

**FOSHAN ELECTRICAL AND LIGHTING CO., LTD.**  
**FIRST QUARTER REPORT 2018**

**April 2018**

## Part I Important Notes

**The Board of Directors (or the “Board”), the Supervisory Board as well as the Directors, Supervisors and senior management of Foshan Electrical and Lighting Co., Ltd. (inclusive of its consolidated subsidiaries, the “Company”; exclusive of its subsidiaries, the “Parent Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions in this Report.**

**All the Company’s Directors have attended the Board meeting for the review of this Report.**

**He Yong, the Company’s legal representative, Liu Xingming, the Company’s General Manager, and Tang Qionglan, the Company’s Chief Financial Officer (CFO) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

**This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.**

## Part II Key Corporate Information

### I Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

	January-March 2018	January-March 2017	Change
Sales revenue (RMB)	1,123,376,512.26	1,093,649,938.81	2.72%
Net income attributable to shareholders of the listed company (RMB)	96,552,712.99	119,874,574.94	-19.46%
Net income attributable to shareholders of the listed company before nonrecurring gains and losses (RMB)	96,033,861.87	119,491,016.83	-19.63%
Net cash flows from operating activities (RMB)	124,450,627.91	-50,923,130.47	344.39%
Basic earnings per share (RMB/share)	0.0759	0.0942	-19.43%
Diluted earnings per share (RMB/share)	0.0759	0.0942	-19.43%
Weighted average return on equity (%)	2.00%	2.36%	-0.36%
	March 31, 2018	December 31, 2017	Change
Total assets (RMB)	5,832,891,424.79	5,675,811,824.29	2.77%
Equity attributable to shareholders of the listed company (RMB)	4,866,480,716.15	4,779,115,459.39	1.83%

Nonrecurring gains and losses:

Applicable  Not applicable

Unit: RMB

Item	January-March 2018	Note
Profit/loss on disposal of non-current assets (including offset asset impairment provisions)	138,319.48	
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)	525,949.98	
Non-operating income and expense other than above	-44,777.96	
Less: Income tax effects	97,590.50	

Non-controlling interests effects (net of tax)	3,049.88	
Total	518,851.12	--

Explanation of why the Company classifies an item as a nonrecurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Nonrecurring Gains and Losses, or reclassifies any nonrecurring gain/loss item listed in the said explanatory announcement as a recurring gain/loss:

Applicable  Not applicable

No such cases for the Reporting Period.

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

### 1. Numbers of Common Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Common shareholders at period-end		90,239	Preferred shareholders with resumed voting rights at period-end (if any)		0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage at period-end (%)	Shares	Restricted shares	Pledged or frozen shares	
					Status	Shares
Hong Kong Wah Shing Holding Company Limited	Foreign juridical person	13.47%	171,360,391		Pledged	83,966,592
Prosperity Lamps & Components Limited	Foreign juridical person	10.50%	133,577,143			
Shenzhen Rising Investment Development Co., Ltd.	State-owned juridical person	5.12%	65,178,305		Pledged	23,000,000
Guangdong Electronics Information Industry Group Ltd.	State-owned juridical person	4.74%	60,357,728		Pledged	29,575,287
Central Huijin Asset Management Co.,	State-owned juridical person	2.42%	30,799,000			

Ltd.						
Essence International Securities (Hong Kong) Co., Ltd.	Foreign juridical person	2.03%	25,796,350			
Hong Kong Rising Investment Development Co., Ltd.	Foreign juridical person	1.82%	23,165,684			
DBS Vickers (Hong Kong) Ltd A/C Clients	Foreign juridical person	1.73%	21,979,814			
China Merchants Securities (Hong Kong) Co., Ltd	Foreign juridical person	0.86%	10,968,061			
Zhuang Jianyi	Foreign natural person	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 shares				
		Type	Shares			
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 Development Co., Ltd.	65,178,305	RMB common stock	65,178,305			
Guangdong Electronics Information Industry Group Ltd.	60,357,728	RMB common stock	60,357,828			
Central Huijin Asset Management Co., Ltd.	30,799,000	RMB common stock	30,799,000			
Essence International Securities (Hong Kong) Co., Ltd.	25,796,350	Domestically listed stock for foreign investors	25,796,350			
Hong Kong Rising Investment Development Co., Ltd.	23,165,684	Domestically listed stock for foreign investors	23,165,684			
DBS Vickers (Hong Kong) Ltd A/C Clients	21,979,814	Domestically listed stock for	21,979,814			

