

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

**October 2017**

## Part I Important Statements

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

## Part II Company Fundamentals

### I Key Consolidated Operating Results

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

Yes  No

	September 30, 2017	December 31, 2016	Change	
Total assets (RMB)	5,863,350,363.96	6,100,169,400.30	-3.88%	
Equity attributable to owners of the parent (RMB)	4,921,491,291.64	4,990,466,577.12	-1.38%	
	July-September 2017	YoY change	January-September 2017	YoY change
Net sales (RMB)	926,328,050.98	13.03%	2,950,253,633.82	14.56%
Net margin attributable to shareholders of the Company (RMB)	450,036,365.74	514.98%	678,531,026.31	142.24%
Net margin attributable to shareholders of the Company before exceptional gains and losses (RMB)	65,754,068.84	-10.42%	292,938,302.54	4.60%
Net cash from operating activities (RMB)	--	--	-103,806,526.11	-132.03%
Basic earnings per share (RMB/share)	0.3538	515.30%	0.5334	142.23%
Diluted earnings per share (RMB/share)	0.3538	515.30%	0.5334	142.23%
Weighted average return on equity (%)	8.43%	6.94%	13.42%	7.89%

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	January-September 2017	Note
Gains/Losses on disposal of non-current assets (inclusive of offset asset impairment provisions)	-4,255,164.43	

Government grants 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)	4,234,669.94	
Gains/Losses on fair value changes of trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities as well as financial assets available for sale (exclusive of effective hedges related to normal business operations of the Company)	269,362,165.95	
Non-operating income and expense other than above	1,572,504.43	
Other gain and loss items that meet definition of extraordinary gain/loss	182,463,231.03	
Less: Income tax effects	67,778,283.66	
Minority interests effects (after tax)	6,399.49	
Total	385,592,723.77	--

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

Applicable  Not applicable

No such cases in the Reporting Period.

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

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

Unit: share

Total number of common shareholders at period-end		92,189	Total number of preference shareholders with resumed voting rights at period-end (if any)		0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at period-end	Restricted shares held at period-end	Pledged or frozen shares	
					Status	Number
Hong Kong Wah Shing Holding Company Limited	Foreign corporation	13.47%	171,360,391		Pledged	83,966,592
Prosperity Lamps	Foreign	10.50%	133,577,143			

& Components Limited	corporation					
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			
Essence International Securities (Hong Kong) Co., Ltd.	Foreign corporation	1.91%	24,277,429			
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			
China Merchants Securities (HK) Co., Limited	Foreign corporation	0.86%	10,928,556			
Zhuang Jianyi	Foreign individual	0.85%	10,821,372	8,116,029		

## Top 10 non-restricted shareholders

Name of shareholder	Non-restricted shares held at period-end	Type of stock	
		Type	Number
Hong Kong Wah Shing Holding Company Limited	171,360,391	RMB common stock	171,360,391
Prosperity Lamps & Components Limited	133,577,143	RMB common stock	133,577,143
Shenzhen Rising Investment	65,178,305	RMB common	65,178,305

Development Co., Ltd.		stock	
Guangdong Electronics Information Industry Group Ltd.	60,357,728	RMB common stock	60,357,728
Central Huijin Asset Management Co., Ltd.	30,799,000	RMB common stock	30,799,000
Essence International Securities (Hong Kong) Co., Ltd.	24,277,429	Domestically listed stock for foreign investors	24,277,429
DBS Vickers (Hong Kong) Ltd A/C Clients	23,645,755	Domestically listed stock for foreign investors	23,645,755
Hong Kong Rising Investment Development Co., Ltd.	23,165,684	Domestically listed stock for foreign investors	23,165,684
China Merchants Securities (HK) Co., Limited	10,928,556	Domestically listed stock for foreign investors	10,928,556
Peng Weiyuan	8,546,042	RMB common stock	8,546,042
Related or acting-in-concert parties among 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 10 common shareholders conducting securities margin trading (if any)	Individual Shareholder Peng Weiyuan held 000 shares in the Company through her common stock accounts and held 8,546,042 shares in the Company through her accounts of collateral securities for margin trading, representing a total holding of 8,546,042 shares in the Company.		

