>(Where approval from relevant authorities is required</p>					
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			for an operating project according to law, it shall be obtained before operation.)						
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	Subsidiary	Manufacture	Production of energy-saving lighting products, lamps and lighting equipments; lighting projects; energy-saving technology development and production of relevant fittings; sale of self-produced products	41,683,200.00	110,017,674.89	63,727,345.06	27,787,455.59	1,422,793.28	1,119,556.01
FSL (Xinxiang) Lighting Co., Ltd.	Subsidiary	Manufacture	Production and sale of equipments and products of electric light source; and sale of components of electric light source, related	35,418,439.76	59,349,064.06	43,874,051.70	25,844,884.01	4,576,506.31	3,323,202.43

			materials, electrical materials, automobile components , lamps and fittings						
Guangdong Fozhao Financing Lease Co., Ltd.	Subsidiary	Finance	Financing lease, lease, lease consulting and guaranty, financing lease service for new-energy automobiles & main components , energy-savi ng lighting products & projects	200,000,00 0.00	221,627,00 6.59	221,530,68 6.97	0.00	2,298,509 .80	1,723,882.35
FSL Lighting Equipment Co., Ltd.	Subsidiary	manufactur e	R&D and production of electric light source products, equipment, fittings, electrical materials, automobile components , home appliances, socket outlets, power switches, fire-protecti on	15,000,000. 00	64,480,414. 64	36,781,139. 12	73,670,084. 44	67,064.30	-360,881.70

			products, ventilation equipment, LED products, etc.; domestic trade, import and export of technology and goods						
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5. Significant projects invested with non-raised funds

Applicable Not applicable

No such cases in the Reporting Period.

VI Performance forecast for January-September 2016

Warning of possible loss or considerable YoY movement in the accumulated net profit made during the period-beginning to the end of the next reporting period, as well as the reasons

Applicable Not applicable

VII Explanation of the Board of Directors and the Board of Supervisors on the “non-standard” auditor’s report issued by the CPAs firm for the Reporting Period

Applicable Not applicable

VIII Explanation of the Board of Directors on the issues mentioned in the “non-standard” auditor’s report issued by the CPAs firm for last year

Applicable Not applicable

IX Profit distribution in the Reporting Period

Profit distribution plan implemented in the Reporting Period, especially execution and adjustment of any cash dividend plan and any plan for converting capital reserve into share capital

Applicable Not applicable

On 22 April 2016, the Preliminary Plan for Profit Distribution 2015 was considered and approved at the 2015 Annual General Meeting. According to the Plan, based on our total 1,272,132,868 shares as at the end of 2015, we would distribute a cash dividend of RMB0.125 (tax inclusive; dividends for B-shareholders paid in HKD) per 10 shares to our A-shareholders and B-shareholders. On 7 May 2016, we disclosed the Announcement on Implementation of Profit Distribution 2015, according to which the book closure day and ex-dividend day for A-shareholders were 12 May 2016 and 13 May 2016 respectively, while the last trading day, ex-dividend day and book closure day for B-shareholders were 12 May 2016, 13 May 2016 and 17 May 2016. By the end of the Reporting Period, the implementation of the profit distribution plan 2015 had been completed.

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and the resolution of the general meeting	Yes
Specific and clear dividend standard and ratio	Yes
Complete decision-making procedure and mechanism	Yes
Independent directors fulfilled their responsibilities and played their due role.	Yes
Minority shareholders have the chance to fully express their opinion and desire and their legal rights and interests were fully protected.	Yes
In adjustment or alteration of the cash dividend policy, the conditions and procedure were in compliance with regulations and transparent.	Yes

X Preliminary plan for profit distribution and converting capital reserve into share capital for the Reporting Period

Applicable Not applicable

The Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital for the first half of the year.

XI Visits paid to the Company for purposes of research, communication, interview, etc.

Applicable Not applicable

Date of visit	Place of meeting	Way of visit	Type of visitor	Visitor	Main discussion and materials provided by the Company
2016-01-28	Company building	One-to-many	Institution	China Merchants	Production and operation of

		meeting		Securities, China Southern Asset Management, Dacheng Fund, Shenzhen Senhe Asset Management	the Company
2016-03-19	Company building	One-to-many meeting	Institution	Huatai Securities, Baoying Fund, China Cinda Asset Management	Production and operation of the Company
2016-05-05	Company building	One-to-many meeting	Other	The Listed Companies Association of Guangdong, Guangdong Radio and Television, Investment Express, 30 individuals	Production and operation of the Company

Section V Significant Events

I Corporate governance

In the Reporting Period, in strict accordance with the Company Law, the Securities Law, the Code of Corporate Governance of Listed Companies, the Stock Listing Rules of Shenzhen Stock Exchange and other laws, regulations and rules, we kept improving our corporate governance structure, optimizing internal management and standardizing operation. We have formulated an organizational management system including the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the management team, which are functioning smoothly. We have also formulated our Articles of Association, the Rules of Procedure for the Shareholders' General Meeting, the Board of Directors and the Board of Supervisors, the rules of procedure for the special committees under the Board of Directors, the Working Rules for GM and some other rules, as well as internal control rules governing almost all respects in operation and management such as financial management, investment management, information disclosure, related transactions, provision of guarantees for external parties, etc., which are all effectively executed. In the Reporting Period, the actual situation of our corporate governance did not differ from the Company Law and the relevant CSRC requirements.

II Lawsuits

In March 2013, CSRC Guangdong administered an administrative punishment on the illegal information disclosure of the Company. During the period from September 2013 to May 2016, a total of 2,767 plaintiffs separately sued the Company to Guangzhou Intermediate People's Court for false securities statements, demanding civil compensations of RMB386.845 million and HKD1.328 million in total from the Company for its illegal information disclosure. From November 2014 to December 2015, Guangzhou Intermediate People's Court made judgments for 2,755 of the aforesaid cases, ruling the Company to compensate the 2,755 plaintiffs with a total of RMB182.7365 million and HKD7.3582 million and bear the legal fare of RMB3.2332 million. Currently, except for 12 pending cases (RMB2.7336 million involved) and 31 appealing plaintiffs (RMB1.3682 million involved), the judgments for all the other plaintiffs are final and effective. Up to 22 August 2016, the Company has made a total compensation of RMB 190.0978 million (legal fares inclusive) to 2715 plaintiffs (excluding the 37 rejected plaintiffs). These cases of false securities statements had an influence of RMB61.4383 million on the total profits of the Company in 2014 and RMB131.8899 million on that in 2015, and expectedly have no significant influence on the financial position of the Company for 2016.

Other lawsuits

Applicable Not applicable

III Queries raised by media

Applicable Not applicable

There were no such queries as raised by most media against the Company in the Reporting Period.

IV Bankruptcy and restructuring

Applicable Not applicable

No such cases in the Reporting Period.

V Asset transactions

1. Purchase of assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of assets

Applicable Not applicable

No such cases in the Reporting Period.

3. Business mergers

Applicable Not applicable

No such cases in the Reporting Period.

VI Implementation of equity incentive and its influence

Applicable Not applicable

No such cases in the Reporting Period.

VII Significant related transactions

1. Related transactions arising from routine operation

Applicable Not applicable

Related party	Relation with the	Type of transactions	Content of	Pricing principle	Transaction price	Transaction	As a percentage	Approved	Over the approve	Mode of settlement	Obtainable	Disclosure date	Index to the

	Company	Transaction	Transaction	Price	Amount (RMB'0,000)	Percentage of transactions of the same kind	Transaction amount (RMB'0,000)	Settlement method	Payment method	Market price for transactions of the same kind	Transaction date	Disclosure information
Prosperity Lamps & Components Limited	Corporation that holds over 5% shares of the Company	Purchasing products and receiving labor services from related party	Purchase of materials	Market price	120.58	0.11%	650	No	Remittance	120.58	2016-03-28	www.cninfo.com.cn
Prosperity Electrical (China) Co., Ltd.	Act-in-concert party of a corporation that holds over 5% shares of the Company	Purchasing products and receiving labor services from the related party	Purchase of materials	Market price	467	0.41%	1,500	No	Remittance	467.00	2016-03-28	www.cninfo.com.cn
Hangzhou Times Lighting and Electrical Co., Ltd.	Act-in-concert party of a corporation that holds over 5% shares of the Company	Purchasing products and receiving labor services from the related party	Purchase of materials	Market price	97.81	0.09%	350	No	Remittance	97.81	2016-03-28	www.cninfo.com.cn
Foshan Nantian	Under the same actual	Purchasing products	Purchase of materials	Market price	5093.54	4.47%	30,000	No	Remittance	5,093.54	2016-03-28	www.cninfo.com.cn

Optoelectronics Co., Ltd.	controller	and receiving labor service from the related party											
Guangdong Fenghua Advanced Holding Co., Ltd.	Under the same actual controller	Purchasing products and receiving labor service from the related party	Purchase of materials	Market price	295.04	295.04	0.26%	2,000	No	Remittance	295.04	2016-03-28	www.cninfo.com.cn
Prosperity Lamps & Components Limited	Corporation that holds over 5% shares of the Company	Selling products and providing labor service to the related party	Selling products	Market price	1,382.87	1,382.87	0.72%	4,200	No	Remittance	1,382.87	2016-03-28	www.cninfo.com.cn
Prosperity (Hangzhou) Lighting and Electrical Co., Ltd.	Act-in-concert party of a corporation that holds over 5% shares of the Company	Selling products and providing labor service to the related party	Selling products	Market price	6.34	6.34	0.00%	350	No	Remittance	6.34	2016-03-28	www.cninfo.com.cn
Prosperity Electrical (China)	Act-in-concert party of a corporation	Selling products and providing labor	Selling products	Market price	12.78	12.78	0.01%	120	No	Remittance	12.78	2016-03-28	www.cninfo.com.cn

Co., Ltd.	ion that holds over 5% shares of the Company	service to the related party											
OSRAM (China) Lighting Co., Ltd.	Act-in-concert party of a corporation that holds over 5% shares of the Company (for the past 12 months)	Selling products and providing labor service to the related party	Selling products	Market price	497.48	497.48	0.26%	1,300	No	Remittance	497.48	2016-03-28	www.cninfo.com.cn
Osram Asia Pacific Ltd.	Act-in-concert party of a corporation that holds over 5% shares of the Company (for the past 12 months)	Selling products and providing labor service to the related party	Selling products	Market price	548.02	548.02	0.28%	2,500	No	Remittance	548.02	2016-03-28	www.cninfo.com.cn
Shanghai Linxian Mechanical and Electric	A company with related individual in it	Selling products and providing labor service	Selling products	Market price	10.18	10.18	0.01%	70	No	Remittance	10.18	2016-03-28	www.cninfo.com.cn

al Equipm ent Co., Ltd.	as a senior executiv e	to the related party											
Foshan NationS tar Optoele ctronics Co., Ltd.	Under the same actual controll er	Selling products and providin g labor service to the related party	Selling products	Market price	14	14	0.01%	100	No	Remitta nce	14.00	2016-03 -28	www.c ninfo.c om.cn
Total				--	--	8,545.64	--	43,140	--	--	--	--	--
Details of any sales return of a large amount				Not applicable									
Give the actual situation in the Reporting Period (if any) where a forecast had been made for the total amounts of routine related-party transactions by type to occur in the Reporting Period				On 22 April 2016, the Company convened the 2015 Annual Shareholders' General Meeting, at which the Proposal on the Routine Related-party Transactions for 2016 was reviewed and approved. It was estimated that the amount of procurement from related parties in 2016 would stand at RMB345 million while the amount of sales to related parties at RMB86.4 million. In the Reporting Period, the actual amount of purchase from related parties was RMB60.7397 million and that of sale to related parties was RMB24.7166 million.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				Not applicable									

2. Related-party transactions arising from acquisition and sale of assets

Applicable Not applicable

No such cases in the Reporting Period.

3. Related-party transactions arising from joint investment in external parties

Applicable Not applicable

No such cases in the Reporting Period.

4. Credits and liabilities with related parties

Applicable Not applicable

No such cases in the Reporting Period.

5. Other related transactions

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

IX Significant contracts and fulfillment thereof

1. Trusteeship, contracting and leasing

(1) Trusteeship

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leasing

Applicable Not applicable

Particulars about the leasing:

The Company and Shanghai Jiabao Industry & Commerce (Group) Co., Ltd. (hereinafter referred to as "Shanghai Jiabao") signed the Trademark License Agreement, where Shanghai Jiabao agreed to license the Company to exclusively use its trademarks "Hu Zi" (registration No.: 100940), "Lian He" (registration No.: 100950) and "Lian He" (registration No.: 3603597) from 1 January 2014 to 31 December 2016; and the Company shall pay to Shanghai Jiabao 1% of the net sales of products produced by the Company and carrying the licensed trademarks as the license fee, but it shall not be less than RMB1 million per year (for details, see the Announcement No. 2014-002 on Signing the Trademark License Agreement disclosed on <http://www.cninfo.com.cn> dated 9 January 2014).

Any leasing event incurring gain/loss reaching more than 10% of the total profits of the Company in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

2. Guarantees provided by the Company

Applicable Not applicable

No such cases in the Reporting Period.

3. Other significant contracts

Applicable Not applicable

No such cases in the Reporting Period.

4. Other significant transactions

Applicable Not applicable

No such cases in the Reporting Period.

X Commitments made by the Company or any shareholder holding over 5% of the Company's shares in the Reporting Period or such commitments carried down into the Reporting Period

Applicable Not applicable

Commitment	Commitment maker	Contents	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform					
Commitments made in acquisition documents or shareholding alteration documents	Controlling shareholder	Electronics Group and its act-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made a commitment that within 12 months from the completion of their acquisitions, they shall not transfer or entrust others to manage the shares directly or indirectly held by them in the Company, nor shall they allow the Company to repurchase those shares, except for the case where those shares may be transferred for no compensation due to any business or asset integration with their actual controller or their actual	2015-12-04	12 months	In execution

		controller's controlled subsidiaries.			
	Controlling shareholder	Electronics Group and its act-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made a commitment that the business of Foshan NationStar Optoelectronics Co., Ltd. that is in competition with the business of the Company takes up only a small part in NationStar's total business, they shall gradually reduce or eliminate the horizontal competition as planned through business integration or other ways or arrangements within the coming 24 months.	2015-12-04	24 months	In execution
	Controlling shareholder	Electronics Group and its act-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made more commitments as follows to avoid horizontal competition with the Company: 1. They shall conduct supervision and restraint on the production and operation activities of themselves and their relevant enterprises so that besides the enterprise above that is in horizontal competition with the Company for now, if the products or business of them or their relevant enterprises become the same with or similar to those of the Company or its subsidiaries in the future, they shall take the following measures: (1) If the Company thinks necessary, they and their relevant enterprises shall reduce and wholly transfer their	2015-12-04	Long-standing	In execution

		<p>relevant assets and business; and (2) If the Company thinks necessary, it is given the priority to acquire first, by proper means, the relevant assets and business of them and their relevant enterprises. 2. All the commitments made by them to eliminate or avoid horizontal competition with the Company are also applicable to their directly or indirectly controlled subsidiaries. They are obliged to urge and make sure that other subsidiaries execute what's prescribed in the relevant document and faithfully honor all the relevant commitments. 3. If they or their directly or indirectly controlled subsidiaries break the aforesaid commitments and thus cause a loss for the Company, they shall compensate the Company on a rational basis.</p>			
	Controlling shareholder	<p>Electronics Group and its act-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made a commitment that during their direct or indirect holding of the Company's shares, they shall 1. strictly abide by the regulatory documents of the CSRC and the SZSE, the Company's Articles of Association, etc. and not harm the interests of the Company or other shareholders of the Company in their production and operation activities by taking advantage of their position as the controlling shareholder and actual</p>	2015-12-04	Long-standing	In execution

		<p>controller; 2. make sure that they or their other controlled subsidiaries, branch offices, jointly-run or associated companies (the “Relevant Enterprises” for short) will try their best to avoid or reduce related-party transactions with the Company or the Company’s subsidiaries; 3. strictly follow the market principle of justness, fairness and equal value exchange for necessary and unavoidable related-party transactions between them and their Relevant Enterprises and the Company, and withdraw from voting when a related-party transaction with them or their Relevant Enterprises is being voted on at a general meeting or a board meeting, and execute the relevant approval procedure and information disclosure duties pursuant to the applicable laws, regulations and regulatory documents. Where the aforesaid commitments are broken and a loss is thus caused for the Company, its subsidiaries or the Company’s other shareholders, they shall be obliged to compensate.</p>			
	Controlling shareholder	<p>In order to ensure the independence of the Company in business, personnel, asset, organization and finance, Electronics Group and its act-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made the following commitments: 1. They will</p>	2015-12-04	Long-standing	In execution

	<p>ensure the independence of the Company in business: (1) They promise that the Company will have the assets, personnel, qualifications and capabilities for it to operate independently as well as the ability of independent, sustainable operation in the market. (2) They promise not to intervene in the Company's business activities other than the execution of their rights as the Company's shareholders. (3) They promise that they and their related parties will not be engaged in business that is substantially in competition with the Company's business. And (4) They promise that they and their related parties will try their best to reduce related-party transactions between them and the Company; for necessary and unavoidable related-party transactions, they promise to operate fairly following the market-oriented principle and at fair prices, and execute the transaction procedure and the duty of information disclosure pursuant to the applicable laws, regulations and regulatory documents. 2. They will ensure the independence of the Company in personnel: (1) They promise that the Company's GM, deputy GMs, CFO, Company Secretary and other senior management personnel will work only for and receive remuneration from the Company, not holding any positions in them or their other</p>			
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	<p>controlled subsidiaries other than director and supervisor. (2) They promise the Company's absolute independence from their related parties in labor, human resource and salary management. And (3) They promise to follow the legal procedure in their recommendation of directors, supervisors and senior management personnel to the Company and not to hire or dismiss employees beyond the Company's Board of Directors and General Meeting. 3. They will ensure the independence and completeness of the Company in asset: (1) They promise that the Company will have a production system, a auxiliary production system and supporting facilities for its operation; legally have the ownership or use rights of the land, plants, machines, trademarks, patents and non-patented technology in relation to its production and operation; and have independent systems for the procurement of raw materials and the sale of its products. (2) They promise that the Company will have independent and complete assets all under the Company's control and independently owned and operated by the Company. And (3) They promise that they and their other controlled subsidiaries will not illegally occupy the Company's funds and assets in any way, or use the Company's assets to</p>			
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		<p>provide guarantees for the debts of themselves or their other controlled subsidiaries with. 4. They will ensure the independence of the Company in organization: (1) They promise that the Company has a sound corporate governance structure as a joint-stock company with an independent and complete organization structure. And (2) They promise that the operational and management organs within the Company will independently execute their functions according to laws, regulations and the Company's Articles of Association. And 5. They will ensure the independence of the Company in finance: (1) They promise that the Company will have an independent financial department and financial accounting system with normative, independent financial accounting rules. (2) They promise that the Company will have independent bank accounts and not share bank accounts with its related parties. (3) They promise that the Company's financial personnel do not hold concurrent positions in its related parties. (4) They promise that the Company will independently pay its tax according to law. And (5) They promise that the Company can make financial decisions independently and that they will not illegally intervene in the Company's use of its funds.</p>			
Commitments made in time					

of asset restructuring					
Commitments made in time of IPO or refinancing					
Other commitments made to minority shareholders	The Company	The profits distributed by the Company in cash every year shall not be less than 30% of the distributable profits it has achieved in the year.	2009-05-27	Long-standing	In execution
Executed in time	Yes				
Specific reasons for failing to fulfill commitments in time and plans for next step	Not applicable				

XI Engagement and disengagement of the CPAs firm

Has the semi-annual financial report been audited?

Yes No

This semi-annual report is not audited.

XII Punishments and rectifications

Applicable Not applicable

No such cases in the Reporting Period.

XIII Delisting risk due to violation of any law or regulation

Applicable Not applicable

No such cases in the Reporting Period.

XIV Other significant events

Applicable Not applicable

In the Reporting Period, Suzhou Mont Lighting Co., Ltd. (Suzhou Mont), one of our controlled subsidiaries, was sued by its creditor Suzhou LiftAll Electronics Co., Ltd. in the People's Court of Suzhou Industrial Park, requesting the Court to carry out bankruptcy liquidation on Suzhou Mont. The Court has ruled in favor of the plaintiff and appointed Jiangsu Yingyuan Law Firm as the custodian of Suzhou Mont. We have an investment of RMB24.36 million in Suzhou Mont, as well as creditor's rights of RMB14.1873 million (not yet judicially confirmed), totaling RMB38.5473 million. We had provided in full for the impairment of the said assets in 2015. Therefore, the bankruptcy and liquidation of Suzhou Mont is expected to have no significant impact on our

business results of 2016 (for details, see our Announcement on Applied Bankruptcy and Liquidation for Controlled Subsidiary Suzhou Mont Lighting Co., Ltd., Announcement on Court Acceptance of Controlled Subsidiary's Bankruptcy and Liquidation, Progress Announcement on Controlled Subsidiary's Bankruptcy and Liquidation disclosed on www.cninfo.com.cn dated 19 April 2016, 10 May 2016 and 4 June 2016 respectively).