		foreign investors	
China Merchants Securities (Hong Kong) Co., Ltd	10,968,061	Domestically listed stock for foreign investors	10,968,061
Peng Weiyan	9,036,588	RMB common stock	9,036,588
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.		
Shareholders conducting securities margin trading (if any)	Among the top 10 non-restricted shareholders, natural person shareholder Peng Weiyan holds 0 share through common securities account, and holds 9,036,588 shares through an account of collateral securities for margin trading, where the total shares is 9,036,588.		

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. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## Part III Significant Events

### I Changes in Selected Financial Statement Items and Explanation of why

√ Applicable □ Not applicable

Unit: RMB

Item	March 31, 2018/ January-March 2018	December 31, 2017/ January-March 2017	Change	Explanation of why
Notes receivable	92,278,225.76	68,368,192.41	34.97%	Increase in bank acceptance bills received
Accounts receivable	959,570,744.31	756,291,432.56	26.88%	Increase in undue accounts receivable from increased sales revenue
Construction in progress	219,371,338.54	162,814,991.68	34.74%	Increased investment in Gaoming plant expansion
Taxes payable	52,342,529.05	27,350,670.40	91.38%	Increase in VAT payable
Taxes and surtaxes	14,410,687.99	9,755,058.67	47.73%	Increase in surtax driven by higher VAT payable
Selling expense	55,410,407.71	38,400,329.73	44.30%	Increases in transportation expense and business promotion expense driven by growing sales
Finance costs	5,223,638.39	-5,743,864.20	190.94%	Increase in foreign exchange loss caused by appreciation of RMB
Asset impairment losses	6,299,423.27	22,650,361.26	-72.19%	Decrease in allowance for inventory impairment
Investment income	7,509,169.19	2,646,308.80	183.76%	Increase in income from investments in bank's wealth management products
Other income	355,982.00	26,000.00	1269.16%	Increase in government subsidy arising from the Company's ordinary course of business
Non-operating revenue	692,142.62	1,419,858.46	-51.25%	Decrease in government subsidy irrelevant to operating activities
Non-operating expense	72,651.12	1,009,565.36	-92.80%	Decrease in loss on disposal of non-current assets
Net income attributable to non-controlling	2,600,282.32	1,930,823.27	34.67%	Increase in income of non-wholly-owned subsidiary

interests				
Other comprehensive income, net of tax	-9,187,456.23	78,619,675.02	-111.69%	Decrease in Guoxuan High-tech shares held by the Company caused by some sales in Q3 2017
Total comprehensive income	89,965,539.08	200,425,073.23	-55.11%	and decrease in fair value of available-for-sale financial assets
Net cash flows from operating activities	124,450,627.91	-50,923,130.47	344.39%	Effect of income tax paid in January-March 2017 for sale of shareholdings
Net cash flows from investing activities	-54,668,249.60	-29,321,560.03	-86.44%	Increased investment in property, plant and equipment
Net cash flows from financing activities	0.00	-5,660,290.78	100.00%	Effect of dividends distributed by subsidiary in January-March 2017
Net increase in cash and cash equivalents	66,459,645.26	-85,456,559.66	177.77%	Increase in net cash flows from operating activities
Cash and cash equivalents, end of the period	636,643,854.22	1,393,827,082.88	-54.32%	Increase in undue bank's wealth management products

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

Applicable  Not applicable

## 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 Operating Result Forecast for January-June 2018

Warning of a forecast loss on or a forecast significant year-over-year change in net income for January-June 2018, as well as explanation of why:

Applicable  Not applicable



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## 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
01/04/2018	By one-on-one meeting	Institution	Cninf-Interactive-Investor Relations
01/18/2018	By one-on-one meeting	Institution	Cninf-Interactive-Investor Relations

## VIII Irregularities in Provision of Guarantees for External Parties

Applicable  Not applicable

No such cases in the Reporting Period.