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

Yea  No

No such cases in the Reporting Period.

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

Applicable  Not applicable

## Part III Significant Events

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

√ Applicable □ Not applicable

Unit: RMB

Item	September 30, 2017/January-September 2017	December 31, 2016/January-September 2016	Change	Main reason for change
Monetary funds	862,717,104.55	1,479,283,642.54	-41.68%	Cash dividend distribution during this year
Notes receivable	46,511,928.45	67,925,843.74	-31.53%	Increase in bank acceptance bills received and used to pay to suppliers with endorsement
Accounts receivable	835,008,250.20	595,257,954.00	40.28%	Increased net sales and credit period adjustments for domestic customers
Prepayments	45,923,008.15	30,292,007.11	51.60%	Increase in prepayments to suppliers
Interest receivable	8,203,896.29	4,612,406.80	77.87%	Increase in undue bank interest
Other receivables	77,025,711.18	11,977,660.58	543.08%	Outstanding amount resulted from selling interests in associated company, and receivable VAT rebates for exports
Other current assets	755,215,346.30	441,205,461.72	71.17%	Increase in undue bank's wealth management products
Construction in progress	157,263,729.32	71,479,325.91	120.01%	Accelerated expansion of plants in Gaoming
Disposal of fixed assets	1,299,216.85	-	/	Disposal of fixed assets uncompleted
Long-term deferred expense	9,476,005.79	6,897,119.78	37.39%	Higher expenditure on decoration
Payroll payable	62,849,578.17	96,021,156.06	-34.55%	Last year's year-end bonuses for employees were paid in current period
Taxes payable	72,837,956.78	138,282,644.72	-47.33%	Income from sale of shares of Guoxuan High-tech stock had resulted in increase in income taxes in fourth quarter of last year, and corresponding income tax was paid in current period
Dividend payable	-	6,287,923.09	-100.00%	Dividend distribution by subsidiaries
Taxes and surtaxes	30,774,732.41	17,649,693.22	74.36%	As per Finance & Tax Document [2016] No. 22, vehicle and vessel use tax has been included in taxes and surtaxes since May 1, 2016
Finance costs	-6,116,872.70	-12,127,352.31	49.56%	Greater foreign exchange losses caused by RMB appreciation

Investment income	499,104,903.93	18,682,665.76	2571.49%	Sale of interests in associate Qinghai Fozhao and of shares of Guoxuan High-tech stock in current period
Operating margin	795,691,152.75	344,516,114.27	130.96%	Increased main operating margin and investment income
Non-operating income	6,401,542.43	1,805,821.67	254.49%	Increased government subsidies
Non-operating expense	4,849,532.49	7,092,231.89	-31.62%	Loss on inventories due to flooding in same period of last year
Gross margin	797,243,162.69	339,229,704.05	135.02%	Increased main operating margin and investment income
Income tax expense	114,494,430.09	58,506,429.76	95.70%	Increase in gross margin
Net margin	682,748,732.60	280,723,274.29	143.21%	Increased main operating margin and investment income
Net margin attributable to owners of the parent	678,531,026.31	280,104,920.60	142.24%	Increased main operating margin and investment income
Minority interests income	4,217,706.29	618,353.69	582.09%	Increased earnings of subsidiaries
Total comprehensive income	469,538,225.37	26,222,196.02	1690.61%	Increase in net margin attributable to owners of the parent
Earnings per share	0.5334	0.2202	142.23%	Increase in net margin attributable to owners of the parent
Net cash flows from operating activities	-103,806,526.11	324,048,913.00	-132.03%	Income from sale of shares of Guoxuan High-tech stock had resulted in increase in income taxes in fourth quarter of last year, and corresponding income tax was paid in current period; and prepayments to suppliers increased
Net cash flows from investing activities	12,659,213.62	-605,074,904.70	102.09%	Sale of interests in associate Qinghai Fozhao and of shares of Guoxuan High-tech stock in current period
Net cash flows from financing activities	-522,068,416.83	-15,935,708.57	-3176.09%	Significant increase in cash dividends paid
Effect of foreign exchange rate changes on cash and cash equivalents	-3,350,808.67	833,739.33	-501.90%	Greater foreign exchange losses caused by RMB appreciation
Net increase in cash and cash equivalents	-616,566,537.99	-296,127,960.94	-108.21%	Decrease in net cash flows from operating and financing activities



