

**FOSHAN ELECTRICAL AND LIGHTING CO., LTD.**  
**FIRST QUARTER REPORT 2017**

**April 2017**

## Section I Important Statements

**The board of directors (the “Board”), the supervisory board (the “Supervisory Board”), as well as the directors, supervisors and senior executive officers 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 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 department (head of accounting), hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.**

## Section II Key Financial Results and Shareholders' Profile

### I Key financial results

Indicate by tick mark whether the Company retroactively restated any of its accounting data due to changes of accounting policies or correction of accounting errors.

Yes  No

|   | January-March 2017 | January-March 2016 | +/-%     |
|---|--------------------|--------------------|----------|
| Operating revenues (RMB)  | 1,093,649,938.81   | 904,310,757.83     | 20.94%   |
| Net profit attributable to shareholders of the Company (RMB)                                    | 119,874,574.94     | 107,776,865.30     | 11.22%   |
| Net profit attributable to shareholders of the Company before exceptional profit and loss (RMB) | 119,491,016.83     | 107,348,727.74     | 11.31%   |
| Net cash flows from operating activities (RMB)  | -50,923,130.47     | 186,104,091.50     | -127.36% |
| Basic earnings per share (RMB/share)  | 0.0942             | 0.0847             | 11.22%   |
| Diluted earnings per share (RMB/share)  | 0.0942             | 0.0847             | 11.22%   |
| Weighted average return on equity (%)   | 2.36%              | 2.12%              | 0.24%    |
|   | March 31, 2017     | December 31, 2016  | +/-%     |
| Total assets (RMB)  | 6,239,727,776.53   | 6,100,169,400.30   | 2.29%    |
| Net assets attributable to shareholders of the Company (RMB)                                    | 5,188,960,827.09   | 4,990,466,577.12   | 3.98%    |

Exceptional profit/loss

Applicable  Not applicable

Unit: RMB

| Item  | January-March 2017 | Note |
|---|--------------------|------|
| Profit/loss on disposal of non-current assets (including offset asset impairment provisions)  | -749,629.80        |      |
| Government subsidies charged to the profit/loss for this 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) | 546,259.98         |      |

|   |            |    |
|---|------------|----|
| Non-operating income and expense other than the above | 639,662.92 |    |
| Less: Corporate income tax                            | 53,451.07  |    |
| Minority interests (after tax)                        | -716.08    |    |
| Total   | 383,558.11 | -- |

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 this Reporting Period.

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

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

Unit: share

| Total number of common shareholders at the period-end | 90,510                  | Total number of preference shareholders with resumed voting rights at the period-end (if any) | 0                                   |                                  |                          |            |
|---|-------------------------|---|-------------------------------------|----------------------------------|--------------------------|------------|
| Top ten shareholders                                  |                         |   |                                     |                                  |                          |            |
| Name of shareholder                                   | Nature of shareholder   | Shareholding percentage (%)   | Total shares held at the period-end | 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 Limited                 | Foreign corporation     | 10.50%  | 133,577,143                         |                                  |                          |            |
| Shenzhen Rising Investment Development Co., Ltd.      | State-owned corporation | 5.12%   | 65,178,305                          |                                  |                          |            |
| Guangdong Electronics Information Industry Group Ltd. | State-owned corporation | 4.74%   | 60,357,728                          |                                  | Pledged                  | 29,575,287 |

|   |                         |       |            |           |  |
|---|-------------------------|-------|------------|-----------|--|
| Central Huijin Asset Management Co., Ltd.                                   | State-owned corporation | 2.42% | 30,799,000 |           |  |
| Yunan International Trust Co., Ltd.-Heshun No. 6 Assembled Funds Trust Plan | Other                   | 1.91% | 24,308,990 |           |  |
| Essence International Securities (Hong Kong) Co., Ltd.                      | Foreign corporation     | 1.91% | 24,266,429 |           |  |
| DBS Vickers (Hong Kong) Ltd A/C Clients                                     | Foreign corporation     | 1.86% | 23,645,755 |           |  |
| Hong Kong Rising Investment Development Co., Ltd.                           | Foreign corporation     | 1.82% | 23,165,684 |           |  |
| Zhuang Jianyi   | Foreign individual      | 0.85% | 10,821,372 | 8,116,029 |  |

