

FOSHAN ELECTRICAL AND LIGHTING CO., LTD.

2015 Semi-annual Report

August 2015

Section I. Important Reminders, Contents & Explanation

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Foshan Electrical and Lighting Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

All directors have attended in person the board session for reviewing this report except the following:

Name	Position	Reason for not attending the session in person	Name of the proxy
Wu shenpo	Director	ON business	Werner Jürgen Dietrich Hoffmann
Ye zaiyou	Director	ON business	Liu xingming

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

Pan Jie, company principal & chief of the accounting work, and Yin Jianchun, chief of the accounting organ (chief of accounting), hereby confirm that the Financial Report enclosed in this report is factual, accurate and complete.

The future plans and some other forward-looking statements involved in this report shall not be considered as virtual promises of the Company to investors. And investors are kindly reminded to pay attention to possible risks.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

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Explanation

Term	Refers to	Contents
The Company, Company, FSL	Refers to	Foshan Electrical and Lighting Co., Ltd.
CSRC	Refers to	China Securities Regulation Commission
SZSE, the Stock Exchange	Refers to	Shenzhen Stock Exchange
Shareholders' General Meeting	Refers to	Shareholders' General Meeting of Foshan Electrical and Lighting Co., Ltd.
Board of Directors	Refers to	Board of Directors of Foshan Electrical and Lighting Co., Ltd.
Supervisory Committee	Refers to	Supervisory Committee of Foshan Electrical and Lighting Co., Ltd.
Yuan, Thousand Yuan, Ten thousand Yuan, One Hundred Million Yuan	Refers to	RMB Yuan, RMB Thousand Yuan, RMB Ten thousand Yuan, RMB One Hundred Million Yuan
Reporting period, this reporting period	Refers to	1 Jan. 2015-30 Jun. 2015

Section II. Company Profile

I. Basic information of the Company

Stock abbreviation	FSZM/YZMB	Stock code	000541/200541
Stock exchange listed with	Shenzhen Stock Exchange		
Chinese name of the Company	佛山电器照明股份有限公司		
Abbr. of the Chinese name of the Company (if any)	佛山照明		
English name of the Company (if any)	FOSHAN ELECTRICAL AND LIGHTING CO.,LTD		
Abbr. of the English name of the Company (if any)	FSL		
Legal representative of the Company	Pan Jie		

II. For Contact

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

III. Other information

1. Ways to contact the Company

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

☐ Applicable ☒ Inapplicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the reporting period. The said information can be found in the 2014 Annual Report.

2. About information disclosure and where this report is placed

Did any change occur to information disclosure media and where this report is placed during the reporting period?

☐ Applicable ☒ Inapplicable

The newspapers designated by the Company for information disclosure, the website designated by CSRC for disclosing this report and the location where this report is placed did not change during the reporting period. The said information can be found in the 2014 Annual Report.

3. Change of the registered information

Did any change occur to the registered information during the reporting period?

☐ Applicable ☒ Inapplicable

The registration date and place of the Company, its business license No., taxation registration No. and organizational code did not change during the reporting period. The said information can be found in the 2014 Annual Report.

Section III. Highlights of Accounting Data & Financial Indicators

I. Major accounting data and financial indicators

Does the Company adjust retrospectively or restate accounting data of previous years due to change of any accounting policy or correction of any accounting error?

☐ Yes ☒ No

	Reporting period	Same period of last year	YoY +/- (%)
Operating revenues (RMB Yuan)	1,524,362,786.49	1,543,058,758.03	-1.21%
Net profit attributable to shareholders of the Company (RMB Yuan)	100,258,759.31	188,959,139.45	-46.94%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	91,812,010.45	169,224,226.63	-45.75%
Net cash flows from operating activities (RMB Yuan)	99,274,347.70	138,441,766.77	-28.29%
Basic EPS (RMB Yuan/share)	0.0788	0.1485	-46.94%
Diluted EPS (RMB Yuan/share)	0.0788	0.1485	-46.94%
Weighted average ROE (%)	3.48%	6.68%	-3.20%
	As at the end of the reporting period	As at the end of last year	+/- (%)
Total assets (RMB Yuan)	5,314,427,371.16	3,736,704,336.40	42.22%
Net assets attributable to shareholders of the Company (RMB Yuan)	4,325,397,037.15	3,044,585,720.58	42.07%

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

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

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Reporting period	Same period of last	Closing amount	Opening amount

		year		
According to Chinese accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58
Items and amounts adjusted according to international accounting standards				
According to international accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58

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

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

	Net profit attributable to shareholders of the Company		Net assets attributable to shareholders of the Company	
	Reporting period	Same period of last year	Closing amount	Opening amount
According to Chinese accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58
Items and amounts adjusted according to overseas accounting standards				
According to overseas accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58

3. Explain reasons for the differences between accounting data under domestic and overseas accounting standards

☐ Applicable ☒ Inapplicable

III. Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	Amount	Explanation
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	-391,009.93	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	2,519,246.86	
Gains and losses on change in fair value from tradable financial assets and tradable financial liabilities, as well	18,541,755.45	

as investment income from disposal of tradable financial assets and tradable financial liabilities and financial assets available for sales except for effective hedging related with normal businesses of the Company		
Non-business income and expenses other than the above	-14,119,698.73	Provisions for projected liabilities
Other gain and loss items that meet the definition of an extraordinary gain/loss	491,693.21	
Less: Income tax effects	-1,472,221.11	
Minority interests effects (after tax)	67,459.11	
Total	8,446,748.86	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

☐ Applicable ☒ Inapplicable

No such cases during the reporting period.

Section IV. Report of the Board of Directors

I. Overview

The reporting period saw an increasingly complicated global economic environment due to the building-up downward pressure on the domestic economy and the slow recovery of the foreign economies. In terms of the illuminating industry, despite the rapid development of LED, problems existed such as structural overcapacity, fiercer market competition and falling product prices. In face of the changes in the operating environment, the board and management of the Company relied on the Company's brands and strength in business and seized opportunities in the thorough replacement by LED, striving to develop the LED business. Besides our developments in the traditional, home and office lighting sectors, we also developed product series in the commercial lighting sector which had been a weak point for us. This has further optimized our product mix.

For the reporting period, the Company achieved operating revenues of RMB 1524.3628 million, down 1.21% over the same period of last year, of which the revenue from domestic sale reached RMB 1061.981 million, up 0.93% year on year, and that from export reached RMB 462.3818 million, down 5.79% year on year; total profits of RMB 124.4494 million, down 45.64% over the same period of last year; and net profit attributable to shareholders of the Company of RMB 100.2588 million, representing a year-on-year decrease of 46.94%.

II. Main business analysis

YoY change of major financial data:

Unit: RMB Yuan

	Reporting period	Same period of last year	YoY +/-%	Main reasons for change
Operating revenues	1,524,362,786.49	1,543,058,758.03	-1.21%	
Operating costs	1,166,043,441.01	1,156,217,280.15	0.85%	
Selling expenses	82,224,380.27	62,967,912.93	30.58%	Selling expenses increased.
Administrative expenses	114,295,848.69	104,495,339.45	9.38%	
Financial expenses	-11,207,940.80	-5,733,347.63	-95.49%	Exchange losses

				decreased.
Income tax expenses	27,933,767.11	41,689,863.95	-33.00%	The taxable income decreased.
R&D inputs	44,480,518.51	34,671,618.47	28.29%	
Net cash flows from operating activities	99,274,347.70	138,441,766.77	-28.29%	
Net cash flows from investing activities	-10,708,737.02	-21,344,331.62	49.83%	Investment decreased.
Net cash flows from financing activities	-204,113,711.36	-151,583,685.10	-34.65%	Dividends paid increased.
Net increase in cash and cash equivalents	-115,550,831.23	-36,260,109.78	-218.67%	Dividends paid increased.

Major changes to the profit structure or sources of the Company during the reporting period:

☐ Applicable ☒ Inapplicable

No major changes occurred to the profit structure or sources of the Company during the reporting period.

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

☐ Applicable ☒ Inapplicable

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

Review the progress of the previously disclosed business plan in the reporting period:

In the reporting period, according to its operating plan for 2015, the Company made rational arrangements and then strictly implemented them. The overall operation was steady. In the coming 6 months, the Company will continue to push forward relevant work at a steady pace.

III. Breakdown of main business

Unit: RMB Yuan

	Operating revenues	Operating costs	Gross profit rate (%)	Increase/decrease of operating revenues over the same period of last year (%)	Increase/decrease of operating costs over the same period of last year (%)	Increase/decrease of gross profit rate over the same period of last year (%)
Classified by industry:						
Lighting fixtures and lamps	1,511,711,913.81	1,160,678,870.83	23.22%	-1.03%	1.43%	-1.86%
Classified by product:						

Lighting fixtures and lamps	1,511,711,913.81	1,160,678,870.83	23.22%	-1.03%	1.43%	-1.86%
Of which: traditional lighting products	767,496,809.02	553,666,795.27	27.86%	-30.65%	-31.58%	0.98%
LED	744,215,104.79	607,012,075.56	18.44%	76.86%	81.15%	-1.93%
Classified by region:						
Domestic	1,049,330,092.75	805,989,778.56	23.19%	1.22%	-1.17%	1.86%
Overseas	462,381,821.06	354,689,092.27	23.29%	-5.79%	7.87%	-9.72%

IV. Core competitiveness analysis

No material changes occurred to the core competitiveness of the Company in the reporting period.

V. Investment analysis

1. Investments in equities of external parties

(1) Investments in external parties

√ Applicable □ Inapplicable

Investments in external parties		
Investment amount in the reporting period (RMB Yuan)	Investment amount in the same period of last year (RMB Yuan)	+/-%
0.00	0.00	0.00%
Particulars about investees		
Name of investee	Main business	Proportion of the Company's investment in the investee's total equity interests (%)
Qinghai Fozhao Lithium Energy Exploitation Co., Ltd.	Integrated development and utilization of salt lake brine resource.	38.00%
Shenzhen Zhonghao (Group) Ltd.	Electronic products, communication devices, household appliances, furniture, speakers, paper, paper products, chemicals for daily use, shoes, hats and garment; domestic commerce, material supply and marketing (excluding goods operated, sold and controlled by special entities); supervision of the self-developed projects	Less than 5.00%

Chengdu Hongbo Industrial Co., Ltd.	Production and sale of tungsten, molybdenum, nickel and clad metal products, diamond die, thin steel strips, electric light source products, power supply products, industrial gas and special equipment; production, installation, sale, mechanic processing, vehicle repair, consulting service, sale of goods (excluding those prohibited by the government from circulating), export of products produced by it or its member companies; import of needed mechanic equipment, components, raw and auxiliary materials; processing and compensation trade	6.94%
Jiangsu Dongyuan Electrical Group Co., Ltd.	Development, manufacture and sale of lithium ion batteries and materials, batteries, motors and vehicle control systems; development, manufacture and sale of lithium ion battery emergency power supply, energy storage batteries and batteries for electric tools; development, manufacture, sale and assembly of high and low voltage switches and package units, digital electric equipment, distribution network intelligent equipment and components and three box girders; development, manufacture, sale and assembly of solar power, wind power and other renewable power equipment; development, manufacture, sale and installation of energy-saving, environment-friendly electrical appliances and equipment, electrical appliances and equipment for ships; development, manufacture and sale of transformers, transformer substations, large-scale charging equipment and stations, and vehicle-mounted chargers and high-voltage compartments; import & export of its own goods and technology and import & export of other entities' goods and technology as an agency; and design and construction of city and road	8.47%

	lighting projects.	
Foshan Fochan Road Development Company Limited	Building and operation of the Fochan (Foshan Chencun) Road	7.66%
Xiamen Bank	Banking services	6.91%
Foshan branch of China Guangfa Bank	Banking services	Less than 5.00%
China Everbright Bank	Banking services	0.04%

(2) Equity-holdings in financial enterprises

√ Applicable □ Inapplicable

Enterprise name	Enterprise variety	Initial investment cost (RMB Yuan)	Opening equity-holdings (share)	Opening equity-holding ratio (%)	Closing equity-holdings (share)	Closing equity-holding ratio (%)	Closing book value (RMB Yuan)	Gain/loss in the reporting period (RMB Yuan)	Accounting title	Equity source
China Everbright Bank	Commercial bank	30,828,816.00	23,546,768	0.06%	18,546,754	0.04%	99,410,601.44	20,512,962.80	Available-for-sale financial assets	Additional issue
Xiamen Bank	Commercial bank	292,574,133.00	109,714,176	6.91%	109,714,176	6.91%	292,574,133.00	0.00	Available-for-sale financial assets	Additional issue
Foshan branch of China Guangfa Bank	Commercial bank	500,000.00	229,792	Less than 5.00%	229,792	Less than 5.00%	500,000.00	0.00	Available-for-sale financial assets	Additional issue
Total		323,902,949.00	133,490,736	--	128,490,722	--	392,484,734.44	20,512,962.80		--

(3) Securities investments

√ Applicable □ Inapplicable

Variety of securities	Code of securities	Name of securities	Initial investment cost (RMB Yuan)	Number of shares held at period-end	Shareholding percentage at period-end	Number of shares held at period-end	Shareholding percentage at period-end	Closing book value (RMB Yuan)	Gain/loss for reporting period (RMB)	Accounting title	Source of stock
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				egin	egin	nd	nd		Yuan)		
Other	205001	1 Day	98,754,00 0.00						6,884.18	Transact ional financial asset	Pledged repo
Other	205007	7 Days	12,414,00 0.00						9,066.92	Transact ional financial asset	Pledged repo
Other	205008	14 Days	32,380,00 0.00						40,510.28	Transact ional financial asset	Pledged repo
Bond	204001	GC001	1,933,319 ,333.00						212,097.2 1	Transact ional financial asset	Reverse repo of govern ment bonds
Bond	204002	GC002	141,102,8 22.00						14,667.83	Transact ional financial asset	Reverse repo of govern ment bonds
Bond	204003	GC003	83,302,49 9.00						34,830.87	Transact ional financial asset	Reverse repo of govern ment bonds
Bond	204004	GC004	244,609,7 84.00						87,596.94	Transact ional financial asset	Reverse repo of govern ment bonds
Bond	204007	GC007	182,809,1 40.00						86,038.98	Transact ional financial asset	Reverse repo of govern ment bonds
Stock	002736	GXZQ	11,660.00	2,000		2,000		50,180.00	400.00	Transact ional financial	

										asset	
Stock	300413	KLK	4,530.00	500		0			11,958.67	Transact ional financial asset	
Stock	300418	KLWW	10,150.00	500		0			23,126.61	Transact ional financial asset	
Stock	601021	CQHK	18,160.00	1,000		0			50,547.20	Transact ional financial asset	
Stock	000601	SNGF	1,005,199 .54	167,300		167,300		1,564,255 .00		Transact ional financial asset	
Stock	300421	LXGF	4,565.00	500		0			6,607.00	Transact ional financial asset	
Stock	601198	DXZQ	18,360.00	2,000		2,000		59,820.00	320.00	Transact ional financial asset	
Stock	603118	GJGF	11,950.00	1,000		0			13,705.10	Transact ional financial asset	
Stock	603618	HDGF	11,650.00	1,000		0			14,284.40	Transact ional financial asset	
Stock	603939	YFYF	19,470.00	1,000		0			22,454.32	Transact ional financial asset	
Stock	300420	WYKJ	4,135.00	500		0			9,076.88	Transact ional financial asset	

Stock	300433	LSKJ	11,495.00	500		500		44,205.00		Transact ional financial asset	
Stock	300432	FLJG	6,985.00	500		500		43,000.00	150.00	Transact ional financial asset	
Stock	601689	TPJT	11,370.00	1,000		1,000		25,180.00		Transact ional financial asset	
Stock	600958	DFZQ	50,150.00	5,000		0			53,088.25	Transact ional financial asset	
Stock	002752	SXGF	2,870.00	500		500		16,720.00		Transact ional financial asset	
Stock	603808	GLS	19,160.00	1,000		1,000		54,260.00		Transact ional financial asset	
Stock	600959	JSYX	10,940.00	2,000		2,000		54,580.00		Transact ional financial asset	
Stock	300438	PHNY	7,435.00	500		500		85,995.00		Transact ional financial asset	
Stock	300455	KTHW	3,440.00	500		500		24,550.00		Transact ional financial asset	
Stock	300456	NWKJ	7,005.00	500		500		57,220.00		Transact ional financial asset	
Stock	603227	XFKJ	4,980.00	1,000		1,000		22,980.00		Transact	

										ional financial asset	
Stock	603198	YJGJ	11,800.00	1,000		1,000		28,360.00		Transact ional financial asset	
Stock	300478	HZGX	7,420.00	500		500		24,705.00		Transact ional financial asset	
Stock	601985	ZGHD	61,020.00	18,000		18,000		235,260.0 0		Transact ional financial asset	
Stock	601211	GTJA	118,260.0 0	6,000		6,000		206,040.0 0		Transact ional financial asset	
Stock	300482	WFSW	8,000.00	500		500		11,520.00		Transact ional financial asset	
Other securities investments held at the period-end			0.00	0	--	0	--	0.00	0.00	--	--
Total			2,730,153 ,737.54	216,300	--	205,300	--	2,608,830 .00	697,411.6 4	--	--
Disclosure date of the board announcement on approval of the securities investment			23 Jan. 2014								
Disclosure date of the general meeting announcement on approval of the securities investment											

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

repeatedly invested with in the first half of 2015.

(4) Shareholdings in other listed companies

☒ Applicable ☐ Inapplicable

In the reporting period, Hefei Guoxuan High-tech Power Energy Co., Ltd. (“Guoxuan High-tech”), where the Company held a stake, successfully carried out a back door listing through Jiangsu Dongyuan Electrical Group Co., Ltd. (“Dongyuan Electrical”) and the relevant asset transfer formalities were all completed. As such, the shares held by the Company in Guoxuan High-tech were shifted to 73,006,150 shares held by the Company in Dongyuan Electrical (for details, see Announcement No. 2015-018 on Progress of Back Door Listing of Shareholding Company disclosed on www.cninfo.com.cn dated 14 May 2015).