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

Applicable  Not applicable

1. On June 27, 2017, the Company signed an Equity Transfer Agreement with KEDA Clean Energy Co., Ltd., transferring the Company's 38% stake in Qinghai Fozhao Lithium Energy Exploitation Co., Ltd. to the latter for RMB189.8176 million. On August 28, 2017, the equity transfer formalities were completed with the industrial and commercial administration. The Company recognized, on this transaction, an investment income of RMB184.2847 million and a net margin of RMB160.4804million (net of tax) for the third quarter of 2017.

2. During the period July 6, 2017 through August 1, 2017, the Company sold 8,770,400 (approximately 0.9994%) shares of the Guoxuan High-tech stock through bidding at the relevant stock exchange for RMB304,428,520.24 in total. Excluding the related costs and tax, the Company obtained, from this transaction, an investment income of RMB270.9981 million and a net margin of RMB228.9578 million for the third quarter of 2017.

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

Applicable  Not applicable

No such cases in the Reporting Period.

## IV Forecast of 2017 Annual Operating Results

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

Applicable  Not applicable

## V Securities Investments

Applicable  Not applicable

No such cases in the Reporting Period.

## VI Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

## VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable  Not applicable

Date of visit	Way of visit	Type of visitor	About
07/06/2017	By one-on-one meeting	Institution	See <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> – EasyIR – Investor Relations
08/30/2017	By phone	Institution	

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

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

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

The Company did not take such measures in the third quarter of the year and has no such plans for now.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

September 30, 2017

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	862,717,104.55	1,479,283,642.54
Settlement reserve		
Interbank lendings		
Financial assets at fair value through gains/losses		
Derivative financial assets		
Notes receivable	46,511,928.45	67,925,843.74
Accounts receivable	835,008,250.20	595,257,954.00
Prepayments	45,923,008.15	30,292,007.11
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable	8,203,896.29	4,612,406.80
Dividends receivable		
Other accounts receivable	77,025,711.18	11,977,660.58
Financial assets purchased under agreements to resell		
Inventories	696,098,069.44	753,681,605.19
Assets held for sale		
Non-current assets due within one year		
Other current assets	755,215,346.30	441,205,461.72
Total current assets	3,326,703,314.56	3,384,236,581.68
Non-current assets:		
Loans and advances to customers		

Available-for-sale financial assets	1,487,028,388.75	1,732,150,857.01
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	178,570,902.09	210,394,932.69
Investment property		
Fixed assets	467,695,253.63	446,006,929.66
Construction in progress	157,263,729.32	71,479,325.91
Engineering materials		
Disposal of fixed assets	1,299,216.85	
Productive living assets		
Oil-gas assets		
Intangible assets	157,093,681.84	160,330,395.13
R&D expense		
Goodwill		
Long-term deferred expense	9,476,005.79	6,897,119.78
Deferred income tax assets	34,747,640.13	43,547,918.44
Other non-current assets	43,472,231.00	45,125,340.00
Total non-current assets	2,536,647,049.40	2,715,932,818.62
Total assets	5,863,350,363.96	6,100,169,400.30
Current liabilities:		
Short-term borrowings		
Borrowings from Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through gains/losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	527,220,341.52	552,255,512.33
Advances received	42,661,372.56	41,180,818.13
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	62,849,578.17	96,021,156.06
Taxes payable	72,837,956.78	138,282,644.72

Interest payable		
Dividends payable		6,287,923.09
Other accounts payable	42,588,320.54	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	748,157,569.57	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	11,988,518.55	10,449,768.49
Deferred income tax liabilities	162,487,211.47	200,112,595.11
Other non-current liabilities		
Total non-current liabilities	174,475,730.02	210,562,363.60
Total liabilities	922,633,299.59	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	920,760,865.02	1,133,971,372.25

Special reserve		
Surplus reserve	733,924,951.81	733,924,951.81
Provisions for general risks		
Retained earnings	1,708,851,147.74	1,564,615,925.99
Equity attributable to owners of the parent	4,921,491,291.64	4,990,466,577.12
Minority interests	19,225,772.73	15,008,066.44
Total owners' equity	4,940,717,064.37	5,005,474,643.56
Total liabilities and owners' equity	5,863,350,363.96	6,100,169,400.30