## Top ten 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 share      | common<br>171,360,391 |
| Prosperity Lamps & Components Limited                            | 133,577,143  | RMB share      | common<br>133,577,143 |
| Shenzhen Rising Investment Development Co., Ltd.                 | 65,178,305   | RMB share      | common<br>65,178,305  |
| Guangdong Electronics Information Industry Group Ltd.            | 60,357,728   | RMB share      | common<br>60,357,728  |
| Central Huijin Asset Management Co., Ltd.                        | 30,799,000   | RMB share      | common<br>30,799,000  |
| Yunan International Trust Co., Ltd.-Heshun No. 6 Assembled Funds | 24,308,990   | RMB share      | common<br>24,308,990  |

|   |   |                                   |            |
|---|---|-----------------------------------|------------|
| Trust Plan  |   |                                   |            |
| Essence International Securities (Hong Kong) Co., Ltd.                    | 24,266,429  | Domestically listed foreign share | 24,266,429 |
| DBS Vickers (Hong Kong) Ltd A/C Clients                                   | 23,645,755  | Domestically listed foreign share | 23,645,755 |
| Hong Kong Rising Investment Development Co., Ltd.                         | 23,165,684  | Domestically listed foreign share | 23,165,684 |
| China Merchants Securities (HK) Co., Limited                              | 10,589,256  | Domestically listed foreign share | 10,589,256 |
| Related or acting-in-concert parties among the shareholders above         | Among the top 10 shareholders, Hong Kong Wah Shing Holding Company Limited, Shenzhen Rising Investment Development Co., Ltd., Guangdong Electronics Information Industry Group Ltd. and Hong Kong Rising Investment Development Co., Ltd. are acting-in-concert parties; and Prosperity Lamps & Components Limited and Zhuang Jianyi are acting-in-concert parties. Apart from that, it is unknown whether there is among the top 10 shareholders any other related parties or acting-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies. |                                   |            |
| Top ten common shareholders conducting securities margin trading (if any) | N/A   |                                   |            |

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

Yea  No

No such cases in this Reporting Period.

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

Applicable  Not applicable

## Section III Significant Events

### I Changes in the key financial results of this Reporting Period, as well as the reasons for such changes

√ Applicable □ Not applicable

Unit: RMB

| Statement item            | March 31,<br>2017/January-March<br>2017 | December 31, 2016/<br>January-March 2016 | +/-%      | Reason for change  |
|---------------------------|---|--|-----------|--|
| Accounts receivable       | 811, 126, 367. 75                       | 595, 257, 954. 00                        | 36. 26%   | Increased operating revenues   |
| Interest receivable       | 6, 726, 391. 09                         | 4, 612, 406. 80                          | 45. 83%   | Increased income receivable from undue bank's wealth management products   |
| Other accounts receivable | 16, 077, 582. 68                        | 11, 977, 660. 58                         | 34. 23%   | Increase in performance bonds paid   |
| Payroll payable           | 66, 821, 140. 57                        | 96, 021, 156. 06                         | -30. 41%  | Year-end bonuses for last year were paid in the Current Period   |
| Taxes and fares payable   | 34, 756, 373. 76                        | 138, 282, 644. 72                        | -74. 87%  | In the fourth quarter of last year, the income from the sale of Guoxuan High-tech shares resulted in an increase in the corporate income tax payable, which was paid in the Current Period |
| Dividends payable         | 0. 00                                   | 6, 287, 923. 09                          | -100. 00% | Payout of dividends by subsidiaries  |
| Taxes and surtaxes        | 9, 755, 058. 67                         | 4, 841, 999. 66                          | 101. 47%  | The charges for vehicle and vessel use and so on were included in the taxes and surtaxes from May 1, 2016 as per the accounting and taxation regulatory document [2016] No. 22             |
| Selling expenses          | 38, 400, 329. 73                        | 27, 744, 850. 71                         | 38. 41%   | Increase in transportation expenses and other selling expenses due to increased sales  |