XV Corporate bonds

Corporate bonds publicly offered and listed on the stock exchange which were undue before the approval date of the Report or were due but could not be redeemed in full

No

Section VI Share Changes and Shareholders' Profile

I Changes in shares

Unit: Share

	Before		Increase/decrease (+/-)					After	
	Number	Percentage	New issues	Bonus shares	Increase from capital reserve	Other	Subtotal	Number	Percentage
1. Restricted shares	12,655,861	0.99%				2,325	2,325	12,658,186	1.00%
1.3 Shares held by other domestic investors	4,539,832	0.36%				2,325	2,325	4,542,157	0.36%
Of which: shares held by domestic corporations	3,959,926	0.31%				-17,564	-17,564	3,942,362	0.31%
Shares held by domestic individuals	579,906	0.05%				19,889	19,889	599,795	0.05%
1.4 Shares held by foreign investors	8,116,029	0.64%						8,116,029	0.64%
Shares held by foreign individuals	8,116,029	0.64%						8,116,029	0.64%
2. Non-restricted shares	1,259,477,007	99.01%				-2,325	-2,325	1,259,474,682	99.00%
2.1 RMB ordinary shares	974,861,588	76.63%				-23,125	-23,125	974,838,463	76.63%
2.2 Domestically listed foreign shares	284,615,419	22.37%				20,800	20,800	284,636,219	22.37%
3. Total shares	1,272,132,868	100.00%						1,272,132,868	100.00%

Reasons for share changes

Applicable Not applicable

- In the Reporting Period, the ownership of 17,564 restricted shares was transferred from domestic corporations to domestic individuals.
- In the Reporting Period, some supervisors of the Company increased their shareholdings in the Company,

representing an increase of 13,125 restricted shares.

3. In the Reporting Period, the Company's shares held by some outgoing directors and senior executives were locked up and unlocked as required, resulting in a decrease of 10,800 restricted shares.

4. Due to Item 2 and 3 above, the Company's restricted shares increased by 2,325 shares in the Reporting Period.

Approval for share changes

Applicable Not applicable

Transfer of share ownership

Applicable Not applicable

Effects of share changes on the basic earnings per share, diluted earnings per share, net assets per share attributable to ordinary shareholders of the Company and other financial indicators over last year and the last reporting period

Applicable Not applicable

Other information that the Company considers necessary or is required by the securities regulatory authorities to disclose

Applicable Not applicable

Changes in the total shares, shareholder structure, asset structure and liability structure

Applicable Not applicable

II Total number of shareholders and their shareholdings

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period		83,929		Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any) (see note 8)			0	
Shareholdings of ordinary shareholders with a stake over 5% or top 10 ordinary shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of ordinary shares held at the end of the Reporting Period	Increase/decrease of shares during the Reporting Period	Number of restricted ordinary shares held	Number of non-restricted ordinary shares held	Pledged or frozen shares	
							Status	Number

Hong Kong Wah Shing Holding Company Limited	Foreign corporation	13.47%	171,360,391			171,360,391		
Prosperity Lamps & Components Limited	Foreign corporation	10.50%	133,577,143			133,577,143		
Guangdong Electronics Information Industry Group Ltd.	State-owned corporation	4.74%	60,357,728			60,357,728		
Shenzhen Rising Investment Development Co., Ltd.	State-owned corporation	4.52%	57,539,671	18002924		57,539,671		
Central Huijin Asset Management Co., Ltd.	State-owned corporation	2.42%	30,799,000			30,799,000		
DBS Vickers (Hong Kong) Ltd A/C Clients	Foreign corporation	1.85%	23,514,355			23,514,355		
Hong Kong Rising Investment Development Co., Ltd.	Foreign corporation	1.82%	23,165,684			23,165,684		
Essence International Securities (Hong Kong) Co., Ltd.	Foreign corporation	1.72%	21,931,657			21,931,657		
National Social Security Fund Portfolio 113	Other	1.25%	15,903,957			15,903,957		
New China Life Insurance Co.,	Other	0.86%	10,918,992			10,918,992		

Ltd.-Conventio nal-Common Insurance Product-018L-C T001-Shenzhen								
Strategic investor or general corporation becoming a top ten ordinary shareholder due to placing of new shares (if any) (see Note 3)	N/A							
Related or act-in-concert parties among the shareholders above	Among the top ten shareholders of the Company, Hong Kong Wah Shing Holding Company Limited, Guangdong Electronics Information Industry Group Ltd., Shenzhen Rising Investment Development Co., Ltd. and Hong Kong Rising Investment Development Co., Ltd. are act-in-concert parties. Apart from that, it is unknown whether there is among the top ten shareholders any other related parties or act-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies.							
Shareholdings of the top ten non-restricted ordinary shareholders								
Name of shareholder	Number of non-restricted ordinary shares held at the period-end	Type of shares						
		Type	Number					
Hong Kong Wah Shing Holding Company Limited	171,360,391	RMB ordinary share	171,360,391					
Prosperity Lamps & Components Limited	133,577,143	RMB ordinary share	133,577,143					
Guangdong Electronics Information Industry Group Ltd.	60,357,728	RMB ordinary share	60,357,728					
Shenzhen Rising Investment Development Co., Ltd.	57,539,671	RMB ordinary share	57,539,671					
Central Huijin Asset Management Co., Ltd.	30,799,000	RMB ordinary share	30,799,000					
DBS Vickers (Hong Kong) Ltd A/C Clients	23,514,355	Domestically listed foreign share	23,514,355					
Hong Kong Rising Investment Development Co., Ltd.	23,165,684	Domestically listed foreign share	23,165,684					
Essence International Securities (Hong Kong) Co., Ltd.	21,931,657	Domestically listed foreign share	21,931,657					
National Social Security Fund Portfolio 113	15,903,957	RMB ordinary share	15,903,957					
New China Life Insurance Co.,	10,918,992	RMB ordinary	10,918,992					

Ltd.-Conventional-Common Insurance Product-018L-CT001-Shenzhen		share	
Related or act-in-concert parties among the top 10 non-restricted ordinary shareholders as well as between the top 10 non-restricted ordinary shareholders and the top 10 ordinary shareholders	Among the top ten non-restricted shareholders of the Company, Hong Kong Wah Shing Holding Company Limited, Guangdong Electronics Information Industry Group Ltd., Shenzhen Rising Investment Development Co., Ltd. and Hong Kong Rising Investment Development Co., Ltd. are act-in-concert parties. Apart from that, it is unknown whether there is among the top ten non-restricted shareholders any other related parties or act-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies.		
Top 10 ordinary shareholders conducting securities margin trading (if any) (see Note 4)	N/A		

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea No

No such cases in the Reporting Period.

III Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

Change of the actual controller in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV Any shareholding increase plan proposed or implemented by any shareholder or its act-in-concert parties during the Reporting Period

Applicable Not applicable

Name of shareholder or its act-in-concert party	Number of shares to be increased	As a percentage in the total shares	Number of shares actually increased	As a percentage in the total shares	Initial disclosure date of the shareholding increase plan	Disclosure date of the completion of the shareholding increase
Shenzhen Rising Investment Development Co., Ltd.			18,002,924	1.42%	2016-06-06	2016-06-06

Section VII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Section VIII Directors, Supervisors and Senior Management

I Shareholding changes of directors, supervisors and senior management

√ Applicable □ Not applicable

Name	Office title	Incumbent /former	Opening shareholding (share)	Increase in the Current Period (share)	Decrease in the Current Period (share)	Closing shareholding (share)	Number of granted restricted shares at the period-beginning	Number of restricted shares granted in the Current Period	Number of granted restricted shares at the period-end
Ye Zhenghong	Supervisor	Incumbent	29,328	15,600	0	44,928	0	0	0
Zhang Xuequan	Supervisor	Incumbent	11,311	1,900	0	13,211	0	0	0
Chen Binghui	Director	Former	0	10,000	0	10,000	0	0	0
Total	--	--	40,639	27,500	0	68,139	0	0	0

II Changes in directors, supervisors and senior management

√ Applicable □ Not applicable

Name	Office title	Type of change	Date	Reason
Liu Xingming	Director	Elected	2016-04-22	Elected as a director for the eighth Board of the Company
Liu Xingming	General Manager	Hired	2016-01-26	Hired by the Board
Lin Yihui	Board Secretary	Hired	2016-01-26	Hired by the Board
Tang Qionglan	CFO	Hired	2016-01-26	Hired by the Board
Wei Bin	Vice General Manager	Hired	2016-01-26	Hired by the Board
Xie Qing	Vice General Manager	Hired	2016-01-26	Hired by the Board
Jiao Zhigang	Vice General Manager	Hired	2016-01-26	Hired by the Board
Chen Yu	Vice General Manager	Hired	2016-01-26	Hired by the Board

Xu Xiaoping	Vice General Manager	Hired	2016-01-26	Hired by the Board
Chen Binghui	Director	Left	2016-04-07	Left for personal reasons
Yin Jianchun	CFO	Left	2016-01-07	Left for personal reasons

Section IX Financial Report

I Auditor's report

Has this semi-annual report been audited?

Yes No

This semi-annual financial report has not been audited.

II Financial statements

Currency unit for the statements in the notes to these financial statements: RMB

1. Consolidated balance sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	788,093,190.58	935,241,205.20
Settlement reserve		
Interbank lendings		
Financial assets at fair value through profit/loss		51,600.00
Derivative financial assets		
Notes receivable	102,714,162.73	202,669,316.48
Accounts receivable	636,149,148.03	366,401,130.72
Accounts paid in advance	8,879,436.27	6,858,950.41
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable	6,716,920.78	3,022,646.23
Dividends receivable		
Other accounts receivable	11,989,819.94	17,313,604.14
Financial assets purchased under agreements to resell		
Inventories	467,975,082.84	559,651,928.21

Assets held for sale		
Non-current assets due within one year		
Other current assets	453,759,682.20	91,060,842.89
Total current assets	2,476,277,443.37	2,182,271,224.28
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	3,256,038,295.94	3,092,416,162.34
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	362,997.40	382,637.52
Investment property		
Fixed assets	454,154,610.43	484,436,218.17
Construction in progress	59,026,683.56	32,488,518.68
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	161,786,354.12	163,887,313.63
R&D expenses		
Goodwill		
Long-term deferred expenses		406,425.35
Deferred tax assets	48,280,480.77	42,744,728.66
Other non-current assets	46,656,866.50	49,263,204.15
Total non-current assets	4,026,306,288.72	3,866,025,208.50
Total assets	6,502,583,732.09	6,048,296,432.78
Current liabilities:		
Short-term borrowings		
Borrowings from the Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		

Notes payable		
Accounts payable	513,380,468.66	396,263,382.12
Accounts received in advance	28,879,558.31	71,531,790.37
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	70,128,051.59	72,004,987.32
Taxes and fares payable	41,755,353.76	12,969,090.31
Interest payable		
Dividends payable		
Other accounts payable	27,208,358.93	36,530,501.22
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		
Total current liabilities	681,351,791.25	589,299,751.34
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable		
Special payables		
Provisions		
Deferred income	11,124,775.06	10,722,275.02
Deferred tax liabilities	415,145,818.16	390,534,187.37
Other non-current liabilities		
Total non-current liabilities	426,270,593.22	401,256,462.39
Total liabilities	1,107,622,384.47	990,556,213.73

Owners' equity:		
Share capital	1,272,132,868.00	1,272,132,868.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	296,329,995.83	296,324,375.58
Less: Treasury shares		
Other comprehensive income	2,353,306,934.70	2,212,989,156.02
Special reserve		
Surplus reserve	628,439,107.12	628,439,107.12
Provisions for general risks		
Retained earnings	804,685,533.27	613,661,381.40
Equity attributable to owners of the Company	5,354,894,438.92	5,023,546,888.12
Minority interests	40,066,908.70	34,193,330.93
Total owners' equity	5,394,961,347.62	5,057,740,219.05
Total liabilities and owners' equity	6,502,583,732.09	6,048,296,432.78

Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	525,908,374.30	633,291,177.30
Financial assets at fair value through profit/loss		51,600.00
Derivative financial assets		
Notes receivable	96,029,717.27	200,483,728.48
Accounts receivable	680,955,435.38	387,870,578.18
Accounts paid in advance	62,695,733.29	6,258,960.70
Interest receivable	3,478,454.72	1,979,245.24
Dividends receivable		
Other accounts receivable	55,920,542.31	47,175,016.15
Inventories	443,348,628.61	540,058,085.51

Assets held for sale		
Non-current assets due within one year		
Other current assets	449,454,801.46	87,132,242.99
Total current assets	2,317,791,687.34	1,904,300,634.55
Non-current assets:		
Available-for-sale financial assets	3,256,038,295.94	3,092,416,162.34
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	417,952,937.16	417,972,577.28
Investment property		
Fixed assets	378,495,897.23	403,470,166.52
Construction in progress	57,359,104.33	32,098,207.18
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	118,228,676.53	120,554,776.71
R&D expenses		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	40,785,535.93	36,469,936.66
Other non-current assets	46,201,818.50	49,025,459.75
Total non-current assets	4,315,062,265.62	4,152,007,286.44
Total assets	6,632,853,952.96	6,056,307,920.99
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	685,091,513.03	518,615,548.53
Accounts received in advance	28,659,444.09	70,168,946.84
Payroll payable	47,269,746.34	48,921,086.93
Taxes and fares payable	36,344,395.66	2,172,775.43

Interest payable		
Dividends payable		
Other accounts payable	158,334,990.36	93,375,598.50
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	955,700,089.48	733,253,956.23
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	10,582,274.95	10,102,274.95
Deferred tax liabilities	415,145,818.16	390,534,187.37
Other non-current liabilities		
Total non-current liabilities	425,728,093.11	400,636,462.32
Total liabilities	1,381,428,182.59	1,133,890,418.55
Owners' equity:		
Share capital	1,272,132,868.00	1,272,132,868.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	293,425,065.15	293,419,444.90
Less: Treasury shares		
Other comprehensive income	2,352,492,969.56	2,212,989,156.02
Special reserve		
Surplus reserve	628,439,107.12	628,439,107.12
Retained earnings	704,935,760.54	515,436,926.40
Total owners' equity	5,251,425,770.37	4,922,417,502.44

Total liabilities and owners' equity	6,632,853,952.96	6,056,307,920.99
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Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

3. Consolidated income statement

Unit: RMB

Item	Reporting Period	Same period of last year
1. Operating revenues	1,755,670,927.44	1,524,362,786.49
Including: Sales income	1,755,670,927.44	1,524,362,786.49
Interest income		
Premium income		
Fee and commission income		
2. Operating costs	1,520,011,395.30	1,409,903,896.94
Including: Cost of sales	1,322,982,560.70	1,166,043,441.01
Interest expenses		
Fee and commission expenses		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Business tax and surtaxes	12,251,578.46	11,924,833.78
Selling expenses	73,251,807.41	82,224,380.27
Administrative expenses	82,117,827.94	114,295,848.69
Finance costs	-6,445,753.04	-11,207,940.80
Asset impairment loss	35,853,373.83	46,623,333.99
Add: Profit on fair value changes ("-" means loss)		1,272,770.46
Return on investment ("-" means loss)	13,720,747.77	20,709,165.82
Including: Share of profit/loss of associates and joint ventures	-19,640.12	-1,208.40
Foreign exchange profit ("-" means loss)		
3. Operating profit ("-" means loss)	249,380,279.91	136,440,825.83

Add: Non-operating income	1,575,016.58	2,944,702.35
Including: Profit on disposal of non-current assets	20,253.97	6,114.53
Less: Non-operating expense	4,917,056.94	14,936,164.15
Including: Loss on disposal of non-current assets	223,092.25	397,124.46
4. Total profit (“-” means loss)	246,038,239.55	124,449,364.03
Less: Corporate income tax	39,425,977.29	27,933,767.11
5. Net profit (“-” means loss)	206,612,262.26	96,515,596.92
Net profit attributable to owners of the Company	206,925,812.72	100,258,759.31
Minority interests’ income	-313,550.46	-3,743,162.39
6. After-tax net amount of other comprehensive income	140,317,778.68	1,395,836,581.16
After-tax net amount of other comprehensive income attributable to owners of the Company	140,317,778.68	1,395,836,581.16
6.1 Other comprehensive income that will not be reclassified into profit/loss		
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 profit/loss under the equity method		
6.2 Other comprehensive income to be subsequently reclassified into profit/loss	140,317,778.68	1,395,836,581.16
6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
6.2.2 Profit/loss on fair value changes of available-for-sale financial assets	139,503,813.54	1,395,836,581.16
6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective profit/loss on		

cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other	813,965.14	
After-tax net amount of other comprehensive income attributable to minority interests		
7. Total comprehensive income	346,930,040.94	1,492,352,178.08
Attributable to owners of the Company	347,243,591.40	1,496,095,340.47
Attributable to minority interests	-313,550.46	-3,743,162.39
8. Earnings per share		
8.1 Basic earnings per share	0.1627	0.0788
8.2 Diluted earnings per share	0.1627	0.0788

Where business mergers under the same control occurred in the Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB0.00, with the corresponding amount for the last period being RMB0.00.

Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

4. Income statement of the Company

Unit: RMB

Item	Reporting Period	Same period of last year
1. Operating revenues	1,782,457,216.14	1,549,599,454.38
Less: Operating costs	1,355,707,509.94	1,213,318,424.48
Business tax and surtaxes	7,825,502.47	7,609,200.08
Selling expenses	72,636,241.42	79,948,452.69
Administrative expenses	82,409,260.52	91,564,361.63
Finance costs	-3,798,619.84	-7,145,592.94
Asset impairment loss	35,788,227.78	43,024,657.06
Add: profit on fair value changes (“-” means loss)		1,272,770.46
Return on investment (“-” means loss)	13,720,747.77	20,709,165.82
Including: Share of profit/loss of associates and joint ventures	-19,640.12	-1,208.40
2. Operating profit (“-” means loss)	245,609,841.62	143,261,887.66
Add: Non-operating income	1,389,423.13	2,326,541.73
Including: Profit on disposal of	9,401.71	6,114.53

non-current assets		
Less: Non-operating expense	3,736,581.73	14,835,525.95
Including: Loss on disposal of non-current assets	193,011.74	296,633.20
3. Total profit (“-” means loss)	243,262,683.02	130,752,903.44
Less: Corporate income tax	37,862,188.03	27,382,328.01
4. Net profit (“-” means loss)	205,400,494.99	103,370,575.43
5. After-tax net amount of other comprehensive income	139,503,813.54	1,395,836,581.16
5.1 Other comprehensive 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 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
5.2 Other comprehensive income to be subsequently reclassified into profit/loss	139,503,813.54	1,395,836,581.16
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
5.2.2 Profit/loss on fair value changes of available-for-sale financial assets	139,503,813.54	1,395,836,581.16
5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective profit/loss on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	344,904,308.53	1,499,207,156.59
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

5. Consolidated cash flow statement

Unit: RMB

Item	Reporting Period	Same period of last year
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,547,557,182.88	1,345,802,227.80
Net increase in money deposits from customers and interbank 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 at fair value through profit/loss		
Interest, fees and commissions received		
Net increase in interbank borrowings		
Net increase in funds in repurchase business		
Tax refunds received	44,239,351.38	23,274,910.75
Cash received from other operating activities	15,057,708.67	13,548,303.57
Subtotal of cash inflows from operating activities	1,606,854,242.93	1,382,625,442.12
Cash paid for goods and services	850,216,733.93	821,473,245.91
Net increase in loans and advances to customers		
Net increase in funds deposited in the 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	290,038,390.79	278,388,347.81
Taxes and fares paid	92,793,562.26	87,254,513.50
Cash paid for other operating activities	82,177,248.89	96,234,987.20
Subtotal of cash outflows from operating activities	1,315,225,935.87	1,283,351,094.42
Net cash flows from operating activities	291,628,307.06	99,274,347.70
2. Cash flows from investing activities:		
Cash received from retraction of investments	7,005.00	5,059,989.08
Cash received as return on investments	11,852,333.55	21,210,374.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	73,000.00	37,188.00
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	11,932,338.55	26,307,551.52
Cash paid to acquire fixed assets, intangible assets and other long-term assets	33,994,345.07	37,016,288.54
Cash paid for investment	400,000,000.00	
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities	7,539,878.12	
Subtotal of cash outflows from investing activities	441,534,223.19	37,016,288.54
Net cash flows from investing activities	-429,601,884.64	-10,708,737.02
3. Cash flows from financing activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings		

Cash received from issuance of bonds		
Cash received from other financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	15,935,708.57	204,113,711.36
Including: dividends or profit paid by subsidiaries to minority interests		
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	15,935,708.57	204,113,711.36
Net cash flows from financing activities	-15,935,708.57	-204,113,711.36
4. Effect of foreign exchange rate changes on cash and cash equivalents	956,368.36	-2,730.55
5. Net increase in cash and cash equivalents	-152,952,917.79	-115,550,831.23
Add: Opening balance of cash and cash equivalents	933,546,108.37	989,718,395.60
6. Closing balance of cash and cash equivalents	780,593,190.58	874,167,564.37

Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

6. Cash flow statement of the Company

Unit: RMB

Item	Reporting Period	Same period of last year
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,583,633,686.90	1,295,186,863.29
Tax refunds received	44,239,351.38	23,117,146.79
Cash received from other operating activities	11,425,998.07	10,252,907.40
Subtotal of cash inflows from operating activities	1,639,299,036.35	1,328,556,917.48
Cash paid for goods and services	1,070,690,628.68	999,081,013.91
Cash paid to and for employees	118,971,583.13	115,370,248.82

Taxes and fares paid	42,416,995.71	36,865,141.68
Cash paid for other operating activities	80,203,151.06	89,721,510.45
Subtotal of cash outflows from operating activities	1,312,282,358.58	1,241,037,914.86
Net cash flows from operating activities	327,016,677.77	87,519,002.62
2. Cash flows from investing activities:		
Cash received from retraction of investments	7,005.00	5,059,989.08
Cash received as return on investments	11,852,333.55	21,210,374.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	14,000.00	17,188.00
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	11,873,338.55	26,287,551.52
Cash paid to acquire fixed assets, intangible assets and other long-term assets	31,293,478.92	34,075,558.41
Cash paid for investment	400,000,000.00	
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities	7,500,000.00	
Subtotal of cash outflows from investing activities	438,793,478.92	34,075,558.41
Net cash flows from investing activities	-426,920,140.37	-7,788,006.89
3. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received as borrowings		
Cash received from issuance of bonds		
Cash received from other financing activities		
Subtotal of cash inflows from financing activities		

Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	15,935,708.57	204,113,711.36
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	15,935,708.57	204,113,711.36
Net cash flows from financing activities	-15,935,708.57	-204,113,711.36
4. Effect of foreign exchange rate changes on cash and cash equivalents	956,368.17	-17,425.20
5. Net increase in cash and cash equivalents	-114,882,803.00	-124,400,140.83
Add: Opening balance of cash and cash equivalents	633,291,177.30	685,652,777.19
6. Closing balance of cash and cash equivalents	518,408,374.30	561,252,636.36

Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

7. Consolidated statement of changes in owners' equity

Reporting Period

Unit: RMB

Item	Reporting period												
	Equity attributable to owners of the Company											Total owners' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings		Minority interests
Preference shares		Perpetual bonds	Other										
1. Balance at the end of the prior year	1,272,132,868.00				296,324,375.58		2,212,989,156.02		628,439,107.12		613,661,381.40	34,193,330.93	5,057,740,219.05
Add: Changes in accounting policies													
Correction of errors in prior periods													
Business													

mergers under the same control													
Other													
2. Balance at the beginning of the year	1,272,132,868.00				296,324,375.58		2,212,989,156.02		628,439,107.12		613,661,381.40	34,193,330.93	5,057,740,219.05
3. Increase/decrease in the period (“-” means decrease)					5,620.25		140,317,778.68				191,024,151.87	5,873,577.77	337,221,128.57
3.1 Total comprehensive income							140,317,778.68				206,925,812.72	-313,550.46	346,930,040.94
3.2 Capital increased and reduced by owners												6,187,128.23	6,187,128.23
3.2.1 Ordinary shares increased by shareholders													
3.2.2 Capital increased by holders of other equity instruments													
3.2.3 Amounts of share-based payments charged to owners' equity													
3.2.4 Other												6,187,128.23	6,187,128.23
3.3 Profit distribution												-15,901,660.85	-15,901,660.85
3.3.1 Appropriation to surplus reserve													
3.3.2 Appropriation to general risk provisions													
3.3.3 Appropriation to owners (or												-15,901,660.85	-15,901,660.85

shareholders)													
3.3.4 Other													
3.4 Internal carry-forward of owners' equity													
3.4.1 New increase of capital (or share capital) from capital reserve													
3.4.2 New increase of capital (or share capital) from surplus reserve													
3.4.3 Surplus reserve for making up loss													
3.4.4 Other													
3.5 Special reserve													
3.5.1 Withdrawn for the period													
3.5.2 Used in the period													
3.6 Other					5,620.25								5,620.25
4. Closing balance	1,272,132,868.00				296,329,995.83		2,353,306,934.70		628,439,107.12		804,685,533.27	40,066,908.70	5,394,961,347.62

Same period of last year

Unit: RMB

Item	Same period of last year												Total owners' equity
	Equity attributable to owners of the Company											Minority interest	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Specific reserve	Surplus reserve	General risk reserve	Retained earnings		
	Preference shares	Perpetual bonds	Other										
1. Balance at the end of the prior year	978,563,745.				589,892,717.59		72,150,338.69		626,168,440.86		777,810,478.44	49,914,198.66	3,094,499,919.