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

## 2. Parent Company Balance Sheet

Unit: RMB

Item	September 30, 2017	December 31, 2016
Current assets:		
Monetary funds	667,157,114.92	1,235,417,964.88
Financial assets at fair value through gains/losses		
Derivative financial assets		
Notes receivable	46,261,928.45	66,222,840.44
Accounts receivable	839,280,380.89	611,855,496.90
Prepayments	82,556,888.67	117,217,953.23
Interest receivable	6,801,320.95	3,590,629.01
Dividends receivable		14,671,820.57
Other accounts receivable	147,874,521.01	56,714,849.84
Inventories	622,228,347.25	717,097,516.25
Assets held for sale		
Non-current assets due within one year		
Other current assets	644,989,742.55	379,932,325.87
Total current assets	3,057,150,244.69	3,202,721,396.99
Non-current assets:		
Available-for-sale financial assets	1,487,028,388.75	1,732,150,857.01
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	662,168,191.85	693,992,222.45

Investment property		
Fixed assets	389,773,077.10	375,075,102.44
Construction in progress	156,507,082.15	69,589,510.14
Engineering materials		
Disposal of fixed assets	1,298,243.60	
Productive living assets		
Oil-gas assets		
Intangible assets	113,443,209.63	117,017,633.92
R&D expense		
Goodwill		
Long-term deferred expense	9,028,211.01	6,897,119.78
Deferred income tax assets	29,075,542.10	37,790,043.38
Other non-current assets	43,011,520.00	44,519,790.00
Total non-current assets	2,891,333,466.19	3,077,032,279.12
Total assets	5,948,483,710.88	6,279,753,676.11
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through gains/losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	741,919,260.89	701,814,818.26
Advances received	41,580,168.01	38,406,798.91
Payroll payable	37,021,297.12	66,764,581.34
Taxes payable	58,163,522.65	121,939,572.62
Interest payable		
Dividends payable		
Other accounts payable	115,761,425.55	258,368,416.59
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	994,445,674.22	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	11,639,768.34	9,984,768.34
Deferred income tax liabilities	162,487,211.47	200,112,595.11
Other non-current liabilities		
Total non-current liabilities	174,126,979.81	210,097,363.45
Total liabilities	1,168,572,654.03	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	920,760,865.02	1,133,971,372.25
Special reserve		
Surplus reserve	733,924,951.81	733,924,951.81
Retained earnings	1,559,667,306.87	1,448,907,867.73
Total owners' equity	4,779,911,056.85	4,882,362,124.94
Total liabilities and owners' equity	5,948,483,710.88	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 for July-September

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	926,328,050.98	819,510,785.90
Including: Net sales	926,328,050.98	819,510,785.90
Interest revenue		
Premium revenue		
Fee and commission revenue		



2. Operating expenses	888,962,375.54	729,336,869.53
Including: Cost of sales	760,791,362.20	624,355,439.15
Interest expense		
Fee and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	10,388,130.08	5,398,114.76
Selling expense	67,350,699.34	69,476,830.23
Administrative expense	47,679,268.38	46,549,040.03
Finance costs	999,034.66	-5,681,599.27
Asset impairment losses	1,753,880.88	-10,760,955.37
Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for losses)	485,095,621.91	4,961,917.99
Including: Share of gains/losses of associates and joint ventures	184,214,592.25	-6,569.56
Exchange gains (“-” for losses)		
Other income		
3. Operating margin (“-” for losses)	522,461,297.35	95,135,834.36
Add: Non-operating income	379,146.55	230,805.09
Including: Gains on disposal of non-current assets		
Less: Non-operating expense	79,758.80	2,175,174.95
Including: Losses on disposal of non-current assets		776,026.47
4. Gross margin (“-” for losses)	522,760,685.10	93,191,464.50
Less: Income tax expense	71,896,928.74	19,080,452.47
5. Net margin (“-” for losses)	450,863,756.36	74,111,012.03
Attributable to owners of the parent	450,036,365.74	73,179,107.88
Attributable to minority interests	827,390.62	931,904.15
6. Other comprehensive income, net of tax	-236,235,978.37	-394,818,856.95