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

Applicable  Not applicable

No such cases in the Reporting Period.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

March 31, 2018

Unit: RMB

Item	March 31, 2018	December 31, 2017
Current assets:		
Monetary assets	636,643,854.22	570,184,208.96
Settlement reserve		
Interbank loans granted		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	92,278,225.76	68,368,192.41
Accounts receivable	959,570,744.31	756,291,432.56
Prepayments	30,846,692.77	33,095,313.35
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Interest receivable	11,010,654.12	12,428,451.86
Dividends receivable		
Other receivables	20,627,107.58	21,215,215.15
Financial assets purchased under resale agreements		
Inventories	588,148,362.16	746,466,889.87
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	995,886,865.32	1,006,062,102.56
Total current assets	3,335,012,506.24	3,214,111,806.72
Non-current assets:		

Loans and advances to customers		
Available-for-sale financial assets	1,379,774,070.47	1,390,581,536.60
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	175,977,383.25	179,414,105.14
Investment property		
Property, plant and equipment	481,932,461.91	483,520,866.64
Construction in progress	219,371,338.54	162,814,991.68
Construction materials		
Proceeds from disposal of property, plant and equipment		
Productive living assets		
Oil and gas assets		
Intangible assets	154,365,815.93	155,544,720.36
R&D expense		
Goodwill		
Long-term prepaid expense	8,124,534.65	9,088,933.56
Deferred income tax assets	35,850,835.80	37,675,828.79
Other non-current assets	42,482,478.00	43,059,034.80
Total non-current assets	2,497,878,918.55	2,461,700,017.57
Total assets	5,832,891,424.79	5,675,811,824.29
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Customer deposits and deposits from banks and other financial institutions		
Interbank loans obtained		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	605,469,180.54	539,303,554.54
Advances from customers	38,641,032.65	48,706,778.49
Financial assets sold under repurchase agreements		
Handling charges and commissions		

payable		
Payroll payable	66,484,870.05	81,948,630.59
Taxes payable	52,342,529.05	27,350,670.40
Interest payable		
Dividends payable		
Other payables	43,694,442.08	40,548,489.03
Reinsurance payables		
Insurance contract reserve		
Payables for trading of securities		
Payables for underwriting of securities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	806,632,054.37	737,858,123.05
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Specific payables		
Provisions		
Deferred income	11,819,580.51	11,858,330.49
Deferred income tax liabilities	124,839,131.04	126,460,250.96
Other non-current liabilities		
Total non-current liabilities	136,658,711.55	138,318,581.45
Total liabilities	943,290,765.92	876,176,704.50
Owners' equity:		
Share capital	1,272,132,868.00	1,272,132,868.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		

Capital reserves	285,821,459.07	285,821,459.07
Less: Treasury shares		
Other comprehensive income	707,419,877.55	716,607,333.78
Specific reserve		
Surplus reserves	772,953,002.36	772,953,002.36
General reserve		
Retained earnings	1,828,153,509.17	1,731,600,796.18
Total equity attributable to owners of Parent Company	4,866,480,716.15	4,779,115,459.39
Non-controlling interests	23,119,942.72	20,519,660.40
Total owners' equity	4,889,600,658.87	4,799,635,119.79
Total liabilities and owners' equity	5,832,891,424.79	5,675,811,824.29