	00											24
Add: Changes in accounting policies												
Correction of errors in prior periods												
Business mergers under the same control												
Other												
2. Balance at the beginning of the year	978,563,745.00			589,892,717.59		72,150,338.69		626,168,440.86		777,810,478.44	49,914,198.66	3,094,499,919.24
3. Increase/decrease in the period (“-” means decrease)	293,569,123.00			-293,568,342.01		2,140,838,817.33		2,270,666.26		-164,149,097.04	-15,720,867.73	1,963,240,299.81
3.1 Total comprehensive income						2,140,838,817.33				53,405,593.12	-15,720,867.73	2,178,523,542.72
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by shareholders												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Amounts of share-based payments charged to owners' equity												
3.2.4 Other												
3.3 Profit distribution								2,270,666.26		-217,554,690.16		-215,284,023.90
3.3.1								2,270,666.26		-2,270,666.26		0.00

Appropriation to surplus reserve								66.26		66.26				
3.3.2 Appropriation to general risk provisions														
3.3.3 Appropriation to owners (or shareholders)										-215,284,023.90		-215,284,023.90		
3.3.4 Other														
3.4 Internal carry-forward of owners' equity	293,569,123.00											0.00		
3.4.1 New increase of capital (or share capital) from capital reserve	293,569,123.00											0.00		
3.4.2 New increase of capital (or share capital) from surplus reserve														
3.4.3 Surplus reserve for making up loss														
3.4.4 Other														
3.5 Special reserve														
3.5.1 Withdrawn for the period														
3.5.2 Used in the period														
3.6 Other					780.99							780.99		
4. Closing balance	1,272,132,868.00				296,324,375.58			2,212,989,156.02		628,439,107.12		613,661,381.40	34,193,330.93	5,057,740,219.05

Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

8. Statement of changes in owners' equity of the Company

Reporting Period

Unit: RMB

Item	Reporting Period										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Other							
1. Balance at the end of the prior year	1,272,132,868.00				293,419,444.90		2,212,989,156.02		628,439,107.12	515,436,926.40	4,922,417,502.44
Add: Changes in accounting policies											
Correction of errors in prior periods											
Other											
2. Balance at the beginning of the year	1,272,132,868.00				293,419,444.90		2,212,989,156.02		628,439,107.12	515,436,926.40	4,922,417,502.44
3. Increase/decrease in the period ("-" means decrease)					5,620.25		139,503,813.54			189,498,834.14	329,008,267.93
3.1 Total comprehensive income							139,503,813.54			205,400,494.99	344,904,308.53
3.2 Capital increased and reduced by owners											
3.2.1 Ordinary shares increased by shareholders											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Amounts of share-based											

payments charged to owners' equity											
3.2.4 Other											
3.3 Profit distribution									-15,901,660.85	-15,901,660.85	
3.3.1 Appropriation to surplus reserve											
3.3.2 Appropriation to owners (or shareholders)									-15,901,660.85	-15,901,660.85	
3.3.3 Other											
3.4 Internal carry-forward of owners' equity											
3.4.1 New increase of capital (or share capital) from capital reserve											
3.4.2 New increase of capital (or share capital) from surplus reserve											
3.4.3 Surplus reserve for making up loss											
3.4.4 Other											
3.5 Special reserve											
3.5.1 Withdrawn for the period											
3.5.2 Used in the period											
3.6 Other					5,620.25						5,620.25
4. Closing balance	1,272,132,868.00				293,425,065.15		2,352,492,969.56		628,439,107.12	704,935,760.54	5,251,425,770.37

Same period of last year

Unit: RMB

Item	Same period of last year										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total owners' equity
		Preference shares	Perpetual bonds	Other							
1. Balance at the end of the prior year	978,563,745.00				586,987,786.91		72,150,338.69		626,168,440.86	710,284,953.94	2,974,155,265.40
Add: Changes in accounting policies											
Correction of errors in prior periods											
Other											
2. Balance at the beginning of the year	978,563,745.00				586,987,786.91		72,150,338.69		626,168,440.86	710,284,953.94	2,974,155,265.40
3. Increase/decrease in the period ("-" means decrease)	293,569,123.00				-293,568,342.01		2,140,838,817.33		2,270,666.26	-194,848,027.54	1,948,262,237.04
3.1 Total comprehensive income							2,140,838,817.33			22,706,662.62	2,163,545,479.95
3.2 Capital increased and reduced by owners											
3.2.1 Ordinary shares increased by shareholders											
3.2.2 Capital increased by holders of other equity instruments											
3.2.3 Amounts of share-based payments charged to owners' equity											
3.2.4 Other											
3.3 Profit									2,270,666	-217,55	-215,284,

distribution									.26	4,690.16	023.90
3.3.1 Appropriation to surplus reserve									2,270,666.26	-2,270,666.26	0.00
3.3.2 Appropriation to owners (or shareholders)										-215,284,023.90	-215,284,023.90
3.3.3 Other											
3.4 Internal carry-forward of owners' equity	293,569,123.00				-293,569,123.00						0.00
3.4.1 New increase of capital (or share capital) from capital reserve	293,569,123.00				-293,569,123.00						0.00
3.4.2 New increase of capital (or share capital) from surplus reserve											
3.4.3 Surplus reserve for making up loss											
3.4.4 Other											
3.5 Special reserve											
3.5.1 Withdrawn for the period											
3.5.2 Used in the period											
3.6 Other					780.99						780.99
4. Closing balance	1,272,132,868.00				293,419,444.90	2,212,989,156.02			628,439,107.12	515,436,926.40	4,922,417,502.44

Legal representative: He Yong

Accounting head for the Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

III. Company profile

1. Overview of the Company

Foshan Electrical & Lighting Co., Ltd. (hereinafter referred to as "the Company"), a joint-stock limited company

jointly founded by Foshan Electrical and Lighting Company, Nanhai Wuzhuang Color Glazed Brick Field, and Foshan Poyang Printing Industrial Co. on October 20, 1992 by raising funds under the approval of YGS (1992) No. 63 Document issued by the Joint Examination Group for Experimental Enterprises in Stock System of Guangdong Province and the Economic System Reform Commission of Guangdong Province, is an enterprise with its shares held by both the corporate and the natural persons. As approved by China Securities Regulatory Commission with Document (1993) No. 33, the Company publicly issued 19.3 million shares of social public shares (A shares) to the public in October 1993, and was listed in Shenzhen Stock Exchange for trade on November 23, 1993. The Company was approved to issue 50,000,000 B shares on July 23, 1995. And, as approved to change into a foreign-invested stock limited company on August 26, 1996 by (1996) WJMZEHZ No. 466 Document issued by the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China. On December 11, 2000, as approved by China Securities Regulatory Commission with ZJGS Zi [2000] No. 175 Document, the Company additionally issued 55,000,000 A shares. At approved by the Shareholders' General Meeting 2006, 2007 and 2008, the Company implemented the plan of capitalization of capital reserve, after the transfer, the registered capital of the Company has increased to RMB1,272,132,868.00. The unified social credit code of the Company was "91440000190352575W".

Legal representative: Mr. He Yong

Address: No. 64, Fenjiang North Road, Foshan, Guangdong Province

2. Business Scope of the Company

R&D and production of electro-optical source products, electro-optical source equipment and electro-optical accessories, raw materials of electric light sources, lamps & fittings, electrical materials, motorcycle components, household appliances, electric switches, electrical outlets, fire control products, ventilation devices, LED products, lithium ion batteries and relevant materials; domestic and overseas sale of the aforesaid products; relevant engineering consulting services. (Where a license is required, it must be obtained according to the government's rules before operation.)

3. Consolidation financial statement scope

The consolidation scope of the financial statement including the Company and the 9 subordinate subsidiaries such as Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd., Foshan Chansheng Electronic Ballast Co., Ltd., Foshan Taimei Times Lamps and Lanterns Co., Ltd., Nanjing Fozhao Lighting Components Co., Ltd., FSL (Xinxiang) Lighting Co., Ltd., Foshan Electrical and Lighting New Light Source Technology Co., Ltd., Guangdong Fozhao Leasing Co., Ltd., and Foshan Lighting Lamps & Components Co., Ltd, Suzhou Mont Lighting Co., Ltd.

As per the Accounting Standards for Business Enterprises, Suzhou Mont Lighting Co., Ltd. (Suzhou Mont) was sued by its creditor Suzhou LiftAll Electronics Co., Ltd. in the People's Court of Suzhou Industrial Park, requesting the Court to carry out bankruptcy liquidation on Suzhou Mont. The Court ruled in favor of the plaintiff on 9 May 2016 and appointed Jiangsu Yingyuan Law Firm as the custodian of Suzhou Mont on 3 June 2016. Therefore, for the Reporting Period, only the income statement and cash flow statement of Suzhou Mont are included in our consolidated statements.

4. Approval and Issue of the Financial Report

The Financial Report was approved and authorized for issue by the Board of Directors on 23 August 2016.

IV. Basis for preparation of financial statements

1. Preparation basis

With the going-concern assumption as the basis and based on transactions and other events that actually occurred, the Group prepared financial statements in accordance with the Application Guidance of Accounting Standards for Business Enterprises, the Interpretation of Accounting Standards for Business Enterprises and other regulations issued and revised from 15 February 2006 onwards (hereinafter jointly referred to as “the Accounting Standards for Business Enterprises”, “China Accounting Standards” or “CAS”).

2. Continuation

There will be no such events or situations in the 12 months from the end of the reporting period that will cause material doubts as to the continuation capability of the Company.

V. Important accounting policies and estimations

Reminders of the specific accounting policies and accounting estimations:

Naught

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Group are in compliance with in compliance with the Accounting Standards for Business Enterprises, which factually and completely present the Company’s, and the Group’s financial positions as at 31 December 2014, business results and cash flows for the year of 2014, and other relevant information.

2. Fiscal Year

A fiscal year starts on 1 January and ends on 31 December according to the Gregorian calendar.

3. Operating cycle

A normal operating cycle refers to a period from the Group purchasing assets for processing to realizing cash or cash equivalents. An operating cycle for the Group is 12 months, which is also the classification criterion for the liquidity of its assets and liabilities.

4. Recording Currency

Renminbi is the recording currency for the Company.

5. Accounting treatment methods for business combinations under the same control or not under the same control

(1) Business combinations under the same control

A business combination under the same control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or the same parties both before and after the business combination and on which the control is not temporary. In a business combination under the same control, the

party which obtains control of other combining enterprise(s) on the combining date is the combining party, the other combining enterprise(s) is (are) the combined party. The “combining date” refers to the date on which the combining party actually obtains control on the combined party.

The assets and liabilities that the combining party obtains in a business combination shall be measured on the basis of their carrying amount in the combined party on the combining date. As for the balance between the carrying amount of the net assets obtained by the combining party and the carrying amount of the consideration paid by it (or the total par value of the shares issued), the additional paid-in capital (share premium) shall be adjusted. If the additional paid-in capital (share premium) is not sufficient to be offset, the retained earnings shall be adjusted. Consolidation date is the date that the combine party actually acquired the control right on the combined party.

(2) Business combinations not under the same control

A business combination not under the same control is a business combination in which the combining enterprises are not ultimately controlled by the same party or the same parties both before and after the business combination.

Among a business combination not under the same control, for the Intermediary fee and other relevant management expenses such as the expenses for audit, legal services and assessment, and other administrative expenses of the purchase party, which are recorded into the profits and losses in the current period; The trading expenses for the equity securities or debt securities issued by the acquirer as the combination consideration shall be recorded into the amount of initial measurement of the equity securities or debt securities. As for the difference between the fair value of the paid assets and its book value, should be included in the current gains and losses. Purchase date refers to the date that the combine party actually acquired the control right on the combined party.

The purchase party executes the distribution of the combined cost on the purchase date and recognizes the fair value of each identifiable assets, liabilities or contingent liabilities acquired from the purchased party. The acquirer shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquiree as business reputation; the difference that the combined cost smaller than the fair value of the identifiable net assets acquired from the purchased party should be included in the gains and losses.

6. Methods for preparing consolidated financial statements

(1) Principle for determining the consolidation scope

Recognize the consolidation scope of the consolidated financial statements based on control and the special purpose entities controlled by the parent company are also included in the consolidation scope of the consolidated financial statements. Exemption clause: if the parent company is the investment entity and without any subsidiary that provides the relevant service for the investment activities, should not compile the consolidated financial statements.

(2) Adopted accounting methods of the consolidated statements

The Company includes the subsidiaries and the special purpose entities with actual control rights into the scope of the consolidated financial statements.

The Company compiles the consolidated financial statement according to the No. 33 of ASBE-Consolidated Financial Statement and the relevant regulations and offset all the significant internal transactions and contracts within the consolidation scope when merger. Among the shareholders equity of the subsidiaries which not attributed to the part that owned by the parent company, should be individually listed under the shareholders' equity of the consolidated financial statement as the minority shareholders' equity.

The financial statements of subsidiaries are necessary adjusted in accordance with the accounting policies and accounting period of the Group during the preparation of the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Group and subsidiaries when compiling the consolidated financial statements.

As for the subsidiaries acquired from the enterprise combine not under the same control, the individual financial statement should be adjusted based on the fair value of the identifiable net assets on the purchase date when compiling the consolidated financial statements; as for the subsidiaries acquired from the enterprise combine under the same control, should be regarded as exist as the current state when each involved combine party starting to execute the control in the ultimate control party, and should include the assets, liabilities, operating results and the cash flow in the consolidated financial statements since the year-begin of the combine period and to adjust the previous compared financial statement according to the above principles.

When the disposing the subsidiary during the reporting period, should include the operating results and the cash flow from the period-begin to the disposing date into the consolidated financial statement of the subsidiaries.

7. Classification of joint arrangements and accounting treatment of joint operations

A joint arrangement refers to an arrangement jointly controlled by two participants or above and be divided into joint operations and joint ventures.

When the Company is the joint venture party of the joint operations, should recognize the following items related to the interests share of the joint operations:

- (1) Recognize the assets individually held and the assets jointly held by recognizing according to the holding share;
- (2) Recognize the liabilities undertook individually and the liabilities jointly held by recognizing according to the holding share;
- (3) Recognize the revenues occurred from selling the output share of the joint operations enjoy by the Company;
- (4) Recognize the revenues occurred from selling the assets of the joint operations according to the holding share;
- (5) Recognize the expenses individually occurred and the expenses occurred from the joint operations according to the holding share of the Company.

When the Company is the joint operation party of the joint ventures, should recognize the investment of the joint ventures as the long-term equity investment and be measured according to the said methods of the notes of the long-term equity investment of the financial statement.

8. Recognition standard for cash and cash equivalents

In the Group's understanding, cash and cash equivalents include cash on hand, any deposit that can be used for cover, and short-term (usually due within 3 months since the day of purchase) and high circulating investments, which are easily convertible into known amount of cash and whose risks in change of value are minimal.

9. Foreign currency and accounting method for foreign currency

(1) Foreign currency business

Foreign currency shall be recognized by employing systematic and reasonable methods, and shall be translated into the amount in the functional currency at the exchange rate which is approximate to the spot exchange rate of the transaction date. On the balance sheet date, the foreign currency monetary items shall be translated at the spot exchange rate. The balance of exchange arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or prior to the balance sheet date shall be recorded into the profits and losses at the current period except that the balance of exchange arising from foreign currency borrowings for the purchase and construction or production of qualified assets shall be capitalized. The foreign currency non-monetary items measured at the historical cost shall still be translated at the spot exchange rate on the transaction date.

(2) Translation of foreign currency financial statements

The asset and liability items in the balance sheets shall be translated at a spot exchange rate on the balance sheet date. Among the owner's equity items, except for the items as "undistributed profits", other items shall be translated at the spot exchange rate at the time when they are incurred. The revenues and the expenses items of the income statement should be translated according to the spot rate on the exchange date. The difference of the foreign currency financial statements occurred from the above translation should be listed under the "other comprehensive income" item of the owners' equity of the consolidated financial statement. As for the foreign currency items which actually form into the net investment of the foreign operation, the exchange difference occurred from the exchange rate changes should be listed under the "other comprehensive income" of the owners' equity among the consolidated financial statement when compile the consolidated financial statement. When disposing the foreign operation, as for the discounted difference of the foreign financial statement related to the foreign operation should be transferred in the current gains and losses according to the proportion. The foreign cash flow adopts the spot exchange rate on the occurring date of the cash flow. And the influenced amount of the exchange rate changes should be individually listed among the cash flow statement.

10. Financial instruments

(1) Classification, recognition and measurement of financial assets

Financial assets shall be classified into the following four categories when they are initially recognized: financial assets measured at fair value and of which variations are recorded in the profits and losses for the current period, loans and the account receivables, financial assets available for sale and the investments which will be held to their maturity.

① Financial assets measured at fair value and of which variations are recorded in the profits and losses for the current period refer to financial assets held by the Company for the purpose of selling in the near future, including transactional financial assets, or financial assets designated by the management in the initial recognition to be measured at fair value with variations recorded in the gains and losses for the current period. Financial assets measured at fair value and of which variations are recorded in the profits and losses for the current period are subsequently measured at their fair values. Interest or cash dividends arising from such assets during the holding period are recognized as investment gains. Gains or losses arising from fair value changes are recorded in the gains and losses for the current period at the end of the reporting period. When such assets are disposed, the difference between their fair values and initially recognized amounts is recognized as investment gains and the gains and losses arising from fair value changes are adjusted accordingly.

② Loan and accounts receivable: the non-derivative financial assets for which there is no quoted price in the active market and of which the recoverable amount is fixed or determinable shall be classified as loan and accounts receivable. The Company shall make subsequent measurement on its loan and accounts receivable on the basis of the post-amortization costs by adopting the actual interest rate, from which gains and losses, when loan and accounts receivable are terminated from recognizing, or are impaired or amortized, shall be recorded into the profits and losses of the current period.

③ Available-for-sale Financial Assets: the non-derivative financial assets which are designated as available-for-sale financial assets when they are initially recognized as well as the non-derivative financial assets other than loans and accounts receivables, investments held until their maturity; and transaction financial assets. The Company shall make subsequent measurement on available-for-sale financial assets at fair value and recognize the interests or the cash bonus acquired the holding period as the investment income, as well as directly include the profits or losses formed by the changes of the fair value into the owners' equity at the period-end, until the said financial assets shall be transferred out when they are terminated from recognizing or are impaired, which shall be recorded into the profits and losses of current period.

④ Held-to-maturity Investments: non-derivative financial asset with a fixed date of maturity, a fixed or determinable recoverable amount and which the Company's management holds for a definite purpose or the Company's management is able to hold until its maturity. The Company shall make subsequent measurement on its Held-to-maturity Investments on the basis of the post-amortization costs by adopting the actual interest rate, from which gains and losses, when loan and accounts receivable are terminated from recognizing, or are impaired or amortized, shall be recorded into the profits and losses of the current period.

(2) Classification, Recognition and Measurement of Financial Liabilities

Financial liabilities shall be classified into the following two categories when they are initially recognized: (1) the

transactional financial liabilities; and (2) other financial liabilities. The financial liabilities initially recognized by the Company shall be measured at their fair values. For the transactional financial liabilities, the transaction expenses thereof shall be directly recorded into the profits and losses of the current period; for other categories of financial liabilities, the transaction expenses thereof shall be included into the initially recognized amount.