Other comprehensive income, net of tax attributable to owners of the parent	-236,235,978.37	-394,818,856.95
6.1 Other comprehensive income that will not be reclassified into gains/losses		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
6.2 Other comprehensive income to be subsequently reclassified into gains/losses	-236,235,978.37	-394,818,856.95
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method	-21,831,908.42	
6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	-214,404,069.95	-394,818,856.95
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other		
Other comprehensive income, net of tax attributable to minority interests		
7. Total comprehensive income	214,627,777.99	-320,707,844.92
Attributable to owners of the parent	213,800,387.37	-321,639,749.07
Attributable to minority interests	827,390.62	931,904.15
8. Earnings per share		
8.1 Basic earnings per share	0.3538	0.0575
8.2 Diluted earnings per share	0.3538	0.0575

Where business mergers under the same control occurred in the current period, the net margin achieved by the merged parties before

the business mergers was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

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

Unit: RMB

Item	July-September 2017	July-September 2016
1. Operating revenue	903,446,254.75	831,582,855.08
Less: Operating expenses	763,482,738.06	637,457,080.01
Taxes and surtaxes	7,416,305.60	2,932,685.10
Selling expense	62,278,091.63	68,412,649.71
Administrative expense	46,031,248.74	45,821,532.99
Finance costs	2,362,018.02	-4,467,105.10
Asset impairment losses	1,617,784.82	-10,827,360.48
Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for loss)	484,167,951.90	4,961,917.99
Including: Share of gains/losses of associates and joint ventures	184,214,592.25	-6,569.56
Other income		
2. Operating margin (“-” for losses)	504,426,019.78	97,215,290.84
Add: Non-operating income	321,854.74	158,665.11
Including: Gains on disposal of non-current assets		
Less: Non-operating expense	49,663.66	2,113,816.96
Including: Losses on disposal of non-current assets		744,668.48
3. Gross margin (“-” for losses)	504,698,210.86	95,260,138.99
Less: Income tax expense	67,376,029.03	18,378,235.96
4. Net margin (“-” for losses)	437,322,181.83	76,881,903.03
5. Other comprehensive income, net of tax	-236,235,978.37	-394,818,856.95
5.1 Other comprehensive income that will not be reclassified into gains and losses		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		

5.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses	-236,235,978.37	-394,818,856.95
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method	-21,831,908.42	
5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	-214,404,069.95	-394,818,856.95
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	201,086,203.46	-317,936,953.92
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 Income Statement for January-September

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	2,950,253,633.82	2,575,181,713.34
Including: Net sales	2,950,253,633.82	2,575,181,713.34
Interest revenue		
Premium revenue		
Fee and commission revenue		
2. Operating expenses	2,653,667,385.00	2,249,348,264.83

Including: Cost of sales	2,307,723,142.05	1,947,337,999.85
Interest expense		
Fee and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	30,774,732.41	17,649,693.22
Selling expense	149,002,693.03	142,728,637.64
Administrative expense	146,470,089.98	128,666,867.97
Finance costs	-6,116,872.70	-12,127,352.31
Asset impairment losses	25,813,600.23	25,092,418.46
Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for losses)	499,104,903.93	18,682,665.76
Including: Share of gains/losses of associates and joint ventures	185,758,558.04	-26,209.68
Exchange gains (“-” for losses)		
Other income		
3. Operating margin (“-” for losses)	795,691,152.75	344,516,114.27
Add: Non-operating income	6,401,542.43	1,805,821.67
Including: Gains on disposal of non-current assets		20,253.97
Less: Non-operating expense	4,849,532.49	7,092,231.89
Including: Losses on disposal of non-current assets	4,255,164.43	999,118.72
4. Gross margin (“-” for losses)	797,243,162.69	339,229,704.05
Less: Income tax expense	114,494,430.09	58,506,429.76
5. Net margin (“-” for losses)	682,748,732.60	280,723,274.29
Attributable to owners of the parent	678,531,026.31	280,104,920.60
Attributable to minority interests	4,217,706.29	618,353.69
6. Other comprehensive income, net of tax	-213,210,507.23	-254,501,078.27
Other comprehensive income, net of tax attributable to owners of the	-213,210,507.23	-254,501,078.27