|  |                |                 |          |  |
|--|----------------|-----------------|----------|--|
| Finance cost   | -5,743,864.20  | -3,553,912.01   | -61.62%  | Increased interest income  |
| Asset impairment loss  | 22,650,361.26  | 11,137,926.24   | 103.36%  | Inventory falling price provisions   |
| Investment income  | 2,646,308.80   | -106,841.26     | 2576.86% | Increased income from bank's wealth management   |
| Minority shareholders' income                                    | 1,930,823.27   | -378,242.41     | 610.47%  | Earnings of new subsidiaries   |
| Other comprehensive income net of tax                            | 78,619,675.02  | -30,685,157.22  | 356.21%  | Increased fair value of available-for-sale financial assets  |
| Total comprehensive income                                       | 200,425,073.23 | 76,713,465.67   | 161.26%  | Increased net profit and fair value of available-for-sale financial assets   |
| Total comprehensive income attributable to owners of the Company | 198,494,249.96 | 77,091,708.08   | 157.48%  | Increased total comprehensive income   |
| Net cash flows from operating activities                         | -50,923,130.47 | 186,104,091.50  | -127.36% | Considerable increase in material procurement and corporate income tax due to business growth  |
| Net cash flows from investing activities                         | -29,321,560.03 | -124,290,416.89 | 76.41%   | The Company has ceased its securities investment since April 2016 and recovered the amount invested in bank's wealth management products in the Current Period |
| Net cash flows from financing activities                         | -5,660,290.78  | 0.00            | /        | Payout of dividends by subsidiaries  |

## II Progress of significant events and their influence and solutions

√ Applicable □ Not applicable

| Summary of significant event  | Disclosure date | Disclosure website |
|---|-----------------|--------------------|
| On January 19, 2017, the Proposal on Transfer of Equity Interests of Qinghai Fozhao Lithium Energy Exploitation Co., Ltd. | 01/20/2017      | www.cninfo.com.cn  |



|   |  |  |
|---|--|--|
| <p>was considered and approved at the 12<sup>th</sup> meeting of the 8<sup>th</sup> Board. As such, the Board has agreed to transfer its 38% stake in Qinghai Fozhao to a potential buyer for RMB189.8176 million. The success of the said transaction still depends on the potential buyer's execution results of its decision-making and approval procedure. Therefore, it is very uncertain whether this transaction can be successfully concluded or not.</p> |  |  |
|---|--|--|

### III Overdue commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers in this Reporting Period or ongoing at the period-end

Applicable  Not applicable

No such cases in this Reporting Period.

### IV Operating result forecast for January-June 2017

Warning of a forecast deficit or considerable YoY change in the accumulative net profit made during the period from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable  Not applicable

### V Securities investments

Applicable  Not applicable

No such cases in the Reporting Period.

### VI Investments in derivative financial instruments

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

| Date of visit | Way of visit       | Type of visitor | Main inquiry information   |
|---------------|--------------------|-----------------|--|
| 02/16/2017    | One-on-one meeting | Institution     | See Easy IR-Investor Relations on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> |