2. Wealth management entrustment, derivative investments and entrustment loans

(1) Wealth management entrustment

☐ Applicable ☒ Inapplicable

The Company did not carry out any wealth management entrustment in the reporting period.

(2) Derivative investments

☐ Applicable ☒ Inapplicable

The Company did not carry out any derivative investment in the reporting period.

(3) Entrustment loans

☐ Applicable ☒ Inapplicable

There were no entrustment loans in the reporting period.

3. Use of raised funds

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

4. Analysis to main subsidiaries and shareholding companies

☒ Applicable ☐ Inapplicable

Main subsidiaries and shareholding companies:

Unit: RMB Yuan

Company name	Company variety	Industry	Main products/ser	Registered capital	Total assets	Net assets	Operating revenues	Operating profit	Net profit
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			vices						
Foshan Chansheng Electronic Ballast Co., Ltd.	Subsidiary	Manufacture	Production and operation of electronic ballasts, electronic transformers, electronic igniters, electric light source products, equipment, fittings, electrical materials, automobile components, home appliances, socket outlets, power switches, fire-protection products, ventilation equipment and LED products. (Where approval from relevant authorities is required for an operating project according to law, it shall be	1,000,000.00	56,423,841.92	12,495,358.90	83,581,595.61	-983,155.70	-806,195.76

			obtained before operation.)						
Foshan Chanchang Electric Appliances (Gaoming) Co., Ltd.	Subsidiary	Manufacture	Producer of lamps, electric lighting products and related fittings, providing relevant installation and consulting services	72,782,944.00	100,912,047.44	96,028,361.11	18,925,514.22	-1,819,067.94	-1,498,575.91
Foshan Taimei Times Lamps Co., Ltd.	Subsidiary	Manufacture	R&D, production and sales of lamps, household appliances and fittings, and other electric lighting products	500,000.00	56,209,458.42	28,670,580.12	67,478,345.33	3,471,756.08	2,603,080.01
FSL New Light Source Technology Co., Ltd.	Subsidiary	Manufacture	Development and sale of electrical appliances, lighting and mechanical & electrical products; engineering design, construction and maintenance of lighting and mechanical	50,000,000.00	53,791,875.98	49,393,693.80	0.00	-4,050,240.62	-3,037,680.46

			& electrical projects; design, construction and technical service for intelligent construction projects; investment, design & consulting service, construction and service for energy-saving projects; contractual energy management and technical service; energy-saving project appraisal; international trade; and development, production and sale of electric light source products. (Where approval from relevant authorities is required for an						
--	--	--	---	--	--	--	--	--	--

			operating project according to law, it shall be obtained before operation.)						
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	Subsidiary	Manufacture	Production of energy-saving lighting products, lamps and lighting equipments; lighting projects; energy-saving technology development and production of relevant fittings; sale of self-produced products	41,683,200.00	110,130,461.03	65,480,961.53	41,131,863.01	-2,723,157.01	-1,870,023.19
FSL (Xinxiang) Lighting Co., Ltd.	Subsidiary	Manufacture	Production and sale of equipments and products of electric light source; and sale of components of electric light source, related materials,	35,418,439.76	45,245,219.67	38,715,450.04	16,487,674.20	2,307,336.66	877,114.95

			electrical materials, automobile components, lamps and fittings						
Guangdong Fozhao Financing Lease Co., Ltd.	Subsidiary	Finance	Financing lease, lease, lease consulting and guaranty, financing lease service for new-energy automobiles & main components, energy-saving lighting products & projects	200,000,000.00	218,142,307.15	217,813,179.07	0.00	3,217,065.84	2,412,784.38
FSL Lighting Equipment Co., Ltd.	Subsidiary	manufacture	R&D and production of electric light source products, equipment, fittings, electrical materials, automobile components, home appliances, socket outlets, power switches, fire-protection products,	15,000,000.00	42,136,507.06	30,439,207.91	88,861,975.45	3,478,606.77	2,764,081.00

			ventilation equipment, LED products, etc.; domestic trade, import and export of technology and goods						
Suzhou Mont Lighting Co., Ltd.	Subsidiary	Manufacture	Licensed operations: naught. General operations: development, production and sale of semi-conductor lighting utensils, drive circuit and control system software and hardware systems; (produced only by branches) design and installation of lighting engineering; import & export of semi-conductor lighting components and	23,634,900.00	51,974,600.74	17,699,704.86	21,929,521.76	-9,781,534.90	-8,231,340.65

			utensils, drive circuit and control system software and hardware systems						
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5. Significant projects invested with non-raised funds

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

VI. Predict the operating results of Jan.-Sept. 2015

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-begin to the end of the next reporting period according to prediction, as well as explanations on the reasons:

☐ Applicable ☒ Inapplicable

VII. Explanation of the Board of Directors and the Supervisory Committee on the “Non-standard Audit Report” issued by the CPAs firm for the reporting period

☐ Applicable ☒ Inapplicable

VIII. Explanation of the Board of Directors on the issues mentioned in the “Non-standard Audit Report” issued by the CPAs firm for last year

☐ Applicable ☒ Inapplicable

IX. Implementation of profit allocation during the reporting period

Profit allocation plan implemented during the reporting period, especially execution and adjustment of the cash dividend plan and the plan for turning capital reserve into share capital:

☒ Applicable ☐ Inapplicable

On 27 May 2015, the “Preplan for Profit Allocation for 2014” was reviewed and approved at the 2014 Annual Shareholders’ General Meeting held by the Company. As the profit allocation plan for 2014, the Company, based on the total 978,563,745 shares as at the end of 2014, distributed a cash dividend of RMB 2.20 (tax included; dividends for B-share holders paid in HKD) and grant three additional shares with capital reserves for every 10

shares held by its shareholders of A share and B share. On 5 June 2015, the Company disclosed the “Announcement of the Implementation of Profit Allocation and Capitalization of Capital Reserves for 2014” and determined that A shares’ date of record was on 11 June 2015, ex-dividend date on 12 June 2015, the last trading date of B shares on 11 June 2015 and the ex-dividend date on 12 June 2015. B shares’ date of record was on 16 June 2015. At the end of the reporting period, the implementation of profit allocation plan for 2014 was completed.

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

X. Pre-plan for profit allocation and turning capital reserve into share capital for the reporting period

☐ Applicable ☒ Inapplicable

The Company planed not to distribute cash dividends or bonus shares or turn capital reserve into share capital for the reporting period.

XI. Particulars about researches, visits and interviews received in this reporting period

☒ Applicable ☐ Inapplicable

Time	Place	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
9 January 2015	The Company	By phone	Individual	Individual investor	Production and operation of the Company
20 January 2015	The Company	By phone	Individual	Individual	Production and

				investor	operation of the Company
13 March 2015	The Company	By phone	Individual	Individual investor	Production and operation of the Company
16 April 2015	The Company	By phone	Individual	Individual investor	Production and operation of the Company
28 April 2015	The Company	By phone	Individual	Individual investor	Dividends for 2014
1 June 2015	The Company	By phone	Individual	Individual investor	Dividends for 2014
5 June 2015	The Company	By phone	Individual	Individual investor	Lawsuit progress of the Company

Section V. Significant Events

I. Corporate governance

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

II. Lawsuits

Significant lawsuits or arbitrations

√ Applicable □ Inapplicable

Basic information of the lawsuit (arbitration)	Amount involved in the lawsuit (arbitration)	Any estimated liabilities?	Progress of the lawsuit (arbitration)	Trial result and influence of the lawsuit (arbitration)	Enforcement on the judgment of the lawsuit (arbitration)	Disclosure date	Disclosure index
In Mar. 2013, CSRC Guangdong administered an administrative punishment on the illegal information disclosure of the Company. During the period from September 2013 to	RMB 160.533 million and HKD 82,000	Yes	On 4 June 2015, the Company received the Civil Judgment from Guangdong High Court, pronouncing	At the end of 2014, the Company made projected liability provisions of RMB 61.4383 million for the compensations and court costs for the 955 cases	Up to 25 August 2015, the Company has paid compensations to 1162 plaintiffs.	23 July 2015	Announcement title: Announcement on Compensation Reception; Announcement No.:

January 2014, 1,187 plaintiffs separately sued the Company to Guangzhou Intermediate People's Court for false securities statement, demanding civil compensations from the Company for its illegal information disclosure.			against the Company's appeal against the civil judgments involving 955 cases issued by Guangzhou Intermediate Court during November and December 2014 and affirming the original judgments. On 8 July 2015, the Company received a third civil judgment from Guangzhou Intermediate Court, ruling the Company to compensate 222 plaintiffs' loss with RMB 13.9237 million and bear the court acceptance fee of RMB 244,000.	according to the judgments of the first trial. In the first half of 2015, the Company made projected liability provisions of RMB 14.1677 million for the compensations and court costs for the 222 cases according to the judgments of the first trial.			2015-034; Website of disclosure: http://www.cninfo.com.cn
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In Mar. 2013, CSRC Guangdong administered an administrative punishment on the illegal information disclosure of the Company. 116 plaintiffs separately sued the Company to Guangzhou Intermediate People's Court for false securities statement, demanding civil compensations from the Company for its illegal information disclosure.	RMB 22.5254 million and HKD 546,600	No	Ongoing	The lawsuits are still in trial with no judgment. Therefore, the influence of these lawsuits on the Company is unable to be known for now.	Inapplicable	15 Mar. 2014	Announcement title: Announcement on Lawsuit Matters; Announcement No.: 2014-011; Website of disclosure: http://www.cninfo.com.cn
In Mar. 2013, CSRC Guangdong administered an administrative punishment on the illegal information disclosure of the Company. 457 plaintiffs separately sued the Company to Guangzhou Intermediate People's Court for false securities statement, demanding civil compensations from the Company for its illegal information disclosure.	RMB 82.2559 million	No	Ongoing	The lawsuits are still in trial with no judgment. Therefore, the influence of these lawsuits on the Company is unable to be known for now.	Inapplicable	17 January 2015	Announcement title: Announcement on Lawsuit Matters; Announcement No.: 2015-004; Website of disclosure: http://www.cninfo.com.cn

In Mar. 2013, CSRC Guangdong administered an administrative punishment on the illegal information disclosure of the Company. 519 plaintiffs separately sued the Company to Guangzhou Intermediate People's Court for false securities statement, demanding civil compensations from the Company for its illegal information disclosure.	RMB 70.5764 million and HKD 699,400	No	Ongoing	The lawsuits are still in trial with no judgment. Therefore, the influence of these lawsuits on the Company is unable to be known for now.	Inapplicable	17 March 2015	Announcement title: Announcement on Lawsuit Matters; Announcement No.: 2015-005; Website of disclosure: http://www.cninfo.com.cn
In Mar. 2013, CSRC Guangdong administered an administrative punishment on the illegal information disclosure of the Company. 470 plaintiffs separately sued the Company to Guangzhou Intermediate People's Court for false securities statement, demanding civil compensations from the Company for its illegal information disclosure.	RMB 48.0415 million	No	Ongoing	The lawsuits are still in trial with no judgment. Therefore, the influence of these lawsuits on the Company is unable to be known for now.	Inapplicable	23 May 2015	Announcement title: Announcement on Lawsuit Matters; Announcement No.: 2015-020; Website of disclosure: http://www.cninfo.com.cn

III. Media query

☐Applicable ☒Inapplicable

The Company was not involved in any media query in the reporting period.

IV. Bankruptcy and reorganization

☐ Applicable ☒ Inapplicable

Bankruptcy and reorganization did not occur to the Company in the reporting period.

V. Asset transactions**1. Purchase of assets**

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

2. Sale of assets

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

3. Business combination

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

VI. Implementation of equity incentive and its influence

☐ Applicable ☒ Inapplicable

The Company did not make or carry out any equity incentive plan during the reporting period.

VII. Significant related-party transactions**1. Related-party transactions concerning routine operation**

☒ Applicable ☐ Inapplicable

Related transaction party	Relation	Type of the transaction	Contents of the transaction	Pricing principle	Transaction price (RMB Ten thousand)	Transaction amount (RMB Ten thousand)	Proportion in the total amounts of transactions	Approved transaction line (RMB Ten thousand)	Over approved line or not	Method of settlement	Obtainable market price for the transaction	Disclosure date	Disclosure index
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						d)	ons of the same kind (%)	thousan d)			on of the same kind (RMB Ten thousan d)		
Prosperi ty Lamps & Compon ents Limited	Legal person that held over 5% shares of the Compan y	Purchasi ng products and receivin g labor service from the related party	Purchas e of material s	Market price	619.98	619.98	0.70%	700	No	Remitta nce	619.98	27 Apr. 2015	www.c ninfo.c om.cn
Prosperi ty Electric al (China) Co., Ltd.	A compan y controll ed by the related natural person	Purchasi ng products and receivin g labor service from the related party	Purchas e of material s	Market price	1,198.07	1,198.07	1.35%	3,000	No	Remitta nce	1,198.07	27 Apr. 2015	www.c ninfo.c om.cn
Hangzh ou Times Lighting and Electric al Co., Ltd.	A compan y controll ed by the related natural person	Purchasi ng products and receivin g labor service from the related party	Purchas e of material s	Market price	188.61	188.61	0.21%	300	No	Remitta nce	188.61	27 Apr. 2015	www.c ninfo.c om.cn
Prosperi ty (Xinxia ng) Lighting Machine	A compan y controll ed by the	Purchasi ng products and receivin g labor	Purchas e of equipme nts	Market price	16.91	16.91	0.02%	200	No	Remitta nce	16.91	27 Apr. 2015	www.c ninfo.c om.cn

ry Co., Ltd.	related natural person	service from the related party											
Prosperi ty Lamps & Compon ents Limited	Legal person that held over 5% shares of the Compan y	Selling products and providin g labor service to the related party	Sale of products	Market price	1,651.34	1,651.34	0.95%	4,500	No	Remitta nce	1,651.34	27 Apr. 2015	www.c ninfo.c om.cn
Prosperi ty (Hangzh ou) Lighting and Electric al Co., Ltd.	A compan y controll ed by the related natural person	Selling products and providin g labor service to the related parties	Sales of products	Market price	123.19	123.19	0.07%	800	No	Remitta nce	123.19	27 Apr. 2015	www.c ninfo.c om.cn
Prosperi ty Electric al (China) Co., Ltd.	A compan y controll ed by the related natural person	Selling products and providin g labor service to the related parties	Sales of products	Market price	47.60	47.6	0.03%	100	No	Remitta nce	47.60	27 Apr. 2015	www.c ninfo.c om.cn
OSRA M (China) Lighting Co., Ltd.	An acting-i n-concer t party of a legal person that held over 5% shares of the Compan	Selling products and providin g labor service to the related parties	Sales of products	Market price	826.78	826.78	0.48%	2,500	No	Remitta nce	826.78	27 Apr. 2015	www.c ninfo.c om.cn

	y												
Osram Asia Pacific Ltd.	An acting-in-concern party of a legal person that held over 5% shares of the Company	Selling products and providing labor service to the related parties	Sales of products	Market price	663.45	663.45	0.38%	3,500	No	Remittance	663.45	27 Apr. 2015	www.cninfo.com.cn
Shanghai Linxian Mechanical & Electrical Co., Ltd.	A company where a related natural person takes a post	Selling products and providing labor service to the related party	Selling products	Market price	10.94	10.94	0.01%	100		Remittance	10.94	27 Apr. 2015	www.cninfo.com.cn
Total				--	--	5,346.87	--	15,700	--	--	--	--	--
Details of large-amount refunds				Naught									
Where the total amount of routine related-party transactions to occur in the reporting period had been predicted by type, give the actual execution in the reporting period (if any)				On 27 May 2015, the Company convened the 2014 Annual Shareholders' General Meeting, at which the "Proposal on the Routine Related-party Transactions for 2015" was reviewed and approved. It was estimated that the amount of procurement from related parties in 2015 would stand at RMB 44.70 million while the amount of sales to related parties at RMB 115 million. In the reporting period, the actual amount of purchase from related parties was RMB 20.2357 million and that of sale to related parties was RMB 33.233 million.									
Explanation on significant difference between the transaction price and the market price (if any).				Inapplicable									

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

☐ Applicable ☒ Inapplicable

No related-party transaction arising from acquisition and sale of assets occurred to the Company during the reporting period.

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

☐ Applicable ☒ Inapplicable

No related-party transaction arising from joint investment in external parties occurred to the Company during the reporting period.

4. Credits and liabilities with related parties

☐ Applicable ☒ Inapplicable

No credit or liability occurred to the Company and related parties during the reporting period.

5. Other significant related-party transactions

☐ Applicable ☒ Inapplicable

No other significant related-party transactions occurred to the Company during the reporting period.

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

☐ Applicable ☒ Inapplicable

The controlling shareholder or its related parties did not occupy the Company's funds for non-operating purposes during the reporting period.

IX. Significant contracts and fulfillment thereof

1. Trusteeship, contracting and leasing

(1) Trusteeship

☐ Applicable ☒ Inapplicable

The Company did not make any entrustment in the reporting period.

(2) Contracting

☐ Applicable ☒ Inapplicable

No contracting occurred to the Company in the reporting period.

(3) Leasing

☒ Applicable ☐ Inapplicable

Particulars about the leasing:

The Company and Shanghai Jiabao Industry & Commerce (Group) Co., Ltd. (hereinafter referred to as "Shanghai

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

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

☐ Applicable ☒ Inapplicable

No leasing event incurred gain/loss reaching more than 10% of the total profits of the Company in the reporting period.

2. Guarantees provided by the company

☐ Applicable ☒ Inapplicable

The Company did not provide any guarantee in the reporting period.

3. Other significant contracts

☐ Applicable ☒ Inapplicable

There was no other significant contract of the Company in the reporting period.

4. Other significant transactions

☐ Applicable ☒ Inapplicable

There was no other significant transaction of the Company in the reporting period.

