

**FOSHAN ELECTRICAL AND LIGHTING CO., LTD.**  
**THIRD QUARTER REPORT 2016**

**October 2016**

## Section I Important Statements

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 this Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in this Report.

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

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

## Section II Financial Highlights & Shareholder Changes

### I Highlights of 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

	30 September 2016	31 December 2015	+/- (%)	
Total assets (RMB)	6,153,358,060.97	6,048,296,432.78	1.74%	
Net assets attributable to shareholders of the Company (RMB)	5,033,254,689.85	5,023,546,888.12	0.19%	
	July-September 2016	YoY +/- (%)	January-September 2016	YoY +/- (%)
Operating revenues (RMB)	819,510,785.90	15.73%	2,575,181,713.34	15.35%
Net profit attributable to shareholders of the Company (RMB)	73,179,107.88	372.81%	280,104,920.60	281.43%
Net profit attributable to shareholders of the Company excluding exceptional profit and loss (RMB)	73,405,588.72	98.23%	280,042,682.40	117.35%
Net cash flows from operating activities (RMB)	--	--	324,048,913.00	120.18%
Basic earnings per share (RMB/share)	0.0575	372.51%	0.2202	281.63%
Diluted earnings per share (RMB/share)	0.0575	372.51%	0.2202	281.63%
Weighted average return on equity (%)	1.49%	1.91%	5.53%	2.54%

Exceptional profit and loss

Applicable  Not applicable

Unit: RMB

Item	January-September 2016	Note
Profit/loss on disposal of non-current assets (including offset asset impairment provisions)	-978,864.75	
Government grants charged to the profit/loss for the period	116,249.94	

(except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with nationally uniform standards)		
Profit/loss on entrusting others with investments or asset management	5,047,341.27	
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 effective hedges related to normal business operations of the Company	-63,271.62	
Non-operating revenue and expense other than the above	-4,423,795.41	
Less: Corporate income tax	166,144.74	
Minority interests (after tax)	-530,723.51	
Total	62,238.20	--

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.

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

### 1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right & shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	81,720	Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)	0			
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
Hong Kong Wah Shing Holding Company Limited	Foreign corporation	13.47%	171,360,391		Pledged	83,966,592
Prosperity Lamps & Components	Foreign	10.50%	133,577,143			

Limited	corporation					
Guangdong Electronics Information Industry Group Ltd.	State-owned corporation	4.74%	60,357,728		Pledged	29,575,287
Shenzhen Rising Investment Development Co., Ltd.	State-owned corporation	4.52%	57,539,671			
Central Huijin Asset Management Co., Ltd.	State-owned corporation	2.42%	30,799,000			
Essence International Securities (Hong Kong) Co., Ltd.	Foreign corporation	1.88%	23,939,858			
DBS Vickers (Hong Kong) Ltd A/C Clients	Foreign corporation	1.85%	23,555,755			
Hong Kong Rising Investment Development Co., Ltd.	Foreign corporation	1.82%	23,165,684			
National Social Security Fund Portfolio 113	Other	1.25%	15,903,957			
New China Life Insurance Co., Ltd.-Conventional-Common Insurance Product-018L-CT001-Shenzhen	Other	0.86%	10,918,992			

## Shareholdings of top 10 non-restricted shareholders

Name of shareholder	Number of non-restricted 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	60,357,728	RMB ordinary	60,357,728

Industry Group Ltd.		share	
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
Essence International Securities (Hong Kong) Co., Ltd.	23,939,858	Domestically listed foreign share	23,939,858
DBS Vickers (Hong Kong) Ltd A/C Clients	23,555,755	Domestically listed foreign share	23,555,755
Hong Kong Rising Investment Development Co., Ltd.	23,165,684	Domestically listed foreign share	23,165,684
National Social Security Fund Portfolio 113	15,903,957	RMB ordinary share	15,903,957
New China Life Insurance Co., Ltd.-Conventional-Common Insurance Product-018L-CT001-Shenzhen	10,918,992	RMB ordinary share	10,918,992
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.		
Top 10 ordinary shareholders conducting securities margin trading (if any)	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.