① As for the financial liabilities measured by fair value and its changes be included in the current gains and losses, which including trading financial liabilities and the financial liabilities be appointed to be measured by fair value with the changes be included in the current gains and losses when being initially recognized, should be executed subsequent measurement according to the fair value with the profits or losses formed by the changes of the fair value be included in the current gains and losses.

② Other financial liabilities: The Company shall make subsequent measurement on its other financial liabilities on the basis of the post-amortization costs by adopting the actual interest rate, from which gains and losses, when other financial liabilities are terminated from recognizing or amortized, shall be recorded into the profits and losses of the current period.

(3) Recognition and measurement of financial asset transfers

As for the Company transferred nearly all of the risks and rewards related to the ownership of a financial asset to the transferee, should derecognize the financial assets; as for maintained nearly all of the risks and rewards related to the ownership of a financial asset, should continue to recognize the transferred financial assets and recognize the received counter price as a financial liability. Where the Company does not transfer or retain nearly all of the risks and rewards related to the ownership of a financial asset (that is to say, it is not under a circumstance as mentioned in Article 7 of these Standards), it shall deal with it according to the circumstances as follows, respectively: (1) If it gives up its control over the financial asset, it shall stop recognizing the financial asset; (2) If it does not give up its control over the financial asset, it shall, according to the extent of its continuous involvement in the transferred financial asset, recognize the related financial asset and recognize the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the following 2 items shall be recorded in the profits and losses of the current period: (1) The book value of the transferred financial asset; (2) the sum of consideration received from the transfer, and the accumulative amount of the changes of the fair value originally recorded in the owner's equities.

If the transfer of partial financial asset satisfies the conditions to stop the recognition, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value, and the difference between the amounts of the following 2 items shall be included into the profits and losses of the current period: (1) The book value of the portion whose recognition has been stopped; (2) The sum of consideration of the portion whose recognition has been stopped, and the portion of the accumulative amount of the changes in the fair value originally recorded in the owner's equities which is corresponding to the portion whose recognition has been stopped.

(4) De-recognition conditions of financial liabilities

Only when the prevailing obligations of a financial liability are relieved in all or in part may the recognition of the financial liability be terminated in all or partly. Where the Group (debtor) enters into an agreement with a creditor so as to substitute the existing financial liabilities by way of any new financial liability, and if the contractual stipulations regarding the new financial liability is substantially different from that regarding the existing financial liability, it terminates the recognition of the existing financial liability, and at the same time recognizes the new financial liability. If executed practical modification on the whole or part of the contract regulations of the existing financial liabilities, should terminate to recognize the existing financial liabilities or certain part of it and at the same time recognize the revised financial liabilities as a new financial liabilities.

Where the recognition of a financial liability is totally or partially terminated, the enterprise concerned shall include into the profits and losses of the current period for the gap between the book value which has been terminated from recognition and the considerations it has paid (including the non-cash assets it has transferred out and the new financial liabilities it has assumed).

If the Company re-purchase part of the financial liabilities, should distribute the whole book value of the financial liabilities according to the comparatively fair value between the continued reorganization part and the terminated reorganization part on the re-purchase date. And the difference between the book value distributed to the terminated recognition part and the counter price of the paid part (including the rolled out non-cash assets or the new financial liabilities undertook) should be included in the current gains and losses.

(5) Recognition method of the fair value of the financial assets and the financial liabilities

As for the financial instruments for which there is an active market, the quoted prices in the active market shall be used to determine the fair values thereof. Where there is no active market for a financial instrument, the Company concerned shall adopt value appraisal techniques to determine its fair value. The value appraisal techniques mainly include the prices adopted by the parties, who are familiar with the condition, in the latest market transaction upon their own free will, the current fair value obtained by referring to other financial instruments of the same essential nature, the cash flow capitalization method and the option pricing model, etc.

(6) Impairment test of financial assets (excluding the accounts receivable) and withdrawal method of impairment provision

The Company inspects the book value of the financial assets on the balance sheet date to judge whether there are evidences indicate that the financial assets had occurred impairment owing to the occurrence of one or multiple events.

As for the measurement for impairment of financial assets measured on the basis of the post-amortization costs, where there is any objective evidence proving that a financial asset measured on the basis of post-amortization costs is impaired, should be recognized by the carrying amount of the difference between the said financial asset which shall be written down to the current value of the predicted future cash flow (excluding the loss of future credits not yet occurred) and the amount of the as written down which shall be recognized as loss of the

impairment of the asset. When calculating the current value of the estimated future cash flow, should adopt the original effective interests' rate of the financial assets as the discount rate. The book value of the assets should be written down to the estimated recoverable amount through impairment provision items with the written down amount be included in the current gains and losses. As for the financial assets with individual significant amount, should adopt the individual assessment for ensure whether there are objective evidences indicate the impairment provision and as for the other assets with insignificant amount, should be inspected by individual or group assessment for ensure whether there are objective evidences indicate the impairment provision.

As for the financial assets measured by cost, if there are evidences indicate the impairment of the financial instruments without market price which had not measured by fair value because the fair value could not be reliable measured, the amount of the impairment losses should be measured by the difference between the book value of the financial assets and the current value of the estimated future cash flow acquired from the discounting measurement of the current market return rate of the similar financial assets.

Where an available-for-sale financial asset is impaired, the accumulative losses arising from the decrease of the fair value of the owner's equity which was directly included shall be transferred out and recorded into the profits and losses of the current period.

11. Receivables

(1) Accounts receivable with significant single amount for which the bad debt provision is made individually

Definition or amount criteria for an account receivable with a significant single amount	Accounts receivable with a significant single amount refer to the top five accounts receivable with the largest balances or accounts accounting for over 10% of the total balance of receivables.
Making separate bad-debt provisions for accounts receivable with a significant single amount	Where there is objective evidence proving that the Company is not able to recover the full amount of an account receivable according to the original terms in relation to the account, an independent impairment test is carried out on the account receivable and the bad-debt provision is made according to the difference between the present value of the account's future cash flows and the account's carrying amount. If the independent impairment test shows that the account receivable has not been impaired, the balance of the account is put into the corresponding group and the bad-debt provision is made using the balance percentage method.

(2) Accounts receivable which the bad debt provision is withdrawn by credit risk characteristics

Group name	Withdrawal method of bad debt provision
Common transaction group	Percentage balance method
Internal transaction group	Age analysis method

In the groups, those adopting aging analysis method to withdraw bad debt provision:

Applicable Not applicable

Aging	Withdrawal proportion of account receivables	Withdrawal proportion of other account receivables
Within 1 year (including 1 year)	6.00%	6.00%
1 to 2 years	6.00%	6.00%
2 to 3 years	6.00%	6.00%
Over 3 years	6.00%	6.00%

In the groups, those adopting balance percentage method to withdraw bad debt provision

Applicable Not applicable

Name of the group	Withdrawal proportion of account receivables	Withdrawal proportion of other account receivables
Ordinary business group	6.00%	6.00%

In the groups, those adopting other methods to withdraw bad debt provision:

Applicable Not applicable

(3) Accounts receivable with an insignificant single amount but for which the bad debt provision is made independently

Reason of individually withdrawing bad debt provision	There are definite evidences indicate the obvious difference of the returnability
Withdrawal method for bad debt provision	Withdraw the bad debt provision according to the difference of which the future cash flow lower than the book value. As for other account receivables (including notes receivables, prepayments, interests receivables and long-term accounts receivables etc.), should withdraw the bad debt provision according to the difference of which the future cash flow lower than the book value.

12. Inventory

Inventory category: raw materials, products in processing, materials for consigned processing, finished products, semi-manufactured semi-finished products, and low-value consumption goods.

Accounting of inventory: raw materials and finished products shall be measured at actual cost, while weighted average method shall be adopted when receiving or outgoing.

Recognition of provision for falling price of inventory and withdrawal: The Company shall make provision for falling price of inventory on the basis of each item of inventory at the balance that net realizable value is lower than carrying cost. For finished goods, merchandise inventories, and available for sale materials which are applied directly for sales of stock inventory, the amount after deducting the estimated sale expense and relevant taxes from the estimated sell price of the inventory shall be recognized as the net realizable value. For material inventories

which need to be processed, the amount after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of produced finished goods shall be recognized as the net realizable value.

Inventory system: a perpetual inventory system

13. Divided as assets held for sale

The Company recognizes the non-current assets (excludes the financial assets) which meet with the following conditions as assets held for sale: ① the components must be immediately sold only according to the usual terms of selling this kind of components under the current conditions; ② had made the solution on the disposal of the component; ③ had signed the irrevocable transformation agreement with the transferee; ④ the transformation should be completed within 1 year.

14. Long-term equity investments

(1) Recognition of provision for falling price of inventory and withdrawal

① For the merger of enterprises under the same control, it shall, on the date of merger, regard the share of the book value of the owner's equity of the merged enterprise as the initial cost of the long-term equity investment, and the direct relevant expenses occurred for the merger of enterprises shall be included into the profits and losses of the current period.

② For the merger of enterprises not under the same control, The combination costs shall be the fair values, on the acquisition date, of the assets paid, the liabilities incurred or assumed and the equity securities issued by the Company in exchange for the control on the acquiree, and all relevant direct costs incurred to the acquirer for the business combination. Where any future event that is likely to affect the combination costs is stipulated in the combination contract or agreement, if it is likely to occur and its effects on the combination costs can be measured reliably, the Company shall record the said amount into the combination costs.

③ The cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid. The cost consists of the expenses directly relevant to the obtainment of the long-term equity investment, taxes and other necessary expenses.

④ The cost of a long-term equity investment obtained on the basis of issuing equity securities shall be the fair value of the equity securities issued.

⑤ The cost of a long-term investment obtained by the exchange of non-monetary assets (having commercial nature) shall be recognized base on taking the fair value and relevant payable taxes as the cost of the assets received.

⑥ The cost of a long-term equity investment obtained by recombination of liabilities shall be recognized at the fair value.

(2) Subsequent measurement of long-term equity investment and recognized method of investment income

① The long-term equity investment of the Company that is able to control the invested enterprise should be

measured by cost method. The dividends or profits declared to distribute by the invested entity shall be recognized as the current investment income.

② The Company measured the long-term equity investment of the joint ventures and the associated enterprises by equity method. If the cost of the long-term equity investment is more than the Company's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the cost of the long-term equity investment may not be adjusted;

③ If the cost of a long-term equity investment is less than the Company's attributable share of the fair value of the invested entity's identifiable net assets for the investment, the difference shall be included in the current profits and losses and the cost of the long-term equity investment shall be adjusted simultaneously. The Company shall recognize the net losses of the invested enterprise until the book value of the long-term equity investment and other long-term rights and interests which substantially form the net investment made to the invested entity are reduced to zero, unless the investing enterprise has the obligation to undertake extra losses. The Company shall, on the ground of the fair value of all identifiable assets of the invested entity when it obtains the investment, recognize the attributable share of the net profits and losses of the invested entity after it adjusts the net profits of the invested entity.

(3) Provision for impairment of long-term investment

The Company shall conduct inspection to long-term investment item by item at the end of reporting period. If the market price of long-term investment falls into sustained decline or the invested enterprise's operation status grow worse, which will cause that the recoverable amount is lower than carrying value, moreover, such reduced value will not be restored in predicted future period, then the negative balance between the recoverable amount and carrying value of long-term investment shall be measured as provision for impairment of long-term investment. The recoverable amount shall be determined in light of the higher one of the net amount of the fair value of the long-term equity investment minus the disposal expenses and the current value of the expected future cash flow of the long-term equity investment. Once any loss of impairment of the long-term investment is recognized, it shall not be switched back in the future accounting periods.

15. Investment real estates

Measurement mode of investment real estates

Not applicable

16. Fixed assets

(1) Recognition conditions

Fixed assets of the Company refers to the tangible assets that simultaneously possess the features as follows: they are held for the sake of producing commodities, rendering labor service, renting or business management; and their useful life is in excess of one fiscal year and unit price is higher.

(2) Depreciation method

Category of fixed assets	Method	Useful life	Expected net salvage value	Annual depreciation
Housing and building	Average method of useful life	3-30	5%	31.67%-3.17%
Machinery equipments	Average method of useful life	2-10	5%	47.50%-9.50%
Transportation vehicle	Average method of useful life	5-10	5%	19.00%-9.50%
Electronic equipment	Average method of useful life	2-8	5%	47.50%-11.88%

(3) Recognition basis, pricing and depreciation method of fixed assets by finance lease

Not applicable

17. Construction in Progress

Construction in progress shall be measured at actual cost. Constructions in progress shall be carried down to fixed assets by adopting provisional estimate when bringing to the expected conditions for use. After completion and settlement procedures, the Company shall adjust the carrying value of fixed assets at the actual cost. As for interests on borrowings incurred to special-borrowing loans or general borrowing for the acquisition and construction or production of assets eligible for capitalization and the ancillary expense incurred to special-borrowing loans, those incurred before a qualified asset under acquisition, construction or production is ready for the intended use or sale shall be capitalized into capitalized cost, while those incurred after a qualified asset under acquisition and construction or production is ready for the intended use or sale shall be included into the profits and losses of the current period.

Provision for impairment of construction in progress: the Company shall carry out overall inspection to the construction in progress at the end of the reporting period. If the construction in progress has been stopped for a long time and cannot be continued restarting in the coming three years, and such construction in progress has already fallen behind, whatever in performance or in technology, resulting in an uncertainty to economic benefit of the Company, and there is an obvious evidence shows that the construction in progress has been impaired, then provision for impairment of the construction in progress shall be withdrawn based on the negative balance between the recoverable amount of single construction in progress and carrying value. Once any loss of impairment of the construction in progress is recognized, it shall not be switched back in the future accounting periods.

18. Borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses on the basis of the actual amount incurred, and shall be recorded into the current profits and losses.

The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: the asset disbursements have already incurred, which shall include the cash, transferred non-cash assets or interest bearing debts paid for the acquisition and

construction or production activities for preparing assets eligible for capitalization; the borrowing costs has already incurred; and the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

To-be-capitalized amount of interests of borrowing: As for interests of borrowing occurred special-borrowing loans or general borrowing for the acquisition and construction or production of assets eligible for capitalization, those incurred before a qualified asset under acquisition, construction or production is ready for the intended use or sale shall be capitalized based on the following methods:

As for special-borrowing loans for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests shall be determined in light of the actual cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing loans as a deposit in the bank or as a temporary investment.

19. Biological assets

Not applicable

20. Oil-gas assets

Not applicable

21. Intangible assets

(1) Pricing method, useful life and impairment test

(1) Measurement of intangible assets

- ① The cost of outsourcing intangible assets shall be measured at actual expenditures occurred for reaching the expected use purpose.
- ② The research expenditures for its internal research and development projects of the Company shall be recorded into the profit or loss for the current period. The development expenditures for its internal research and development projects of the Company may be confirmed as cost of intangible assets when they satisfy capitalization conditions.
- ③ The cost invested into intangible assets by investors shall be determined according to the conventional value in the investment contract or agreement, except for those of unfair value in the contract or agreement.
- ④ The intangible assets received by the Company through accepting debtor's non-cash assets for compensation for debts, or by receivables, shall be measured at the fair value of the intangible assets received.
- ⑤ The cost invested into intangible assets by non-monetary transaction shall be determined according to the fair value of non-monetary assets and relevant payable taxes.

(2) Amortization of intangible assets

Intangible assets with limited service life shall be amortized by the straight-line method within its estimated service life. If it is unable to forecast the period when the intangible asset can bring economic benefits to the Company, it shall be regarded as an intangible asset with uncertain service life. Intangible assets with uncertain service life may not be amortized.

(3) Provision for impairment of intangible assets

The Company shall made overall inspection to the intangible asset at the end of reporting period. If the intangible assets have already been replaced by other new technologies, resulting in the Company's ability to create economic benefits suffering materials adverse influence, or a sustained decline of market price of intangible assets and impossible to be recover within the residual amortization years, or certain intangible asset has exceeded the term protected by law but still part of useful value is remained, or there is an obvious evidence shows that the intangible assets has been impaired, then provision for impairment of the intangible assets shall be withdrawn based on the balance between the recoverable amount of single intangible assets and carrying value. Once any loss of impairment of the intangible assets is recognized, it shall not be switched back in the future accounting periods.

(2) Accounting polices of internal R & D expenses

Inapplicable

22. Impairment of long-term assets

Not applicable

23. Amortization method of long-term deferred expenses

Long-term deferred expenses refer to general expenses with the apportioned period over one year (one year excluded) that have occurred but attributable to the current and future periods. Long-term deferred expense shall be recoded into book in the light of the actual expenditure, and amortized averagely within benefit period. In case of no benefit in the future accounting period, the amortized value of such project that fails to be amortized shall be transferred into the profits and losses of the current period.

24. Payroll

(1) Accounting treatment of short-term compensation

Short-term compensation mainly including salary, bonus, allowances and subsidies, employee services and benefits, medical insurance premiums, birth insurance premium, industrial injury insurance premium, housing fund, labor union expenditure and personnel education fund, non-monetary benefits etc. The short-term compensation actually happened during the accounting period when the active staff offering the service for the Group should be recognized as liabilities and is included in the current gains and losses or relevant assets cost. Of which the non-monetary benefits should be measured according to the fair value.

(2) Accounting treatment of the welfare after demission

If an enterprise cancels the labor relationship with any employee prior to the expiration of the relevant labor contract or brings forward any compensation proposal for the purpose of encouraging the employee to accept a layoff, and should recognize the payroll liabilities occurred from the demission welfare base on the earlier date between the time when the Group could not one-sided

withdraw the demission welfare which offered by the plan or layoff proposal owing to relieve the labor relationship and the date the Group recognizes the cost related to the reorganization of the payment of the demission welfare and at the same time includes which into the current gains and losses. But if the demission welfare is estimated that could not totally pay after the end of the annual report within 12 months, should be disposed according to other long-term payroll payment.

Welfare after demission mainly includes setting drawing plan. Of which setting the drawing plan mainly includes basic endowment insurance and unemployment insurance, and the corresponding payable and deposit amount should be included into the relevant assets cost or the current gains and losses when happen.

(3) Accounting treatment of the demission welfare

The inside employee retirement plan is treated by adopting the same principle with the above demission welfare. The group would recorded the salary and the social security insurance fees paid and so on from the employee's service terminative date to normal retirement date into current profits and losses (demission welfare) under the condition that they meet the recognition conditions of estimated liabilities.

(4) Accounting treatment of the welfare of other long-term staffs

The other long-term welfare that the Group offers to the staffs, if met with the setting drawing plan, should be accounting disposed according to the setting drawing plan, while the rest should be disposed according to the setting revenue plan.

25. Estimated liabilities

(1) Recognition of estimated debts

The obligation such as external guaranty, pending litigation or arbitration, product quality assurance, layoff plan, loss contract, restructuring and disposal of fixed assets, pertinent to a contingencies shall be recognized as an estimated debts when the following conditions are satisfied simultaneously: ① That obligation is a current obligation of the enterprise; ② It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and ③ The amount of the obligation can be measured in a reliable way.

(2) Measurement of estimated debts

The estimated debts shall be initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation. If there is a sequent range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be determined in accordance with the middle estimate within the range. In other cases, the best estimate shall be conducted in accordance with the following situations, respectively: ① If the Contingencies concern a single item, it shall be determined in the light of the most likely outcome. ② If the Contingencies concern two or more items, the best estimate should be calculated and determined in accordance with all possible outcomes and the relevant probabilities. ③ When all or some of the expenses necessary for the liquidation of an estimated debts of an enterprise is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The Company shall check the book value of the estimated debts on the balance sheet date. The amount of compensation is not exceeding the book value of the recognized estimated liabilities.

26. Share-based payment

Not applicable

27. Other financial instruments such as preferred shares and perpetual capital securities

Not applicable

28. Revenue

(1) No revenue from selling goods may be recognized unless the following conditions are met simultaneously:

- ① The significant risks and rewards of ownership of the goods have been transferred to the buyer by the Company;
- ② The Company retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods;
- ③ The revenue amount and the relevant cost which had occurred or will occur could be reliable measured;
- ④ The relevant economic benefits may flow into the Company.

(2) Specific principles for recognition of the “domestic sale and export” incomes of the Company:

- ① Method for recognition of the domestic sale income: According to the buyer’s requirements, the Company delivers to the buyer the products that have been considered qualified upon examination. The amount of the income has been determined and the sales invoice has been issued. The payment for the delivered products has been received in full or is expectedly recoverable.
- ② Method for recognition of the export income: The Company produces the products according to the contract signed with the buyer. After the products have been examined as qualified, the Company completes the customs clearing procedure for export. The shipping company loads the products for shipping. The amount of the income has been determined and the export sales invoice has been issued. The payment for the delivered products has been received in full or is expectedly recoverable.

(3) The Company provides the external labor service with the revenues should be recognized according to the following methods:

- ① The labor service started and completed during the same accounting year should be recognized as revenues when the labor service completed. While if the starting and the completion of the labor service attribute to different accounting year, and the Company can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall recognize the relevant revenue from providing services employing the percentage-of-completion method.
- ② If an enterprise can not, on the date of the balance sheet, measure the result of a transaction concerning the providing of labor services in a reliable way, it shall be conducted in accordance with the following circumstances, respectively: If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; If the cost of labor services incurred is not expected to compensate, the revenue shall be recognized in accordance with the amount of the cost of labor service can be compensated, and regard the occurred labor cost as the current cost; if all cost of labor services

incurred is not expected to compensate and no revenue from the providing of labor services may be recognized and regard the occurred labor cost as the current cost.

(4) The revenue from abalienating of right to use assets consists of interest revenue and royalty revenue, and no revenue from abalienating of right to use assets may be recognized unless the following conditions are met simultaneously: ① The relevant economic benefits are likely to flow into the Company; ② The amount of revenues can be measured in a reliable way. ③ The royalty revenue of the revenue from abalienating of right to use assets, should be recognized as the operation revenue according to the chargeable time as well as the calculation method stipulated by the relevant contracts and agreements.