Legal representative: He Yong

General manager: Liu Xingming

CFO: Tang Qionglan

## 2. Parent Company Balance Sheet

Unit: RMB

Item	March 31, 2018	December 31, 2017
Current assets:		
Monetary assets	553,127,826.68	502,169,100.40
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	91,778,225.76	67,268,192.41
Accounts receivable	938,367,563.12	747,430,159.61
Prepayments	65,610,359.90	70,580,941.09
Interest receivable	8,828,070.80	9,744,035.20
Dividends receivable		
Other receivables	54,736,862.03	42,174,877.89
Inventories	530,829,118.01	670,527,529.71
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	768,393,182.81	777,495,203.31
Total current assets	3,011,671,209.11	2,887,390,039.62
Non-current assets:		

Available-for-sale financial assets	1,379,774,070.47	1,390,581,536.60
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	659,770,485.51	663,207,207.40
Investment property		
Property, plant and equipment	403,881,979.18	404,667,257.11
Construction in progress	217,155,426.94	161,024,975.28
Construction materials		
Proceeds from disposal of property, plant and equipment		
Productive living assets		
Oil and gas assets		
Intangible assets	110,960,260.10	112,251,734.86
R&D expense		
Goodwill		
Long-term prepaid expense	7,351,634.26	8,209,699.77
Deferred income tax assets	31,189,406.90	32,985,075.62
Other non-current assets	42,113,490.00	42,661,573.80
Total non-current assets	2,852,196,753.36	2,815,589,060.44
Total assets	5,863,867,962.47	5,702,979,100.06
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	803,527,879.75	719,912,246.75
Advances from customers	35,361,984.74	47,306,971.94
Payroll payable	43,241,321.39	60,345,714.81
Taxes payable	36,626,598.06	13,294,037.24
Interest payable		
Dividends payable		
Other payables	111,888,855.02	96,824,757.90
Liabilities directly associated with assets classified as held for sale		

Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	1,030,646,638.96	937,683,728.64
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Specific payables		
Provisions		
Deferred income	11,548,330.26	11,548,330.26
Deferred income tax liabilities	124,839,131.04	126,460,250.96
Other non-current liabilities		
Total non-current liabilities	136,387,461.30	138,008,581.22
Total liabilities	1,167,034,100.26	1,075,692,309.86
Owners' equity:		
Share capital	1,272,132,868.00	1,272,132,868.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	293,425,065.15	293,425,065.15
Less: Treasury shares		
Other comprehensive income	707,421,742.57	716,608,088.78
Specific reserve		
Surplus reserves	772,953,002.36	772,953,002.36
Retained earnings	1,650,901,184.13	1,572,167,765.91
Total owners' equity	4,696,833,862.21	4,627,286,790.20
Total liabilities and owners' equity	5,863,867,962.47	5,702,979,100.06

Legal representative: He Yong

General manager: Liu Xingming

CFO: Tang Qionglan

### 3. Consolidated Income Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Operating revenue	1,123,376,512.26	1,093,649,938.81
Including: Sales revenue	1,123,376,512.26	1,093,649,938.81
Interest revenue		
Premium revenue		
Handling charge and commission revenue		
2. Cost of operating revenue	1,012,171,251.73	951,661,802.26
Including: Cost of sales	874,409,768.15	830,819,079.30
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	14,410,687.99	9,755,058.67
Selling expense	55,410,407.71	38,400,329.73
Administrative expense	56,417,326.22	55,780,837.50
Finance costs	5,223,638.39	-5,743,864.20
Asset impairment losses	6,299,423.27	22,650,361.26
Add: Gains on changes in fair value (“-” for losses)		
Investment income (“-” for loss)	7,509,169.19	2,646,308.80
Including: Share of profit or loss of joint ventures and associates	-316,136.14	2,939.30
Foreign exchange gains (“-” for losses)		
Asset disposal income (“-” for loss)		
Other income	355,982.00	26,000.00
3. Operating income (“-” for loss)	119,070,411.72	144,660,445.35
Add: Non-operating revenue	692,142.62	1,419,858.46
Less: Non-operating expense	72,651.12	1,009,565.36