## 2. Total number of preference shareholders and shareholdings of the top 10 of them at the period-end

Applicable  Not applicable

## Section III Significant Events

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

√ Applicable □ Not applicable

Unit: RMB

Statement item	Closing amount (or amount for the current period)	Opening amount (or amount for the same period of last year)	+/- (%)	Main reason for change
Monetary funds	644,918,147.43	935,241,205.20	-31.04%	Purchase of more bank's wealth management products
Financial assets at fair value through profit/loss	0.00	51,600.00	-100.00%	Securities sold
Notes receivable	95,448,285.94	202,669,316.48	-52.90%	Decrease in trade acceptance received
Accounts receivable	695,807,188.07	366,401,130.72	89.90%	Decrease in trade acceptance received
Accounts paid in advance	15,583,761.40	6,858,950.41	127.20%	Increase in advances to sellers
Interest receivable	8,253,893.79	3,022,646.23	173.07%	Increase in interest on term deposits provided for
Other current assets	443,220,985.68	91,060,842.89	386.73%	Purchase of more bank's wealth management products
Long-term equity investments	180,356,427.84	382,637.52	47035.06%	Acquisition of equity interests of Primatronix (Nanho) Electronics Ltd.
Construction in progress	79,433,148.95	32,488,518.68	144.50%	Increase in construction in progress
Long-term deferred expenses	0.00	406,425.35	-100.00%	Exclusion of subsidiary's assets from the consolidated financial statements due to bankruptcy and liquidation
Accounts received in advance	42,770,580.21	71,531,790.37	-40.21%	Settlement of some accounts received in advance
Taxes and fares payable	33,051,655.69	12,969,090.31	154.85%	Increase in taxes payable
Other current liabilities	32,000,000.00	0.00		Increase in other current liabilities
Retained earnings	877,864,641.15	613,661,381.40	43.05%	Increase in profit
Finance costs	-12,127,352.31	-20,044,328.31	39.50%	Decrease in exchange gains
Asset impairment loss	25,092,418.46	45,970,647.57	-45.42%	Decrease in bad-debt provisions for

				accounts receivable
Profit on fair value changes	0.00	393,590.00	-100.00%	Decrease in transactional financial assets
Non-operating revenue	1,805,821.67	3,656,043.70	-50.61%	Decrease in government-funded interest discount
Non-operating expense	7,092,231.89	96,557,359.72	-92.65%	Decrease in lawsuit compensations
Corporate income tax	58,506,429.76	41,463,602.07	41.10%	Increase in total profit
Profit/loss on fair value changes of available-for-sale financial assets	-255,315,043.41	1,662,302,677.06	-115.36%	Sharp fluctuations of the price of the Guoxuan High-tech stock in May 2015 before going public
Net cash flows from operating activities	324,048,913.00	147,174,253.40	120.18%	Increase in sales revenue
Net cash flows from investing activities	-605,074,904.70	-105,211,470.03	-475.10%	Purchase of more bank's wealth management products
Net cash flows from financing activities	-15,935,708.57	-215,284,023.90	92.60%	Decrease in dividends

## II Progress on significant events, as well as the influence and solutions

√ Applicable □ Not applicable

1. 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 October 2016, Guangzhou Intermediate People's Court made judgments for the aforesaid 2,767 cases, ruling the Company to compensate the 2,767 plaintiffs with a total of RMB182.7365 million and HKD7.3582 million and bear the legal fare of RMB3.2332 million. On 29 September 2016, Guangdong Higher People's Court ruled on an appeal that the Company should make a compensation of RMB67,100 to the appellant and bear the court acceptance fees of RMB2,800 for the first and second trials. Currently, except for 30 appealing plaintiffs (RMB1.2315 million involved) are not sentenced, all the other plaintiffs have judgmented. Up to 24 October 2016, the Company has made a total compensation of RMB 190.1648 million (legal fares inclusive) to 2717 plaintiffs (excluding the 49 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.



2. In April 2016, 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).

3. On 23 August 2016, the First Special General Meeting in 2016 of the Company was convened, at which the Proposal on Authorization for Reducing Some Guoxuan High-tech Shares in Proper Timing was considered and approved. As such, the General Meeting has agreed to authorize the management to, from the date of approval by the General Meeting to 31 December 2016, legally reduce in proper timing through bulk trading or centralized bidding Guoxuan High-tech shares not exceeding 36,500,000 (adjusted according to the capital stock change ratio if Guoxuan High-tech conducts any bonus share, conversion of capital reserves into capital stock or any other changes in the capital stock during the said period), with the reduction price to be determined at the market price at the time of reduction. Up to the disclosure date of this Report, the Company has not yet conducted any reduction.