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

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

## Section IV Financial Statements

### I Financial statements

#### 1. Consolidated balance sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

March 31, 2017

Unit: RMB

| Item  | Closing balance  | Opening balance  |
|---|------------------|------------------|
| Current assets:                                       |                  |                  |
| Monetary funds  | 1,393,827,082.88 | 1,479,283,642.54 |
| Settlement reserve                                    |                  |                  |
| Interbank lendings                                    |                  |                  |
| Financial assets at fair value through profit/loss    |                  |                  |
| Derivative financial assets                           |                  |                  |
| Notes receivable                                      | 48,473,852.00    | 67,925,843.74    |
| Accounts receivable                                   | 811,126,367.75   | 595,257,954.00   |
| Accounts paid in advance                              | 35,777,618.94    | 30,292,007.11    |
| Premiums receivable                                   |                  |                  |
| Reinsurance premiums receivable                       |                  |                  |
| Receivable reinsurance contract reserve               |                  |                  |
| Interest receivable                                   | 6,726,391.09     | 4,612,406.80     |
| Dividends receivable                                  |                  |                  |
| Other accounts receivable                             | 16,077,582.68    | 11,977,660.58    |
| Financial assets purchased under agreements to resell |                  |                  |
| Inventories   | 676,437,700.82   | 753,681,605.19   |
| Assets held for sale                                  |                  |                  |
| Non-current assets due within one year                |                  |                  |
| Other current assets                                  | 432,782,210.54   | 441,205,461.72   |
| Total current assets                                  | 3,421,228,806.70 | 3,384,236,581.68 |
| Non-current assets:                                   |                  |                  |

|   |                  |                  |
|---|------------------|------------------|
| Loans and advances to customers                         |                  |                  |
| Available-for-sale financial assets                     | 1,824,394,592.21 | 1,732,150,857.01 |
| Held-to-maturity investments                            |                  |                  |
| Long-term accounts receivable                           |                  |                  |
| Long-term equity investments                            | 208,317,481.49   | 210,394,932.69   |
| Investment property                                     |                  |                  |
| Fixed assets  | 446,158,295.04   | 446,006,929.66   |
| Construction in progress                                | 88,525,487.88    | 71,479,325.91    |
| Engineering materials                                   |                  |                  |
| Disposal of fixed assets                                |                  |                  |
| Productive living assets                                |                  |                  |
| Oil-gas assets  |                  |                  |
| Intangible assets                                       | 159,251,490.70   | 160,330,395.13   |
| R&D expenses  |                  |                  |
| Goodwill  |                  |                  |
| Long-term deferred expenses                             | 6,096,713.09     | 6,897,119.78     |
| Deferred tax assets                                     | 41,535,629.42    | 43,547,918.44    |
| Other non-current assets                                | 44,219,280.00    | 45,125,340.00    |
| Total non-current assets                                | 2,818,498,969.83 | 2,715,932,818.62 |
| Total assets  | 6,239,727,776.53 | 6,100,169,400.30 |
| 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  | 624,304,073.74   | 552,255,512.33   |
| Accounts received in advance                            | 45,363,524.40    | 41,180,818.13    |
| Financial assets sold for repurchase                    |                  |                  |
| Fees and commissions payable                            |                  |                  |
| Payroll payable   | 66,821,140.57    | 96,021,156.06    |

|  |                  |                  |
|--|------------------|------------------|
| Taxes payable                                  | 34,756,373.76    | 138,282,644.72   |
| Interest payable                               |                  |                  |
| Dividends payable                              |                  | 6,287,923.09     |
| Other accounts payable                         | 36,685,273.36    | 50,104,338.81    |
| 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                      | 807,930,385.83   | 884,132,393.14   |
| 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                                | 11,911,018.51    | 10,449,768.49    |
| Deferred tax liabilities                       | 213,986,655.40   | 200,112,595.11   |
| Other non-current liabilities                  |                  |                  |
| Total non-current liabilities                  | 225,897,673.91   | 210,562,363.60   |
| Total liabilities                              | 1,033,828,059.74 | 1,094,694,756.74 |
| 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                                | 285,821,459.07   | 285,821,459.07   |

|  |                  |                  |
|--|------------------|------------------|
| Less: Treasury shares                        |                  |                  |
| Other comprehensive income                   | 1,212,591,047.27 | 1,133,971,372.25 |
| Special reserve                              |                  |                  |
| Surplus reserve                              | 733,924,951.81   | 733,924,951.81   |
| Provisions for general risks                 |                  |                  |
| Retained earnings                            | 1,684,490,500.94 | 1,564,615,925.99 |
| Equity attributable to owners of the Company | 5,188,960,827.09 | 4,990,466,577.12 |
| Minority interests                           | 16,938,889.70    | 15,008,066.44    |
| Total owners' equity                         | 5,205,899,716.79 | 5,005,474,643.56 |
| Total liabilities and owners' equity         | 6,239,727,776.53 | 6,100,169,400.30 |