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

☐ Applicable ☒ Inapplicable

No such commitments in the reporting period.

XI. Engagement and disengagement of the CPAs firm

Has the semi-annual financial report been audited?

☐ Yes ☒ No

This semi-annual report is not audited.

XII. Punishments and rectifications

☐ Applicable ☒ Inapplicable

No punishments or rectifications in the reporting period.

XIII. Delisting risk due to violation of any law or regulation

☐ Applicable ☒ Inapplicable

No such risk in the reporting period.

XIV. Other significant events

☒ Applicable ☐ Inapplicable

In the reporting period, Hefei Guoxuan High-tech Power Energy Co., Ltd. (“Guoxuan High-tech”), where the Company held a stake, successfully carried out a back door listing through Jiangsu Dongyuan Electrical Group Co., Ltd. (“Dongyuan Electrical”) and the relevant asset transfer formalities were all completed. As such, the shares held by the Company in Guoxuan High-tech were shifted to 73,006,150 shares held by the Company in Dongyuan Electrical. These shares are restrictedly tradable shares which were listed on 15 May 2015 and shall not be transferred within 12 months of the issuance completion date (for details, see Announcement No. 2015-018 on Progress of Back Door Listing of Shareholding Company disclosed on www.cninfo.com.cn dated 14 May 2015).

Section VI. Changes in Shares & Shareholders

I. Changes in shares

Unit: Share

	Before the change		Increase/decrease (+, -)					After the change	
	Number	Percentage	New shares	Bonus shares	Capitalization of capital reserve	Other	Subtotal	Number	Percentage
I. Restricted shares	3,392,721	0.35%			1,017,816	65,520	1,083,336	4,476,057	0.35%
3. Shares held by other domestic investors	3,392,721	0.35%			1,017,816	65,520	1,083,336	4,476,057	0.35%
Among which: shares held by domestic corporations	3,057,918	0.31%			917,375	-15,367	902,008	3,959,926	0.31%
Shares held by domestic natural persons	334,803	0.03%			100,441	80,887	181,328	516,131	0.04%
II. Non-restricted shares	975,171,024	99.65%			292,551,307	-65,520	292,485,787	1,267,656,811	99.65%
1. RMB ordinary shares	749,949,987	76.64%			224,984,996	-65,520	224,919,476	974,869,463	76.63%
2. Domestically listed foreign shares	225,221,037	23.02%			67,566,311		67,566,311	292,787,348	23.02%
III. Total shares	978,563,745	100.00%			293,569,123		293,569,123	1,272,132,868	100.00%

Reasons for any changes in shares:

√ Applicable □ Inapplicable

1. As resolved by the 2014 Annual General Meeting, the Company granted three additional shares with capital reserves for every 10 shares held by all shareholders on 18 June 2015.

2. In the reporting period, the directors, supervisors and senior management staff of the Company increased their shareholdings in the Company by 77,200 A-shares and 70,000 B-shares, representing an increase of 65,520 restricted shares.

3. In the reporting period, the ownership of 15,367 restricted shares was transferred from domestic corporations to

domestic individuals.

Approval of share changes

☒ Applicable ☐ Inapplicable

On 27 May 2015, the “Preplan for Profit Allocation for 2014” was reviewed and approved at the 2014 Annual Shareholders’ General Meeting held by the Company. As the profit allocation plan for 2014, the Company, based on the total 978,563,745 shares as at the end of 2014, distributed a cash dividend of RMB 2.20 (tax included; dividends for B-share holders paid in HKD) and grant three additional shares with capital reserves for every 10 shares held by its shareholders of A share and B share. The granted additional shares were 293,569,123 in total.

Transfer of share ownership

☐ Applicable ☒ Inapplicable

Effects of changes in shares on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the last year and the last reporting period

☒ Applicable ☐ Inapplicable

In the reporting period, the Company completed granting three additional shares with capital reserves for every 10 shares held by all shareholders, and the total shares of the Company increased from 978,563,745 to 1,272,132,868. And the effects of this change in shares on the basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the last year and the last reporting period are as follows:

Item	2014		First half of 2015
	Based on old share capital	Based on new share capital	Based on new share capital
Basic EPS (RMB Yuan/share)	0.2700	0.2092	0.0788
Diluted EPS (RMB Yuan/share)	0.2700	0.2092	0.0788
Net assets per share (RMB Yuan/share)	3.11	2.39	3.40

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

☐ Applicable ☒ Inapplicable

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

☒ Applicable ☐ Inapplicable

In the reporting period, the Company completed granting three additional shares with capital reserves for every 10 shares held by all shareholders, and the total shares of the Company increased from 978,563,745 to 1,272,132,868.

II. Total number of shareholders and their shareholdings

Unit: share

Total number of common shareholders at the end of the reporting period		99,244	Total number of preferred shareholders who had resumed their voting right at the end of the reporting period (if any) (see note 8)	0				
Shareholdings of common shareholders holding more than 5% shares or top 10 common shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of common shares held at the end of the reporting period	Increase/decrease of shares during the reporting period	Number of restricted common shares held	Number of non-restricted common shares held	Pledged or frozen shares	
							Status of shares	Number of shares
OSRAM Holding Company Limited	Foreign corporation	13.47%	171,360,391			171,360,391		
Prosperity Lamps & Components Limited	Foreign corporation	10.50%	133,577,143			133,577,143		
Essence International Securities (Hong Kong) Co., Ltd.	Foreign corporation	1.84%	23,452,194			23,452,194		
DBS Vickers (Hong Kong) Ltd A/C Clients	Foreign corporation	1.73%	22,063,573			22,063,573		
National Social Security Fund Portfolio 401	Other	0.90%	11,500,048			11,500,048		
UOB Kay Hian (Hong Kong) Ltd.	Foreign corporation	0.87%	11,041,721			11,041,721		
Zhuang Jianyi	Foreign individual	0.85%	10,821,372			10,821,372		
China	Other	0.51%	6,530,338			6,530,338		

Construction Bank Co., Ltd.-Fullgoal China Securities New Energy Automobile Index Classification Securities Investment Fund								
Rongtong Capital Management-Industrial Bank-Rongtong Capital Rongteng Capital Management Plan No. 30	Other	0.47%	6,008,390			6,008,390		
Zhao Xiyi	Domestic individual	0.45%	5,669,970			5,669,970		
Strategic investor or general corporation becoming a top ten common shareholder due to placing of new shares (if any) (see Note 3)	Naught							
Explanation on associated relationship or/and persons acting in concert among the above-mentioned shareholders	Among the top ten shareholders of the Company, Prosperity Lamps & Components Limited and Zhuang Jianyi were related parties and acting-in-concert parties. Apart from that, it's unknown whether there was any associated relationship among other shareholders of the top ten shareholders, or whether there is any action-in-concert among them regarding to Administrative Measures on Acquisition of Listed Companies.							
Shareholdings of the top ten common shareholders holding non-restricted shares								
Name of shareholder	Number of non-restricted common shares held at the period-end		Type of shares					
			Type	Number				
OSRAM Holding Company Limited	171,360,391		RMB ordinary share	171,360,391				
Prosperity Lamps & Components Limited	133,577,143		RMB ordinary share	133,577,143				
Essence International Securities	23,452,194		Domestically	23,452,194				

(Hong Kong) Co., Ltd.		listed foreign share	
DBS Vickers (Hong Kong) Ltd A/C Clients	22,063,573	Domestically listed foreign share	22,063,573
National Social Security Fund Portfolio 401	11,500,048	RMB ordinary share	11,500,048
UOB Kay Hian (Hong Kong) Ltd.	11,041,721	Domestically listed foreign share	11,041,721
Zhuang Jianyi	10,821,372	Domestically listed foreign share	10,821,372
China Construction Bank Co., Ltd.-Fullgoal China Securities New Energy Automobile Index Classification Securities Investment Fund	6,530,338	RMB ordinary share	6,530,338
Rongtong Capital Management-Industrial Bank-Rongtong Capital Rongteng Capital Management Plan No. 30	6,008,390	RMB ordinary share	6,008,390
Zhao Xiyi	5,669,970	RMB ordinary share	5,669,970
Explanation on associated relationship or/and persons acting in concert among the top ten non-restricted common shareholders and between the top ten non-restricted common shareholders and the top ten common shareholders	Among the top ten non-restricted tradable shareholders of the Company, Prosperity Lamps & Components Limited and Zhuang Jianyi were related parties and acting-in-concert parties. Apart from that, it's unknown whether there was any associated relationship among other shareholders of the top ten shareholders, or whether there is any action-in-concert among them regarding to Administrative Measures on Acquisition of Listed Companies.		
Explanation on the top 10 common shareholders participating in the margin trading business (if any) (see Note 4)	Naught		

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repo during the reporting period?

☐ Yea ☒ No

No such cases in the reporting period.

III. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

☐ Applicable ☒ Inapplicable

The controlling shareholder of the Company did not change in the reporting period.

Change of the actual controller in the reporting period

☐ Applicable ☒ Inapplicable

The actual controller of the Company did not change in the reporting period.

IV. Any shareholding increase plan proposed or implemented by any shareholder or its act-in-concert party during the reporting period

☐ Applicable ☒ Inapplicable

To the best knowledge of the Company, no shareholder or its act-in-concert party proposed or implemented any shareholding increase plan during the reporting period.

Section VII. Preference Shares

☐ Applicable ☒ Inapplicable

No preference shares in the reporting period.

Section VIII. Directors, Supervisors & Senior Management Staff

I. Changes in shareholdings of directors, supervisors and senior management staff

√ Applicable □ Inapplicable

Name	Office title	Incumbent /former	Number of shares held at period-beginning	Number of shares increased at reporting period	Number of shares decreased at reporting period	Number of shares held at period-end	Number of granted restricted shares at period-beginning	Number of restricted shares granted in reporting period	Number of granted restricted shares at period-end
Pan Jie	Chairman of the Board	Incumbent	0	43,000		55,900	0	0	0
Liu Xingming	Vice Chairman and General Manager	Incumbent	351,280	17,000		478,764	0	0	0
Wu Shengbo	Director	Incumbent	0	0	0	0	0	0	0
Werner Jürgen Dietrich Hoffmann	Director	Incumbent	0	0	0	0	0	0	0
Ye Zaiyou	Director	Incumbent	0	0	0	0	0	0	0
Yang Jianhu	Director	Incumbent	0	0	0	0	0	0	0
Liu Zhenping	Independent Director	Incumbent	0	0	0	0	0	0	0
Dou Linping	Independent Director	Incumbent	0	0	0	0	0	0	0
Xue Yizhong	Independent Director	Incumbent	0	0	0	0	0	0	0
Zhang Yong	Chairman of the Supervisory	Incumbent	10,700	8,500	0	24,960	0	0	0
Ye	Supervisor	Incumbent	20,560	2,000	0	29,328	0	0	0

Zhenghong									
Zhang Xuequan	Supervisor	Incumbent	6,400	2,300	0	11,311	0	0	0
Zhang Yingqi	Supervisor	Incumbent	0	0	0	0	0	0	0
Zhuang Rujia	Supervisor	Incumbent	0	0	0	0	0	0	0
Lin Yihui	Company Secretary	Incumbent	0	10,000	0	13,000	0	0	0
Yin Jianchun	CFO	Incumbent	0	27,000	0	35,100	0	0	0
Xie Qing	Vice GM	Incumbent	12,950	11,300	0	31,525	0	0	0
Wei Bin	Vice GM	Incumbent	15,684	10,600	0	34,169	0	0	0
Jiao Zhigang	Vice GM	Incumbent	22,880	9,000	0	41,444	0	0	0
Chen Yu	Vice GM	Incumbent	6,700	6,500	0	17,160	0	0	0
Total	--	--	447,154	147,200	0	772,661	0	0	0

II. Changes in directors, supervisors and senior management staff

☐ Applicable ☒ Inapplicable

The directors, supervisors and senior management staff of the Company remained the same in the reporting period. See the 2014 Annual Report for details.

Section IX. Financial Report

I. Audit report

Has this semi-annual report been audited?

☐ Yes ☒ No

The semi-annual financial report has not been audited.

II. Financial statements

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

1. Consolidated balance sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

30 June 2015

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	874,167,564.37	989,718,395.60
Settlement reserves		
Intra-group lendings		
Financial assets measured at fair value of which changes are recorded in current profits and losses	2,608,830.00	20,320.00
Derivative financial assets		
Notes receivable	264,648,058.16	250,993,285.13
Accounts receivable	432,554,414.97	322,951,674.45
Accounts paid in advance	12,268,357.38	12,551,566.91
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable	3,763,084.50	2,101,275.54
Dividend receivable		
Other accounts receivable	62,835,147.39	74,122,844.63
Financial assets purchased under		

agreements to resell		
Inventories	604,817,756.95	625,794,972.48
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	29,873,096.75	31,783,068.68
Total current assets	2,287,536,310.47	2,310,037,403.42
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	2,216,442,943.10	581,157,988.22
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	3,688,515.99	3,689,724.39
Investing real estate		
Fixed assets	404,532,951.27	463,267,701.29
Construction in progress	108,164,692.97	90,862,098.21
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	184,040,240.20	187,114,129.71
R&D expense		
Goodwill	7,360,330.45	7,360,330.45
Long-term deferred expenses	1,012,810.85	918,958.73
Deferred income tax assets	45,838,914.37	41,696,214.79
Other non-current assets	55,809,661.49	50,599,787.19
Total of non-current assets	3,026,891,060.69	1,426,666,932.98
Total assets	5,314,427,371.16	3,736,704,336.40
Current liabilities:		
Short-term borrowings		
Borrowings from the Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Financial liabilities measured at fair		

value of which changes are recorded in current profits and losses		
Derivative financial liabilities		
Notes payable		
Accounts payable	437,532,017.64	399,330,968.48
Accounts received in advance	45,115,269.01	60,842,257.61
Financial assets sold and repurchased		
Handling charges and commissions payable		
Payroll payable	54,084,786.23	58,315,210.64
Tax payable	51,205,333.20	13,881,113.81
Interest payable		
Dividend payable		
Other accounts payable	67,628,013.15	21,923,820.48
Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	655,565,419.23	554,293,371.02
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities	14,167,695.69	61,438,275.16
Deferred income	11,240,166.48	10,955,833.27

Deferred income tax liabilities	261,886,016.34	15,516,937.71
Other non-current liabilities		
Total non-current liabilities	287,293,878.51	87,911,046.14
Total liabilities	942,859,297.74	642,204,417.16
Owners' equity:		
Share capital	1,272,132,868.00	978,563,745.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	296,323,594.59	589,892,717.59
Less: Treasury stock		
Other comprehensive income	1,467,986,919.85	72,150,338.69
Specific reserves		
Surplus reserves	626,168,440.86	626,168,440.86
Provisions for general risks		
Retained profits	662,785,213.85	777,810,478.44
Total equity attributable to owners of the Company	4,325,397,037.15	3,044,585,720.58
Minority interests	46,171,036.27	49,914,198.66
Total owners' equity	4,371,568,073.42	3,094,499,919.24
Total liabilities and owners' equity	5,314,427,371.16	3,736,704,336.40

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

2. Balance sheet of the Company

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	561,252,636.36	685,652,777.19
Financial assets measured at fair value of which changes are recorded in current profits and losses	2,608,830.00	20,320.00
Derivative financial assets		
Notes receivable	252,656,728.32	240,920,585.13

Accounts receivable	486,587,800.53	335,793,103.52
Accounts paid in advance	16,029,742.25	16,580,637.31
Interest receivable		
Dividend receivable		
Other accounts receivable	88,208,211.98	142,329,039.45
Inventories	568,893,276.72	578,978,618.17
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	22,875,713.53	27,359,093.82
Total current assets	1,999,112,939.69	2,027,634,174.59
Non-current assets:		
Available-for-sale financial assets	2,216,442,943.10	581,157,988.22
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	445,638,455.75	445,639,664.15
Investing real estate		
Fixed assets	321,320,935.87	362,743,711.79
Construction in progress	105,942,688.57	88,784,906.41
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	122,880,876.90	125,206,977.08
R&D expense		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	30,353,581.46	33,978,127.89
Other non-current assets	53,947,970.49	48,778,664.19
Total of non-current assets	3,296,527,452.14	1,686,290,039.73
Total assets	5,295,640,391.83	3,713,924,214.32
Current liabilities:		
Short-term borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		

Derivative financial liabilities		
Notes payable		
Accounts payable	530,808,134.21	447,190,248.26
Accounts received in advance	43,515,890.51	56,335,813.10
Payroll payable	41,934,205.11	56,655,167.35
Tax payable	39,192,765.81	5,496,341.46
Interest payable		
Dividend payable		
Other accounts payable	98,151,906.12	89,738,558.57
Liabilities held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	753,602,901.76	655,416,128.74
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payables		
Specific payables		
Estimated liabilities	14,167,695.69	61,438,275.16
Deferred income	10,542,666.45	10,180,833.31
Deferred income tax liabilities	259,248,729.84	12,733,711.71
Other non-current liabilities		
Total non-current liabilities	283,959,091.98	84,352,820.18
Total liabilities	1,037,561,993.74	739,768,948.92
Owners' equity:		
Share capital	1,272,132,868.00	978,563,745.00
Other equity instruments		
Of which: preference shares		
Perpetual bonds		
Capital reserves	293,418,663.91	586,987,786.91

Less: Treasury stock		
Other comprehensive income	1,467,986,919.85	72,150,338.69
Specific reserves		
Surplus reserves	626,168,440.86	626,168,440.86
Retained profits	598,371,505.47	710,284,953.94
Total owners' equity	4,258,078,398.09	2,974,155,265.40
Total liabilities and owners' equity	5,295,640,391.83	3,713,924,214.32

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

3. Consolidated income statement

Unit: RMB Yuan

Item	Reporting period	Same period of last year
I. Operating revenues	1,524,362,786.49	1,543,058,758.03
Including: Sales income	1,524,362,786.49	1,543,058,758.03
Interest income		
Premium income		
Handling charge and commission income		
II. Operating costs	1,409,903,896.94	1,336,550,333.42
Including: Cost of sales	1,166,043,441.01	1,156,217,280.15
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	11,924,833.78	15,129,954.30
Selling and distribution expenses	82,224,380.27	62,967,912.93
Administrative expenses	114,295,848.69	104,495,339.45
Financial expenses	-11,207,940.80	-5,733,347.63

Asset impairment loss	46,623,333.99	3,473,194.22
Add: Gain/(loss) from change in fair value ("-" means loss)	1,272,770.46	1,115,756.46
Gain/(loss) from investment ("-" means loss)	20,709,165.82	18,115,405.78
Including: share of profits in associates and joint ventures	-1,208.40	-2,310,773.80
Foreign exchange gains ("-" means loss)		
III. Business profit ("-" means loss)	136,440,825.83	225,739,586.85
Add: non-operating income	2,944,702.35	3,294,367.06
Including: Gains on disposal of non-current assets	6,114.53	3,458.00
Less: non-operating expense	14,936,164.15	115,455.48
Including: Losses on disposal of non-current assets	397,124.46	109,843.02
IV. Total profit ("-" means loss)	124,449,364.03	228,918,498.43
Less: Income tax expense	27,933,767.11	41,689,863.95
V. Net profit ("-" means loss)	96,515,596.92	187,228,634.48
Net profit attributable to owners of the Company	100,258,759.31	188,959,139.45
Minority shareholders' income	-3,743,162.39	-1,730,504.97
VI. After-tax net amount of other comprehensive incomes	1,395,836,581.16	-2,401,770.34
After-tax net amount of other comprehensive incomes attributable to owners of the Company	1,395,836,581.16	-2,401,770.34
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes	1,395,836,581.16	-2,401,770.34

that will be reclassified into gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets	1,395,836,581.16	-2,401,770.34
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders	0.00	0.00
VII. Total comprehensive incomes	1,492,352,178.08	184,826,864.14
Attributable to owners of the Company	1,496,095,340.47	186,557,369.11
Attributable to minority shareholders	-3,743,162.39	-1,730,504.97
VIII. Earnings per share		
(I) Basic earnings per share	0.0788	0.1485
(II) Diluted earnings per share	0.0788	0.1485

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 RMB 0.00, with the corresponding amount for the last period being RMB 0.00.