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

√ Applicable □ Not applicable

Commitment	Commitment maker	Type of commitment	Contents	Date of commitment making	Term of commitment	Fulfillment
Commitments made in acquisition documents or shareholding alteration documents	Controlling shareholder	About share lock-up	Electronics Group and its act-in-concert parties Shenzhen Rising Investment and Hong Kong Rising Investment have made a commitment that within	2015-12-04	12 months	In execution

			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.			
	Controlling shareholder	About avoidance of horizontal competition	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	About avoidance of horizontal competition	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	2015-12-04	Long-standing	In execution

			<p>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.</p>			
	Controlling shareholder	About reduction and regulation of related-party transactions	<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</p>	2015-12-04	Long-standing	In execution

		<p>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</p>			
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			Company's other shareholders, they shall be obliged to compensate.			
	Controlling shareholder	About independence	<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 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</p>	2015-12-04	Long-standing	In execution

		<p>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</p>			
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			<p>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. 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.</p>			
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			(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.			
Other commitments made to minority shareholders	The Company	About cash dividends	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 on time	Yes					
Specific reasons for failing to fulfill commitments on time and plans for next step	N/A					

#### IV Performance forecast for Y2016

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

Applicable  Not applicable

#### V Securities investment

Applicable  Not applicable

No such cases in the Reporting Period.

#### VI Investment in derivative financial instruments

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable



No such cases in the Reporting Period.

### **VIII Illegal provision of guarantees for external parties**

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

## Section IV Financial Statements

### I Financial statements

#### 1. Consolidated balance sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

30 September 2016

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	644,918,147.43	935,241,205.20
Settlement reserve		
Interbank lendings		
Financial assets at fair value through profit/loss		51,600.00
Derivative financial assets		
Notes receivable	95,448,285.94	202,669,316.48
Accounts receivable	695,807,188.07	366,401,130.72
Accounts paid in advance	15,583,761.40	6,858,950.41
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable	8,253,893.79	3,022,646.23
Dividends receivable		
Other accounts receivable	12,311,878.51	17,313,604.14
Financial assets purchased under agreements to resell		
Inventories	487,414,818.51	559,651,928.21
Assets held for sale		
Non-current assets due within one year		
Other current assets	443,220,985.68	91,060,842.89
Total current assets	2,402,958,959.33	2,182,271,224.28
Non-current assets:		
Loans and advances to customers		

Available-for-sale financial assets	2,791,295,523.07	3,092,416,162.34
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	180,356,427.84	382,637.52
Investment property		
Fixed assets	444,907,474.12	484,436,218.17
Construction in progress	79,433,148.95	32,488,518.68
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	160,735,874.36	163,887,313.63
R&D expenses		
Goodwill		
Long-term deferred expenses		406,425.35
Deferred tax assets	47,158,882.80	42,744,728.66
Other non-current assets	46,511,770.50	49,263,204.15
Total non-current assets	3,750,399,101.64	3,866,025,208.50
Total assets	6,153,358,060.97	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	512,839,130.81	396,263,382.12
Accounts received in advance	42,770,580.21	71,531,790.37
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	70,094,630.92	72,004,987.32
Taxes and fares payable	33,051,655.69	12,969,090.31

Interest payable		
Dividends payable		
Other accounts payable	31,790,633.33	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	32,000,000.00	
Total current liabilities	722,546,630.96	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	11,086,025.08	10,722,275.02
Deferred tax liabilities	345,471,902.23	390,534,187.37
Other non-current liabilities		
Total non-current liabilities	356,557,927.31	401,256,462.39
Total liabilities	1,079,104,558.27	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	1,958,488,077.75	2,212,989,156.02

Special reserve		
Surplus reserve	628,439,107.12	628,439,107.12
Provisions for general risks		
Retained earnings	877,864,641.15	613,661,381.40
Equity attributable to owners of the Company	5,033,254,689.85	5,023,546,888.12
Minority interests	40,998,812.85	34,193,330.93
Total owners' equity	5,074,253,502.70	5,057,740,219.05
Total liabilities and owners' equity	6,153,358,060.97	6,048,296,432.78

Legal representative: He Yong

Accounting head for this 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	388,352,960.62	633,291,177.30
Financial assets at fair value through profit/loss		51,600.00
Derivative financial assets		
Notes receivable	93,588,574.92	200,483,728.48
Accounts receivable	745,916,992.69	387,870,578.18
Accounts paid in advance	67,154,009.12	6,258,960.70
Interest receivable	3,867,085.15	1,979,245.24
Dividends receivable		
Other accounts receivable	94,474,233.35	47,175,016.15
Inventories	469,704,014.85	540,058,085.51
Assets held for sale		
Non-current assets due within one year		
Other current assets	440,057,018.93	87,132,242.99
Total current assets	2,303,114,889.63	1,904,300,634.55
Non-current assets:		
Available-for-sale financial assets	2,791,295,523.07	3,092,416,162.34
Held-to-maturity investments		
Long-term accounts receivable		