29. Government Subsidies

(1) Judgment basis and accounting treatment of government subsidies related to assets

No government subsidy may be recognized unless the following conditions are met simultaneously: (1) The Company can meet the conditions for the government subsidies; and (2) The Company can obtain the government subsidies.

If a government subsidy is a monetary asset, it shall be measured in the light of the received or receivable amount. If a government subsidy is a non-monetary asset, it shall be measured at its fair value. If its fair value cannot be obtained in a reliable way, it shall be measured at its nominal amount.

The government subsidies pertinent to assets shall be recognized as deferred income, equally distributed within the useful lives of the relevant assets, and included in the current profits and losses. But the government subsidies measured at their nominal amounts shall be directly included in the current profits and losses.

(2) Judgment basis and accounting treatment of government subsidies related to profits

The government subsidies pertinent to incomes shall be treated respectively in accordance with the circumstances as follows: those subsidies used for compensating the related future expenses or losses of the enterprise shall be recognized as deferred income and shall included in the current profits and losses during the period when the relevant expenses are recognized; or those subsidies used for compensating the related expenses or losses incurred to the enterprise shall be directly included in the current profits and losses.

30. Deferred income tax assets/deferred income tax liabilities

(1) Basic of recognizing the deferred income tax assets

① As for the book value and the tax base of the assets and the liabilities exist deductible temporary difference, the Company shall recognize the deferred income tax liability arising from a deductible temporary difference to the extent of the amount of the taxable income which it is most likely to obtain and which can be deducted from the deductible temporary difference according to the applicable tax rate of the period which recovered the estimated assets or paid off the liabilities.

② On the balance sheet date, if there is any exact evidence showing that it is likely to acquire a sufficient amount of taxable income in a future period to offset against the deductible temporary difference, the deferred income tax assets unrecognized in prior periods shall be recognized.

③ The book value of deferred income tax assets shall be reviewed at each balance sheet date. If it is unlikely to obtain sufficient taxable income to offset against the benefit of the deferred income tax asset, the book value of the deferred income tax assets shall be written down. Any such write-down should be subsequently reversed where it becomes probable that sufficient taxable income will be available.

(2) Basic of recognizing the deferred income tax liabilities

As for the book value and the tax base of the assets and the liabilities exist payable temporary difference, the Company shall recognize the deferred income tax liability arising from a payable temporary difference according to the applicable tax rate of the period which recovered the estimated assets or paid off the liabilities.

31. Lease

(1) Accounting treatment of operating lease

For the lessee of the operating lease, the rent expenses from operating leases shall be recorded by the lessee in the relevant asset costs or the profits and losses of the current period by using the straight-line method over each period of the lease term. The initial direct costs shall be recognized as the profits and losses of the current period; the contingent rents shall be recorded into the profits and losses of the current period in which they actually arise. A lessor shall include the assets subject to operating leases in relevant items of its balance sheets in light of the nature of the asset; The rents from operating leases shall be recorded in the profits and losses of the current period by using the straight-line method over each period of the lease term; the initial direct costs incurred to a lessor shall be recorded into the profits and losses of the current period. As for the fixed assets subject to operating leases, the lessor shall calculate the depreciation of it by adopting depreciation policy for similar assets; as for other leased assets, systematic and reasonable methods shall be adopted for its amortization; the contingent rents shall be recorded in the profits and losses of the period in which they actually arise.

(2) Accounting treatments of financial lease

On the lease beginning date, a lessee shall record the lower one of the fair value of the leased asset and the present value of the minimum lease payments on the lease beginning date as the entering value in an account, recognize the amount of the minimum lease payments as the entering value in an account of long-term account payable, and treat the balance between the recorded amount of the leased asset and the long-term account payable as unrecognized financing charges; the initial direct costs such as commissions, attorney's fees and traveling expenses, stamp duties directly attributable to the leased item incurred during the process of lease negotiating and signing the leasing agreement shall be recorded in the asset value of the current period; when amortizing the unrecognized financial charges during each period within the lease term, should recognize the current financial expenses by the actual interests rate; and the contingent rental should be included the current gains and losses when actually arise. When a lessee calculates the present value of the minimum lease payments, if it can obtain the lessor's interest rate implicit in the lease, it shall adopt the interest rate implicit in the lease as the discount rate. Otherwise, it shall adopt the interest rate provided in the lease agreement as the discount rate. In case the lessee cannot obtain the lessor's interest rate implicit in the lease and no interest rate is provided in the lease agreement, the lessee shall adopt the borrowing interest rate of the bank for the same period as the discount rate. If it is reasonable to be certain that the lessee will obtain the ownership of the leased asset when the lease term expires, the leased asset shall be fully depreciated over its useful life. If it is not reasonable to be certain that the lessee will obtain the ownership of the

leased asset at the expiry of the lease term, the leased asset shall be fully depreciated over the shorter one of the lease term or its useful life. On the beginning date of the lease term, a lessor shall recognize the sum of the minimum lease receipts on the lease beginning date and the initial direct costs as the entering value in an account of the financing lease values receivable, and record the unguaranteed residual value at the same time; the balance between the sums of the minimum lease receipts, the initial direct costs and the unguaranteed residual value, and the sum of their present values shall be recognized as unrealized financing income; the unrealized financing income shall be allocated to each period during the lease term; the lessor shall calculate the financing income at the current period by adopting the effective interest rate method; contingent rents shall be recognized as an expense in the period in which they are actually incurred.

32. Other significant accounting policies and estimates

Not applicable

33. Changes in main accounting policies and estimates

(1) Change of accounting policies

Applicable Not applicable

(2) Change of main accounting estimates

Applicable Not applicable

34. Other

Not applicable

VI. Taxation

1. Main taxes and tax rate

Category of taxes	Tax basis	Tax rate
VAT	Sales revenues	17%, 11%, 6%
Urban maintenance and construction tax	Turnover tax payable	7%, 5%
Enterprise income tax	Income tax payable	25%, 15%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
Foshan Electrical and Lighting Co., Ltd.	15%
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	25%
Foshan Chansheng Electronic Ballast Co., Ltd.	25%
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	25%

FSL New Light Source Technology Co., Ltd.	25%
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	25%
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	25%
Foshan Lighting Lamps and Lanterns Co., Ltd.	25%
Guangdong Fozhao Leasing Co., Ltd.	25%

2. Tax preference

(1) The Company had passed the re-examination for the First Batch High-tech Enterprise in 2014 of Guangdong Province as well as won the “Certificate of High-tech Enterprise” with serial number GR201444001411 after approval by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Bureau of State Taxation and Guangdong Provincial Bureau of Local Taxation on 17 March 2015. In accordance with relevant provisions in Corporate Income Tax Law of the People's Republic of China and the Administration Measures for Identification of High-tech Enterprises promulgated in 2007, the Company paid the corporate income tax based on a tax rate of 15% within three years since 1 January 2014.

3. Other

It is paid according to the relevant regulation of the tax law.

VII. Notes to Main Items of Consolidated Financial Statements

1. Monetary funds

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	58,201.50	36,008.01
Bank deposits	769,190,457.49	855,342,849.29
Other currency funds	18,844,531.59	79,862,347.90
Total	788,093,190.58	935,241,205.20

Other notes

—The closing balance of the other monetary funds of the Reporting Period were the refundable deposits, forward foreign exchange settlement and sale deposits and the balance of the Alipay, of which the usage right of the forward foreign exchange settlement and sale deposits of RMB7,500,000.00 were restricted.

2. Financial assets measured by fair value and the changes be included in the current gains and losses

Unit: RMB

Item	Closing balance	Opening balance
Financial assets appointed to be measured		51,600.00

by fair value with the changes be included in the current gains and losses		
Investment on equity instruments		51,600.00
Total		51,600.00

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1) Notes receivable listed by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	102,714,162.73	58,819,605.04
Commercial acceptance bill	0.00	143,849,711.44
Total	102,714,162.73	202,669,316.48

(2) Notes receivable pledged by the Company at the period-end

Not applicable

(3) Notes receivable which had endorsed by the Company or had discounted and had not due on the balance sheet date at the period-end

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance bill	74,523,613.06	
Total	74,523,613.06	

(4) Notes transferred to accounts receivable because drawer of the notes fails to executed the contract or agreement

Naught

Other notes

—The closing balance of the notes receivable increased of RMB 99,955,153.75 over the period-begin with the growing rate of 49.32%, which was mainly due to the increase that the Company adopted the commercial acceptance bill for settling accounts.

5. Accounts receivable

(1) Accounts receivable disclosed by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	676,754,412.80	98.13%	40,605,264.77	6.00%	636,149,148.03	389,788,436.93	99.02%	23,387,306.21	6.00%	366,401,130.72
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	12,919,864.11	1.87%	12,919,864.11	100.00%	0.00	3,874,675.02	0.98%	3,874,675.02	100.00%	0.00
Total	689,674,276.91	100.00%	53,525,128.88	7.76%	636,149,148.03	393,663,111.95	100.00%	27,261,981.23	6.93%	366,401,130.72

Accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

Applicable Not applicable

In the groups, accounts receivable adopting aging analysis method to accrue bad debt provision:

Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year	649,263,997.32	38,955,839.83	6.00%
Subtotal within 1 year	649,263,997.32	38,955,839.83	6.00%
1 to 2 years	9,259,118.42	555,547.11	6.00%
2 to 3 years	13,436,116.78	806,167.01	6.00%
Over 3 years	4,795,180.28	287,710.82	6.00%
Total	676,754,412.80	40,605,264.77	6.00%

Notes of confirming the basis of the groups:

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable Not applicable

In the groups, accounts receivable adopting other methods to withdraw bad debt provision:

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB 26,263,147.65; the amount of the reversed or collected part during the Reporting Period was of RMB 2,348,386.55.

Of which, the significant amount of the reverses or collected part of the bad debt provisions during the Reporting Period:

Unit: RMB

Name of units	Amount	Method
Foshan Sanshui Center of Science and Technology Industrial Park Development Co., Ltd.	2,069,866.90	Cash recover
Kunming Hong guangming Commerce and Trade Co., Ltd.	278,519.65	Cash recover
Total	2,348,386.55	--

(3) The actual write-off accounts receivable

Unit: RMB

Item	Amount
Tianjin Jishi Shengda Lighting Co., Ltd.	160,306.56
Other retails accounts	107.59
Total	160,414.15

Of which, the list of the significant write-off accounts receivable:

Not applicable

(4) Top 5 of the closing balance of the accounts receivable colleted according to the arrears party

Unit: RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
**COMPANY	Goods payment	73,183,103.06	Within 1 year	10.61%	4,390,986.18
*****PRODUCTS INC.	Goods payment	19,219,934.89	Within 1 year	2.79%	1,153,196.09
Henan **** Lighting Co., Ltd.	Goods payment	16,988,574.91	Within 1 year	2.46%	1,019,314.49
**Light Electrical lighting L.L.C	Goods payment	13,984,860.67	Within 1 year	2.03%	839,091.64
Changsha ** Equipments Co., Ltd.	Goods payment	13,242,817.51	Within 1 year	1.92%	794,569.05
Total		136,619,291.04		19.81%	8,197,157.46

(5) Account receivable which terminate the recognition owing to the transfer of the financial assets

Naught

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Naught

Other notes:

—The closing balance of the accounts receivable at the period-end increased RMB 269,748,017.31 over the period-begin with the increase range of 73.62 %, which mainly due to the sales volume of the Reporting Period increased.

6. Prepayment**(1) List by aging analysis**

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	3,324,369.22	37.44%	5,151,048.23	75.10%
1 to 2 years	4,180,334.98	47.08%	942,100.92	13.74%
2 to 3 years	815,578.73	9.19%	610,778.10	8.90%
Over 3 years	559,153.34	6.30%	155,023.16	2.26%
Total	8,879,436.27	--	6,858,950.41	--

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time:

(2) Top 5 of the closing balance of the prepayment colleted according to the prepayment target

Unit: RMB

Name of units	Relationship	Amount	Age limit	Proportion
Foshan **** Development Co., Ltd.	Non-related relationship	2,900,000.00	1 to 2 years	32.66%
Guangdong Branch of China ****Insurance Company	Non-related relationship	474,470.12	Within 1 year	5.34%
*** (Lianjiang) Electric Appliance Co., Ltd.	Non-related relationship	433,332.92	1 to 2 years	4.88%
Hangzhou **** Electric Appliance Co., Ltd.	Non-related relationship	350,000.00	Within 1 year	3.94%
Zhongshan *** Lighting Science and Technology Co., Ltd.	Non-related relationship	334,872.64	Within 1 year	3.77%
Total		4,492,675.68		50.60%

7. Interest receivable

(1) Category of interest receivable

Unit: RMB

Item	Closing balance	Opening balance
Deposits on a regular basis	4,147,571.46	3,022,646.23
Interests of the funds deposited in the bank	2,569,349.32	0.00
Total	6,716,920.78	3,022,646.23

(2) Significant overdue interest

Naught

Other notes:

—The interests receivable at the period-end increased of RMB 3,694,274.55 over that of the period-begin with the increased range of 122.22%, which mainly due to the increase of the withdrawal of the interests of the bank financial products of the Reporting Period.

8. Dividend receivable

(1) Dividend receivable

Naught

(2) Significant dividend receivable aged over 1 year

Naught

9. Other accounts receivable

(1) Other accounts receivable disclosed by category

Unit: RMB

Category	Closing balance					Opening balance				
	Category		Closing balance		Opening balance	Category		Closing balance		Opening balance
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	12,755,127.59	97.74%	765,307.65	6.00%	11,989,819.94	18,418,727.80	100.00%	1,105,123.66	6.00%	17,313,604.14
Other accounts	295,120.	2.26%	295,120.	100.00%	0.00	0.00	0.00%	0.00	0.00%	0.00

receivable with insignificant single amount for which bad debt provision separately accrued	00		00							
Total	13,050,247.59	100.00%	1,060,427.65	8.13%	11,989,819.94	18,418,727.80	100.00%	1,105,123.66	6.00%	17,313,604.14

Other accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

Applicable Not applicable

In the groups, other accounts receivable adopting aging analysis method to accrue bad debt provision:

Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year	7,496,618.80	449,797.13	6.00%
Subtotal within 1 year	7,496,618.80	449,797.13	6.00%
1 to 2 years	4,940,341.88	296,420.51	6.00%
2 to 3 years	58,690.39	3,521.42	6.00%
Over 3 years	259,476.52	15,568.59	6.00%
Total	12,755,127.59	765,307.65	6.00%

Notes of confirming the basis of the groups:

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable Not applicable

In the groups, other accounts receivable adopting other methods to accrue bad debt provision:

Applicable Not applicable

(2) Accounts receivable withdraw, reversed or collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB-44,696.01; the amount of the reversed or collected part during the Reporting Period was of RMB 0.00.

Of which, the significant amount of the reversed or collected part of the bad debt provisions of the Reporting Period:

Naught

(3) The actual write-off other accounts receivable

Naught

(4) Other accounts receivable classified by the nature of accounts

Unit: RMB

Nature	Closing book balance	Opening book balance
VAT export tax refunds	0.00	10,002,722.46
Performance earnest money	3,667,013.20	3,712,081.83
Employee loans and petty cash	4,813,137.69	843,146.81
Rent and water and electricity charges	694,190.64	490,494.61
Advance funds for street light construction	2,523,547.23	2,523,547.23
Other	1,352,358.83	846,734.86
Total	13,050,247.59	18,418,727.80

(5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

Unit: RMB

Name of units	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Guangdong Engineering Co., Ltd.	Advance funds for street light construction	2,523,547.23	1 to 2 years	19.34%	151,412.83
Guangzhou Engineering Management Center	Performance earnest money	1,000,000.00	Within 1 year	7.66%	60,000.00
Foshan Co., Ltd.	Performance earnest money	1,000,000.00	1 to 2 years	7.66%	60,000.00
Social security charges	Other	552,131.23	Within 1 year	4.23%	33,127.87
Foshan Co., Ltd.	Performance earnest money	480,000.00	1 to 2 years	3.68%	28,800.00
Total	--	5,555,678.46	--	42.57%	333,340.70

(6) Accounts receivable involved with government subsidies

Naught

(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

Naught

(8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

Other notes:

—The closing balance of the other accounts receivables of the current period decreased of RMB 5,323,784.20 over the period-begin with the reduction amplitude of 30.75%, which was mainly due to receiving of the VAT export tax refunds from the period-begin of the Reporting Period.

10. Inventory

(1) Category of inventory

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials	78,352,216.32	3,864,531.86	74,487,684.46	77,384,147.93	8,137,865.12	69,246,282.81
Goods in process	37,526,823.51		37,526,823.51	25,812,370.33		25,812,370.33
Inventory goods	250,363,636.63	29,037,275.27	221,326,361.36	366,582,258.72	17,263,510.85	349,318,747.87
Self-manufactured semi-finished product	135,723,307.22	3,309,604.97	132,413,702.25	116,119,714.01	3,963,130.61	112,156,583.40
Low-value fugitive items	2,220,511.26		2,220,511.26	3,117,943.80		3,117,943.80
Total	504,186,494.94	36,211,412.10	467,975,082.84	589,016,434.79	29,364,506.58	559,651,928.21

(2) Falling price reserves of inventory

Unit: RMB

Item	Opening balance	Increased amount		Decreased amount		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	8,137,865.12	2,032,913.92		1,498,586.50	4,807,660.68	3,864,531.86
Inventory goods	17,263,510.85	18,049,465.31		4,566,596.36	1,709,104.53	29,037,275.27
Self-manufactured semi-finished product	3,963,130.61	1,078,225.69		165,420.06	1,566,331.27	3,309,604.97
Total	29,364,506.58	21,160,604.92		6,230,602.92	8,083,096.48	36,211,412.10

(3) Notes of the closing balance of the inventory which includes capitalized borrowing expenses

Naught

(4) Completed unsettled assets formed from the construction contact at the period-end

Naught

11. Assets divided as held-to-sold

Naught

12. Non-current assets due within 1 year

Naught

13. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible input tax of VAT	27,631,736.56	56,770,134.59
Advance payment of enterprise income tax	17,184,961.89	25,347,724.55
Unsettled assets profit and loss	8,942,983.75	8,942,983.75
Bank financial products	400,000,000.00	0.00
Total	453,759,682.20	91,060,842.89

Other notes:

—The balance of the unsettled assets profit and loss was the damage of the inventory owing to the rainstorm and flood in October 2015, and the Company had submitted the claims to the insurance company and up to 30 June 2016, the insurance claims were still in progress that the expected amount of insurance compensation according to the patch of the damaged inventory was listed as the unsettled asset profit and loss temporarily.

14. Available-for-sale financial assets**(1) List of available-for-sale financial assets**

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Available-for-sale equity instruments	3,261,888,295.94	5,850,000.00	3,256,038,295.94	3,098,266,162.34	5,850,000.00	3,092,416,162.34

Measured by fair value	2,951,288,535.54		2,951,288,535.54	2,787,166,401.96		2,787,166,401.96
Measured by cost	310,599,760.40	5,850,000.00	304,749,760.40	311,099,760.38	5,850,000.00	305,249,760.38
Total	3,261,888,295.94	5,850,000.00	3,256,038,295.94	3,098,266,162.34	5,850,000.00	3,092,416,162.34

(2) Available-for-sale financial assets measured by fair value at the period-end

Unit: RMB

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
Cost of the equity instruments/amortized cost of the debt instruments	183,649,747.82			183,649,747.82
Fair value	2,951,288,535.54			2,951,288,535.54
Changed amount of the fair value that be accumulatively recorded in other comprehensive income	2,352,492,969.56			2,352,492,969.56
Withdrawn impairment amount	0.00			0.00

(3) Available-for-sale financial assets measured by cost at the period-end

Unit: RMB

Investee	Book balance				Impairment provision				Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-beg in	Increase	Decrease	Period-end	Period-beg in	Increase	Decrease	Period-end		
Shenzhen Zhonghao (Group) Ltd.	5,850,000.00			5,850,000.00	5,850,000.00			5,850,000.00	Less than 5.00%	
Chengdu Hongbo Industrial Co., Ltd.	6,000,000.00			6,000,000.00					6.94%	
Xiamen	292,574.13			292,574.13					5.85%	

Bank Co., Ltd.	3.00			3.00						
Foshan Branch of Guangdong Development Bank Co., Ltd.	500,000.00			500,000.00					Less than 5.00%	
Foshan Fochan Road Development Company Limited	6,175,627.38		499,999.98	5,675,627.40					7.66%	
Total	311,099,760.38		499,999.98	310,599,760.40	5,850,000.00			5,850,000.00	--	

(4) Changes of the impairment of the available-for-sale financial assets during the Reporting Period

Unit: RMB

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
Withdrawn impairment balance at the period-begin	5,850,000.00			5,850,000.00
Withdrawn impairment balance at the period-end	5,850,000.00			5,850,000.00

(5) Relevant notes of the fair value of the available-for-sale equity instruments which seriously fell or temporarily fell but not withdrawn the impairment provision

Naught

Other notes

—The revenue of the investee company, Foshan Fochan Road Development Company Limited had be included in the unified collection distribution system of Foshan road and bridge tolls, and the Company had executed amortization within the remained planting duration by regarding the investment balance as the usufruct and the amortized investment cost of the reporting period was of RMB 499,999.98.