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

4. Income statement of the Company

Unit: RMB Yuan

Item	Reporting period	Same period of last year
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I. Total sales	1,549,599,454.38	1,570,233,178.58
Less: cost of sales	1,213,318,424.48	1,211,678,092.30
Business taxes and surcharges	7,609,200.08	11,194,128.07
Distribution expenses	79,948,452.69	60,991,976.26
Administrative expenses	91,564,361.63	89,859,368.24
Financial costs	-7,145,592.94	-1,916,558.81
Impairment loss	43,024,657.06	2,949,407.02
Add: gain/(loss) from change in fair value ("-" means loss)	1,272,770.46	1,115,756.46
Gain/(loss) from investment ("-" means loss)	20,709,165.82	23,003,450.66
Including: income from investment on associates and joint ventures	-1,208.40	-2,310,773.80
II. Business profit ("-" means loss)	143,261,887.66	219,595,972.62
Add: non-operating income	2,326,541.73	3,124,825.27
Including: Gains on disposal of non-current assets	6,114.53	3,458.00
Less: non-operating expense	14,835,525.95	66,956.52
Including: Losses on disposal of non-current assets	296,633.20	61,753.86
III. Total profit ("-" means loss)	130,752,903.44	222,653,841.37
Less: Income tax expense	27,382,328.01	36,207,378.53
IV. Net profit ("-" means loss)	103,370,575.43	186,446,462.84
V. After-tax net amount of other comprehensive incomes	1,395,836,581.16	-2,401,770.34
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	1,395,836,581.16	-2,401,770.34

1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets	1,395,836,581.16	-2,401,770.34
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	1,499,207,156.59	184,044,692.50
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

5. Consolidated cash flow statement

Unit: RMB Yuan

Item	Reporting period	Same period of last year
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,345,802,227.80	1,333,941,842.20
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of		

original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of financial assets measured at fair value of which changes are recorded into current gains and losses		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received	23,274,910.75	34,520,178.28
Other cash received relating to operating activities	13,548,303.57	14,364,024.05
Subtotal of cash inflows from operating activities	1,382,625,442.12	1,382,826,044.53
Cash paid for goods and services	821,473,245.91	802,239,813.12
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	278,388,347.81	264,418,513.80
Various taxes paid	87,254,513.50	105,888,683.00
Other cash payment relating to operating activities	96,234,987.20	71,837,267.84
Subtotal of cash outflows from operating activities	1,283,351,094.42	1,244,384,277.76
Net cash flows from operating activities	99,274,347.70	138,441,766.77

II. Cash flows from investing activities:		
Cash received from withdrawal of investments	5,059,989.08	45,630,194.24
Cash received from return on investments	21,210,374.44	22,174,444.40
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	37,188.00	
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	26,307,551.52	67,804,638.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets	37,016,288.54	38,813,026.30
Cash paid for investment		38,823,057.64
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		11,512,886.32
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	37,016,288.54	89,148,970.26
Net cash flows from investing activities	-10,708,737.02	-21,344,331.62
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings		
Cash received from issuance of bonds		
Other cash received relating to financing activities		2,452.04

Subtotal of cash inflows from financing activities		2,452.04
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	204,113,711.36	149,551,837.14
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		2,034,300.00
Sub-total of cash outflows from financing activities	204,113,711.36	151,586,137.14
Net cash flows from financing activities	-204,113,711.36	-151,583,685.10
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-2,730.55	-1,773,859.83
V. Net increase in cash and cash equivalents	-115,550,831.23	-36,260,109.78
Add: Opening balance of cash and cash equivalents	989,718,395.60	897,675,824.22
VI. Closing balance of cash and cash equivalents	874,167,564.37	861,415,714.44

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

6. Cash flow statement of the Company

Unit: RMB Yuan

Item	Reporting period	Same period of last year
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,295,186,863.29	1,312,983,459.34
Tax refunds received	23,117,146.79	34,520,178.28
Other cash received relating to operating activities	10,252,907.40	12,846,878.11
Subtotal of cash inflows from operating activities	1,328,556,917.48	1,360,350,515.73
Cash paid for goods and services	999,081,013.91	970,871,859.20
Cash paid to and for employees	115,370,248.82	112,196,258.40

Various taxes paid	36,865,141.68	66,645,790.86
Other cash payment relating to operating activities	89,721,510.45	66,072,257.30
Subtotal of cash outflows from operating activities	1,241,037,914.86	1,215,786,165.76
Net cash flows from operating activities	87,519,002.62	144,564,349.97
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	5,059,989.08	45,630,194.24
Cash received from return on investments	21,210,374.44	27,062,489.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	17,188.00	
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	26,287,551.52	72,692,683.52
Cash paid to acquire fixed assets, intangible assets and other long-term assets	34,075,558.41	33,138,309.48
Cash paid for investment		63,183,057.64
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	34,075,558.41	96,321,367.12
Net cash flows from investing activities	-7,788,006.89	-23,628,683.60
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from issuance of bonds		

Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Repayment of borrowings		
Cash paid for interest expenses and distribution of dividends or profit	204,113,711.36	147,665,237.14
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	204,113,711.36	147,665,237.14
Net cash flows from financing activities	-204,113,711.36	-147,665,237.14
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-17,425.20	-1,773,859.83
V. Net increase in cash and cash equivalents	-124,400,140.83	-28,503,430.60
Add: Opening balance of cash and cash equivalents	685,652,777.19	581,390,386.39
VI. Closing balance of cash and cash equivalents	561,252,636.36	552,886,955.79

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

7. Consolidated Statement of Changes in Owners' Equity

Reporting period

Unit: RMB Yuan

Item	Reporting period												
	Equity attributable to owners of the Company											Minorit y interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other compre hensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retaine d profit		
		Prefer ence shares	Perpet ual bonds	Other									
I. Balance at the end of the previous year	978,56 3,745. 00				589,892 ,717.59		72,150, 338.69		626,168 ,440.86		777,810 ,478.44	49,914, 198.66	3,094,4 99,919. 24

Add: change of accounting policy													
Correction of errors in previous periods													
Business mergers under the same control													
Other													
II. Balance at the beginning of the year	978,563,745.00				589,892,717.59		72,150,338.69		626,168,440.86		777,810,478.44	49,914,198.66	3,094,499,919.24
III. Increase/decrease in the period ("-" means decrease)	293,569,123.00				-293,569,123.00		1,395,836,581.16				-115,025,264.59	-3,743,162.39	1,277,068,154.18
(I) Total comprehensive incomes							1,395,836,581.16				100,258,759.31	-3,743,162.39	1,492,352,178.08
(II) Capital increased and reduced by owners													
1. Common shares increased by shareholders													
2. Capital increased by holders of other equity instruments													
3. Amounts of share-based payments recognized in owners' equity													
4. Other													
(III) Profit distribution											-215,284,023.90		-215,284,023.90
1. Appropriations to													

surplus reserves													
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)											-215,284,023.90		-215,284,023.90
4. Other													
(IV) Internal carry-forward of owners' equity	293,569,123.00				-293,569,123.00								0.00
1. New increase of capital (or share capital) from capital public reserves	293,569,123.00				-293,569,123.00								0.00
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Other													
(V) Specific reserve													
1. Withdrawn for the period													
2. Used in the period													
(VI) Other													
IV. Closing balance	1,272,132,868.00				296,323,594.59		1,467,986,919.85		626,168,440.86		662,785,213.85	46,171,036.27	4,371,568,073.42

Same period of last year

Unit: RMB Yuan

Item	Same period of last year												
	Equity attributable to owners of the Company											Minorit y interest s	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other compre hensive incomes	Specific reserve	Surplus reserve	General risk reserve	Retaine d profit		
		Prefer ence shares	Perpet ual bonds	Other									
I. Balance at the end of the previous year	978,563,745.00				589,876,519.74		27,717,587.47		622,494,531.96		671,929,537.57	34,805,128.86	2,925,387,050.60
Add: change of accounting policy													
Correction of errors in previous periods													
Business mergers under the same control													
Other													
II. Balance at the beginning of the year	978,563,745.00				589,876,519.74		27,717,587.47		622,494,531.96		671,929,537.57	34,805,128.86	2,925,387,050.60
III. Increase/ decrease in the period (“-” means decrease)							-2,401,770.34				32,388,940.25	13,579,265.79	43,566,435.70
(I) Total comprehensive incomes							-2,401,770.34				188,959,139.45	-1,730,504.97	184,826,864.14
(II) Capital increased and reduced by owners												17,404,647.14	17,404,647.14
1. Common shares increased by shareholders													
2. Capital increased by holders of other													

equity instruments													
3. Amounts of share-based payments recognized in owners' equity													
4. Other											17,404,647.14	17,404,647.14	
(III) Profit distribution											-156,570,199.20	-2,094,876.38	-158,665,075.58
1. Appropriations to surplus reserves													
2. Appropriations to general risk provisions													
3. Appropriations to owners (or shareholders)											-156,570,199.20	-2,094,876.38	-158,665,075.58
4. Other													
(IV) Internal carry-forward of owners' equity													
1. New increase of capital (or share capital) from capital public reserves													
2. New increase of capital (or share capital) from surplus reserves													
3. Surplus reserves for making up losses													
4. Other													

(V) Specific reserve													
1. Withdrawn for the period													
2. Used in the period													
(VI) Other													
IV. Closing balance	978,563,745.00				589,876,519.74		25,315,817.13		622,494,531.96		704,318,477.82	48,384,394.65	2,968,953,486.30

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

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

Reporting period

Unit: RMB Yuan

Item	Reporting period										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	Retained profit	Total owners' equity
		Preference shares	Perpetual bonds	Other							
I. Balance at the end of the previous year	978,563,745.00				586,987,786.91		72,150,338.69		626,168,440.86	710,284,953.94	2,974,155,265.40
Add: change of accounting policy											
Correction of errors in previous periods											
Other											
II. Balance at the beginning of the year	978,563,745.00				586,987,786.91		72,150,338.69		626,168,440.86	710,284,953.94	2,974,155,265.40
III. Increase/decrease in the period ("-" means decrease)	293,569,123.00				-293,569,123.00		1,395,836,581.16			-111,913,448.47	1,283,923,132.69

(I) Total comprehensive incomes							1,395,836,581.16			103,370,575.43	1,499,207,156.59
(II) Capital increased and reduced by owners											
1. Common shares increased by shareholders											
2. Capital increased by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity											
4. Other											
(III) Profit distribution										-215,284,023.90	-215,284,023.90
1. Appropriations to surplus reserves											
2. Appropriations to owners (or shareholders)										-215,284,023.90	-215,284,023.90
3. Other											
(IV) Internal carry-forward of owners' equity	293,569,123.00				-293,569,123.00						
1. New increase of capital (or share capital) from capital public reserves	293,569,123.00				-293,569,123.00						
2. New increase of capital (or share capital)											

from surplus reserves											
3. Surplus reserves for making up losses											
4. Other											
(V) Specific reserve											
1. Withdrawn for the period											
2. Used in the period											
(VI) Other											
IV. Closing balance	1,272,132,868.00				293,418,663.91		1,467,986,919.85		626,168,440.86	598,371,505.47	4,258,078,398.09

Same period of last year

Unit: RMB Yuan

Item	Same period of last year										
	Share capital	Other equity instruments			Capital reserve	Less: treasury stock	Other comprehensive incomes	Specific reserve	Surplus reserve	Retained profit	Total owners' equity
		Preference shares	Perpetual bonds	Other							
I. Balance at the end of the previous year	978,563,745.00				586,971,589.06		27,717,587.47		622,494,531.96	632,837,008.55	2,848,584,462.04
Add: change of accounting policy											
Correction of errors in previous periods											
Other											
II. Balance at the beginning of the year	978,563,745.00				586,971,589.06		27,717,587.47		622,494,531.96	632,837,008.55	2,848,584,462.04
III. Increase/decrease in the period ("-" means decrease)					16,197.85		-2,401,770.34			29,876,263.64	27,490,691.15
(I) Total							-2,401,770.34			186,446	184,044,6

comprehensive incomes							0.34			,462.84	92.50
(II) Capital increased and reduced by owners											
1. Common shares increased by shareholders											
2. Capital increased by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity											
4. Other											
(III) Profit distribution										-156,570,199.20	-156,570,199.20
1. Appropriations to surplus reserves											
2. Appropriations to owners (or shareholders)										-156,570,199.20	-156,570,199.20
3. Other											
(IV) Internal carry-forward of owners' equity											
1. New increase of capital (or share capital) from capital public reserves											
2. New increase of capital (or share capital) from surplus											

reserves											
3. Surplus reserves for making up losses											
4. Other											
(V) Specific reserve											
1. Withdrawn for the period											
2. Used in the period											
(VI) Other					16,197.85						16,197.85
IV. Closing balance	978,563,745.00				586,987,786.91		25,315,817.13		622,494,531.96	662,713,272.19	2,876,075,153.19

Legal representative: Pan Jie

Chief of the accounting work: Pan Jie

Chief of the accounting organ: Yin Jianchun

III. Company profile

1. Overview of the Company

Foshan Electrical & Lighting Co., Ltd. (hereinafter referred to as “the Company”), a joint-stock limited company jointly founded by Foshan Electrical and Lighting Company, Nanhai Wuzhuang Color Glazed Brick Field, and Foshan Poyang Printing Industrial Co. on Oct. 20, 1992 by raising funds under the approval of YGS (1992) No. 63 Document issued by the Joint Examination Group for Experimental Enterprises in Stock System of Guangdong Province and the Economic System Reform Commission of Guangdong Province, is an enterprise with its shares held by both the corporate and the natural persons. As approved by China Securities Regulatory Commission with Document (1993) No. 33, the Company publicly issued 19.3 million shares of social public shares (A shares) to the public in Oct., 1993, and was listed in Shenzhen Stock Exchange for trade on Nov. 23, 1993. The Company was approved to issue 50,000,000 B shares on Jul. 23, 1995. And, as approved to change into a foreign-invested stock limited company on Aug. 26, 1996 by (1996) WJMZEHZ No. 466 Document issued by the Ministry of Foreign Trade and Economic Cooperation of the People’s Republic of China. On Dec. 11, 2000, as approved by China Securities Regulatory Commission with ZJGS Zi [2000] No. 175 Document, the Company additionally issued 55,000,000 A shares. At approved by the Shareholders’ General Meeting 2006, 2007 and 2008, the Company implemented the plan of capitalization of capital reserve, after the transfer, the registered capital of the Company has increased to RMB 1,272,132,868.00.

The registration code for corporate business license is QGYZZ No. 002889.

Legal representative: Mr. Pan Jie

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

2. Business Scope of the Company

R&D and production of electro-optical source products, electro-optical source equipment and electro-optical accessories, raw materials of electric light sources, lamps & fittings, electrical materials, motorcycle components, household appliances, electric switches, electrical outlets,

fire control products, ventilation devices, LED products, lithium ion batteries and relevant materials; domestic and overseas sale of the aforesaid products; relevant engineering consulting services. (Where a license is required, it must be obtained according to the government's rules before operation.)

3. Consolidation financial statement scope

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

4. Approval and Issue of the Financial Report

The Financial Report was approved and authorized for issue by the Board of Directors on 25 Aug. 2015.

II. Basis for preparation of financial statements

1. Preparation basis

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

2. Continuation

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

V. Important accounting policies and estimations

Reminders of the specific accounting policies and accounting estimations:

Naught

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

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

2. Fiscal Year

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

3. Operating cycle

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

4. Recording Currency

Renminbi is the recording currency for the Company.

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

(1) Business combinations under the same control

A business combination under the same control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or the same parties both before and after the business combination and on which the control is not temporary. In a business combination under the same control, the party which obtains control of other combining enterprise(s) on the combining date is the combining party, the other combining enterprise(s) is (are) the combined party. The “combining date” refers to the date on which the combining party actually obtains control on the combined party.