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

## 2. Balance sheet of the Company

Unit: RMB

| Item   | Closing balance  | Opening balance  |
|--|------------------|------------------|
| Current assets:                                    |                  |                  |
| Monetary funds                                     | 1,131,036,357.36 | 1,235,417,964.88 |
| Financial assets at fair value through profit/loss |                  |                  |
| Derivative financial assets                        |                  |                  |
| Notes receivable                                   | 46,492,698.33    | 66,222,840.44    |
| Accounts receivable                                | 827,241,447.26   | 611,855,496.90   |
| Accounts paid in advance                           | 99,148,172.32    | 117,217,953.23   |
| Interest receivable                                | 5,576,877.20     | 3,590,629.01     |
| Dividends receivable                               |                  | 14,671,820.57    |
| Other accounts receivable                          | 73,969,687.47    | 56,714,849.84    |
| Inventories  | 626,573,651.25   | 717,097,516.25   |
| Assets held for sale                               |                  |                  |
| Non-current assets due within one year             |                  |                  |
| Other current assets                               | 372,266,177.91   | 379,932,325.87   |
| Total current assets                               | 3,182,305,069.10 | 3,202,721,396.99 |
| Non-current assets:                                |                  |                  |
| Available-for-sale financial assets                | 1,824,394,592.21 | 1,732,150,857.01 |

|   |                  |                  |
|---|------------------|------------------|
| Held-to-maturity investments                            |                  |                  |
| Long-term accounts receivable                           |                  |                  |
| Long-term equity investments                            | 691,914,771.25   | 693,992,222.45   |
| Investment property                                     |                  |                  |
| Fixed assets  | 371,222,819.47   | 375,075,102.44   |
| Construction in progress                                | 85,852,715.45    | 69,589,510.14    |
| Engineering materials                                   |                  |                  |
| Disposal of fixed assets                                |                  |                  |
| Productive living assets                                |                  |                  |
| Oil-gas assets  |                  |                  |
| Intangible assets                                       | 115,826,159.16   | 117,017,633.92   |
| R&D expenses  |                  |                  |
| Goodwill  |                  |                  |
| Long-term deferred expenses                             | 6,096,713.09     | 6,897,119.78     |
| Deferred tax assets                                     | 35,795,534.18    | 37,790,043.38    |
| Other non-current assets                                | 43,812,480.00    | 44,519,790.00    |
| Total non-current assets                                | 3,174,915,784.81 | 3,077,032,279.12 |
| Total assets  | 6,357,220,853.91 | 6,279,753,676.11 |
| Current liabilities:                                    |                  |                  |
| Short-term borrowings                                   |                  |                  |
| Financial liabilities at fair value through profit/loss |                  |                  |
| Derivative financial liabilities                        |                  |                  |
| Notes payable   |                  |                  |
| Accounts payable  | 762,976,559.10   | 701,814,818.26   |
| Accounts received in advance                            | 43,977,440.53    | 38,406,798.91    |
| Payroll payable   | 34,902,154.82    | 66,764,581.34    |
| Taxes payable   | 23,848,519.90    | 121,939,572.62   |
| Interest payable  |                  |                  |
| Dividends payable                                       |                  |                  |
| Other accounts payable                                  | 196,228,019.07   | 258,368,416.59   |
| Liabilities held for sale                               |                  |                  |
| Non-current liabilities due within one year             |                  |                  |
| Other current liabilities                               |                  |                  |