parent		
6.1 Other comprehensive income that will not be reclassified into gains/losses		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into gains/losses under equity method		
6.2 Other comprehensive income to be subsequently reclassified into gains/losses	-213,210,507.23	-254,501,078.27
6.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method	-21,831,908.42	
6.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	-191,378,598.81	-255,315,043.41
6.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other		813,965.14
Other comprehensive income, net of tax attributable to minority interests		
7. Total comprehensive income	469,538,225.37	26,222,196.02
Attributable to owners of the parent	465,320,519.08	25,603,842.33
Attributable to minority interests	4,217,706.29	618,353.69
8. Earnings per share		
8.1 Basic earnings per share	0.5334	0.2202
8.2 Diluted earnings per share	0.5334	0.2202

Where business mergers under the same control occurred in the current period, the net margin achieved by the merged parties before the business mergers was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

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

Unit: RMB

Item	January-September 2017	January-September 2016
1. Operating revenue	2,883,642,659.04	2,614,040,071.22
Less: Operating expenses	2,313,440,394.16	1,993,164,589.95
Taxes and surtaxes	21,444,604.66	10,758,187.57
Selling expense	136,340,918.02	141,048,891.13
Administrative expense	144,429,787.11	128,230,793.51
Finance costs	-2,112,235.62	-8,265,724.94
Asset impairment losses	24,670,993.37	24,960,867.30
Add: Gains on fair value changes (“-” for losses)		
Investment income (“-” for loss)	497,071,428.38	18,682,665.76
Including: Share of gains/losses of associates and joint ventures	185,758,558.04	-26,209.68
Other income		
2. Operating margin (“-” for losses)	742,499,625.72	342,825,132.46
Add: Non-operating income	6,068,688.15	1,548,088.24
Including: Gains on disposal of non-current assets		9,401.71
Less: Non-operating expense	2,091,041.16	5,850,398.69
Including: Losses on disposal of non-current assets	1,528,785.79	937,680.22
3. Gross margin (“-” for losses)	746,477,272.71	338,522,822.01
Less: Income tax expense	101,422,029.01	56,240,423.99
4. Net margin (“-” for losses)	645,055,243.70	282,282,398.02
5. Other comprehensive income, net of tax	-213,210,507.23	-255,315,043.41
5.1 Other comprehensive income that will not be reclassified into gains and losses		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that		

cannot be reclassified into gains/losses under equity method		
5.2 Other comprehensive income to be subsequently reclassified into gains/losses	-213,210,507.23	-255,315,043.41
5.2.1 Share of other comprehensive income of investees that will be reclassified into gains/losses under equity method	-21,831,908.42	
5.2.2 Gains/Losses on fair value changes of available-for-sale financial assets	-191,378,598.81	-255,315,043.41
5.2.3 Gains/Losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	431,844,736.47	26,967,354.61
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 department: Tang Qionglan

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

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	2,689,003,504.65	2,312,207,975.75
Net increase in money deposits from customers and interbank placements		
Net increase in loans from Central Bank		
Net increase in funds borrowed from other financial institutions		



Cash received as premiums of original insurance contracts		
Net cash generated by reinsurance business		
Net increase in deposits of policy holders and investment fund		
Net increase in disposal of financial assets at fair value through gains/losses		
Interest, fees and commissions received		
Net increase in interbank borrowings		
Net increase in funds in repurchase business		
Tax rebates received	74,944,574.17	58,629,989.95
Cash generated by other operating activities	40,868,251.39	33,828,787.79
Subtotal of cash generated by operating activities	2,804,816,330.21	2,404,666,753.49
Cash paid for goods and services	1,873,635,380.49	1,340,524,458.10
Net increase in loans and advances to customers		
Net increase in funds deposited in Central Bank and interbank placements		
Cash paid for claims of original insurance contracts		
Interest, fees and commissions paid		
Cash paid as policy dividends		
Cash paid to and for employees	538,117,713.71	442,206,958.62
Taxes paid	328,954,823.22	176,309,686.13
Cash used in other operating activities	167,914,938.90	121,576,737.64
Subtotal of cash used in operating activities	2,908,622,856.32	2,080,617,840.49
Net cash from operating activities	-103,806,526.11	324,048,913.00
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	19,221,175.20	7,005.00
Cash received as investment income	479,129,177.90	17,173,398.25
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	1,626,000.00	73,000.00