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

(2) Business combinations not under the same control

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

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

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

6. Methods for preparing consolidated financial statements

(1) Principle for determining the consolidation scope

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

(2) Adopted accounting methods of the consolidated statements

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

statements.

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

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

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

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

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

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

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

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

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

8. Recognition standard for cash and cash equivalents

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

9. Foreign currency and accounting method for foreign currency

(1) Foreign currency business

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

(2) Translation of foreign currency financial statements

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

10. Financial instruments

(1) Classification, recognition and measurement of financial assets

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

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

② Loan and accounts receivable: the non-derivative financial assets for which there is no quoted price in the active market and of which the

recoverable amount is fixed or determinable shall be classified as loan and accounts receivable. The Company shall make subsequent measurement on its loan and accounts receivable on the basis of the post-amortization costs by adopting the actual interest rate, from which gains and losses, when loan and accounts receivable are terminated from recognizing, or are impaired or amortized, shall be recorded into the profits and losses of the current period.

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

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

(2) Classification, Recognition and Measurement of Financial Liabilities

Financial liabilities shall be classified into the following two categories when they are initially recognized: (1) the transactional financial liabilities; and (2) other financial liabilities. The financial liabilities initially recognized by the Company shall be measured at their fair values. For the transactional financial liabilities, the transaction expenses thereof shall be directly recorded into the profits and losses of the current period; for other categories of financial liabilities, the transaction expenses thereof shall be included into the initially recognized amount.

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

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

(3) Recognition and measurement of financial asset transfers

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

accordingly.

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

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

(4) De-recognition conditions of financial liabilities

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

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

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

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

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

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

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

As for the measurement for impairment of financial assets measured on the basis of the post-amortization costs, where there is any objective evidence proving that a financial asset measured on the basis of post-amortization costs is impaired, should be recognized by the carrying amount of the difference between the said financial asset which shall be written down to the current value of the predicted future cash flow (excluding the loss of future credits not yet occurred) and the amount of the as written down which shall be recognized as loss of the impairment of the asset. When calculating the current value of the estimated future cash flow, should adopt the original effective interests' rate of the financial assets as the discount rate. The book value of the assets should be written down to the estimated recoverable amount through impairment provision items with the written down amount be included in the current gains and losses. As for the financial assets with individual significant amount, should adopt the individual assessment for ensure whether there are objective evidences indicate the impairment provision and as for the other assets with insignificant amount, should be inspected by individual or group assessment for ensure whether there are objective evidences indicate the impairment provision.

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

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

11. Receivables

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

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

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

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

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

☒ Applicable ☐ Inapplicable

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

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

☒ Applicable ☐ Inapplicable

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

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

☐ Applicable ☒ Inapplicable

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

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

12. Inventory

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

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

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

Inventory system: a perpetual inventory system

13. Divided as assets held for sale

Inapplicable

14. Long-term equity investments**(1) Recognition of provision for falling price of inventory and withdrawal**

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

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

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

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

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

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

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

① The long-term equity investment of the Company that is able to control the invested enterprise should be measured by cost method. The dividends or profits declared to distribute by the invested entity shall be recognized as the current investment income.

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

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

(3) Provision for impairment of long-term investment

The Company shall conduct inspection to long-term investment item by item at the end of reporting period. If the market price of long-term

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

15. Investment real estates

Measurement mode of investment real estates

Inapplicable

16. Fixed assets

(1) Recognition conditions

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

(2) Depreciation method

Category of fixed assets	Method	Useful life	Expected net salvage value	Annual depreciation
Housing and building	Average method of useful life	3—25	5.00%	31.67%-3.80%
Machinery equipments	Average method of useful life	2—8	5.00%	47.50%-11.88%
Transportation vehicle	Average method of useful life	5—10	5.00%	19.00%-9.50%
Electronic equipment	Average method of useful life	2—8	5.00%	47.50%-11.88%

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

17. Construction in Progress

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

Provision for impairment of construction in progress: the Company shall carry out overall inspection to the construction in progress at the end of the reporting period. If the construction in progress has been stopped for a long time and cannot be continued restarting in the coming three years, and such construction in progress has already fallen behind, whatever in performance or in technology, resulting in an uncertainty to economic benefit of the Company, and there is an obvious evidence shows that the construction in progress has been impaired, then provision

for impairment of the construction in progress shall be withdrawn based on the negative balance between the recoverable amount of single construction in progress and carrying value. Once any loss of impairment of the construction in progress is recognized, it shall not be switched back in the future accounting periods.

18. Borrowing costs

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

The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: the asset disbursements have already incurred, which shall include the cash, transferred non-cash assets or interest bearing debts paid for the acquisition and construction or production activities for preparing assets eligible for capitalization; the borrowing costs has already incurred; and the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

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

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

19. Biological assets

Inapplicable

20. Oil-gas assets

Inapplicable

21. Intangible assets

(1) Pricing method, useful life and impairment test

(1) Measurement of intangible assets

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

⑤ The cost invested into intangible assets by non-monetary transaction shall be determined according to the fair value of non-monetary assets and relevant payable taxes.

(2) Amortization of intangible assets

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

(3) Provision for impairment of intangible assets

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

(2) Accounting policies of internal R & D expenses

Inapplicable

22. Impairment of long-term assets

Inapplicable

23. Amortization method of long-term deferred expenses

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

24. Payroll

(1) Accounting treatment of short-term compensation

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

(2) Accounting treatment of the welfare after demission

If an enterprise cancels the labor relationship with any employee prior to the expiration of the relevant labor contract or brings forward any compensation proposal for the purpose of encouraging the employee to accept a layoff, and should recognize the payroll liabilities occurred

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

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

(3) Accounting treatment of the demission welfare

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

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

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

25. Estimated liabilities

(1) Recognition of estimated debts

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

(2) Measurement of estimated debts

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

26. Share-based payment

Inapplicable

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

Inapplicable

28. Revenue

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

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

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

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

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

- ① The labor service started and completed during the same accounting year should be recognized as revenues when the labor service completed. While if the starting and the completion of the labor service attribute to different accounting year, and the Company can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall recognize the relevant revenue from providing services employing the percentage-of-completion method.
- ② If an enterprise can not, on the date of the balance sheet, measure the result of a transaction concerning the providing of labor services in a reliable way, it shall be conducted in accordance with the following circumstances, respectively: If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; If the cost of labor services incurred is not expected to compensate, the revenue shall be recognized in accordance with the amount of the cost of labor service can be compensated, and regard the occurred labor cost as the current cost; if all cost of labor services incurred is not expected to compensate and no revenue from the providing of labor services may be recognized and regard the occurred labor cost as the current cost.

(4) The revenue from abalienating of right to use assets consists of interest revenue and royalty revenue, and no revenue from abalienating of right to use assets may be recognized unless the following conditions are met simultaneously: ① The relevant economic benefits are likely to

flow into the Company; ② The amount of revenues can be measured in a reliable way. ③ The royalty revenue of the revenue from abalienating of right to use assets, should be recognized as the operation revenue according to the chargeable time as well as the calculation method stipulated by the relevant contracts and agreements.

29. Government Subsidies

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

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

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

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

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

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

30. Deferred income tax assets/deferred income tax liabilities

(1) Basic of recognizing the deferred income tax assets

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

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

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

(2) Basic of recognizing the deferred income tax liabilities

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

31. Lease

(1) Accounting treatment of operating lease

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

(2) Accounting treatments of financial lease

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

income; the unrealized financing income shall be allocated to each period during the lease term; the lessor shall calculate the financing income at the current period by adopting the effective interest rate method; contingent rents shall be recognized as an expense in the period in which they are actually incurred.

32. Other significant accounting policies and estimates

(1) Other significant accounting policies

The Company was not involved with any other significant accounting policy during the reporting period.

(2) Other significant accounting estimates

The Company was not involved with any other significant accounting estimate during the reporting period.

33. Changes in main accounting policies and estimates

(1) Change of accounting policies

☐ Applicable ☒ Inapplicable

(2) Change of main accounting estimates

☐ Applicable ☒ Inapplicable

34. Other

Inapplicable

VI. Taxation

1. Main taxes and tax rate

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

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

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

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

2. Tax preference

1. The Company was identified as a high-tech enterprise in Dec. 2008, and passed the re-examination for the First Batch High-tech Enterprise in 2011 on 23 Aug. 2011, as well as won the “Certificate of High-tech Enterprise” with serial number GR201144000059 after approval by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Bureau of State Taxation and Guangdong Provincial Bureau of Local Taxation. In accordance with relevant provisions in Corporate Income Tax Law of the People's Republic of China and the Administration Measures for Identification of High-tech Enterprises promulgated in 2007, the Company paid the corporate income tax based on a tax rate of 15% within three years since 1 Jan. 2011. The Company had submitted the reexamine materials of the high-tech enterprise qualification on 2 Jul. 2014 and had passed the re-examination for the First Batch High-tech Enterprise in 2014 of Guangdong Province as well as won the “Certificate of High-tech Enterprise” with serial number GR201444001411 after approval by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Bureau of State Taxation and Guangdong Provincial Bureau of Local Taxation on 17 Mar. 2015. In accordance with relevant provisions in Corporate Income Tax Law of the People's Republic of China and the Administration Measures for Identification of High-tech Enterprises promulgated in 2007, the Company paid the corporate income tax based on a tax rate of 15% within three years since 1 Jan. 2014.

2. The subordinate subsidiary of the Company, Suzhou Mont Lighting Co., Ltd. was identified as a high-tech enterprise and won the “Certificate of High-tech Enterprise” with serial number GR201232000797 after approval by Department of Science and Technology of Jiangsu Province, Department of Finance of Jiangsu Province, Jiangsu Provincial Bureau of State Taxation and Jiangsu Provincial Bureau of Local Taxation on 6 Aug. 2012. in accordance with relevant provisions in Corporate Income Tax Law of the People's Republic of China and the Administration Measures for Identification of High-tech Enterprises promulgated in 2007, the Company paid the corporate income tax based on a tax rate of 15% within three years since 1 Jan. 2012.

3. Other

Paid according to the relevant regulation of the tax law.

VII. Notes to Main Items of Consolidated Financial Statements

1. Monetary funds

Unit: RMB Yuan

Item	Closing balance	Opening balance
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Cash on hand	7,306.67	13,150.43
Bank deposits	787,251,674.33	915,022,578.88
Other currency funds	86,908,583.37	74,682,666.29
Total	874,167,564.37	989,718,395.60

Other notes

—All bank deposits are in the name of the Company or the subsidiaries which are within the scope of consolidated financial statements.

—The closing balance of other monetary funds of the reporting period was the refundable deposit, the balance of the Alipay and the quality guarantee deposit. Of which, the right to use of the quality guarantee deposit which was of RMB 17,160.00 was under restrictions.

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

Unit: RMB Yuan

Item	Closing balance	Opening balance
Financial assets appointed to be measured by fair value with the changes be included in the current gains and losses	2,608,830.00	20,320.00
Investment on equity instruments	2,608,830.00	20,320.00
Total	2,608,830.00	20,320.00

3. Derivative financial assets

☐ Applicable ☒ Inapplicable

4. Notes receivable

(1) Notes receivable listed by category

Unit: RMB Yuan

Item	Closing balance	Opening balance
Bank acceptance bill	126,421,276.76	126,676,364.36
Commercial acceptance bill	138,226,781.40	124,316,920.77
Total	264,648,058.16	250,993,285.13

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

Naught

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

Unit: RMB Yuan

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance bill	81,048,211.49	
Total	81,048,211.49	

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

Naught

Other notes

—The closing balance of the notes receivable increased of RMB 13,654,773.03 over the period-begin with the growing rate of 5.44%, which was mainly due to the increase that the Company adopted the commercial acceptance bill for settling accounts.

5. Accounts receivable**(1) Accounts receivable disclosed by category**

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable withdrawn bad debt provision according to credit risks characteristics	460,164,271.24	99.76%	27,609,856.27	6.00%	432,554,414.97	343,565,611.11	99.81%	20,613,936.66	6.00%	322,951,674.45
Accounts receivable with insignificant single amount for which bad debt provision separately accrued	1,126,144.41	0.24%	1,126,144.41	100.00%	0.00	664,739.65	0.19%	664,739.65	100.00%	0.00
Total	461,290,415.65	100.00%	28,736,000.68	6.23%	432,554,414.97	344,230,350.76	100.00%	21,278,676.31	6.18%	322,951,674.45

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

☐ Applicable ☒ Inapplicable

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

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Aging	Closing balance
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	Accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year	425,990,204.83	25,559,412.29	6.00%
Subtotal within 1 year	425,990,204.83	25,559,412.29	6.00%
1 to 2 years	23,739,661.06	1,424,379.66	6.00%
2 to 3 years	8,972,112.62	538,326.76	6.00%
Over 3 years	1,462,292.73	87,737.56	6.00%
Total	460,164,271.24	27,609,856.27	6.00%

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

☐ Applicable ☒ Inapplicable

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

The withdrawal amount of the bad debt provision during the reporting period was of RMB 7,457,324.37; the amount of the reversed or collected part during the reporting period was of RMB 0.00.

(3) The actual write-off accounts receivable

Naught

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

Name of units	Relationship with the Company	Amount	Age limit	Proportion of the total year end balance of the accounts receivable (%)	Closing balance of bad debt provision
Unit 1	Non-related relationship	24,998,850.49	Within 1 year	5.42%	1,499,931.03
Unit 2	Non-related relationship	19,009,979.64	Within 1 year	4.12%	1,140,598.78
Unit 3	Non-related relationship	13,904,257.90	Within 1 year	3.01%	834,255.47
Unit 4	Related relationship	10,371,325.77	Within 1 year	2.25%	622,279.55
Unit 5	Non-related relationship	9,531,454.48	Within 1 year	2.07%	571,887.27
Total	--	77,815,868.28	--	16.87%	4,668,952.10

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

Naught

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

Naught

6. Prepayment

(1) List by aging analysis

Unit: RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	10,660,167.23	86.89%	11,552,758.71	92.04%
1 to 2 years	916,232.21	7.47%	807,228.91	6.43%
2 to 3 years	196,776.33	1.60%	144,407.98	1.15%
Over 3 years	495,181.61	4.04%	47,171.31	0.38%
Total	12,268,357.38	--	12,551,566.91	--

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

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

Name of the units	Relationship	Amount	Age limit	Proportion
Unit 1	Non-related relationship	2,900,000.00	Within 1 year	23.64%
Unit 2	Non-related relationship	1,857,577.26	Within 1 year	15.14%
Unit 3	Non-related relationship	1,208,883.27	Within 1 year	9.85%
Unit 4	Non-related relationship	409,828.67	Within 2 year	3.34%
Unit 5	Non-related relationship	299,359.79	Within 1 year	2.44%
Total	-	6,675,648.99	-	54.41%

7. Interest receivable

(1) Category of interest receivable

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deposits on a regular basis	3,763,084.50	2,101,275.54
Total	3,763,084.50	2,101,275.54

(2) Significant overdue interest

Naught

8. Dividend receivable

(1) Dividend receivable

Naught

(2) Significant dividend receivable aged over 1 year

Naught

9. Other accounts receivable**(1) Other accounts receivable disclosed by category**

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Category		Closing balance		Opening balance	Category		Closing balance		Opening balance
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Other accounts receivable withdrawn bad debt provision according to credit risks characteristics	66,845,901.48	100.00%	4,010,754.09	6.00%	62,835,147.39	78,854,090.02	100.00%	4,731,245.39	6.00%	74,122,844.63
Total	66,845,901.48	100.00%	4,010,754.09	6.00%	62,835,147.39	78,854,090.02	100.00%	4,731,245.39	6.00%	74,122,844.63

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

☐ Applicable ☒ Inapplicable

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

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Aging	Closing balance		
	Other accounts receivable	Bad debt provision	Withdrawal proportion
Subitem within 1 year			
Within 1 year	64,317,396.83	3,859,043.81	6.00%
Subtotal within 1 year	64,317,396.83	3,859,043.81	6.00%
1 to 2 years	1,617,480.94	97,048.86	6.00%
2 to 3 years	153,541.87	9,212.51	6.00%
Over 3 years	757,481.84	45,448.91	6.00%
Total	66,845,901.48	4,010,754.09	6.00%

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

☐ Applicable ☒ Inapplicable

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

☐ Applicable ☒ Inapplicable

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

The withdrawal amount of the bad debt provision during the reporting period was of RMB 0.00; the amount of the reversed or collected part during the reporting period was of RMB 720,491.30.

(3) The actual write-off other accounts receivable

Naught

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

Unit: RMB Yuan

Nature	Closing book balance	Opening book balance
Promotion financial subsidies of the efficient lighting products	59,469,642.24	59,524,157.04
VAT export tax refunds	11,506.35	9,474,039.36
Performance earnest money	2,493,871.53	3,844,371.53
Employee loans and petty cash	1,613,745.43	2,130,228.48
Rent and water and electricity charges	509,983.94	1,131,824.72
Relevant accounts of street lights construction	2,523,547.23	2,523,547.23
Other	223,604.76	225,921.66
Total	66,845,901.48	78,854,090.02

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

Unit: RMB Yuan

Name of units	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Unit 1	Promotion financial subsidies of the efficient lighting products	59,469,642.24	Within 2 years	88.97%	3,568,178.53
Unit 2	Advance money for relevant accounts of street lights construction	2,523,547.23	Within 2 years	3.78%	151,412.83
Unit 3	Performance earnest	1,000,000.00	Within 1 years	1.50%	60,000.00

	money				
Unit 4	Performance earnest money	483,000.00	Over 3 years	0.72%	28,980.00
Unit 5	Performance earnest money	480,000.00	Within 1 years	0.72%	28,800.00
Total	--	63,956,189.47	--	95.69%	3,837,371.36

(6) Accounts receivable involved with government subsidies

Unit: RMB Yuan

Name of units	Project of government subsidies	Closing balance	Closing age	Estimated received time, amount and basis
Finance Bureau	Promotion financial subsidies of the efficient lighting products	59,469,642.24	Within 2 years	2015
Total	--	59,469,642.24	--	--

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

Naught

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

Naught

Other notes:

—The closing balance of the other accounts receivables of the current period decreased of RMB 11,287,697.24 over the period-begin with the reduction amplitude of 15.23%, which was mainly due to receiving of the VAT export tax refunds from the last period.