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Total current liabilities            | 1,061,932,693.42 | 1,187,294,187.72 |
| 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                      | 11,484,768.34    | 9,984,768.34     |
| Deferred tax liabilities             | 213,986,655.40   | 200,112,595.11   |
| Other non-current liabilities        |                  |                  |
| Total non-current liabilities        | 225,471,423.74   | 210,097,363.45   |
| Total liabilities                    | 1,287,404,117.16 | 1,397,391,551.17 |
| 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   | 293,425,065.15   |
| Less: Treasury shares                |                  |                  |
| Other comprehensive income           | 1,212,591,047.27 | 1,133,971,372.25 |
| Special reserve                      |                  |                  |
| Surplus reserve                      | 733,924,951.81   | 733,924,951.81   |
| Retained earnings                    | 1,557,742,804.52 | 1,448,907,867.73 |
| Total owners' equity                 | 5,069,816,736.75 | 4,882,362,124.94 |
| Total liabilities and owners' equity | 6,357,220,853.91 | 6,279,753,676.11 |

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

### 3. Consolidated income statement

Unit: RMB

| Item                  | January-March 2017 | January-March 2016 |
|-----------------------|--------------------|--------------------|
| 1. Operating revenues | 1,093,649,938.81   | 904,310,757.83     |



|  |                  |                |
|--|------------------|----------------|
| Including: Sales income  | 1,093,649,938.81 | 904,310,757.83 |
| Interest income  |                  |                |
| Premium income   |                  |                |
| Fee and commission income  |                  |                |
| 2. Operating costs   | 951,661,802.26   | 776,257,794.04 |
| Including: Cost of sales   | 830,819,079.30   | 681,520,513.44 |
| Interest expenses  |                  |                |
| Fee and commission expenses                                      |                  |                |
| Surrenders   |                  |                |
| Net claims paid  |                  |                |
| Net amount provided as insurance contract reserve                |                  |                |
| Expenditure on policy dividends                                  |                  |                |
| Reinsurance premium  |                  |                |
| Taxes and surtaxes   | 9,755,058.67     | 4,841,999.66   |
| Selling expenses   | 38,400,329.73    | 27,744,850.71  |
| Administrative expenses  | 55,780,837.50    | 54,566,416.00  |
| Finance costs  | -5,743,864.20    | -3,553,912.01  |
| Asset impairment loss  | 22,650,361.26    | 11,137,926.24  |
| Add: Profit on fair value changes (“-” means loss)               |                  |                |
| Investment income (“-” means loss)                               | 2,646,308.80     | -106,841.26    |
| Including: Share of profit/loss of associates and joint ventures | 2,939.30         |                |
| Exchange gains (“-” means loss)                                  |                  |                |
| 3. Operating profit (“-” means loss)                             | 144,634,445.35   | 127,946,122.53 |
| Add: Non-operating income  | 1,445,858.46     | 1,187,884.46   |
| Including: Profit on disposal of non-current assets              | 0.00             | 10,852.26      |
| Less: Non-operating expense                                      | 1,009,565.36     | 1,239,705.73   |
| Including: Loss on disposal of non-current assets                | 749,629.80       | 50,139.27      |
| 4. Total profit (“-” means loss)                                 | 145,070,738.45   | 127,894,301.26 |
| Less: Corporate income tax                                       | 23,265,340.24    | 20,495,678.37  |
| 5. Net profit (“-” means loss)                                   | 121,805,398.21   | 107,398,622.89 |
| Net profit attributable to owners of the Company                 | 119,874,574.94   | 107,776,865.30 |

|   |                |                |
|---|----------------|----------------|
| Minority interests' income  | 1,930,823.27   | -378,242.41    |
| 6. Other comprehensive income net of tax  | 78,619,675.02  | -30,685,157.22 |
| Other comprehensive income net of tax attributable to owners of the Company   | 78,619,675.02  | -30,685,157.22 |
| 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   | 78,619,675.02  | -30,685,157.22 |
| 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  | 78,619,675.02  | -30,685,157.22 |
| 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   | 200,425,073.23 | 76,713,465.67  |
| Attributable to owners of the Company   | 198,494,249.96 | 77,091,708.08  |
| Attributable to minority interests  | 1,930,823.27   | -378,242.41    |
| 8. Earnings per share   |                |                |
| 8.1 Basic earnings per share  | 0.0942         | 0.0847         |

|                                |        |        |
|--------------------------------|--------|--------|
| 8.2 Diluted earnings per share | 0.0942 | 0.0847 |
|--------------------------------|--------|--------|