Long-term equity investments	597,946,367.60	417,972,577.28
Investment property		
Fixed assets	372,732,015.43	403,470,166.52
Construction in progress	77,280,134.55	32,098,207.18
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	117,065,626.44	120,554,776.71
R&D expenses		
Goodwill		
Long-term deferred expenses		
Deferred tax assets	37,619,642.75	36,469,936.66
Other non-current assets	45,629,930.50	49,025,459.75
Total non-current assets	4,039,569,240.34	4,152,007,286.44
Total assets	6,342,684,129.97	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	719,886,653.61	518,615,548.53
Accounts received in advance	42,050,515.39	70,168,946.84
Payroll payable	47,222,893.64	48,921,086.93
Taxes and fares payable	25,590,195.40	2,172,775.43
Interest payable		
Dividends payable		
Other accounts payable	186,390,878.30	93,375,598.50
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities	32,000,000.00	
Total current liabilities	1,053,141,136.34	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	345,471,902.23	390,534,187.37
Other non-current liabilities		
Total non-current liabilities	356,054,177.18	400,636,462.32
Total liabilities	1,409,195,313.52	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	1,957,674,112.61	2,212,989,156.02
Special reserve		
Surplus reserve	628,439,107.12	628,439,107.12
Retained earnings	781,817,663.57	515,436,926.40
Total owners' equity	4,933,488,816.45	4,922,417,502.44
Total liabilities and owners' equity	6,342,684,129.97	6,056,307,920.99

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

### 3. Consolidated income statement for the Reporting Period

Unit: RMB

Item	July-September 2016	July-September 2015
1. Operating revenues	819,510,785.90	708,115,195.93
Including: Sales income	819,510,785.90	708,115,195.93
Interest income		

Premium income		
Fee and commission income		
2. Operating costs	729,336,869.53	642,721,696.02
Including: Cost of sales	624,355,439.15	542,230,043.63
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	5,398,114.76	6,711,800.86
Selling expenses	69,476,830.23	35,778,209.37
Administrative expenses	46,549,040.03	67,490,716.09
Finance costs	-5,681,599.27	-8,836,387.51
Asset impairment loss	-10,760,955.37	-652,686.42
Add: Profit on fair value changes (“-” means loss)		-879,180.46
Return on investment (“-” means loss)	4,961,917.99	1,000,143.12
Including: Share of profit/loss of associates and joint ventures	-6,569.56	-43,126.19
Exchange gains (“-” means loss)		
3. Operating profit (“-” means loss)	95,135,834.36	65,514,462.57
Add: Non-operating revenue	230,805.09	711,341.35
Including: Profit on disposal of non-current assets	0.00	4,533.19
Less: Non-operating expense	2,175,174.95	81,621,195.57
Including: Loss on disposal of non-current assets	776,026.47	169,132.84
4. Total profit (“-” means loss)	93,191,464.50	-15,395,391.65
Less: Corporate income tax	19,080,452.47	13,529,834.96
5. Net profit (“-” means loss)	74,111,012.03	-28,925,226.61
Net profit attributable to owners of the Company	73,179,107.88	-26,823,845.62
Minority interests' income	931,904.15	-2,101,380.99



6. Other comprehensive income net of tax	-394,818,856.95	266,466,095.90
Other comprehensive income net of tax attributable to owners of the Company	-394,818,856.95	266,466,095.90
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	-394,818,856.95	266,466,095.90
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	-394,818,856.95	266,466,095.90
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		
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	-320,707,844.92	237,540,869.29
Attributable to owners of the Company	-321,639,749.07	239,642,250.28
Attributable to minority interests	931,904.15	-2,101,380.99
8. Earnings per share		
8.1 Basic earnings per share	0.0575	-0.0211

8.2 Diluted earnings per share	0.0575	-0.0211
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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 this Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