10. Inventory**(1) Category of inventory**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials	75,995,636.95	2,950,206.73	73,045,430.22	66,135,274.34	2,950,206.73	63,185,067.61
Goods in process	200,862,915.01	2,183,082.98	198,679,832.03	153,424,838.87	2,183,082.98	151,241,755.89
Inventory goods	336,401,945.03	5,217,218.92	331,184,726.11	419,125,198.44	9,718,644.81	409,406,553.63

Low-value fugitive items	1,907,768.59		1,907,768.59	1,961,595.35		1,961,595.35
Total	615,168,265.58	10,350,508.63	604,817,756.95	640,646,907.00	14,851,934.52	625,794,972.48

(2) Falling price reserves of inventory

Unit: RMB Yuan

Item	Opening balance	Increased amount		Decreased amount		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	2,950,206.73					2,950,206.73
Goods in process	2,183,082.98					2,183,082.98
Inventory goods	9,718,644.81			4,501,425.89		5,217,218.92
Total	14,851,934.52			4,501,425.89		10,350,508.63

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

Naught

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

Naught

11. Assets divided as held-to-sold

Naught

12. Non-current assets due within 1 year

Naught

13. Other current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Deductible input tax of VAT	29,873,096.75	31,783,068.68
Total	29,873,096.75	31,783,068.68

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

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Depreciation reserves	Book value	Book balance	Depreciation reserves	Book value
Available-for-sale equity instruments	2,222,292,943.10	5,850,000.00	2,216,442,943.10	587,007,988.22	5,850,000.00	581,157,988.22
Measured by fair value	1,910,693,182.94		1,910,693,182.94	114,908,227.84		114,908,227.84
Measured by cost	311,599,760.16	5,850,000.00	305,749,760.16	472,099,760.38	5,850,000.00	466,249,760.38
Total	2,222,292,943.10	5,850,000.00	2,216,442,943.10	587,007,988.22	5,850,000.00	581,157,988.22

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

Unit: RMB Yuan

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
Cost of the equity instruments/amortized cost of the debt instruments	183,649,747.82			183,649,747.82
Fair value	1,910,693,182.94			1,910,693,182.94
Changed amount of the fair value that be accumulatively recorded in other comprehensive income	1,467,986,919.85			1,467,986,919.85

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

Unit: RMB Yuan

Investee	Book balance				Impairment provision				Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-beg in	Increase	Decrease	Period-end	Period-beg in	Increase	Decrease	Period-end		
Shenzhen	5,850,000.			5,850,000.	5,850,000.			5,850,000.	Less than	

Zhonghao (Group) Ltd.	00			00	00			00	5.00%	
Chengdu Hongbo Industrial Co., Ltd.	6,000,000. 00			6,000,000. 00					6.94%	
Xiamen Bank Co., Ltd.	292,574,13 3.00			292,574,13 3.00					6.91%	
Foshan Branch of Guangdong Development Bank Co., Ltd.	500,000.00			500,000.00					Less than 5.00%	
Foshan Fochen Road Development Company Limited	7,175,627. 38		500,000.22	6,675,627. 16					7.66%	
Hefei Guoxuan High-tech Power Energy Co., Ltd.	160,000,00 0.00		160,000,00 0.00	0.00					0.00%	
Total	472,099,76 0.38		160,500,00 0.22	311,599,76 0.16	5,850,000. 00			5,850,000. 00	--	

(4) Changes of the impairment of the available-for-sale financial assets during the reporting period

Naught

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

Naught

Other notes

—The revenue of the investee company, Foshan Fochen Road Development Company Limited had be included in the unified collection distribution system of Foshan road and bridge tolls, and the Company had executed amortization within the remained planting duration by regarding the investment balance as the usufruct and the amortized investment cost of the reporting period was of RMB 500,000.22.

—During the reporting period, the joint stock company of the Company, Hefei Guoxuan High-tech Power Energy Co., Ltd. (hereinafter referred to as “Guoxuan High-tech”) successfully appeared on the market through back-door listing by Jiangsu Dongyuan Electrical Group Co., Ltd. (hereinafter referred to as “Dongyuan Electrical”) with the transaction of the relevant assets transfer procedures had all completed. Thus the shares that the Company held of Guoxuan High-tech altered as Dongyuan Electrical and the Company held the shares of the latter of 73,006,150 shares after alternation (for the details, please refer to the Announcement on the Situation Progress of the Back-door Listing of the Joint Stock Company disclosed on www.cninfo.com.cn on 14 May 2015, of which the Announcement No. was 2015-018).

15. Investment held-to-maturity

Naught

16. Long-term accounts receivable

Naught

17. Long-term equity investment

Unit: RMB Yuan

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
II. Associated enterprises											
Qinghai FSL Lithium Energy Exploitation Co., Ltd.	3,689,724.39			-1,208.40						3,688,515.99	
Subtotal	3,689,724.39			-1,208.40						3,688,515.99	
Total	3,689,724.39			-1,208.40						3,688,515.99	

18. Investment property

Naught

19. Fixed assets**(1) List of fixed assets**

Unit: RMB Yuan

Item	Houses and buildings	Machinery equipment	Transportation equipment	Electronic equipment	Total
I. Original book value:					
1. Opening balance	568,744,717.00	916,122,498.61	20,766,596.02	22,831,274.05	1,528,465,085.68
2. Increased amount of the period	585,000.00	15,337,072.56	787,758.90	315,814.31	17,025,645.77
(1) Purchase		5,936,839.11	787,758.90	315,814.31	7,040,412.32
(2) Transfer of project under construction	585,000.00	9,400,233.45			9,985,233.45
(3) Enterprises combination increase					
3. Decreased amount of the period		9,585,557.03	357,674.00	495,771.41	10,439,002.44
(1) Disposal or scrap		2,522,997.37	357,674.00	110,695.67	2,991,367.04
(2) Equipment transformation		7,062,559.66		385,075.74	7,447,635.40
4. Closing balance	569,329,717.00	921,874,014.14	21,196,680.92	22,651,316.95	1,535,051,729.01
II. Accumulated desperation					
1. Opening balance	338,302,001.88	693,539,580.39	13,717,406.23	12,707,722.36	1,058,266,710.86
2. Increased amount of the period	10,558,540.08	19,387,903.46	702,220.01	5,386,187.05	36,034,850.60
(1) Withdrawal	10,558,540.08	19,387,903.46	702,220.01	5,386,187.05	36,034,850.60

3. Decreased amount of the period		8,067,989.61	334,439.11	191,252.01	8,593,680.73
(1) Disposal or scrap		2,297,164.96	334,439.11	98,495.77	2,730,099.84
(2) Equipment transformation		5,770,824.65		92,756.24	5,863,580.89
4. Closing balance	348,860,541.96	704,859,494.24	14,085,187.13	17,902,657.40	1,085,707,880.73
III. Impairment provision					
1. Opening balance		6,930,673.53			6,930,673.53
2. Increased amount of the period		37,880,650.98			37,880,650.98
(1) Withdrawal		37,880,650.98			37,880,650.98
3. Decreased amount of the period		427.50			427.50
(1) Disposal or scrap		427.50			427.50
4. Closing balance		44,810,897.01			44,810,897.01
IV. Book value					
1. Closing book value	220,469,175.04	172,203,622.89	7,111,493.79	4,748,659.55	404,532,951.27
2. Opening book value	230,442,715.12	215,652,244.69	7,049,189.79	10,123,551.69	463,267,701.29

(2) List of temporarily idle fixed assets

Unit: RMB Yuan

Item	Original book value	Accumulated depreciation	Impairment provision	Net book value	Remark
T5, T8, energy-saving lamp production line	180,869,238.81	142,369,160.70	37,880,650.98	619,427.49	Name of the announcement: Announcement on Withdrawing the Preparation for the Assets Impairment

					on the Idle Equipments and Construction in Progress; the Announcement No.: 2015-030; disclosure website: www.cninfo.com.cn
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(3) Fixed assets leased in from financing lease

Naught

(4) Fixed assets leased out from operation lease

Naught

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

Naught

Other notes

—The decreased amount of the equipments transformation of the reporting period was due to the original value of the fixed assets of the equipments transformation of the enterprises and the accumulative depreciation transferred in the measurement of the construction in progress.

20. Construction in progress**(1) List of construction in progress**

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	113,860,677.26	5,695,984.29	108,164,692.97	94,558,082.50	3,695,984.29	90,862,098.21
Total	113,860,677.26	5,695,984.29	108,164,692.97	94,558,082.50	3,695,984.29	90,862,098.21

(2) Changes of significant construction in progress

Unit: RMB Yuan

Name of item	Estimated	Opening balance	Increase amount	Amount that	Other decrease	Closing balance	Proportion	Project progress	Accumulative	Of which:	Capitalization rate	Capital resources
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	number		of the period	transferred to fixed assets of the period	d amount of the period		estimated of the project accumulative input		amount of capitalized interests	the amount of the capitalized interests of the period	of the interests of the period	
LED second workshop	4,500,000.00	4,423,879.64	63,943.90			4,487,823.54	99.73%	99.73%				Other
Third District Hard Glass Kiln	8,600,000.00	8,149,794.29				8,149,794.29	94.77%	94.77%				Other
Gaoming Fuwan semi-finished products of lamps and assembly workshop II	5,070,000.00	3,647,740.00	1,002,150.00			4,649,890.00	91.71%	91.71%				Other
Gaoming Fuwan Load and unload station second factory	9,800,000.00	7,922,823.80	537,205.37			8,460,029.17	86.33%	86.33%				Other
Gaoming Fuwan semi-finished products of lamps	7,600,000.00	5,053,672.00	1,119,390.50			6,173,062.50	81.22%	81.22%				Other

and assembly workshop I												
Employee department of Gaoming 8#9# floors	15,000,000.00	4,030,000.00	4,004,215.55			8,034,215.55	53.56%	53.56%				Other
Reformation of 6# kiln	6,800,000.00	5,906,298.82	234,318.73			6,140,617.55	90.03%	90.03%				Other
G project of Fuwan standard workshop	19,500,000.00		4,915,000.00			4,915,000.00	25.21%	25.21%				Other
SGLC color tile engineering for leak repairing of each workshop	7,000,000.00		1,363,200.00			1,363,200.00	19.47%	19.47%				Other
Gaoming employee department	4,500,000.00		2,079,868.00			2,079,868.00	46.22%	46.22%				Other
Total	88,370,000.00	39,134,208.55	15,319,292.05			54,453,500.60	--	--				--

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

Unit: RMB Yuan

Item	Withdrawn amount	Reason
Third District Hard Glass Kiln	2,000,000.00	The recoverable amount of the assets lower than the book value
Total	2,000,000.00	--

21. Engineering material

Naught

22. Liquidation of fixed assets

Naught

23. Productive biological assets

Naught

24. Oil and gas assets

Naught

25. Intangible assets**(1) Information**

Unit: RMB Yuan

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

1. Opening balance	44,415,425.34	2,145,860.00		381,888.50	46,943,173.84
2. Increase in the reporting period	1,937,293.01	972,930.00		163,666.50	3,073,889.51
(1) Withdrawal	1,937,293.01	972,930.00		163,666.50	3,073,889.51
3. Decrease in the reporting period					
(1) Disposal					
4. Closing balance	46,352,718.35	3,118,790.00		545,555.00	50,017,063.35
III. Total impairment provision					
1. Opening balance					
2. Increase in the reporting period					
(1) Withdrawal					
3. Decrease in the reporting period					
(1) Disposal					
4. Closing balance					
IV. Total book value of intangible assets					
1. Book value of the period-end	165,367,220.25	17,581,910.00		1,091,109.95	184,040,240.20
2. Book value of the period-begin	167,304,513.26	18,554,840.00		1,254,776.45	187,114,129.71

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

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

Naught

26. R&D expenses

Naught

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

Unit: RMB Yuan

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

(2) Impairment provision of goodwill

Naught

28. Long-term unamortized expenses

Unit: RMB Yuan

Item	Opening balance	Increase	Amortization amount	Decrease	Closing balance
Decoration of lease workshop	918,958.73	609,638.00	515,785.88		1,012,810.85
Total	918,958.73	609,638.00	515,785.88		1,012,810.85

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

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	99,454,144.35	15,480,185.20	57,338,514.05	8,767,114.24
Unrealized profits of internal transactions	3,489,946.48	523,491.98	2,493,469.57	374,020.44
Deductible losses	54,153,726.96	10,274,659.50	35,034,691.49	6,463,007.68
Depreciation of fixed assets	73,584,592.52	11,125,764.70	75,006,724.40	11,339,084.49

Payroll payable	34,344,596.00	6,309,477.38	36,914,977.82	5,537,246.67
Investment income	1,208.40	181.26		
Estimated liabilities	14,167,695.67	2,125,154.35	61,438,275.16	9,215,741.27
Total	279,195,910.38	45,838,914.37	268,226,652.49	41,696,214.79

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

Unit: RMB Yuan

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Appreciation of the enterprise merger assets evaluation not under the same control	17,581,910.00	2,637,286.50	18,554,840.00	2,783,226.00
Changes of the fair value of the available-for-sale financial assets	1,727,043,435.12	259,056,515.27	84,882,751.40	12,732,412.71
Changes of the fair value of the tradable financial assets	1,281,430.46	192,214.57	8,660.00	1,299.00
Total	1,745,906,775.58	261,886,016.34	103,446,251.40	15,516,937.71

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

Unit: RMB Yuan

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Amount of deferred income tax assets or liabilities after off-set at the period-end	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Amount of deferred income tax assets or liabilities after off-set at the period-begin
Deferred income tax assets		45,838,914.37		41,696,214.79
Deferred income tax liabilities		261,886,016.34		15,516,937.71

(4) List of unrecognized deferred income tax assets

Naught

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

Naught

30. Other non-current assets

Unit: RMB Yuan

Item	Closing balance	Opening balance
Land purchase and the ownership implicit of relevant items	41,755,700.00	41,755,700.00
Prepayments for business facilities	14,053,961.49	8,844,087.19
Total	55,809,661.49	50,599,787.19

31. Short-term loans

Naught

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

Naught

33. Derivative financial liabilities☐ Applicable ☒ Inapplicable**34. Notes payable**

Naught

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

Unit: RMB Yuan

Category	Closing balance	Opening balance
Accounts payable	437,532,017.64	399,330,968.48
Total	437,532,017.64	399,330,968.48

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

Naught

Other notes:

—The closing balance of the accounts payable of the reporting period increased of RMB 38,201,049.16 over the period-begin with the growing rate of 9.57%, which mainly due to the increase of the payable supplier payment for goods.

—There was no any significant account payable aging over 1 year in the closing balance of the accounts payable.

36. Advance from customers

(1) List of advance from customers

Unit: RMB Yuan

Item	Closing balance	Opening balance
Prepayments	45,115,269.01	60,842,257.61
Total	45,115,269.01	60,842,257.61

(2) Significant advance from customers aging over one year

Naught

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

Naught

Other notes:

—The closing balance of the prepayments of the reporting period decreased of RMB 15,726,988.60 over the period-begin with the reduction amplitude of 25.85%, which was mainly due to the prepayments of the earlier stage had been settled.

—The closing balance of the prepayments was advances on sales and there was no any significant prepayments aging over 1 year.

37. Payroll payable

(1) List of Payroll payable

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term salary	58,315,210.64	275,118,948.58	279,349,372.99	54,084,786.23
II. Welfare after demission - defined contribution plans		18,490,516.07	18,490,516.07	
Total	58,315,210.64	293,609,464.65	297,839,889.06	54,084,786.23

(2) List of Short-term salary

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Salary, bonus,	57,918,469.34	247,792,677.36	252,027,860.83	53,683,285.87

allowance, subsidy				
2. Employee welfare		9,468,807.53	9,468,807.53	
3. Social insurance		12,409,028.51	12,409,028.51	
Including: 1. Medical insurance premiums		9,485,893.97	9,485,893.97	
Work-related injury insurance		1,407,155.37	1,407,155.37	
Maternity insurance		1,515,979.17	1,515,979.17	
4. Housing fund	8,056.18	3,221,881.20	3,206,908.73	23,028.65
5. Labor union budget and employee education budget	388,685.12	2,226,553.98	2,236,767.39	378,471.71
Total	58,315,210.64	275,118,948.58	279,349,372.99	54,084,786.23

(3) List of drawing scheme

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension benefits		17,790,815.25	17,790,815.25	
2. Unemployment insurance		699,700.82	699,700.82	
Total		18,490,516.07	18,490,516.07	

Other notes:

—There was no default payroll payable in the balance of payroll payable

38. Taxes payable

Unit: RMB Yuan

Item	Closing balance	Opening balance
VAT	17,270,208.20	2,711,408.78
Resource tax	72,673.96	175,148.06
Business tax	22,914,704.32	4,552,997.21
Corporate income tax	6,421,356.15	693,302.18
Personal income tax	1,815,663.00	1,095,674.02
Other	2,710,727.57	4,652,583.56
Total	51,205,333.20	13,881,113.81

39. Interest payable

N/A

40. Dividends payable

N/A

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

Unit: RMB Yuan

Item	Closing balance	Opening balance
performance bond	9,273,279.42	7,542,858.19
Relevant fees of sale	0.00	1,589,924.29
Intercourse funds	8,076,410.52	8,076,410.52
compensation for lawsuit	45,241,635.16	0.00
Other	5,036,688.05	4,714,627.48
Total	67,628,013.15	21,923,820.48

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

Unit: RMB Yuan

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

42. Liabilities classified as holding for sale

N/A

43. Non-current liabilities due within 1 year

N/A

44. Other current-liabilities

N/A

45. Long-term loan

N/A

46. Bonds payable

N/A

47. Long-term payable

N/A

48. Long term payroll payable

N/A

49. Special payable

N/A

50. Accrued liabilities

Unit: RMB Yuan

Item	Closing balance	Opening balance	Formation reasons
Estimated lawsuit compensation	14,167,695.69	61,438,275.16	Securities false statement liability disputes
Total	14,167,695.69	61,438,275.16	--

Other notes, including related important assumptions and estimates of accrued liabilities:

-On 15 Nov. 2014 and 5 Dec. 2014, the Company respectively received Civil Judgment (2013) SZFJMCZ No. 5 and Civil Judgment (2013) SZFJMCZ No. 756, issued by Guangzhou Intermediate Peoples Court, the judgment required the Company pay the compensation of RMB 60,410,789.16 for each plaintiff of 955 cases of civil action upon securities false statement liability disputes, and the Company bare the litigation fee RMB 1,027,486.00. The Company rejected to accept the judgment, and filed a suit to Guangdong Higher People's Court. On 4 Jun. 2015, the case received the Civil Judgment from Guangdong Higher People's Court which affirmed the original judgment; the Company transferred the withdrawn estimated liabilities RMB 61, 438,275.16 into other account payables.