15. Investment held-to-maturity**(1) List of the investment held-to-maturity**

Naught

(2) Significant investment held-to-maturity at the period-end

Naught

(3) Significant held-to-maturity re-classified during the Reporting Period

Naught

16. Long-term accounts receivable**(1) List of the long-term accounts receivable**

Naught

(2) Long-term accounts receivable derecognized owing to the transfer of the financial assets

Naught

(3) The amount of the assets and liabilities formed by the transfer and the continues involvement of long-term accounts receivable

Naught

17. Long-term equity investment

Unit: RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
II. Associated enterprises											
Qinghai FSL	382,637.52			-19,640.12						362,997.40	

Lithium Energy Exploitation Co., Ltd.											
Subtotal	382,637.52			-19,640.12						362,997.40	
Total	382,637.52			-19,640.12						362,997.40	

18. Investment property

(1) Investment property adopting cost measurement mode

Applicable Not applicable

(2) Investment property adopting fair value measurement mode

Applicable Not applicable

(3) List of the investment property failed to completed the property certificate

Naught

19. Fixed assets

(1) List of fixed assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Total
I. Original book value:					
1. Opening balance	638,249,602.24	906,292,098.16	21,230,148.30	24,043,747.30	1,589,815,596.00
2. Increased amount of the period	778,133.60	7,330,082.30	1,020,574.75	916,186.04	10,044,976.69
(1) Purchase	778,133.60	1,925,393.20	1,020,574.75	916,186.04	4,640,287.59
(2) Transfer of project under construction		5,404,689.10			5,404,689.10

(3) Enterprises combination increase					
3. Decreased amount of the period		7,015,375.92	450,616.48	445,588.18	7,911,580.58
(1) Disposal or scrap		2,887,221.88	450,616.48	108,881.48	3,446,719.84
(2) Equipment transformation		2,542,388.24			2,542,388.24
(3) Other		1,585,765.80		336,706.70	1,922,472.50
4. Closing balance	639,027,735.84	906,606,804.54	21,800,106.57	24,514,345.16	1,591,948,992.11
II. Accumulated desperation					
1. Opening balance	358,763,342.24	673,160,992.83	14,213,165.13	14,482,647.84	1,060,620,148.04
2. Increased amount of the period	13,530,934.91	21,695,359.85	626,510.27	1,666,243.09	37,519,048.12
(1) Withdrawal	13,530,934.91	21,695,359.85	626,510.27	1,666,243.09	37,519,048.12
3. Decreased amount of the period		4,349,797.77	418,638.63	335,124.26	5,103,560.66
(1) Disposal or scrap		2,658,492.86	418,638.63	103,437.40	3,180,568.89
(2) Equipment transformation		1,362,032.43			1,362,032.43
(3) Other		329,272.48		231,686.86	560,959.34
4. Closing balance	372,294,277.15	690,506,554.91	14,421,036.77	15,813,766.67	1,093,035,635.50
III. Impairment provision					
1. Opening balance		44,757,883.48		1,346.31	44,759,229.79
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period		245.03		238.58	483.61

(1) Disposal or scrap		245.03		238.58	483.61
4. Closing balance		44,757,638.45		1,107.73	44,758,746.18
IV. Book value					
1. Closing book value	266,733,458.69	171,342,611.18	7,379,069.80	8,699,470.76	454,154,610.43
2. Opening book value	279,486,260.00	188,373,221.85	7,016,983.17	9,559,753.15	484,436,218.17

(2) List of temporarily idle fixed assets

Unit: RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Net book value	Remark
T5, T8, energy-saving lamp production line	180,869,238.81	142,466,206.96	37,880,650.98	522,380.87	Name of the announcement: Announcement on Withdrawing the Preparation for the Assets Impairment on the Idle Equipments and Construction in Progress; the Announcement No.: 2015-030; disclosure website: www.cninfo.com.cn

(3) Fixed assets leased in from financing lease

Naught

(4) Fixed assets leased out from operation lease

Naught

(5) Details of fixed assets failed to accomplish certification of property

Naught

20. Construction in progress

(1) List of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	59,026,683.56		59,026,683.56	32,488,518.68		32,488,518.68
Total	59,026,683.56		59,026,683.56	32,488,518.68		32,488,518.68

(2) Changes of significant construction in progress

Unit: RMB

Name of item	Estimated number	Opening balance	Increase amount of the period	Amount that transferred to fixed assets of the period	Other decrease amount of the period	Closing balance	Proportion of the project accumulative input	Project progress	Accumulative amount of capitalized interests	Of which: the amount of the capitalized interests of the period	Capitalization rate of the interests of the period	Capital resources
Reformation of 9# kiln	7,500,000.00	4,904,805.77	2,032,517.09			6,937,322.86	92.50%	90.00%				Other
Reformation of the LED third workshop	3,500,000.00	3,462,631.58	49,712.40			3,512,343.98	100.35%	99.00%				Other
SGLC color tile engineering for leak repairing of each workshop	5,000,000.00	2,702,110.21	610,167.74			3,312,277.95	66.25%	60.00%				Other

P												
Gaoming Jiangbin Shangri- La Garden commercial residential building	4,350,000.00	2,206,740.10				2,206,740.10	50.73%	60.00%				Other
D project of Gaoming standard workshop	30,000,000.00		7,839,686.90			7,839,686.90	26.13%	30.00%				Other
Fuwan standard workshop E	30,000,000.00		1,371,645.50			1,371,645.50	4.57%	10.00%				Other
9 assembly lines of LED	4,000,000.00		2,066,984.52			2,066,984.52	51.67%	70.00%				Other
3# workshop	2,000,000.00		755,618.40			755,618.40	37.78%	80.00%				Other
Total	86,350,000.00	13,276,287.66	14,726,332.55			28,002,620.21	--	--				--

(3) List of the withdrawal of the impairment provision of the construction in progress

Naught

Other notes

—The balance of the construction in progress at the period-end increased of RMB 26,538,164.88 over that of the period-begin with the increase range of 81.68%, which mainly due to the construction and investemnt of the new workshop during the Reporting Period.

21. Engineering material

Naught

22. Liquidation of fixed assets

Naught

23. Productive biological assets**(1) Productive biological assets adopting cost measurement mode** Applicable Not applicable**(2) Productive biological assets adopting fair value measurement mode** Applicable Not applicable**24. Oil and gas assets** Applicable Not applicable**25. Intangible assets****(1) Information**

Unit: RMB

Item	Land use right	Patent	Non-patents	Software use right	Total
I. Total original book value					
1. Opening balance	211,719,938.60	20,700,700.00		1,636,664.95	234,057,303.55
2. Increase in the reporting period					
(1) Purchase					
(2) Internal R &D					
(3) Increase from enterprise combination					
3. Decrease in the reporting period		20,500,700.00			20,500,700.00
(1) Purchase					
(2) Other		20,500,700.00			20,500,700.00
4. Closing balance	211,719,938.60	200,000.00		1,636,664.95	213,556,603.55
II. Total accrued					

amortization					
1. Opening balance	48,760,068.42	4,091,720.00		709,221.50	53,561,009.92
2. Increase in the reporting period	1,937,293.01			163,666.50	2,100,959.51
(1) Withdrawal	1,937,293.01			163,666.50	2,100,959.51
3. Decrease in the reporting period		3,891,720.00			3,891,720.00
(1) Disposal					
(2) Other		3,891,720.00			3,891,720.00
4. Closing balance	50,697,361.43	200,000.00		872,888.00	51,770,249.43
III. Total impairment provision					
1. Opening balance		16,608,980.00			16,608,980.00
2. Increase in the reporting period					
(1) Withdrawal					
3. Decrease in the reporting period		16,608,980.00			16,608,980.00
(1) Disposal					
(2) Other		16,608,980.00			16,608,980.00
4. Closing balance					
IV. Total book value of intangible assets					
1. Book value of the period-end	161,022,577.17			763,776.95	161,786,354.12
2. Book value of the period-begin	162,959,870.18			927,443.45	163,887,313.63

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end was 0.00%.

(2) Details of fixed assets failed to accomplish certification of land use right

Naught

Other notes:

For the details, please refer to “3. Consolidated financial statement scope of III. Company profile of Section IV. Financial Report”

26. R&D expenses

Naught

27. Goodwill**(1) Original book value of goodwill**

Unit: RMB

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
		Formed from the enterprise merger		Disposal	Other	
Suzhou Mont Lighting Co., Ltd.	7,360,330.45				7,360,330.45	
Total	7,360,330.45				7,360,330.45	

(2) Impairment provision of goodwill

Unit: RMB

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance
		Withdrawal		Disposal	Other	
Suzhou Mont Lighting Co., Ltd.	7,360,330.45				7,360,330.45	
Total	7,360,330.45				7,360,330.45	

Notes to the recognition methods of the goodwill impairment test process, parameters and goodwill impairment losses:

Other notes

For the details, please refer to “3. Consolidated financial statement scope of III. Company profile of Section IV. Financial Report”

28. Long-term unamortized expenses

Unit: RMB

Item	Opening balance	Increase	Amortization amount	Decrease	Closing balance
Decoration of lease workshop	406,425.35		84,671.95	321,753.40	
Total	406,425.35		84,671.95	321,753.40	

Other notes

For the details, please refer to “3. Consolidated financial statement scope of III. Company profile of Section IV. Financial Report”

29. Deferred income tax assets/deferred income tax liabilities**(1) Deferred income tax assets had not been off-set**

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	167,003,264.97	25,395,069.21	136,195,788.86	20,975,403.88
Unrealized profits of internal transactions	1,659,255.53	248,888.33	1,195,795.66	179,369.35
Deductible losses	23,278,730.28	5,819,682.57	16,661,633.81	4,165,408.45
Depreciation of fixed assets	66,043,450.62	10,132,487.72	66,856,506.21	10,254,446.06
Payroll payable	44,562,352.93	6,684,352.94	47,800,672.81	7,170,100.92
Total	302,547,054.33	48,280,480.77	268,710,397.35	42,744,728.66

(2) Deferred income tax liabilities had not been off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Changes of the fair value of the available-for-sale financial assets	2,767,638,787.72	415,145,818.16	2,603,516,654.14	390,527,498.12
Changes of the fair value of the tradable financial assets			44,595.00	6,689.25
Total	2,767,638,787.72	415,145,818.16	2,603,561,249.14	390,534,187.37

(3) Deferred income tax assets or liabilities listed by net amount after off-set

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Amount of deferred income tax assets or liabilities after off-set at the period-end	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Amount of deferred income tax assets or liabilities after off-set at the period-begin
Deferred income tax		48,280,480.77		42,744,728.66

assets			
Deferred income tax liabilities		415,145,818.16	390,534,187.37

(4) List of unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference		48,954,169.89
Total		48,954,169.89

(5) Deductible losses of unrecognized deferred income tax assets will due the following years

Unit: RMB

Years	Closing balance	Opening balance	Notes
Y2016		2,660,641.73	
Y2017		3,594,775.22	
Y2018		6,538,750.63	
Y2019		9,391,991.19	
Y2020		16,981,086.28	
Total		39,167,245.05	

30. Other non-current assets

Unit: RMB

Item	Closing balance	Opening balance
Land purchase and the ownership implicit of relevant items	41,755,700.00	41,755,700.00
Prepayments for business facilities	4,901,166.50	7,507,504.15
Total	46,656,866.50	49,263,204.15

Other notes:

31. Short-term loans**(1) Category of short-term loans**

Naught

(2) List of the overdue unpaid short-term loans

Naught

32. Financial liabilities measured by fair value and the changes included in the current gains and losses

Naught

33. Derivative financial liabilities Applicable Not applicable**34. Notes payable**

Naught

35. Accounts payable**(1) List of accounts payable**

Unit: RMB

Category	Closing balance	Opening balance
Accounts payable	513,380,468.66	396,263,382.12
Total	513,380,468.66	396,263,382.12

(2) Notes of the accounts payable aging over one year

Naught

36. Advance from customers**(1) List of advance from customers**

Unit: RMB

Item	Closing balance	Opening balance
Prepayments	28,879,558.31	71,531,790.37
Total	28,879,558.31	71,531,790.37

(2) Significant advance from customers aging over one year

Naught

(3) Particulars of settled but unfinished projects formed by construction contract at period-end

Naught

Other notes:

—The closing balance of the prepayments at the period-end decreased of RMB 42,652,232.06 over the period-begin with the reduction amplitude of 59.63%, which was mainly due to the prepayments of the period-begin had been settled of the Reporting Period.

37. Payroll payable**(1) List of Payroll payable**

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term salary	70,996,987.32	275,543,316.60	276,412,252.33	70,128,051.59
II. Welfare after demission - defined contribution plans		19,707,013.28	19,707,013.28	
III. Dismission welfare	1,008,000.00		1,008,000.00	
Total	72,004,987.32	295,250,329.88	297,127,265.61	70,128,051.59

(2) List of Short-term salary

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus, allowance, subsidy	70,635,830.10	250,780,045.31	251,707,902.26	69,707,973.15
2. Employee welfare		7,691,708.21	7,691,708.21	
3. Social insurance		11,578,990.72	11,578,990.72	
Including: 1. Medical insurance premiums		9,516,479.10	9,516,479.10	
Work-related injury insurance		1,162,931.54	1,162,931.54	
Maternity insurance		899,580.08	899,580.08	
4. Housing fund		3,275,018.50	3,275,018.50	
5. Labor union budget and employee education budget	361,157.22	2,217,553.86	2,158,632.64	420,078.44
Total	70,996,987.32	275,543,316.60	276,412,252.33	70,128,051.59

(3) List of drawing scheme

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension benefits		18,962,892.87	18,962,892.87	
2. Unemployment insurance		744,120.41	744,120.41	
Total		19,707,013.28	19,707,013.28	

Other notes:

38. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	19,000,809.81	6,471,716.18
Business tax	0.00	300,148.90
Corporate income tax	15,955,117.99	3,666,766.26
Personal income tax	577,914.55	869,010.09
Urban maintenance and construction tax	2,296,208.47	471,260.34
Other taxes	3,925,302.94	1,190,188.54
Total	41,755,353.76	12,969,090.31

Other notes:

39. Interest payable

Naught

40. Dividends payable

Naught

41. Other accounts payable**(1) Other accounts payable listed by nature of the account**

Unit: RMB

Item	Closing balance	Opening balance
Compensation for lawsuit	1,879,275.16	13,872,398.53
performance bond	10,137,033.02	9,053,678.50

Relevant fees of sale	1,563,012.86	1,924,886.76
Intercourse funds	8,076,410.52	8,076,410.52
Other	5,552,627.37	3,603,126.91
Total	27,208,358.93	36,530,501.22

(2) Other significant accounts payable with aging over one year

Unit: RMB

Item	Closing balance	Unpaid/ Un-carry-over reason
Intercourse funds	8,076,410.52	
Total	8,076,410.52	--

42. Liabilities classified as holding for sale

Naught

43. Non-current liabilities due within 1 year

Naught

44. Other current-liabilities

Naught

45. Long-term loan

(1) Category of long-term loan

Naught

46. Bonds payable

(1) Bonds payable

Naught

(2) Increase/decrease of bonds payable (excluding the other financial instruments classified as the preference shares, perpetual capital securities of the financial liabilities)

Naught

(3) Notes to the conditions and time of the shares transfer of the convertible corporate bonds

Naught

(4) Notes to the other financial instruments classified as financial liabilities

Naught

47. Long-term payable**(1) Long-term payable listed by nature**

Naught

48. Long-term payroll payable**(1) Long-term payroll payable chart**

Naught

(2) List of the changes of defined benefit plans

Naught

49. Special payable

Naught

50. Accrued liabilities

Naught

51. Deferred income

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance	Formation reasons
Government subsidies	10,722,275.02	480,000.00	77,499.96	11,124,775.06	Government subsidies related to assets income
Total	10,722,275.02	480,000.00	77,499.96	11,124,775.06	--

Items involved in government subsidies:

Unit: RMB

Item	Opening balance	Amount of newly	Amount accrued	Other changes	Closing balance	Related to the
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		subsidy	in non-business income			assets/ income
LED production technical transformation project	9,852,274.95				9,852,274.95	Related to the assets
Production line of 50 million energy-saving fluorescent lamp	620,000.07		77,499.96		542,500.11	Related to the assets
New type of low cost silicon substrate LED light source module technology	250,000.00				250,000.00	Related to the income
Standard optical components testing laboratory capacity construction and products quality guarantee engineering		480,000.00			480,000.00	Related to the income
Total	10,722,275.02	480,000.00	77,499.96		11,124,775.06	--

52. Other non-current liabilities

Naught

53. Share capital

Unit: RMB

	Opening balance	Increase/decrease (+/-)					Closing balance
		Newly issue share	Bonus shares	Capitalization of public reserves	Other	Subtotal	
The sum of shares	1,272,132,868.00						1,272,132,868.00

54. Other equity instruments

(1) Basic condition of the other financial instruments such as the outstanding preference shares and perpetual capital securities at the period-end

Naught

(2) Change table of the financial instruments such as the outstanding preference shares and perpetual capital securities at the period-end

Naught

55. Capital reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium	289,084,024.29			289,084,024.29
Other capital reserves	7,240,351.29	5,620.25		7,245,971.54
Total	296,324,375.58	5,620.25		296,329,995.83

Other notes, including changes and reason of change:

—Other capital reserves increased of RMB 5,620.25 during the Reporting Period, which mainly due to the income of the historical odd lots dividends of the listed companies returned by the Shenzhen Branch of CSDCC. The securities companies had cleared the historical odd lots dividends that kept by the securities companies according to the Notice of the Related Events of the Return of the Historical Odd Lots Dividends issued by Shenzhen Branch of CSDCC and had returned the historical odd lots dividends to the listed companies; at the same time, the listed companies included the historical odd lots dividends into the relevant reserved funds subjects of the shareholders' equities.

56. Treasury stock

Naught

57. Other comprehensive income

Unit: RMB

Item	Opening balance	Reporting period					Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized	Less: income tax expense	After-tax attribute to the parent company	After-tax attribute to minority shareholder	

			into other comprehensive income in prior period				
II. Other comprehensive income reclassify into profits and losses	2,212,989.15 6.02	164,936.09 8.72		24,618,320.04	140,317.77 8.68		2,353,306.934.70
Profits or losses from the change of fair value of available for sale financial assets	2,212,989.15 6.02	164,122.13 3.58		24,618,320.04	139,503.81 3.54		2,352,492.969.56
Other		813,965.14		0.00	813,965.14		813,965.14
Total of other comprehensive income	2,212,989.15 6.02	164,936.09 8.72		24,618,320.04	140,317.77 8.68		2,353,306.934.70

58. Special reserves

Naught

59. Surplus reserves

Unit: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	491,552,538.76			491,552,538.76
Discretionary surplus reserves	136,886,568.36			136,886,568.36
Total	628,439,107.12			628,439,107.12

Notes to the surplus reserves including the notes to the increase/decrease during the Reporting Period as well as the reasons:

60. Retained profits

Unit: RMB

Item	Amount	Withdrawal or distributed proportion
Opening balance of retained profits before adjustments	613,661,381.40	777,810,478.44
Opening balance of retained profits after adjustments	613,661,381.40	777,810,478.44
Add: Net profit attributable to owners of the Company	206,925,812.72	100,258,759.31
Dividend of common stock payable	15,901,660.85	215,284,023.90
Closing retained profits	804,685,533.27	662,785,213.85

List of adjustment of opening retained profits:

- 1) RMB0.00 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB0.00 opening retained profits was affected by changes on accounting policies.
- 3) RMB0.00 opening retained profits was affected by correction of significant accounting errors.
- 4) RMB0.00 opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB0.00 opening retained profits was affected totally by other adjustments.