Where business mergers under the same control occurred in this 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 department: Tang Qionglan

#### 4. Income statement of the Company

Unit: RMB

| Item  | January-March 2017 | January-March 2016 |
|---|--------------------|--------------------|
| 1. Operating revenues   | 1,065,186,916.21   | 916,228,477.71     |
| Less: Operating costs   | 830,329,549.74     | 715,477,230.48     |
| Taxes and surtaxes  | 6,876,291.73       | 2,844,766.16       |
| Selling expenses  | 35,427,725.59      | 27,528,676.46      |
| Administrative expenses   | 49,721,540.15      | 44,685,990.61      |
| Finance costs   | -4,394,600.15      | -2,174,344.12      |
| Asset impairment loss   | 21,943,712.75      | 11,178,161.37      |
| Add: profit on fair value changes (“-” means loss)                                |                    |                    |
| Investment income (“-” means loss)  | 2,202,183.81       | -106,841.26        |
| Including: Share of profit/loss of associates and joint ventures                  | 2,939.30           |                    |
| 2. Operating profit (“-” means loss)  | 127,484,880.21     | 116,581,155.49     |
| Add: Non-operating income   | 1,262,962.66       | 1,041,340.99       |
| Including: Profit on disposal of non-current assets                               | 0.00               |                    |
| Less: Non-operating expense   | 706,740.75         | 71,261.90          |
| Including: Loss on disposal of non-current assets                                 | 448,822.74         | 32,003.23          |
| 3. Total profit (“-” means loss)  | 128,041,102.12     | 117,551,234.58     |
| Less: Corporate income tax  | 19,206,165.33      | 17,626,085.93      |
| 4. Net profit (“-” means loss)  | 108,834,936.79     | 99,925,148.65      |
| 5. Other comprehensive income net of tax  | 78,619,675.02      | -30,685,157.22     |
| 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   | 78,619,675.02  | -30,685,157.22 |
| 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  | 78,619,675.02  | -30,685,157.22 |
| 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   | 187,454,611.81 | 69,239,991.43  |
| 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 department: Tang Qionglan

## 5. Consolidated cash flow statement

Unit: RMB

| Item   | January-March 2017 | January-March 2016 |
|--|--------------------|--------------------|
| 1. Cash flows from operating activities:                               |                    |                    |
| Cash received from sale of commodities and rendering of service        | 891,447,570.02     | 751,648,546.04     |
| 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   | 24,106,127.07  | 34,432,771.16  |
| Cash received from other operating activities                                  | 5,770,626.16   | 10,956,963.96  |
| Subtotal of cash inflows from operating activities                             | 921,324,323.25 | 797,038,281.16 |
| Cash paid for goods and services   | 552,182,800.34 | 388,307,756.52 |
| 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   | 198,007,961.77 | 142,895,599.81 |
| Taxes paid   | 165,193,093.74 | 34,192,711.05  |
| Cash paid for other operating activities                                       | 56,863,597.87  | 45,538,122.28  |
| Subtotal of cash outflows due to operating activities                          | 972,247,453.72 | 610,934,189.66 |
| Net cash flows from operating activities                                       | -50,923,130.47 | 186,104,091.50 |
| 2. Cash flows from investing activities:                                       |                |                |
| Cash received from retraction of investments                                   | 4,580,255.71   | 7,005.00       |

|   |                |                 |
|---|----------------|-----------------|
| Cash received as investment income  | 5,202,481.38   | 341,953.73      |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets |                | 54,000.00       |
| Net cash received from disposal of subsidiaries or other business units                       |                |                 |
| Cash received from other investing activities   |                |                 |
| Subtotal of cash inflows from investing activities  | 9,782,737.09   | 402,958.73      |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets               | 39,104,297.12  | 14,704,385.62   |
| Cash paid for investment  |                | 109,988,990.00  |
| Net increase in pledged loans   |                |                 |
| Net cash paid to acquire subsidiaries and other business units                                |                |                 |
| Cash paid for other investing activities  |                |                 |
| Subtotal of cash outflows due to investing activities   | 39,104,297.12  | 124,693,375.62  |
| Net cash flows from investing activities  | -29,321,560.03 | -124,290,416.89 |
| 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                       | 5,660,290.78   |                 |
| Including: dividends or profit paid by subsidiaries to minority interests                     |                |                 |
| Cash paid for other financing activities  |                |                 |