- The Company respectively received Civil Judgment (2013) SZFJMCZ No.1094 issued by Guangzhou Intermediate Peoples Court, the judgment required the Company pay the compensation of RMB13, 923,694.69 for each plaintiff of 222 cases of civil action upon securities false statement liability disputes, and the Company bare the litigation fee RMB 44,001.00, the Company withdrawn estimated liabilities RMB 14,167,695.69 in line with the above judgment.

51. Deferred income

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance	Formation reasons
Government subsidies	10,955,833.27	390,000.00	105,666.79	11,240,166.48	Government subsidies related to assets income
Total	10,955,833.27	390,000.00	105,666.79	11,240,166.48	--

Items involved in government subsidies:

Unit: RMB Yuan

Item	Opening balance	Amount of newly subsidy	Amount accrued in non-business income	Other changes	Closing balance	Related to the assets/ income
LED production technical transformation	9,852,274.95				9,852,274.95	Related to the assets

project						
Production line of 50 million energy-saving fluorescent lamp	774,999.96		77,499.93		697,500.03	Related to the assets
Project of FGD fly ash removal of furnace system	28,166.86		28,166.86			Related to the assets
No electrolytic capacitor drive power supply technology	300,391.50	390,000.00			690,391.50	Related to the income
Total	10,955,833.27	390,000.00	105,666.79		11,240,166.48	--

52. Other non-current liabilities

N/A

53. Share capital

Unit: RMB Yuan

	Opening balance	Increase/decrease (+/-)					Closing balance
		Newly issue share	Bonus shares	Capitalization of public reserves	Other	Subtotal	
The sum of shares	978,563,745.00			293,569,123.00		293,569,123.00	1,272,132,868.00

Other notes:

-In line with the preplan of profits allocation and capital reserve transferring into share capital of 2014 reviewed and approved by the General Shareholders' Meeting on 27 May 2015, the Company increased 3 shares for every 10 shares to every shareholder with capital reserve, increased share capital in total of 293,569,123.00 shares, the preplan of profits allocation and capital reserve transferring into share capital of 2014 was finished on 17 Jun 2015.

54. Other equity instruments

N/A

55. Capital reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium	582,653,147.29		293,569,123.00	289,084,024.29
Other capital reserves	7,239,570.30			7,239,570.30
Total	589,892,717.59		293,569,123.00	296,323,594.59

Other notes, including changes and reason of change:

-In line with the preplan of profits allocation and capital reserve transferring into share capital of 2014 reviewed and

approved by the General Shareholders' Meeting on 27 May 2015, the Company increased 3 shares for every 10 shares to every shareholder with capital reserve, increased share capital in total of 293,569,123.00 shares, the preplan of profits allocation and capital reserve transferring into share capital of 2014 was finished on 17 Jun 2015.

56. Treasury stock

N/A

57. Other comprehensive income

Unit: RMB Yuan

Item	Opening balance	Reporting period					Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: income tax expense	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
II. Other comprehensive income reclassify into profits and losses	72,150,338.69	1,654,893,096.43		259,056,515.27	1,395,836,581.16		1,467,986,919.85
Profits or losses from the change of fair value of available for sale financial assets	72,150,338.69	1,654,893,096.43		259,056,515.27	1,395,836,581.16		1,467,986,919.85
Total	72,150,338.69	1,654,893,096.43		259,056,515.27	1,395,836,581.16	0.00	1,467,986,919.85

58. Special reserves

N/A

59. Surplus reserves

Unit: RMB Yuan

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	489,281,872.50			489,281,872.50
Discretionary surplus reserves	136,886,568.36			136,886,568.36
Total	626,168,440.86			626,168,440.86

60. Retained profits

Unit: RMB Yuan

Item	Amount	Withdrawal or distributed proportion
Opening balance of retained profits before adjustments	777,810,478.44	671,929,537.57
Opening balance of retained profits after adjustments	777,810,478.44	671,929,537.57
Add: Net profit attributable to owners of the Company	100,258,759.31	188,959,139.45
Dividend of common stock payable	215,284,023.90	156,570,199.20
Closing retained profits	662,785,213.85	704,318,477.82

List of adjustment of opening retained profits:

- 1) RMB 000 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB 000 opening retained profits was affected by changes on accounting policies.
- 3) RMB 000 opening retained profits was affected by correction of significant accounting errors.
- 4) RMB 000 opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB 000 opening retained profits was affected totally by other adjustments.

61. Revenue and Cost of Sales

Unit: RMB Yuan

Item	2015		2014	
	Revenue	Cost	Revenue	Cost
Main operation	1,511,711,913.81	1,160,678,870.83	1,527,520,198.14	1,144,349,961.56
Other operation	12,650,872.68	5,364,570.18	15,538,559.89	11,867,318.59
Total	1,524,362,786.49	1,166,043,441.01	1,543,058,758.03	1,156,217,280.15

62. Business tax and surcharges

Unit: RMB Yuan

Item	2015	2014
Business tax	663,020.91	714,498.78
Urban maintenance and construction tax	6,547,903.14	8,389,063.00
Education surtax	4,713,909.73	6,026,392.52
Total	11,924,833.78	15,129,954.30

63. Sales expenses

Unit: RMB Yuan

Item	2015	2014
Transportation expenses	30,979,809.21	23,683,251.76
Service charges on promotion of energy-saving products	6,103,936.07	3,088,819.85
Payroll	22,850,138.19	19,829,713.47
Business propagandize fee	9,569,210.87	5,850,819.24
Travel charge	2,050,131.78	1,349,726.52
Sales promotion fee& dealer meeting expense	7,365,122.95	4,402,514.31
Street light project maintenance fee	104,300.00	2,711,494.40
Other	3,201,731.20	2,051,573.38
Total	82,224,380.27	62,967,912.93

64. Administrative expenses

Unit: RMB Yuan

Item	2015	2014
Employee's remuneration	35,440,893.79	31,108,589.63
Depreciation charge	12,550,537.58	10,463,236.40
Tax expenses	8,023,991.73	8,327,329.62
Office expenses	3,086,027.82	3,279,753.58
Amortization of intangible assets	3,019,175.39	2,610,636.23
Research and development expenses	3,669,947.35	3,604,623.15
Testing expense	652,439.04	886,083.99
Other	47,852,835.99	44,215,086.85
Total	114,295,848.69	104,495,339.45

65. Financial expenses

Unit: RMB Yuan

Item	2015	2014
Interest expenses		
Less: Interest revenue	7,469,744.78	7,550,981.32
Exchange loss	-5,153,449.97	1,194,090.82

Others	1,415,253.95	623,542.87
Total	-11,207,940.80	-5,733,347.63

66. Asset impairment loss

Unit: RMB Yuan

Item	2015	2014
I. Bad debts losses	6,742,683.01	8,025,505.65
II. Impairment losses of inventory	0.00	-4,552,311.43
VII. Impairment losses of fixed assets	37,880,650.98	0.00
VIII. Impairment losses of engineering materials	2,000,000.00	0.00
Total	46,623,333.99	3,473,194.22

67. Gains on the changes in the fair value

Unit: RMB Yuan

Source	2015	2014
Financial assets measured at fair value and changes recorded into current profits and losses	1,272,770.46	1,115,756.46
Total	1,272,770.46	1,115,756.46

68. Investment income

Unit: RMB Yuan

Item	2015	2014
Long-term equity investment calculated by equity method	-1,208.40	-2,595,523.09
Investment income obtained through disposal of long-term equity investment	0.00	-17,112.47
Investment income obtained through financial assets measured at fair value and changes recorded into current profits and losses during holding period	870.00	0.00
Investment income obtained through disposal of financial assets measured at fair value and changes recorded into current profits and	640,080.26	-997,145.30

losses		
Investment income obtained through holding available-for-sale financial assets during holding period	3,449,696.24	21,942,835.20
Investment income obtained through disposal of available for sale financial assets	17,063,266.56	0.00
Other	-443,538.84	-217,648.56
Total	20,709,165.82	18,115,405.78

69. Non-operating gains

Unit: RMB Yuan

Item	2015	2014	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	6,114.53	3,458.00	6,114.53
Including: Gains from disposal of fixed assets	6,114.53	3,458.00	6,114.53
Government subsidy	2,519,246.86	2,603,201.80	2,519,246.86
Other	419,340.96	687,707.26	419,340.96
Total	2,944,702.35	3,294,367.06	2,944,702.35

Government subsidies recorded into current profits and losses

Unit: RMB Yuan

Item	2015	2014	Related to the assets/ income
Fiscal subsidy for high efficiency lighting product promotion		2,279,702.00	Related to the income
Guangdong province hundreds and millions of LED indoor lighting demonstration zone construction project engineering	1,802,496.00		Related to the income
Reward subsidy for No. 36 Yellow Label Car weeding out		13,000.00	Related to the income
Project of FGD fly ash removal of furnace system	28,166.86	84,499.98	Related to the assets
Production line of 50 million energy-saving fluorescent lamp	77,499.93	77,499.82	Related to the assets

Special fund (external development service)		116,000.00	Related to the income
Special fund for Guangdong province steady growth and adjusting the structure	66,666.67		Related to the income
2014 Suzhou No. 32 Sci-tech development project funds	90,000.00		Related to the income
Clean energy reward for social Development Management Branch of Luocun Town, Nanhai District, Foshan City	330,000.00		Related to the income
Other scattered government grants	124,417.40	32,500.00	Related to the income
Total	2,519,246.86	2,603,201.80	--

70. Non-operating expenses

Unit: RMB Yuan-

Item	2015	2014	The amount included in the current non-recurring gains and losses
Total losses from disposal of non-current assets	397,124.46	109,843.02	397,124.46
Including: Losses from disposal of fixed assets	397,124.46	109,843.02	397,124.46
lawsuit compensation	14,167,695.69		14,167,695.69
Other	371,344.00	5,612.46	371,344.00
Total	14,936,164.15	115,455.48	14,936,164.15

71. Income tax expense

(1) Lists of income tax expense

Unit: RMB Yuan

Item	2015	2014
Current income tax expense	30,879,655.70	42,878,291.11
Deferred income tax expense	-2,945,888.59	-1,188,427.16
Total	27,933,767.11	41,689,863.95

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

Unit: RMB Yuan

Item	2015
Total profits	124,449,364.03
Current income tax expense accounted by tax and relevant regulations	18,667,404.60
Influence of different tax rate suitable to subsidiary	327,018.16
Influence of income tax before adjustment	11,830,221.06
Influence of non taxable income	-3,076,944.42
Influence of not deductible costs, expenses and losses	186,067.71
Income tax expense	27,933,767.11

72. Other comprehensive income

Refer to the notes No. 57 of VII, Notes on major items in consolidated financial statements of the Company

73. Supplementary information to cash flow statement**(1) Other cash received relevant to operating activities**

Unit: RMB Yuan

Item	2015	2014
Deposit interest	5,785,682.33	7,586,039.03
Income form waste good	1,274,788.64	3,623,492.20
Property and rental income	1,136,667.64	862,652.72
Guaranteed income	431,500.00	389,010.50
subsidize revenue	2,983,009.39	0.00
Other	1,936,655.57	1,902,829.60
Total	13,548,303.57	14,364,024.05

(2) Other cash paid relevant to operating activities

Unit: RMB Yuan

Item	2015	2014
Transport charges	36,536,448.87	28,771,464.91
Donations, punishment, lawsuit compensation	16,443,916.00	0.00

Advertising expense	11,248,789.70	5,864,699.17
Audit fees, attorney fees, appraisal cost and detect cost	6,535,761.28	5,139,087.70
business office expenses	3,651,094.22	4,145,450.36
The spare parts, maintenance, and service charge	1,958,384.21	3,429,401.85
Cash deposit	2,296,906.74	196,977.59
Travel expense	3,689,247.96	2,619,111.61
Commission	387,472.35	528,054.46
Energy-saving promotion fee	4,239,305.40	2,274,633.66
Street light project construction and maintenance	1,311,367.18	5,955,954.21
Land rent, plant rental and management fee	1,361,983.61	2,938,578.35
Trademark fee& patent fee	445,459.94	2,753,625.50
Other	6,128,849.74	7,220,228.47
Total	96,234,987.20	71,837,267.84

(3) Other cash received relevant to investment activity

N/A

(4) Other cash paid relevant to investment activity

N/A

(5) Other cash received relevant to financing activities

Unit: RMB Yuan

Item	2015	2014
Bank loan interest		2,452.04
Total		2,452.04

(6) Other cash paid relevant to financing activities

Unit: RMB Yuan

Item	2015	2014
Repay the bank loan		2,000,000.00

pay the bank loan interest		34,300.00
Total		2,034,300.00

74. Supplementary information to cash flow statement

(1) Information of net profit to net cash flows generated from operating activities

Unit: RMB Yuan

Item	2015	2014
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	96,515,596.92	187,228,634.48
Add: Provision for impairment of assets	46,623,333.99	3,473,194.22
Depreciation of fixed assets, of oil-gas assets, of productive biological assets	36,034,850.96	40,950,477.19
Amortization of intangible assets	3,073,889.51	2,614,544.78
Amortization of long-term deferred expense	515,785.87	
Losses on disposal of property, plant and equipment, intangible assets and other long-term assets (gains: negative)		-3,458.00
Losses on retirement of fixed assets	391,009.93	109,843.02
Losses from variation of fair value	-1,272,770.46	-1,115,756.46
Financial cost (gains: negative)	1,839,130.38	1,773,859.83
Investment loss (gains: negative)	-20,709,165.82	-18,115,405.78
Decrease in deferred income tax assets ("+" means increase)	2,229,221.95	-131,496.78
Increase in deferred income tax liabilities ("-" means decrease)	190,915.57	
Decrease in inventory (increase: negative)	20,977,215.53	-67,364,054.08
Decrease in accounts receivable from operating activities (increase: negative)	-143,332,226.48	-207,787,480.72
Increase in payables from operating activities (decrease: negative)	56,197,559.85	196,808,865.07

Net cash flows generated from operating activities	99,274,347.70	138,441,766.77
2. Investing and financing activities that do not involving cash receipts and payment:	--	--
3. Net increase in cash and cash equivalents	--	--
Closing balance of cash	874,167,564.37	861,415,714.44
Less: Opening balance of cash	989,718,395.60	897,675,824.22
Net increase in cash and cash equivalents	-115,550,831.23	-36,260,109.78

(2) Net Cash paid of obtaining the subsidiary

N/A

(3) Net Cash receive of disposal of the subsidiary

N/A

(4) Cash and cash equivalents

Unit: RMB Yuan

Item	Closing balance	Opening balance
I. Cash	874,167,564.37	989,718,395.60
Including: Cash on hand	7,306.67	13,150.43
Bank deposit on demand	787,251,674.33	915,022,578.88
Other monetary funds on demand	86,908,583.37	74,665,506.29
III. Closing balance of cash and cash equivalents	874,167,564.37	989,718,395.60
Of which: cash and cash equivalents with restricted using in parent company or subsidiary in the Group	17,160.00	17,160.00

75. Note of statement of changes in the owner's equity

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:

Inapplicable

76. The assets with the ownership or use right restricted

Unit: RMB Yuan

Item	Closing book value	Restricted reason
------	--------------------	-------------------

Monetary capital	17,160.00	The quality guarantee deposit
Total	17,160.00	--

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

Unit: RMB Yuan

Item	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary capital	--	--	6,939,608.30
Including: USD	1,134,139.86	6.1136	6,933,677.45
EUR	863.31	6.8699	5,930.85
Account receivable	--	--	85,512,192.87
Including: USD	13,987,207.68	6.1136	85,512,192.87

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

☐ Applicable ☒ Inapplicable

78. Arbitrage

N/A

79. Other

N/A

VIII. Changes of merge scope

There was no change of merge scope in the Company during reporting period

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

Name of the subsidiary	Main operating place	Registration place	Nature of business	Proportion of shareholding		Way of gaining
				Directly	Indirectly	

Foshan Chansheng Electronic Ballast Co., Ltd.	Foshan	Foshan	Production and sales	100.00%		Newly established
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	Foshan	Foshan	Production and sales	70.00%		Newly established
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	Foshan	Foshan	Production and sales	70.00%		Newly established
Guangdong Fozhao New Light Sources Technology Co., Ltd.	Foshan	Foshan	Production and sales	100.00%		Newly established
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	Xinxiang	Xinxiang	Production and sales	100.00%		Newly established
Guangdong Fozhao Leasing Co., Ltd.	Foshan	Foshan	Finance lease	100.00%		Newly established
Foshan Lighting Lamps & Components Co., Ltd.	Foshan	Foshan	Production and sales	100.00%		Newly established
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	Nanjing	Nanjing	Production and sales	100.00%		Acquisition
Suzhou Mont Lighting Co., Ltd.	Suzhou	Suzhou	Production and sales	50.50%		Acquisition, increase capital or shares