61. Revenue and cost of sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	1,743,092,467.69	1,315,261,790.95	1,511,711,913.81	1,160,678,870.83
Other operations	12,578,459.75	7,720,769.75	12,650,872.68	5,364,570.18
Total	1,755,670,927.44	1,322,982,560.70	1,524,362,786.49	1,166,043,441.01

62. Business tax and surcharges

Unit: RMB

Item	Reporting Period	Same period of last year
Business tax	233,406.51	663,020.91
Urban maintenance and construction tax	7,002,504.08	6,547,903.14
Education Surcharge	5,015,667.87	4,713,909.73
Total	12,251,578.46	11,924,833.78

63. Sales expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Transport fees	26,988,943.15	30,979,809.21
Salary	23,124,058.32	22,850,138.19
Sales promotion fee& dealer meeting expense	8,919,049.44	7,365,122.95
Business propagandize fee	5,771,832.24	9,569,210.87
Business travel charges	3,730,926.88	2,050,131.78
Street light project maintenance fee	40,600.00	104,300.00
Service charges on promotion of energy-saving products ee	0.00	6,103,936.07

Others	4,676,397.38	3,201,731.20
Total	73,251,807.41	82,224,380.27

Other notes

64. Administration expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Employee's remuneration	25,133,604.07	27,766,417.20
Depreciation charge	9,506,297.68	12,550,537.58
Tax expenses	7,387,142.35	8,023,991.73
Office expenses	4,466,075.16	3,086,027.82
R&D expenses	3,198,358.61	3,669,947.35
Amortization of intangible assets	2,100,959.51	3,019,175.39
Testing expense	680,292.67	652,439.04
Others	29,645,097.89	55,527,312.58
Total	82,117,827.94	114,295,848.69

65. Financial expenses

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expenses		
Less: Interest income	6,489,563.72	7,469,744.78
Exchange loss	-556,267.25	-5,153,449.97
Others	600,077.93	1,415,253.95
Total	-6,445,753.04	-11,207,940.80

66. Asset impairment loss

Unit: RMB

Item	Reporting Period	Same period of last year
I. Bad debt loss	14,692,768.91	6,742,683.01
II. Inventory falling price loss	21,160,604.92	
VII. Impairment losses of fix asset impairment loss		37,880,650.98
IX. Impairment losses of construction in		2,000,000.00

process		
Total	35,853,373.83	46,623,333.99

Other notes:

67. Gains and losses from changes in fair value

Unit: RMB

Sources	Reporting Period	Same period of last year
2. Financial assets measured by fair value and the changes be included in the current profits and losses		1,272,770.46
Total		1,272,770.46

68. Investment income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	-19,640.12	-1,208.40
Investment income received from financial assets measured by fair value and the changes be included in the current profits and losses during holding period		870.00
Investment income received from disposal of financial assets measured by fair value and the changes be included in the current profits and losses during holding period	261,818.10	640,080.26
Investment income received from holding of available-for-sale financial assets	10,950,922.50	3,449,696.24
Investment income received from disposal of available-for-sale financial assets		17,063,266.56
Gain/loss on entrusting others with investments or asset management	2,659,136.99	
Others	-131,489.70	-443,538.84
Total	13,720,747.77	20,709,165.82

69. Non-operating gains

Unit: RMB

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	20,253.97	6,114.53	20,253.97
Including: Gains from disposal of fixed assets	20,253.97	6,114.53	20,253.97
Government subsidies	505,099.96	2,519,246.86	505,099.96
Others	1,049,662.65	419,340.96	1,049,662.65
Total	1,575,016.58	2,944,702.35	1,575,016.58

Government subsidies recorded into current profits and losses

Unit: RMB

Item	Distribution entity	Distribution reason	Nature	Whether subsidies influence the current profits and losses or not	Special subsidy or not	Reporting Period	Same period of last year	Related to assets/related income
Guangdong province hundreds and millions of LED indoor lighting demonstration zone construction project engineering		Subsidy	Subsidy from R&D Technical updating and transformation, etc.	No	No		1,802,496.00	Related to the income
Special funds for export enterprises exploiting the international market		Award	Subsidy from R&D Technical updating and transformation, etc.	No	No	69,000.00		Related to the income
Award for adopting international standard products		Award	Subsidy from R&D Technical updating and transformation, etc.	No	No	150,000.00		Related to the income
Project of		Subsidy	Due to	No	No		28,166.86	Related to the

FGD fly ash removal of furnace system			engaged in special industry that the state encouraged and supported, gained subsidy (obtaining in line with the law and the regulations of national policy)					assets
Production line of 50 million energy-saving fluorescent lamp		Subsidy	Due to engaged in special industry that the state encouraged and supported, gained subsidy (obtaining in line with the law and the regulations of national policy)	No	No	77,499.96	77,499.93	Related to the assets
Chancheng District Economy and Science Promotion Bureau Talent Subsidy		Award	Subsidy from R&D Technical updating and transformation, etc.	No	No	66,000.00		Related to the income
The development of science and technology		Award	Subsidy from R&D Technical updating and transformation	No	No	93,600.00		Related to the income

plan project funds			n, etc.					
Special fund for Guangdong province steady growth and adjusting the structure		Award	Subsidy from R&D Technical updating and transformation, etc.	No	No		66,666.67	Related to the income
2014 Suzhou No. 32 Sci-tech development project funds		Award	Subsidy from R&D Technical updating and transformation, etc.	No	No		90,000.00	Related to the income
Clean energy reward for social Development Management Branch of Luocun Town, Nanhai District, Foshan City		Award	Subsidy from R&D Technical updating and transformation, etc.	No	No		330,000.00	Related to the income
Other odd government subsidies		Award	Subsidy from R&D Technical updating and transformation, etc.	No	No	49,000.00	124,417.40	Related to the income
Total	--	--	--	--	--	505,099.96	2,519,246.86	--

70. Non-operating expenses

Unit: RMB

Item	Reporting Period	Same period of last year	Recorded in the amount of the non-recurring gains and losses
Loss on disposal of non-current assets	223,092.25	397,124.46	223,092.25

Including: Loss on disposal of fixed assets	223,092.25	397,124.46	223,092.25
The inventory scrap loss	3,403,353.00	0.00	3,403,353.00
Lawsuit compensation	100,000.00	14,167,695.69	100,000.00
Others	1,190,611.69	371,344.00	1,190,611.69
Total	4,917,056.94	14,936,164.15	4,917,056.94

71. Income tax expense

(1) Lists of income tax expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	44,968,418.65	30,879,655.70
Deferred income tax expense	-5,542,441.36	-2,945,888.59
Total	39,425,977.29	27,933,767.11

(2) Adjustment process of accounting profit and income tax expense:

Unit: RMB

Item	Reporting Period
Total profits	246,038,239.55
Current income tax expense accounted by tax and relevant regulations	37,027,830.75
Influence of different tax rate suitable to subsidiary	396,181.53
Influence of income tax before adjustment	3,644,603.38
Influence of non taxable income	-1,642,638.37
Income tax expense	39,425,977.29

72. Other comprehensive income

For details, please refer to Notes on major items in consolidated financial statements of the Company, 57.

73. Supplementary information to cash flow statement

(1) Other cash received relevant to operating activities:

Unit: RMB

Item	Reporting Period	Same period of last year
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Deposit interest	5,465,229.02	5,785,682.33
Income from waste	1,910,274.50	1,274,788.64
Property and rental income	1,058,343.21	1,136,667.64
Guaranteed income	2,428,184.00	431,500.00
Income from subsidy	939,625.32	2,983,009.39
Income from insurance compensation	2,217,602.70	0.00
Others	1,038,449.92	1,936,655.57
Total	15,057,708.67	13,548,303.57

(2) Other cash paid relevant to operating activities:

Unit: RMB

Item	Reporting Period	Same period of last year
Transport fees	32,535,287.92	36,536,448.87
Donations, punishment, lawsuit compensation	12,680,691.76	16,443,916.00
Advertising expense	9,850,522.41	11,248,789.70
Audit fees, attorney fees, appraisal cost and detect cost	6,382,707.08	6,535,761.28
Business office expenses	4,324,091.36	3,651,094.22
The spare parts, maintenance, and service charge	1,076,002.69	1,958,384.21
Margin	864,301.00	2,296,906.74
Business travel charges	4,541,469.24	3,689,247.96
Commission	0.00	387,472.35
Energy-saving promotion fee	368,987.65	4,239,305.40
Street light project construction and maintenance	1,677,736.31	1,311,367.18
Land rent and management fee	3,311,454.39	1,361,983.61
Trademark fee& patent fee	442,693.00	445,459.94
Others	4,121,304.08	6,128,849.74
Total	82,177,248.89	96,234,987.20

(3) Other cash received relevant to investment activities

Naught

(4) Other cash paid relevant to investment activity

Unit: RMB

Item	Reporting Period	Same period of last year
Others	39,878.12	
The future foreign exchange settlement guarantee deposit	7,500,000.00	
Total	7,539,878.12	

(5) Other cash received relevant to financing activities

Naught

(6) Other cash paid relevant to financing activities

Naught

74. Supplemental information for Cash Flow Statement**(1) Supplemental information for Cash Flow Statement**

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	206,612,262.26	96,515,596.92
Add: Provision for impairment of assets	35,853,373.83	46,623,333.99
Depreciation of fixed assets, of oil-gas assets, of productive biological assets	37,519,048.12	36,034,850.96
Amortization of intangible assets	2,100,959.51	3,073,889.51
Long-term unamortized expenses	84,671.95	515,785.87
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains: negative)	-20,253.97	
Loss on retirement of fixed assets (gains: negative)	223,092.25	391,009.93
Losses from variation of fair value (gains: negative)		-1,272,770.46
Financial cost (gains: negative)	-956,368.36	1,839,130.38
Investment loss (gains: negative)	-13,720,747.77	-20,709,165.82

Decrease in deferred income tax assets (gains: negative)	-5,535,752.11	2,229,221.95
Increase in deferred income tax liabilities (“-” means decrease)	-6,689.25	190,915.57
Decrease in inventory (gains: negative)	84,829,939.85	20,977,215.53
Decrease in accounts receivable from operating activities (gains: negative)	-161,829,594.02	-143,332,226.48
Increase in payables from operating activities (decrease: negative)	106,474,364.77	56,197,559.85
Net cash flows generated from operating activities	291,628,307.06	99,274,347.70
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Change of cash and cash equivalent:	--	--
Closing balance of cash	780,593,190.58	874,167,564.37
Less: Opening balance of cash	933,546,108.37	989,718,395.60
Net increase in cash and cash equivalents	-152,952,917.79	-115,550,831.23

(2) Net Cash paid of obtaining the subsidiary

Naught

(3) Net Cash receive from disposal of the subsidiary

Naught

(4) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	780,593,190.58	933,546,108.37
Including: Cash on hand	58,201.50	36,008.01
Bank deposit on demand	769,190,457.49	853,647,752.46
Other monetary funds on demand	11,344,531.59	79,862,347.90
III. Closing balance of cash and cash equivalents	780,593,190.58	933,546,108.37

75. Notes to items of changes in owner's equity

Note to name of "other" item adjusted closing balance and the adjustment amount:

Not applicable

76. The assets with the ownership or use right restricted

Unit: RMB

Item	Closing book value	Restricted reason
Monetary capital	7,500,000.00	The future foreign exchange settlement guarantee deposit
Total	7,500,000.00	--

77. Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: RMB

Item	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary capital	--	--	3,303,409.05
Including: USD	497,854.53	6.6312	3,301,372.96
EUR	276.08	7.3750	2,036.09
Account receivable	--	--	201,345,705.80
Including: USD	30,363,389.10	6.6312	201,345,705.80
Accounts payable			245,354.40
Including: USD	37,000.00	6.6312	245,354.40
Advance from customers			12,303,523.31
Including: USD	1,855,399.22	6.6312	12,303,523.31

(2) Note to overseas entities including: for significant overseas entities, shall disclose main operating place, recording currency and selection basis, if there are changes into recording currency, shall also disclose the reason.

Applicable Not applicable

78. Arbitrage

Qualitative and quantitative information of relevant arbitrage instruments, hedged risk in line with the type of arbitrage to disclose:

Not applicable

79. Other

Not applicable

VIII. Changes of merge scope**1. Business combination not under the same control****(1) Business combination under the same control during the Reporting Period**

Naught

(2) Combination cost and goodwill

Naught

(3) Identifiable assets and liabilities of acquiree on purchase date

Naught

(4) Profits or losses of residual equity held before purchase date recalculated in line with fair value

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the control during the Reporting Period

Yes No

(5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge

Naught

(6) Other notes

Naught

2. Business combination under the same control**(1) Business combination under the same control during the Reporting Period**

Naught

(2) Combination cost

Naught

(3) The book value of the assets and liabilities of the combined party at combining date

Naught

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

Naught

4. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control

Yes No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in Reporting Period

Yes No

5. Other reasons for the changes in combination scope

Note to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

For details see 3. Consolidated Financial Statement Scope, III. Company Profile, Section IX Financial Report.

6. Other

Naught

IX. Equity in other entities**1. Equity in subsidiary****(1) The structure of the enterprise group**

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Foshan Chansheng Electronic Ballast Co., Ltd.	Foshan	Foshan	Production and sales	100.00%	0.00%	Newly established
Foshan Chanchang Electric	Foshan	Foshan	Production and sales	70.00%	0.00%	Newly established

Appliance (Gaoming) Co., Ltd.						
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	Foshan	Foshan	Production and sales	70.00%	0.00%	Newly established
Guangdong Fozhao New Light Sources Technology Co., Ltd.	Foshan	Foshan	Production and sales	100.00%	0.00%	Newly established
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	Xinxiang)	Xinxiang)	Production and sales	100.00%	0.00%	Newly established
Guangdong Fozhao Leasing Co., Ltd.	Foshan	Foshan	Finance lease	100.00%	0.00%	Newly established
Foshan Lighting Lamps & Components Co., Ltd.	Foshan	Foshan	Production and sales	100.00%	0.00%	Newly established
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	Nanjing	Nanjing	Production and sales	100.00%	0.00%	Purchase

Notes: holding proportion in subsidiary different from voting proportion:

Naught

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

Naught

Significant structure entities and controlling basis in the scope of combination:

Naught

Basis of determine whether the Company is the agent or the principal:

Naught

(2) Significant not wholly owned subsidiary

Unit: RMB

Name	Shareholding proportion	The profits and losses	Declaring dividends	Balance of minority
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	of minority shareholder	arbitrate to the minority shareholders	distribute to minority shareholder	shareholder at closing period
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	30.00%	13,189.73		30,004,374.24
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	30.00%	471,106.83		10,062,534.46
Total		484,296.56		40,066,908.70

Holding proportion of minority shareholder in subsidiary different from voting proportion:

Naught

(3) The main financial information of significant not wholly owned subsidiary

Unit: RMB

Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	73,783,140.92	33,209,401.27	106,992,542.19	6,977,961.38		6,977,961.38	73,220,699.00	35,531,355.54	108,752,054.54	8,781,439.48		8,781,439.48
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	59,034,511.59	7,355,568.61	66,390,080.20	32,848,298.64		32,848,298.64	51,164,104.98	8,097,170.56	59,261,275.54	27,289,850.07		27,289,850.07
Total	132,817,652.51	40,564,969.88	173,382,622.39	39,826,260.02		39,826,260.02	124,384,803.98	43,628,526.10	168,013,330.08	36,071,289.55		36,071,289.55

Unit: RMB

Name	Reporting Period				Same period of last year			
	Operation revenue	Net profit	Total comprehensive	Operating cash flow	Operation revenue	Net profit	Total comprehensive	Operating cash flow

			ve income				ve income	
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	25,826,877.82	43,965.75	43,965.75	-502,668.93	18,925,514.22	-1,498,575.91	-1,498,575.91	-5,993,838.17
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	51,763,010.94	1,570,356.09	1,570,356.09	301,174.27	67,478,345.33	2,603,080.01	2,603,080.01	-4,255,519.21
Total	77,589,888.76	1,614,321.84	1,614,321.84	-201,494.66	86,403,859.55	1,104,504.10	1,104,504.10	-10,249,357.38

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

Naught

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

Naught

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary

(1) Note to owner's equity share changed in subsidiary

Naught

(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company

Naught

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Naught

(2) Main financial information of significant joint venture

Naught

(3) Main financial information of significant associated enterprise

Naught

(4) Summary financial information of insignificant joint venture or associated enterprise

Unit: RMB

	Closing balance/ Reporting Period	Opening balance /last period
Joint venture:	--	--
The total of following items according to the shareholding proportions	--	--
Associated enterprise:	--	--
Total investment book value	362,997.40	382,637.52
The total of following items according to the shareholding proportions	--	--
--Net profits	-19,640.12	-3,307,086.87
--Total comprehensive income	-19,640.12	-3,307,086.87

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

Naught

(6) The excess loss of joint venture or associated enterprise

Naught

(7) The unrecognized commitment related to joint venture investment

Naught

(8) Contingent liabilities related to joint venture or associated enterprise investment

Naught

4. Significant common operation

Naught

5. Equity of structure entity not including in the scope of consolidated financial statements

Naught

6. Other

Naught

X. The risk related financial instruments

The financial instruments of the Company included: monetary funds, accounts receivable, notes receivable, accounts payable, etc. The details of each financial instrument see relevant items of note V.

The main risks of the Company due to financial instruments were credit risk, liquidity risk and market risk. The operating management of the Company was responsible for the risk management target and the recognition of the policies.

1 Credit risk

Credit risk was one party of the contract failed to fulfill the obligations and causes loss of financial assets of the other party. The credit risk the Company faced was selling on credit which leads to customer credit risk.

The Company will evaluate credit risk of new customer, and set credit limit, once the balance of account receivable over credit limit, require the customer to pay or producing and delivering goods shall be approved by the management of the Company.

The Company through monthly aging analysis of account receivable and monitoring the collection situation of the customer ensured the overall credit risk of the Company was in control scope. Once appear abnormal situation, the Company should conduct necessary measures to requesting the payment timely.

2. Liquidity Risk

Liquidity risk is referred to their risk of incurring capital shortage when performing settlement obligation in the way of cash payment or other financial assets. The policies of the Company are to ensure that there was sufficient cash to pay the due liabilities. The liquidity risk is centralized controlled by the Financial Department of the Company. The financial department through supervising the balance of the cash and securities can be convert to cash at any time and the rolling prediction of cash flow in future 12 months to ensure the Company have sufficient cash to pay the liabilities under the case of all reasonable prediction, Each financial liability of the Company was estimated due within 1 year.

3. Market risk

Market risk was referred to risk of the fair value or future cash flow of financial instrument changed due to the change of market price, including: exchange rate risk, interest rate risk and other price risk.

A. Exchange rate risk

Exchange rate risk was referred to the possible loss due to changes of exchange rate in the financial activities that economic agents held or used the foreign exchange. The Company's export business was settled by USD which avoided exchange risk the Company faced in transaction.

B. Interest rate risk

Interest rate risk is refers to fluctuation risk of the fair value or future cash flow of financial instrument change due to the change of market price. There was no bank loan in the Company, thus no RMB benchmark interest rate changes

C. Other price risk

N/A

XI. The disclosure of the fair value

1. Closing fair value of assets and liabilities calculated by fair value

Unit: RMB

Item	Closing fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(II) Available-for-sale financial assets	2,951,288,535.54			2,951,288,535.54
(2) Equity tool investment	2,951,288,535.54			2,951,288,535.54
Total assets of consistent fair value measurement	2,951,288,535.54			2,951,288,535.54
II. Inconsistent fair value measurement	--	--	--	--

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1

The recognition judgment of the fair value measurement items at level 1 was the stock price on assets balance sheet date

3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2

Naught

4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3

Naught

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3

Naught

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels

Naught

7. Changes in the valuation technique in the current period and the reason for change

Naught

8. Fair value of financial assets and liabilities not measured at fair value

Naught

9. Other

Naught

XII. Related party and related Transaction

1. Information related to parent company of the Company

Name of parent company	Registration place	Nature of business	Registered capital	Proportion of share held by parent company against the Company (%)	Proportion of voting rights owned by parent company against the Company (%)
Hong Kong Wah Shing Holding Company Limited	Hong Kong	/	/	13.47%	13.47%
Guangdong Electronics Information Industry Group Ltd.	Guangzhou	Production, sale	RMB462 million	4.75%	4.75%
Shenzhen Guangsheng Investment Development Co., Ltd.	Shenzhen	Investment	RMB120 million	4.52%	4.52%
Guangsheng Investment Development Co., Ltd.	Hong Kong	/	/	1.82%	1.82%
Total				24.56%	24.56%

Notes: Information on the parent company:

-9 September 2015, the Company's original first majority shareholder OSRAM Holding Company Limited signed Equity Transfer Agreement with Guangdong Electronics Information Industry Group Co., Ltd. (Hereinafter referred to as "Electronics Group") Germany OSRAM Company Limited transfer its 100% share equity to Electronics Group. The relevant transaction was completed on 4 December 2015. Electronics Group became only controlling shareholder of OSRAM Holding (Renamed as Hong Kong Wah Shing

Holding Company Limited (hereinafter referred to as "Hong Kong Wah Shing Holding") and indirectly became the first majority shareholder of the Company.

-The first majority shareholder of the Company, Hong Kong Huasheng Holding Co., Ltd. was the wholly owned subsidiary of Electronics Group, and Electronics Group, Shenzhen Guangsheng Investment Development Co., Ltd. (Hereinafter referred to as " Shenzhen Guangsheng ") and Guangsheng Investment Development Co., Ltd. (Hereinafter referred to as " Guangsheng Investment")were the wholly owned subsidiaries of Guangdong Rising Assets Management Co., Ltd. In line with the relevant stipulation of Corporation Law and Rules on Listed Companies Acquisition, Electronics Group, Shenzhen Guangsheng and Guangsheng Investment were persons acting in concert. As of 31 December 2015, the aforesaid persons acting in concert holding total A, B share of the Company 294,420,550 shares, 23.144 % of total share equity of the Company.

-From 29 April 2016 to 18 May 2016, the Company's controlling shareholder and person acting in concert Shenzhen Guangsheng Investment Development Co., Ltd. (Hereinafter referred to as " Shenzhen Guangsheng ") increased shareholding of A share of the Company 18,002,924 shares, 1.415% of total share capital of the Company through SSE system. After increasing shareholding, as of 30 June 2016, the aforesaid persons acting in concert holding total A, B share of the Company 312,423,474 shares, 24.559% of total share equity of the Company.

The final controller of the Company is Guangdong Rising Assets Management Co., Ltd. (GRAM)

2. Subsidiaries of the Company

See details to Notes IX. Equity in other entities, 1. Equity in subsidiary.

3. Information on the joint ventures and associated enterprises of the Company

The details of significant joint venture and associated enterprise of the Company, please refer to Notes IX. Equity in other entities, 3. Equity in the joint venture arrangement or associated enterprise

4. Information on other related parties of the Company

Name	Relationship
Guangdong Electronics Information Industry Group Ltd.	Acting-in-concert party of a corporation with a stake over 5% in the Company
OSRAM (China) Lighting Co., Ltd.	Acting-in-concert party of a corporation with a stake over 5% in the Company within the past 12 months
OSRAM Asia Pacific Ltd.	Acting-in-concert party of a corporation with a stake over 5% in the Company within the past 12 months
Prosperity Lamps and Components Ltd.	Shareholder owning over 5% shares
Prosperity Electrical (China) Co., Ltd.	Company controlled by related natural person
Prosperity (Hangzhou) Lighting and Electrical Co., Ltd.	Company controlled by related natural person
Hangzhou Times Lighting and Electrical Co., Ltd.	Company controlled by related natural person
Foshan NationStar Optoelectronics Co. Ltd.	Under same actual controller
Guangdong Fenghua Advanced Technology Holding Co., Ltd.	Under same actual controller
Henan Guangsheng Technology Investment Co., Ltd.	Under same actual controller

Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	Related natural person as a senior manager in the company
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5. List of related-party transactions

(1) Information on acquisition of goods and reception of labor service (unit: ten thousand Yuan)

Information on acquisition of goods and reception of labor service

Unit: RMB

Related party	Content	Reporting Period	The approval trade credit	Whether exceed trade credit or not	Same period of last year
Prosperity Lamps and Components Ltd.	Purchase of raw material	1,205,832.30	6,500,000.00	No	6,199,780.58
Prosperity Electrical (China) Co., Ltd.	Purchase of raw material	4,670,025.04	15,000,000.00	No	11,980,714.88
Hangzhou Times Lighting and Electrical Co., Ltd.	Purchase of raw material	978,074.43	3,500,000.00	No	1,886,095.56
Prosperity (Xinxiang) Electro-Optical Machinery Co., Ltd	Purchase of equipment			No	169,129.06
Foshan NationStar Optoelectronics Co., Ltd.	Purchase of raw material	50,935,351.13	300,000,000.00	No	0.00
Guangdong Fenghua Advanced Technology Holding Co., Ltd.	Purchase of raw material	2,950,368.03	20,000,000.00	No	0.00
Total		60,739,650.93	345,000,000.00	No	20,235,720.08

Information of sales of goods and provision of labor service

Unit: RMB

Related party	Content	Reporting Period	Same period of last year
Prosperity Lamps and Components Ltd.	Sale of products	13,828,671.26	16,513,390.54
Prosperity (Hangzhou) Lighting and Electrical Co., Ltd.	Sale of products	63,364.11	1,231,915.65
Prosperity Electrical (China) Co., Ltd.	Sale of products	127,799.81	475,973.15

OSRAM (China) Lighting Co., Ltd.	Sale of products	4,974,811.87	8,267,791.27
OSRAM Asia Pacific Ltd.	Sale of products	5,480,151.82	6,634,481.40
Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	Sale of products	101,813.76	109,372.97
Foshan NationStar Optoelectronics Co., Ltd.	Sale of products	139,981.43	0.00
Total		24,716,594.06	33,232,924.98

(2) Related trusteeship/contract

Naught

(3) Information of related lease

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in this year	The lease income confirmed in last year
Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	House property	45,000.00	22,500.00

The Company was lessee:

Unit: RMB

lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Guangdong Electronics Information Industry Group Ltd.	Transportation equipment	24,500.00	0.00

(4) Related-party guarantee

Naught

(5) Inter-bank lending of capital of related parties:

Naught

(6) Related party asset transfer and debt restructuring

Naught

(7) Rewards for the key management personnel

Unit: RMB

Item	Reporting Period	Same period of last year
Chairman of the Board		945,000.00
Director & GM	496,125.00	708,750.00
Chairman of the Supervisor		259,998.00
Chairman Secretary	358,314.00	358,314.00
CFO	298,595.00	567,000.00
Others	2,099,970.00	1,569,321.00
Total	3,253,004.00	4,408,383.00

Note: The Director of the Board, Chairman of the Supervisory did not gain reward from the Company.