#### 4. Income statement of the Company for the Reporting Period

Unit: RMB

Item	July-September 2016	July-September 2015
1. Operating revenues	831,582,855.08	720,912,734.95
Less: Operating costs	637,457,080.01	574,751,556.83
Business tax and surtaxes	2,932,685.10	4,461,643.20
Selling expenses	68,412,649.71	35,033,215.58
Administrative expenses	45,821,532.99	50,759,084.41
Finance costs	-4,467,105.10	-6,971,556.08
Asset impairment loss	-10,827,360.48	-640,204.47
Add: profit on fair value changes (“-” means loss)		-879,180.46
Return on investment (“-” means loss)	4,961,917.99	1,000,143.12
Including: Share of profit/loss of associates and joint ventures	-6,569.56	-43,126.19
2. Operating profit (“-” means loss)	97,215,290.84	63,639,958.14
Add: Non-operating revenue	158,665.11	482,758.84
Including: Profit on disposal of non-current assets	0.00	3,261.06
Less: Non-operating expense	2,113,816.96	80,194,137.39
Including: Loss on disposal of non-current assets	744,668.48	71,254.04
3. Total profit (“-” means loss)	95,260,138.99	-16,071,420.41
Less: Corporate income tax	18,378,235.96	13,258,294.88
4. Net profit (“-” means loss)	76,881,903.03	-29,329,715.29
5. Other comprehensive income net of tax	-394,818,856.95	266,466,095.90
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	-394,818,856.95	266,466,095.90
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	-394,818,856.95	266,466,095.90
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	-317,936,953.92	237,136,380.61
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

## 5. Consolidated income statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Operating revenues	2,575,181,713.34	2,232,477,982.42
Including: Sales income	2,575,181,713.34	2,232,477,982.42
Interest income		
Premium income		
Fee and commission income		

2. Operating costs	2,249,348,264.83	2,052,625,592.96
Including: Cost of sales	1,947,337,999.85	1,708,273,484.64
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	17,649,693.22	18,636,634.64
Selling expenses	142,728,637.64	118,002,589.64
Administrative expenses	128,666,867.97	181,786,564.78
Finance costs	-12,127,352.31	-20,044,328.31
Asset impairment loss	25,092,418.46	45,970,647.57
Add: Profit on fair value changes (“-” means loss)		393,590.00
Return on investment (“-” means loss)	18,682,665.76	21,709,308.94
Including: Share of profit/loss of associates and joint ventures	-26,209.68	-44,334.59
Exchange gains (“-” means loss)		
3. Operating profit (“-” means loss)	344,516,114.27	201,955,288.40
Add: Non-operating revenue	1,805,821.67	3,656,043.70
Including: Profit on disposal of non-current assets	20,253.97	10,647.72
Less: Non-operating expense	7,092,231.89	96,557,359.72
Including: Loss on disposal of non-current assets	999,118.72	566,257.30
4. Total profit (“-” means loss)	339,229,704.05	109,053,972.38
Less: Corporate income tax	58,506,429.76	41,463,602.07
5. Net profit (“-” means loss)	280,723,274.29	67,590,370.31
Net profit attributable to owners of the Company	280,104,920.60	73,434,913.69
Minority interests’ income	618,353.69	-5,844,543.38
6. Other comprehensive income net of tax	-254,501,078.27	1,662,302,677.06
Other comprehensive income net	-254,501,078.27	1,662,302,677.06

of tax attributable to owners of the Company		
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	-254,501,078.27	1,662,302,677.06
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	-255,315,043.41	1,662,302,677.06
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	
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	26,222,196.02	1,729,893,047.37
Attributable to owners of the Company	25,603,842.33	1,735,737,590.75
Attributable to minority interests	618,353.69	-5,844,543.38
8. Earnings per share		
8.1 Basic earnings per share	0.2202	0.0577
8.2 Diluted earnings per share	0.2202	0.0577

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 this Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

## 6. Income statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Operating revenues	2,614,040,071.22	2,270,512,189.33
Less: Operating costs	1,993,164,589.95	1,788,069,981.31
Business tax and surtaxes	10,758,187.57	12,070,843.28
Selling expenses	141,048,891.13	114,981,668.27
Administrative expenses	128,230,793.51	142,323,446.04
Finance costs	-8,265,724.94	-14,117,149.02
Asset impairment loss	24,960,867.30	42,384,452.59
Add: profit on fair value changes (“-” means loss)		393,590.00
Return on investment (“-” means loss)	18,682,665.76	21,709,308.94
Including: Share of profit/loss of associates and joint ventures	-26,209.68	-44,334.59
2. Operating profit (“-” means loss)	342,825,132.46	206,901,845.80
Add: Non-operating revenue	1,548,088.24	2,809,300.57
Including: Profit on disposal of non-current assets	9,401.71	9,375.59
Less: Non-operating expense	5,850,398.69	95,029,663.34
Including: Loss on disposal of non-current assets	937,680.22	367,887.24
3. Total profit (“-” means loss)	338,522,822.01	114,681,483.03
Less: Corporate income tax	56,240,423.99	40,640,622.89
4. Net profit (“-” means loss)	282,282,398.02	74,040,860.14
5. Other comprehensive income net of tax	-255,315,043.41	1,662,302,677.06
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	-255,315,043.41	1,662,302,677.06
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	-255,315,043.41	1,662,302,677.06
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	26,967,354.61	1,736,343,537.20
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