4. Pretax income (“-” for loss)	119,689,903.22	145,070,738.45
Less: Income tax expense	20,536,907.91	23,265,340.24
5. Net income (“-” for net loss)	99,152,995.31	121,805,398.21
5.1 Net income from continuing operations (“-” for net loss)	99,152,995.31	121,805,398.21
5.2 Net income from discontinued operations (“-” for net loss)		
Attributable to owners of Parent Company	96,552,712.99	119,874,574.94
Attributable to non-controlling interests	2,600,282.32	1,930,823.27
6. Other comprehensive income, net of tax	-9,187,456.23	78,619,675.02
Attributable to owners of Parent Company	-9,187,456.23	78,619,675.02
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
6.2 Items that may subsequently be reclassified to profit or loss	-9,187,456.23	78,619,675.02
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gains/Losses on changes in fair value of available-for-sale financial assets	-9,186,346.21	78,619,675.02
6.2.3 Gains/Losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial	-1,110.02	

statements		
6.2.6 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	89,965,539.08	200,425,073.23
Attributable to owners of Parent Company	87,365,256.76	198,494,249.96
Attributable to non-controlling interests	2,600,282.32	1,930,823.27
8. Earnings per share		
8.1 Basic earnings per share	0.0759	0.0942
8.2 Diluted earnings per share	0.0759	0.0942

Where business mergers under the same control occurred in the current period, the net income 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

General manager: Liu Xingming

CFO: Tang Qionglan

#### 4. Parent Company Income Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Sales revenue	1,067,787,968.82	1,065,186,916.21
Less: Cost of sales	858,449,485.00	830,329,549.74
Taxes and surtaxes	12,057,313.68	6,876,291.73
Selling expense	48,345,146.83	35,427,725.59
Administrative expense	51,877,588.76	49,721,540.15
Finance costs	5,409,152.86	-4,394,600.15
Asset impairment losses	5,508,500.39	21,943,712.75
Add: Gains on changes in fair value ("-" for losses)		
Investment income ("-" for loss)	5,613,752.53	2,202,183.81
Including: Share of profit or loss of joint ventures and associates	-316,136.14	2,939.30
Asset disposal income ("-" for loss)		
Other income	355,982.00	26,000.00
2. Operating income ("-" for loss)	92,110,515.83	127,510,880.21
Add: Non-operating revenue	645,474.35	1,236,962.66
Less: Non-operating expense	72,650.61	706,740.75

3. Pretax income (“-” for loss)	92,683,339.57	128,041,102.12
Less: Income tax expense	13,949,921.35	19,206,165.33
4. Net income (“-” for net loss)	78,733,418.22	108,834,936.79
4.1 Net income from continuing operations (“-” for net loss)	78,733,418.22	108,834,936.79
4.2 Net income from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-9,186,346.21	78,619,675.02
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by re-measurements on defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified into profit or loss under equity method		
5.2 Items that may subsequently be reclassified to profit or loss	-9,186,346.21	78,619,675.02
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit or loss under equity method		
5.2.2 Gains/Losses on changes in fair value of available-for-sale financial assets	-9,186,346.21	78,619,675.02
5.2.3 Gains/Losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	69,547,072.01	187,454,611.81
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: He Yong

General manager: Liu Xingming

CFO: Tang Qionglan

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Cash generated by or used in operating activities:		
Proceeds from sale of commodities and rendering of services	888,818,669.95	891,447,570.02
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Tax rebates	14,547,468.34	24,106,127.07
Cash generated by other operating activities	28,140,908.49	5,770,626.16
Subtotal of cash generated by operating activities	931,507,046.78	921,324,323.25
Payments for commodities and services	520,963,882.48	552,182,800.34
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original insurance contracts		

Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	181,134,694.05	198,007,961.77
Taxes paid	53,369,965.83	165,193,093.74
Cash used in other operating activities	51,587,876.51	56,863,597.87
Subtotal of cash used in operating activities	807,056,418.87	972,247,453.72
Net cash flows from operating activities	124,450,627.91	-50,923,130.47
2. Cash generated by or used in investing activities:		
Proceeds from disinvestments	10,000,000.00	4,580,255.71
Investment income	10,035,191.59	5,202,481.38
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units		
Cash generated by other investing activities		
Subtotal of cash generated by investing activities	20,035,191.59	9,782,737.09
Payments for acquisition of property, plant and equipment, intangible assets and other long-lived assets	74,703,441.19	39,104,297.12
Payments for investments		
Net increase in pledged loans granted		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	74,703,441.19	39,104,297.12
Net cash flows from investing activities	-54,668,249.60	-29,321,560.03
3. Cash generated by or used in financing activities:		
Capital contributions received		

Including: Capital contributions by non-controlling interests to subsidiaries		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		
Cash generated by other financing activities		
Subtotal of cash generated by financing activities		
Repayment of borrowings		
Payments for interest and dividends		5,660,290.78
Including: Dividends paid by subsidiaries to non-controlling interests		5,660,290.78
Cash used in other financing activities		
Subtotal of cash used in 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	-3,322,733.05	448,421.62
5. Net increase in cash and cash equivalents	66,459,645.26	-85,456,559.66
Add: Cash and cash equivalents, beginning of the period	570,184,208.96	1,479,283,642.54
6. Cash and cash equivalents, end of the period	636,643,854.22	1,393,827,082.88

Legal representative: He Yong

General manager: Liu Xingming

CFO: Tang Qionglan

## 6. Parent Company Cash Flow Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Cash generated by or used in operating activities:		
Proceeds from sale of commodities and rendering of services	852,348,438.77	862,744,439.39
Tax rebates	14,547,468.34	24,106,127.07
Cash generated by other operating activities	21,047,144.75	3,825,641.43
Subtotal of cash generated by operating	887,943,051.86	890,676,207.89

activities		
Payments for commodities and services	595,935,971.69	699,760,627.60
Cash paid to and for employees	112,947,808.95	103,479,544.66
Taxes paid	28,100,581.05	132,294,837.84
Cash used in other operating activities	44,022,548.07	50,830,424.51
Subtotal of cash used in operating activities	781,006,909.76	986,365,434.61
Net cash flows from operating activities	106,936,142.10	-95,689,226.72
2. Cash generated by or used in investing activities:		
Proceeds from disinvestments	10,000,000.00	4,580,255.71
Investment income	10,035,191.59	19,424,371.39
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-lived assets		
Net proceeds from disposal of subsidiaries or other business units		
Cash generated by other investing activities		
Subtotal of cash generated by investing activities	20,035,191.59	24,004,627.10
Payments for acquisition of property, plant and equipment, intangible assets and other long-lived assets	72,690,980.48	33,145,429.52
Payments for investments		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	72,690,980.48	33,145,429.52
Net cash flows from investing activities	-52,655,788.89	-9,140,802.42
3. Cash generated by or used in financing activities:		
Capital contributions received		
Increase in borrowings obtained		
Net proceeds from issuance of bonds		

Cash generated by other financing activities		
Subtotal of cash generated by financing activities		
Repayment of borrowings		
Payments for interest and dividends		
Cash used in other financing activities		
Sub-total of cash used in financing activities		
Net cash flows from financing activities		
4. Effect of foreign exchange rate changes on cash and cash equivalents	-3,321,626.93	448,421.62
5. Net increase in cash and cash equivalents	50,958,726.28	-104,381,607.52
Add: Cash and cash equivalents, beginning of the period	502,169,100.40	1,235,417,964.88
6. Cash and cash equivalents, end of the period	553,127,826.68	1,131,036,357.36

Legal representative: He Yong

General manager: Liu Xingming

CFO: Tang Qionglan

## II Independent Auditor's Report

Indicate by tick mark whether the Q1 financial statements have been audited by an independent auditor.

Yes  No

The Q1 financial statements have not been audited by such an auditor.

The Board of Directors

Foshan Electrical and Lighting Co., Ltd.

April 26, 2018