Net cash generated by disposal of subsidiaries or other business units		
Cash generated by other investing activities		
Subtotal of cash generated by investing activities	499,976,353.10	17,253,403.25
Cash paid to acquire fixed assets, intangible assets and other long-term assets	177,317,139.48	68,923,429.83
Cash paid for investments	310,000,000.00	545,865,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		7,539,878.12
Subtotal of cash used in investing activities	487,317,139.48	622,328,307.95
Net cash from investing activities	12,659,213.62	-605,074,904.70
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings		
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	522,068,416.83	15,935,708.57
Including: dividends or profit paid by subsidiaries to minority interests	5,660,290.78	
Cash used in other financing activities		
Sub-total of cash used in financing activities	522,068,416.83	15,935,708.57
Net cash from financing activities	-522,068,416.83	-15,935,708.57

4. Effect of foreign exchange rate changes on cash and cash equivalents	-3,350,808.67	833,739.33
5. Net increase in cash and cash equivalents	-616,566,537.99	-296,127,960.94
Add: Opening balance of cash and cash equivalents	1,479,283,642.54	933,546,108.37
6. Closing balance of cash and cash equivalents	862,717,104.55	637,418,147.43

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

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

Unit: RMB

Item	January-September 2017	January-September 2016
1. Cash generated by or used in operating activities:		
Cash generated by sale of commodities and rendering of service	2,602,335,552.74	2,340,439,622.75
Tax rebates received	74,944,574.17	58,629,989.95
Cash generated by other operating activities	33,784,521.55	28,947,588.49
Subtotal of cash generated by operating activities	2,711,064,648.46	2,428,017,201.19
Cash paid for goods and services	2,191,779,261.68	1,675,836,030.87
Cash paid to and for employees	236,224,216.19	170,220,863.77
Taxes paid	242,191,570.41	101,878,975.55
Cash used in other operating activities	172,691,140.62	117,489,938.22
Subtotal of cash used in operating activities	2,842,886,188.90	2,065,425,808.41
Net cash from operating activities	-131,821,540.44	362,591,392.78
2. Cash generated by or used in investing activities:		
Cash generated by disinvestments	19,221,175.20	7,005.00
Cash received as investment income	492,162,728.87	17,173,398.25
Net cash generated by disposal of fixed assets, intangible assets and other long-term assets	1,580,000.00	14,000.00
Net cash generated by disposal of subsidiaries or other business units		

Cash generated by other investing activities		
Subtotal of cash generated by investing activities	512,963,904.07	17,194,403.25
Cash paid to acquire fixed assets, intangible assets and other long-term assets	164,644,278.87	63,757,043.28
Cash paid for investments	265,000,000.00	545,865,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash used in other investing activities		7,500,000.00
Subtotal of cash used in investing activities	429,644,278.87	617,122,043.28
Net cash from investing activities	83,319,625.20	-599,927,640.03
3. Cash generated by or used in financing activities:		
Cash received as capital contributions		
Cash received as borrowings		
Cash generated by issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	516,408,126.05	15,935,708.57
Cash used in other financing activities		
Sub-total of cash used in financing activities	516,408,126.05	15,935,708.57
Net cash from financing activities	-516,408,126.05	-15,935,708.57
4. Effect of foreign exchange rate changes on cash and cash equivalents	-3,350,808.67	833,739.14
5. Net increase in cash and cash equivalents	-568,260,849.96	-252,438,216.68
Add: Opening balance of cash and cash equivalents	1,235,417,964.88	633,291,177.30
6. Closing balance of cash and cash equivalents	667,157,114.92	380,852,960.62

Legal representative: He Yong

Accounting head for this Report: Liu Xingming

Head of the accounting department: Tang Qionglan

## II Auditor's Report

Are the Q3 2017 financial statements audited?

Yes  No

These financial statements are unaudited.

The Board of Directors

Foshan Electrical and Lighting Co., Ltd.

October 25, 2017