(8) Other related-party transactions

Naught

6. Receivables and payables of related parties**(1) Receivables**

Unit: RMB

Name of item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Prosperity (Hangzhou) Lighting and Electrical Co., Ltd.	405,503.27	24,330.20	1,183,367.27	71,002.04
Account receivable	Prosperity Electrical (China) Co., Ltd.	28,772.70	1,726.36	0.00	0.00
Account receivable	OSRAM (China) Lighting Co., Ltd.	2,810,729.88	168,643.79	2,305,508.76	138,330.53
Account receivable	Foshan NationStar Optoelectronics Co., Ltd.	0.00	0.00	538,938.00	32,336.28
Account receivable	Prosperity Lamps	4,035,055.27	242,103.32	8,110,971.49	486,658.29

	and Components Ltd.				
Account receivable	OSRAM Asia Pacific Ltd.	869,222.29	52,153.34	5,551,463.20	333,087.79
Account receivable	Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	30,299.68	1,817.98	115,788.02	6,947.28
Other accounts receivable	Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	7,500.00	450.00	0.00	0.00
Prepayment	Henan Guangsheng Technology Investment Co., Ltd.	117,000.00	0.00	117,000.00	0.00
Prepayment	Prosperity Electrical (China) Co., Ltd.	93,168.39	0.00	0.00	0.00

(2) Payables

Unit: RMB

Name of item	Related party	Closing book balance	Opening book balance
Accounts payable	Prosperity Lamps and Components Ltd.	2,655,530.46	1,733,345.47
Accounts payable	Prosperity Electrical (China) Co., Ltd.	2,622,446.00	6,457,303.92
Accounts payable	Foshan NationStar Optoelectronics Co., Ltd.	20,583,923.01	28,114,401.12
Accounts payable	Hangzhou Times Lighting and Electrical Co., Ltd.	587,272.51	275,413.63
Accounts payable	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	1,810,347.22	440,962.32
Other account payable	Prosperity Electrical (China) Co., Ltd.	100,000.00	0.00
Other account payable	Prosperity Lamps and Components Ltd.	448,258.77	0.00
Advance from customers	Prosperity Electrical (China) Co., Ltd.	0.00	18,133.90
Advance from customers	Foshan NationStar Optoelectronics Co., Ltd.	0.07	0.00

7. Related party commitment

(1)

Commitment: commitments made in acquisition documents or shareholding alteration documents

Commitment maker: Controlling shareholder

Type of commitment: About share lock-up

Contents: Electronics Group and its acting-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made a commitment that within 12 months from the completion of their acquisitions, they shall not transfer or entrust others to manage the shares directly or indirectly held by them in the Company, nor shall they allow the Company to repurchase those shares, except for the case where those shares may be transferred for no compensation due to any business or asset integration with their actual controller or their actual controller's controlled subsidiaries.

Date of commitment making: 2015-12-04

Term of commitment: 12 months

Fulfillment: In execution

(2)

Commitment: commitments made in acquisition documents or shareholding alteration documents

Commitment maker: Controlling shareholder

Type of commitment: About avoidance of horizontal competition

Content: Electronics Group and its acting-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made a commitment that the business of Foshan NationStar Optoelectronics Co., Ltd. that is in competition with the business of the Company takes up only a small part in NationStar's total business, they shall gradually reduce or eliminate the horizontal competition as planned through business integration or other ways or arrangements within the coming 24 months.

Date of commitment making: 2015-12-04

Term of commitment: 24 months

Fulfillment: In execution

(3)

Commitment: commitments made in acquisition documents or shareholding alteration documents

Commitment maker: Controlling shareholder

Type of commitment: About avoidance of horizontal competition

Electronics Group and its acting-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made more commitments as follows to avoid horizontal competition with the Company: 1. They shall conduct supervision and restraint on the production and operation activities of themselves and their relevant enterprises so that besides the enterprise above that is in horizontal competition with the Company for now, if the products or business of them or their relevant enterprises become the same with or similar to those of the Company or its subsidiaries in the future, they shall take the following measures: (1) If the Company thinks necessary, they and their relevant enterprises shall reduce and wholly transfer their relevant assets and business; and (2) If the Company thinks necessary, it is given the priority to acquire first, by proper means, the relevant assets and business of them and their relevant enterprises. 2. All the commitments made by them to eliminate or avoid horizontal competition with the Company are also applicable to their directly or indirectly controlled subsidiaries. They are obliged to urge and make sure that other subsidiaries execute what's prescribed in the

relevant document and faithfully honor all the relevant commitments. 3. If they or their directly or indirectly controlled subsidiaries break the aforesaid commitments and thus cause a loss for the Company, they shall compensate the Company on a rational basis.

Date of commitment making: 2015-12-04

Term of commitment: Long-standing

Fulfillment: In execution

(4)

Commitment: commitments made in acquisition documents or shareholding alteration documents

Commitment maker: Controlling shareholder

Type of commitment: About reduction and regulation of related-party transactions

Content: Electronics Group and its acting-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made a commitment that during their direct or indirect holding of the Company's shares, they shall 1. Strictly abide by the regulatory documents of the CSRC and the SZSE, the Company's Articles of Association, etc. and not harm the interests of the Company or other shareholders of the Company in their production and operation activities by taking advantage of their position as the controlling shareholder and actual controller; 2. make sure that they or their other controlled subsidiaries, branch offices, jointly-run or associated companies (the "Relevant Enterprises" for short) will try their best to avoid or reduce related-party transactions with the Company or the Company's subsidiaries; 3. strictly follow the market principle of justness, fairness and equal value exchange for necessary and unavoidable related-party transactions between them and their Relevant Enterprises and the Company, and withdraw from voting when a related-party transaction with them or their Relevant Enterprises is being voted on at a general meeting or a board meeting, and execute the relevant approval procedure and information disclosure duties pursuant to the applicable laws, regulations and regulatory documents. Where the aforesaid commitments are broken and a loss is thus caused for the Company, its subsidiaries or the Company's other shareholders, they shall be obliged to compensate.

Date of commitment making: 2015-12-04

Term of commitment: Long-standing

Fulfillment: In execution

(5)

Commitment: commitments made in acquisition documents or shareholding alteration documents

Commitment maker: Controlling shareholder

Type of commitment: About independence

In order to ensure the independence of the Company in business, personnel, asset, organization and finance, Electronics Group and its acting-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made the following commitments: 1. They will ensure the independence of the Company in business: (1) They promise that the Company will have the assets, personnel, qualifications and capabilities for it to operate independently as well as the ability of independent, sustainable operation in the market. (2) They promise not to intervene in the Company's business activities other than the execution of their rights as the Company's shareholders. (3) They promise that they and their related parties will not be engaged in business that is substantially in competition with the Company's business. And (4) They promise that they and their related parties will try their best to reduce related-party transactions between them and the Company; for necessary and unavoidable related-party transactions, they promise to operate fairly following the market-oriented principle and at fair prices, and execute the transaction procedure and the duty of information disclosure pursuant to the

applicable laws, regulations and regulatory documents. 2.They will ensure the independence of the Company in personnel: (1) They promise that the Company's GM, deputy GMs, CFO, Company Secretary and other senior management personnel will work only for and receive remuneration from the Company, not holding any positions in them or their other controlled subsidiaries other than director and supervisor. (2) They promise the Company's absolute independence from their related parties in labor, human resource and salary management. And (3) They promise to follow the legal procedure in their recommendation of directors, supervisors and senior management personnel to the Company and not to hire or dismiss employees beyond the Company's Board of Directors and General Meeting. 3. They will ensure the independence and completeness of the Company in asset: (1) They promise that the Company will have a production system, a auxiliary production system and supporting facilities for its operation; legally have the ownership or use rights of the land, plants, machines, trademarks, patents and non-patented technology in relation to its production and operation; and have independent systems for the procurement of raw materials and the sale of its products. (2) They promise that the Company will have independent and complete assets all under the Company's control and independently owned and operated by the Company. And (3) They promise that they and their other controlled subsidiaries will not illegally occupy the Company's funds and assets in any way, or use the Company's assets to provide guarantees for the debts of themselves or their other controlled subsidiaries with. 4. They will ensure the independence of the Company in organization: (1) They promise that the Company has a sound corporate governance structure as a joint-stock company with an independent and complete organization structure. (2) They promise that the operational and management organs within the Company will independently execute their functions according to laws, regulations and the Company's Articles of Association. 5. They will ensure the independence of the Company in finance: (1) They promise that the Company will have an independent financial department and financial accounting system with normative, independent financial accounting rules. (2) They promise that the Company will have independent bank accounts and not share bank accounts with its related parties. (3) They promise that the Company's financial personnel do not hold concurrent positions in its related parties. (4) They promise that the Company will independently pay its tax according to law. And (5) They promise that the Company can make financial decisions independently and that they will not illegally intervene in the Company's use of its funds.

Date of commitment making: 2015-12-04

Term of commitment: Long-standing

Fulfillment: In execution

8. Other

Naught

XIII. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

2. The Stock payment settled by equity

Applicable Not applicable

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment

Naught

5. Other

Naught

XIV. Commitments

1. Significant commitments

Significant commitments at balance sheet date

Naught

2. Contingency

(1) Significant contingency at balance sheet date

Naught

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

3. Other

Naught

XV. Events after balance sheet date

1、 Significant events had not adjusted

Naught

2. Profit distribution

Naught

3. Sales return

Naught

4. Notes of other significant events

Naught

XVI. Other significant events**1. The accounting errors correction in previous period**

Naught

2. Debt restructuring

Naught

3. Replacement of assets

Naught

4. Pension plan

Naught

5. Discontinuing operation

Naught

6. Segment information**7. Other important transactions and events have an impact on investors' decision-making**

Naught

8. Other

Naught

XVII. Notes of main items in the financial statements of the Company**1. Accounts receivable****(1) Accounts receivable classified by category**

Unit: RMB

Category	Closing balance	Opening balance
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	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable with insignificant single amount for which bad debt provision separately accrued						12,986,752.44	3.05%	12,986,752.44	100.00%	
Accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	721,220,332.61	98.24%	40,264,897.23	5.58%	680,955,435.38	410,900,049.63	96.40%	23,029,471.45	5.60%	387,870,578.18
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	12,919,864.11	1.76%	12,919,864.11	100.00%		2,352,989.65	0.55%	2,352,989.65	100.00%	
Total	734,140,196.72	100.00%	53,184,761.34	7.24%	680,955,435.38	426,239,791.72	100.00%	38,369,213.54	9.00%	387,870,578.18

Accounts receivable with single significant amount and withdrawal bad debt provision separately at end of period

Applicable Not applicable

In the groups, accounts receivable adopting aging analysis method to withdraw bad debt provision:

Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Account receivable	Bad debt provision	Withdrawal proportion
Subentry within 1 year			
Within 1 year	645,360,241.39	38,721,614.48	6.00%
Subtotal of within 1 year	645,360,241.39	38,721,614.48	6.00%
1 to 2 years	7,898,702.81	473,922.17	6.00%
2 to 3 years	13,340,116.38	800,406.99	6.00%
Over 3 years	4,482,559.80	268,953.59	6.00%
Total	671,081,620.38	40,264,897.23	6.00%

Notes:

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, accounts receivable adopting other methods to withdraw bad debt provision:

(2) Bad debt provision withdrawal, reversed or recovered in the report period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB 17,163,934.35; the amount of the reversed or collected part during the Reporting Period was of RMB 2,348,386.55.

Significant amount of reversed or recovered bad debt provision:

Unit: RMB

Name of the entity	Amount	Method
Foshan Three Water Center Science & Technology Industry Park Development Co., Ltd.	2,069,866.90	Cash recover
Kunming Hong Guang Ming Commerce and Trade Co., Ltd.	278,519.65	Cash recover
Total	2,348,386.55	--

(3) Particulars of the actual verification of accounts receivable during the Reporting Period

Unit: RMB

Item	Amount
Tianjin Jishi Shengda Lighting Co., Ltd.	160,306.56
Other driblet small amount	107.59
Total	160,414.15

(4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

Unit: RMB

Name of the entity	Nature	Closing balance	Aging	Proportion%
**COMPANY	Goods payment	73,183,103.06	Within 1 year	9.97%
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	Goods payment	35,769,195.88	Within 1 year	4.87%
***** PRUDUCTS INC.	Goods payment	19,219,934.89	Within 1 year	2.62%
Henan Province***Lighting Co., Ltd.	Goods payment	16,988,574.91	Within 1 year	2.31%
** Light Electrical lighting L.L.C	Goods payment	13,984,860.67	Within 1 year	1.90%
Total		159,145,669.41		21.68%

(5) Derecognition of account receivable due to the transfer of financial assets

Naught

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Naught

Other notes:

-The closing balance of account receivable increase RMB 293,084,857.20, 75.56% of the total, comparing to that in opening period, mainly was the sale amount increased.

2. Other accounts receivable**(1) Other account receivable classified by category**

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	56,660,694.89	99.48%	740,152.58	1.31%	55,920,542.31	48,263,507.82	99.39%	1,088,491.67	2.26%	47,175,016.15
Other accounts receivable with insignificant single amount for which bad debt provision separately accrued	295,120.00	0.52%	295,120.00	100.00%	0.00	295,120.00	0.61%	295,120.00	100.00%	0.00
Total	56,955,814.89	100.00%	1,035,272.58	1.82%	55,920,542.31	48,558,627.82	100.00%	1,383,611.67	2.85%	47,175,016.15

Other receivable with single significant amount and withdrawal bad debt provision separately at end of period:

 Applicable Not applicable

In the groups, other accounts receivable adopting aging analysis method to withdraw bad debt provision:

 Applicable Not applicable

Unit: RMB

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subentry within 1 year			
Within 1 year	7,126,094.61	427,565.68	6.00%
Subtotal of within 1 year	7,126,094.61	427,565.68	6.00%
1 to 2 years	4,928,341.88	295,700.51	6.00%
2 to 3 years	35,733.32	2,144.00	6.00%
Over 3 years	245,706.52	14,742.39	6.00%
Total	12,335,876.33	740,152.58	6.00%

Notes:

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, other accounts receivable adopting other methods to withdraw bad debt provision:

Applicable Not applicable

(2) Bad debt provision withdrawal, reversed or recovered in the report period

The amount of bad debt provision was RMB -348,339.09, the amount of reversed or recovered bad debt provision in the Reporting Period RMB0.00

(3) Particulars of the actual verification of other accounts receivable during the Reporting Period

Naught

(4) Other account receivable classified by account nature

Unit: RMB

Nature	Closing book balance	Opening book balance
Internal business group	44,324,818.56	30,417,099.89
VAT export tax refunds	0.00	10,002,722.46
Performance bond	3,660,163.20	3,554,295.96
Staff borrow and deposit	4,676,026.62	730,813.84
Water & electricity fees	674,756.07	490,494.61
Advance money for street light construction	2,523,547.23	2,523,547.23
Other	1,096,503.21	839,653.83
Total	56,955,814.89	48,558,627.82

(5) The top five other account receivable classified by debtor at period-end

Unit: RMB

Name of the entity	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
Foshan Lighting Lamps & Components Co., Ltd.	Internal business group	21,185,987.05	Within 1 year	37.20%	0.00
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	Internal business group	8,915,708.33	Within 1 year	15.65%	0.00
Foshan Chansheng Electronic Ballast Co., Ltd.	Internal business group	4,427,811.01	Within 1 year	7.77%	0.00
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	Internal business group	3,593,455.63	Within 1 year	6.31%	0.00
Guangdong Fozhao New Light Sources Technology Co., Ltd.	Internal business group	3,027,945.48	Within 1 year	5.32%	0.00
Total	--	41,150,907.50	--	72.25%	0.00

(6) Account receivable involving government subsidies

Naught

(7) Other account receivable derecognized due to the transfer of financial assets

Naught

(8) Amount of transfer other account receivable and assets and liabilities formed by its continuous involvement

Naught

3. Long-term equity investment

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value

Investment to the subsidiary	441,949,939.76	24,360,000.00	417,589,939.76	441,949,939.76	24,360,000.00	417,589,939.76
Investment to joint ventures and associated enterprises	362,997.40		362,997.40	382,637.52		382,637.52
Total	442,312,937.16	24,360,000.00	417,952,937.16	442,332,577.28	24,360,000.00	417,972,577.28

(1) Investment to the subsidiary

Unit: RMB

Investee	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the Reporting Period	Closing balance of impairment provision
Foshan Chansheng Electronic Ballast Co., Ltd.	2,744,500.00			2,744,500.00		
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	42,000,000.00			42,000,000.00		
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	350,000.00			350,000.00		
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	72,000,000.00			72,000,000.00		
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	35,418,439.76			35,418,439.76		
Guangdong Fozhao New Light Sources Technology Co., Ltd.	50,077,000.00			50,077,000.00		
Guangdong Fozhao Leasing	200,000,000.00			200,000,000.00		

Co., Ltd.						
Foshan Lighting Lamps & Components Co., Ltd.	15,000,000.00			15,000,000.00		
Suzhou Mont Lighting Co., Ltd.	24,360,000.00			24,360,000.00		24,360,000.00
Total	441,949,939.76			441,949,939.76		24,360,000.00

(2) Investment to joint ventures and associated enterprises

Unit: RMB

Investee	Opening balance	Increase/decrease in Reporting Period								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profits	Withdrawal impairment provision	Others		
I. Joint ventures											
II. Associated enterprises											
Qinghai Salt Lake Fozhao Lanke Lithium Industry Co., Ltd.	382,637.52			-19,640.12						362,997.40	
Subtotal	382,637.52			-19,640.12						362,997.40	
Total	382,637.52			-19,640.12						362,997.40	

(3) Other notes

Naught

4. Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Sales revenue	Cost of sales	Sales revenue	Cost of sales
Main operations	1,734,702,749.77	1,312,995,991.44	1,459,454,200.77	1,136,562,737.09
Other operations	47,754,466.37	42,711,518.50	90,145,253.61	76,755,687.39
Total	1,782,457,216.14	1,355,707,509.94	1,549,599,454.38	1,213,318,424.48

5. Investment income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	-19,640.12	-1,208.40
Investment income received from financial assets measured by fair value and the changes be included in the current profits and losses during holding period		870.00
Investment income received from disposal of financial assets measured by fair value and the changes be included in the current profits and losses during holding period	261,818.10	640,080.26
Investment income received from holding of available-for-sale financial assets	10,950,922.50	3,449,696.24
Investment income received from disposal of available-for-sale financial assets		17,063,266.56
Gain/loss on entrusting others with investments or asset management	2,659,136.99	
Others	-131,489.70	-443,538.84
Total	13,720,747.77	20,709,165.82

6. Other

Naught

XVIII. Supplementary materials

1. Items and amounts of extraordinary gains and losses

√ Applicable □ Not applicable

Unit: RMB

Item	Amount	Explanation
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Gains/losses on the disposal of non-current assets	-202,838.28	
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents	77,499.96	
Gain/loss on entrusting others with investments or asset management	2,659,136.99	
Gain/loss from change of fair value of transactional assets and liabilities, and investment gains from disposal of transactional financial assets and liabilities and available-for-sale financial assets, other than valid hedging related to the Company's common businesses	630,328.38	
Other non-operating income and expenses other than the above	-3,216,702.04	
Project confirmed with the definition of non-recurring gains and losses and losses	0.00	
Less: Income tax effects	190,543.23	
Minority interests effects	-531,837.26	
Total	288,719.04	--

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 Not applicable

2. Return on equity and earnings per share

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to common shareholders of the Company	3.94%	0.1627	0.1627
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit and loss	3.94%	0.1624	0.1624

3. Differences between accounting data under domestic and overseas accounting standards

(1) Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable Not applicable

(3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

Applicable Not applicable

4. Other

Naught

Section X Documents Available for Reference

Investors and relevant departments may refer to the following materials placed in the Board Secretariat in the office building of the Company:

1. Financial statements signed and sealed by the legal representative, the accounting head for the Report and the manager of the finance department;
2. All originals of the Company's documents and announcements disclosed on China Securities Journal, Securities Times, and Ta Kung Pao in the Reporting Period;

The Board of Directors
Foshan Electrical and Lighting Co., Ltd
23 August 2016