## 7. Consolidated cash flow statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	2,312,207,975.75	2,102,277,561.19
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	58,629,989.95	33,445,602.81
Cash received from other operating activities	33,828,787.79	20,678,610.25
Subtotal of cash inflows from operating activities	2,404,666,753.49	2,156,401,774.25
Cash paid for goods and services	1,340,524,458.10	1,234,358,194.72
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	442,206,958.62	403,809,285.82
Taxes and fares paid	176,309,686.13	147,501,911.63
Cash paid for other operating activities	121,576,737.64	223,558,128.68
Subtotal of cash outflows from operating activities	2,080,617,840.49	2,009,227,520.85
Net cash flows from operating activities	324,048,913.00	147,174,253.40
2. Cash flows from investing activities:		
Cash received from retraction of investments	7,005.00	
Cash received as return on investments	17,173,398.25	22,503,643.86
Net cash received from disposal of fixed assets, intangible assets and other	73,000.00	918,188.00



long-term assets		
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing activities		
Subtotal of cash inflows from investing activities	17,253,403.25	23,421,831.86
Cash paid to acquire fixed assets, intangible assets and other long-term assets	68,923,429.83	56,386,190.51
Cash paid for investment	545,865,000.00	72,247,111.38
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	622,328,307.95	128,633,301.89
Net cash flows from investing activities	-605,074,904.70	-105,211,470.03
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	215,284,023.90
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	215,284,023.90
Net cash flows from financing activities	-15,935,708.57	-215,284,023.90

4. Effect of foreign exchange rate changes on cash and cash equivalents	833,739.33	-1,734,556.20
5. Net increase in cash and cash equivalents	-296,127,960.94	-175,055,796.73
Add: Opening balance of cash and cash equivalents	933,546,108.37	989,718,395.60
6. Closing balance of cash and cash equivalents	637,418,147.43	814,662,598.87

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

## 8. Cash flow statement of the Company for the period from the year-beginning to the end of the Reporting Period

Unit: RMB

Item	January-September 2016	January-September 2015
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	2,340,439,622.75	2,067,661,900.95
Tax refunds received	58,629,989.95	33,276,332.50
Cash received from other operating activities	28,947,588.49	18,229,755.23
Subtotal of cash inflows from operating activities	2,428,017,201.19	2,119,167,988.68
Cash paid for goods and services	1,675,836,030.87	1,518,134,264.09
Cash paid to and for employees	170,220,863.77	160,958,419.31
Taxes and fares paid	101,878,975.55	70,871,999.04
Cash paid for other operating activities	117,489,938.22	216,260,245.11
Subtotal of cash outflows from operating activities	2,065,425,808.41	1,966,224,927.55
Net cash flows from operating activities	362,591,392.78	152,943,061.13
2. Cash flows from investing activities:		
Cash received from retraction of investments	7,005.00	
Cash received as return on investments	17,173,398.25	22,503,643.86
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	17,194,403.25	22,520,831.86
Cash paid to acquire fixed assets, intangible assets and other long-term assets	63,757,043.28	65,844,104.54
Cash paid for investment	545,865,000.00	72,247,111.38
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	617,122,043.28	138,091,215.92
Net cash flows from investing activities	-599,927,640.03	-115,570,384.06
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	215,284,023.90
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	15,935,708.57	215,284,023.90
Net cash flows from financing activities	-15,935,708.57	-215,284,023.90
4. Effect of foreign exchange rate changes on cash and cash equivalents	833,739.14	-1,759,358.11
5. Net increase in cash and cash equivalents	-252,438,216.68	-179,670,704.94
Add: Opening balance of cash and cash equivalents	633,291,177.30	685,652,777.19
6. Closing balance of cash and cash equivalents	380,852,960.62	505,982,072.25

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting organ: Tang Qionglan

## **II Auditor's report**

Is this Report audited?

Yes  No

This Report is unaudited.

The Board of Directors

Foshan Electrical and Lighting Co., Ltd.

25 OCT 2016