|   |                  |                |
|---|------------------|----------------|
| Sub-total of cash outflows due to financing activities                  | 5,660,290.78     |                |
| Net cash flows from financing activities                                | -5,660,290.78    |                |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents | 448,421.62       | 2,339,324.91   |
| 5. Net increase in cash and cash equivalents                            | -85,456,559.66   | 64,152,999.52  |
| Add: Opening balance of cash and cash equivalents                       | 1,479,283,642.54 | 935,241,205.20 |
| 6. Closing balance of cash and cash equivalents                         | 1,393,827,082.88 | 999,394,204.72 |

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

## 6. Cash flow statement of the Company

Unit: RMB

| Item   | January-March 2017 | January-March 2016 |
|--|--------------------|--------------------|
| 1. Cash flows from operating activities:                                     |                    |                    |
| Cash received from sale of commodities and rendering of service              | 862,744,439.39     | 746,819,116.75     |
| Tax refunds received   | 24,106,127.07      | 34,432,771.16      |
| Cash received from other operating activities                                | 3,825,641.43       | 8,309,282.13       |
| Subtotal of cash inflows from operating activities                           | 890,676,207.89     | 789,561,170.04     |
| Cash paid for goods and services   | 699,760,627.60     | 492,802,614.83     |
| Cash paid to and for employees   | 103,479,544.66     | 70,076,334.33      |
| Taxes paid   | 132,294,837.84     | 9,335,332.53       |
| Cash paid for other operating activities                                     | 50,830,424.51      | 43,078,475.07      |
| Subtotal of cash outflows due to operating activities                        | 986,365,434.61     | 615,292,756.76     |
| Net cash flows from operating activities                                     | -95,689,226.72     | 174,268,413.28     |
| 2. Cash flows from investing activities:                                     |                    |                    |
| Cash received from retraction of investments                                 | 4,580,255.71       | 7,005.00           |
| Cash received as investment income   | 19,424,371.39      | 341,953.73         |
| Net cash received from disposal of fixed assets, intangible assets and other |                    |                    |

|   |                  |                 |
|---|------------------|-----------------|
| 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                              | 24,004,627.10    | 348,958.73      |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 33,145,429.52    | 14,236,431.87   |
| Cash paid for investment  |                  | 109,988,990.00  |
| Net cash paid to acquire subsidiaries and other business units                  |                  |                 |
| Cash paid for other investing activities  |                  |                 |
| Subtotal of cash outflows due to investing activities                           | 33,145,429.52    | 124,225,421.87  |
| Net cash flows from investing activities  | -9,140,802.42    | -123,876,463.14 |
| 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         |                  |                 |
| Cash paid for other financing activities  |                  |                 |
| Sub-total of cash outflows due to financing activities                          |                  |                 |
| Net cash flows from financing activities  |                  |                 |
| 4. Effect of foreign exchange rate changes on cash and cash equivalents         | 448,421.62       | 2,339,324.46    |
| 5. Net increase in cash and cash equivalents                                    | -104,381,607.52  | 52,731,274.60   |
| Add: Opening balance of cash and  | 1,235,417,964.88 | 633,291,177.30  |



|   |                  |                |
|---|------------------|----------------|
| cash equivalents                                |                  |                |
| 6. Closing balance of cash and cash equivalents | 1,131,036,357.36 | 686,022,451.90 |

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

## II Auditor's report

Is this Report audited?

Yes  No

This Report is not audited.

The Board of Directors

Foshan Electrical and Lighting Co., Ltd.

April 26, 2017