Notes: holding proportion in subsidiary different from voting proportion:

Inapplicable

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

investee:

Inapplicable

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

Inapplicable

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

Inapplicable

(2) Significant not wholly owned subsidiary

Unit: RMB Yuan

Name	Shareholding proportion of minority shareholder	The profits and losses arbitrate to the minority shareholders	Declaring dividends distribute to minority shareholder	Balance of minority shareholder at closing period
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	30.00%	-449,572.77	0.00	28,808,508.33
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	30.00%	780,924.00	0.00	8,601,174.04
Suzhou Mont Lighting Co., Ltd.	49.50%	-4,074,513.62	0.00	8,761,353.90
Total		-3,743,162.39	0.00	46,171,036.27

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

Inapplicable

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

Unit: RMB Yuan

Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liability	current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liability
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	64,257,809.92	36,654,237.52	100,912,047.44	4,883,686.33	0.00	4,883,686.33	63,532,557.96	39,007,126.25	102,539,684.21	5,012,747.19	0.00	5,012,747.19

Foshan Taimei Times Lamps and Lanterns Co., Ltd.	47,771,715.61	8,437,742.81	56,209,458.42	27,538,878.30	0.00	27,538,878.30	49,205,594.26	9,560,697.64	58,766,291.90	32,698,791.79	0.00	32,698,791.79
Suzhou Mont Lighting Co., Ltd.	24,864,974.61	27,109,626.13	51,974,600.74	31,637,609.38	2,637,286.50	34,274,895.88	40,855,146.44	7,957,886.07	48,813,032.51	38,653,601.00	0.00	38,653,601.00
Total	136,894,500.14	72,201,606.46	209,096,106.60	64,060,174.01	2,637,286.50	66,697,460.51	153,593,298.66	56,525,709.96	210,119,008.62	76,365,139.98	0.00	76,365,139.98

Unit: RMB Yuan

Name	Closing balance				Opening balance			
	Operation revenue	Net profit	Total comprehensive income	Operating cash flow	Operation revenue	Net profit	Total comprehensive income	Operating cash flow
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	18,925,514.22	-1,498,575.91	-1,498,575.91	-5,993,838.17	46,229,159.47	-8,539,959.10	-8,539,959.10	2,590,237.49
Foshan Taimei Times Lamps and Lanterns Co., Ltd.	67,478,345.33	2,603,080.01	2,603,080.01	-4,255,519.21	86,036,195.59	5,359,257.37	5,359,257.37	2,853,407.24
Suzhou Mont Lighting Co., Ltd.	21,929,521.76	-8,231,340.65	-8,231,340.65	-1,058,653.37	7,792,353.61	-1,568,271.61	-1,568,271.61	-5,999,197.22
Total	108,333,381.31	-7,126,836.55	-7,126,836.55	-11,308,010.75	140,057,708.67	-4,748,973.34	-4,748,973.34	-555,552.49

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

N/A

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

N/A

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary**(1) Note to owner's equity share changed in subsidiary**

N/A

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

N/A

3. Equity in joint venture arrangement or associated enterprise**(1) Significant joint venture arrangement or associated enterprise**

N/A

(2) Main financial information of significant joint venture

N/A

(3) Main financial information of significant associated enterprise

N/A

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

Unit: RMB Yuan

	Closing balance /2015	Opening balance/2014
Joint venture:	--	--
The total of following items according to the shareholding proportions	--	--
Associated enterprise:	--	--
Book value of total investment	3,688,515.99	3,689,724.39
The total of following items according to the shareholding proportions	--	--
--Net profits	-1,208.40	-2,595,523.09

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

N/A

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

N/A

(7) The unrecognized commitment related to joint venture investment

N/A

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

N/A

4. Significant common operation

N/A

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

N/A

6. Other

N/A

X. The risk related financial instruments

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

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

1 Credit risk,

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

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

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

2. Liquidity Risk

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

3. Market risk

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

A. Exchange rate risk

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

B. Interest rate risk

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

C. Other price risk

N/A

XI. The disclosure of the fair value

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

Unit: RMB Yuan

Item	Closing fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
(I) Financial assets	2,608,830.00			2,608,830.00

calculated by fair value and changes record into current profits or losses				
2. Appointed financial assets calculated by fair value and changes record into current profits or losses	2,608,830.00			2,608,830.00
(2) Equity instrument investment	2,608,830.00			2,608,830.00
(II) Available-for-sale financial assets	1,910,693,182.94			1,910,693,182.94
(2) Equity instrument investment	1,910,693,182.94			1,910,693,182.94
II. Inconsistent fair value measurement	--	--	--	--

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

The item that the Company calculated with fair value were the Company's holding shares of China Everbright Bank and Jiangsu Dongyuan Elec'l Grp Co.,Ltd.. The recognition of closing fair value was based on the closing price of last transaction date in Jun. 2015.

XII. Related party and related Transaction

1. Information related to parent company of the Company

Notes:

There was no direct controlling parent company in the Company

2. Subsidiaries of the Company

See details to Notes Equity in subsidiary

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

The details of significant joint venture and associated enterprise of the Company see Notes Equity in joint venture arrangement or associated enterprise

4. Information on other related parties of the Company

Name	Relationship
Prosperity (Hangzhou) Lighting and Electrical Co., Ltd.	Company controlled by related natural person
Hangzhou Times Lighting and Electrical Co., Ltd.	Company controlled by related natural person

Prosperity Electrical (China) Co., Ltd.	Company controlled by related natural person
Prosperity Lamps and Components Ltd.	Shareholder owning over 5% shares
Prosperity (Xinxiang) Electro-Optical Machinery Co., Ltd	Company controlled by related natural person
Prosperity (Xinxiang) Lighting Machinery Co., Ltd.	Company controlled by related natural person
OSRAM (China) Lighting Co., Ltd.	Acting-in-concert party of a corporation with a stake over 5% in the Company
OSRAM Asia Pacific Ltd.	Acting-in-concert party of a corporation with a stake over 5% in the Company
Prosperity Xiteke Lighting (Langfang) Co., Ltd.	Company influenced by related natural person
Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	Related natural person as a senior manager in the company
Qinghai Salt Lake Fozhao Lanke Lithium Industry Co., Ltd.	Subsidiary of joint venture

5. List of related-party transactions

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

Acquisition of goods and reception of labor service

Unit: RMB Yuan

Related-party	Content	2015	Trading limit approved	Over the trading limit or not?	2014
Prosperity Lamps and Components Ltd.	Purchase of materials	6,199,780.58	7,000,000.00	No	1,775,250.56
Prosperity Electrical (China) Co., Ltd.	Purchase of materials	11,980,714.88	30,000,000.00	No	14,287,405.97
Hangzhou Times Lighting and Electrical Co., Ltd.	Purchase of materials	1,886,095.56	3,000,000.00	No	1,480,293.13
Prosperity (Xinxiang) Electro-Optical Machinery Co., Ltd	Purchase of equipments	169,129.06	2,000,000.00	No	0.00
Total		20,235,720.08	42,000,000.00	No	17,542,949.66

Information of sales of goods and provision of labor service

Unit: RMB Yuan

Related-party	Content	2015	2014
Prosperity Lamps and Components Ltd.	Sale of products	16,513,390.54	19,860,345.46

Prosperity (Hangzhou) Lighting and Electrical Co., Ltd.	Sale of products	1,231,915.65	3,687,779.13
Prosperity Electrical (China) Co., Ltd.	Sale of products	475,973.15	245,382.68
OSRAM (China) Lighting Co., Ltd.	Sale of products	8,267,791.27	4,663,440.83
OSRAM Asia Pacific Ltd.	Sale of products	6,634,481.40	18,160,268.95
Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	Sale of products	109,372.97	
Hangzhou Times Lighting Appliance Co., Ltd.	Sale of products		2,448.72
Total		33,232,924.98	46,619,665.77

(2) Related trusteeship/contract

N/A

(3) Information of related lease

The Company was lessor:

Unit: RMB Yuan

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

(4) Related-party guarantee

N/A

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

N/A

(6) Related party asset transfer and debt restructuring

N/A

(7) Rewards for the key management personnel

Unit: RMB Yuan

Item	2015	2014
President	945,000.00	900,000.00
Vice president & GM	708,750.00	675,000.00
Chief of the board of supervisors	259,998.00	208,332.00
Secretary of the board	358,314.00	341,250.00
CFO	567,000.00	540,000.00
Other	1,569,321.00	1,390,748.00
Total	4,408,383.00	4,055,330.00

6. Receivables and payables of related parties

(1) Receivables

Unit: RMB Yuan

Item	Related party	Closing period		Opening period	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Prosperity (Hangzhou) Lighting and Electrical Co., Ltd.	1,265,367.27	75,922.04	3,448,847.23	206,930.83
Account receivable	Prosperity Electrical (China) Co., Ltd.	323,542.44	19,412.55	837,052.54	50,223.15
Account receivable	OSRAM (China) Lighting Co., Ltd.	10,371,325.77	622,279.55	2,630,821.95	157,849.32
Account receivable	Prosperity Lamps and Components Ltd.	5,927,898.08	355,673.88	6,365,602.04	381,936.12
Account receivable	OSRAM Asia Pacific Ltd.	3,531,693.32	211,901.60	13,267,801.82	796,068.11
Account receivable	Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	54,385.39	3,263.12	44,374.26	2,662.46
Other non-current assets	Prosperity (Xinxiang) Electro-Optical Machinery Co., Ltd	841,790.00		836,309.00	
Total		22,316,002.27	1,288,452.74	27,430,808.84	1,595,669.99

(2) Payables

Unit: RMB Yuan

Item	Related party	Closing book value	Opening book value
Accounts payable	Prosperity Lamps and Components Ltd.	2,621,980.94	2,558,944.00
Accounts payable	Prosperity Electrical (China) Co., Ltd.	7,243,251.60	8,885,342.91
Accounts payable	Hangzhou Times Lighting Appliance Co., Ltd.	1,106,815.75	739,825.37
Accounts payable	Prosperity (Xinxiang) Electro-Optical Machinery Co., Ltd	389,464.96	234,694.87
Other account payable	Prosperity (Xinxiang) Lighting Machinery Co., Ltd.	7,400.00	7,400.00
Other account payable	Prosperity Lamps and Components Ltd.		408,827.77
Receivable in advance	Shanghai Linxian Mechanical and Electrical Equipment Co., Ltd.	29,110.68	6,610.68
Total		11,398,023.93	12,841,645.60

XIII. Stock payment**1. The Stock payment overall situation**☐ Applicable ☒ Inapplicable**2. The Stock payment settled by equity**☐ Applicable ☒ Inapplicable**3. The Stock payment settled by cash**☐ Applicable ☒ Inapplicable

4. Modification and termination of the stock payment

N/A

5. Other

N/A

XIV. Commitments**1. Significant commitments****Significant commitments at balance sheet date**

As of 30 Jun. 2015, there was no significant commitment or contingency in the Company.

2. Contingency**(1) Significant contingency at balance sheet date**

N/A

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

There was no significant contingency in the Company.

XV. Events after balance sheet date

N/A

XVI. Other significant events

N/A

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

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Withdrawal		Amount	Proportion (%)	Amount	Withdrawal Proportion	

				Proportion (%)					(%)	
Accounts receivable withdrawal of bad debt provision of by credit risks characteristics:	513,423,390.18	99.78%	26,835,589.65	5.23%	486,587,800.53	355,364,408.20	99.81%	19,571,304.68	5.51%	335,793,103.52
Accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics	1,126,144.41	0.22%	1,126,144.41	100.00%	0.00	664,739.65	0.19%	664,739.65	100.00%	0.00
Total	514,549,534.59	100.00%	27,961,734.06	5.43%	486,587,800.53	356,029,147.85	100.00%	20,236,044.33	5.68%	335,793,103.52

Accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics at the end of reporting period.

☐ Applicable ☒ Inapplicable

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

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Aging	Closing balance		
	Accounts receivable	Provision for bad debts	Proportion (%)
Subentry within 1 year			
Within 1 year	413,985,381.41	24,839,122.88	6.00%
Subtotal of within 1 year	413,985,381.41	24,839,122.88	6.00%
1-2 years	23,293,616.71	1,397,617.00	6.00%
2-3 years	8,683,417.16	521,005.03	6.00%
Over 3 years	1,297,412.25	77,844.74	6.00%
Total	447,259,827.53	26,835,589.65	6.00%

Notes:

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

☐ Applicable ☒ Inapplicable

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

The amount of bad debt provision was RMB 7,725,689.73; the amount of reversed or recovered bad debt provision in the report period was of RMB 0.00.

(3) Particulars of the actual verification of accounts receivable during the reporting period

N/A

(4) Top five of account receivable of closing balance collected by arrears party

Name of the entity	Relationship	Amount	Year	Proportion (%)	Closing balance of bad debt provision
Entity 1	Non-related party	24,998,850.49	Within 1 year	5.42%	1,499,931.03
Entity 2	Non-related party	19,009,979.64	Within 1 year	4.12%	1,140,598.78
Entity 3	Non-related party	13,904,257.90	Within 2 years	3.01%	834,255.47
Entity 4	Related party	10,371,325.77	Within 1 year	2.25%	622,279.55
Entity 5	Non-related party	9,531,454.48	Within 1 year	2.07%	571,887.27
Total	--	77,815,868.28	--	16.87%	4,668,952.10

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

N/A

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

N/A

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

Unit: RMB Yuan

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Withdrawal proportion		Amount	Proportion (%)	Amount	Withdrawal proportion	
Other accounts receivable withdrawal of bad	92,193,513.32	100.00%	3,985,301.34	4.32%	88,208,211.98	147,003,635.15	100.00%	4,674,595.70	3.18%	142,329,039.45

debt provision of by credit risks characteristics:										
Total	92,193,513.32	100.00%	3,985,301.34	4.32%	88,208,211.98	147,003,635.15	100.00%	4,674,595.70	3.18%	142,329,039.45

Other accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics at the end of reporting period

☐ Applicable ☒ Inapplicable

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

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Aging	Closing balance		
	Other account receivable	Provision for bad debts	Proportion (%)
Subentry within 1 year			
Within 1 year	63,991,811.86	3,839,508.71	6.00%
Subtotal of within 1 year	63,991,811.86	3,839,508.71	6.00%
1-2 years	1,537,118.61	92,227.12	6.00%
2-3 years	140,991.90	8,459.51	6.00%
Over 3 years	751,766.69	45,106.00	6.00%
Total	66,421,689.06	3,985,301.34	6.00%

Notes:

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

☐ Applicable ☒ Inapplicable

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

☐ Applicable ☒ Inapplicable

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

The amount of bad debt provision was RMB 0.00, the amount of reversed or recovered bad debt provision in the report period RMB 689,294.36.

(3) Particulars of the actual verification of other accounts receivable during the reporting period

N/A

(4) Other account receivable classified by account nature

Unit: RMB Yuan

Nature	Closing book value	Opening book value
--------	--------------------	--------------------

Internal business group	25,771,824.26	69,093,706.51
Finance subsidy for efficient lighting promotion project.	59,469,642.24	59,524,157.04
VAT export tax refunds	0.00	9,474,039.36
Performance bond	2,348,691.60	3,279,191.60
Staff borrow and deposit	1,361,253.85	1,802,527.06
Rental and utilities	504,236.02	1,128,036.38
Related payment of street light construction	2,523,547.23	2,523,547.23
Other	214,318.12	178,429.97
Total	92,193,513.32	147,003,635.15

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

Unit: RMB Yuan

Entity	Nature	Closing balance	Aging	Proportion%	Closing balance of bad debt provision
Entity 1	Finance subsidy for efficient lighting promotion project.	59,469,642.24	Within 2 years	64.51%	3,568,178.53
Entity 2	Payment of construction made on behalf	2,523,547.23	Within 2 years	2.74%	151,412.83
Entity 3	Performance bond	1,000,000.00	Within 1 year	1.08%	60,000.00
Entity 4	Performance bond	483,000.00	Within 3 years	0.52%	28,980.00
Entity 5	Performance bond	480,000.00	Within 1 year	0.52%	28,800.00
Total	--	63,956,189.47	--	69.37%	3,837,371.36

(6) Accounts receivable involved with government subsidies

Unit: RMB Yuan

Name of units	Project of government subsidies	Closing balance	Closing age	Estimated received time, amount and basis
Financial Bureau	Finance subsidy for efficient lighting promotion project.	59,469,642.24	Within 2 years	2015

Total	--	59,469,642.24	--	--
-------	----	---------------	----	----

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

N/A

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

N/A

3. Long term equity investment

Unit: RMB Yuan

Item	Closing balance			Opening balance		
	Book balance	bad debt provision	Book value	Book balance	bad debt provision	Book value
Investment to subsidiary	441,949,939.76		441,949,939.76	441,949,939.76		441,949,939.76
Investment to associate enterprises	3,688,515.99		3,688,515.99	3,689,724.39		3,689,724.39
Total	445,638,455.75		445,638,455.75	445,639,664.15		445,639,664.15

(1) Investment to the subsidiary

Unit: RMB Yuan

Entity	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Foshan Chansheng Electronic Ballast Co., Ltd.	2,744,500.00			2,744,500.00		
Foshan Chanchang Electric Appliance (Gaoming) Co., Ltd.	42,000,000.00			42,000,000.00		
Foshan Taimei Times Lamps and	350,000.00			350,000.00		

Lanterns Co., Ltd.						
Nanjing Fozhao Lighting Components Manufacturing Co., Ltd.	72,000,000.00			72,000,000.00		
Foshan Electrical & Lighting (Xinxiang) Co., Ltd.	35,418,439.76			35,418,439.76		
Guangdong Fozhao New Light Sources Technology Co., Ltd.	50,077,000.00			50,077,000.00		
Guangdong Fozhao Financial Leasing Co., Ltd.	200,000,000.00			200,000,000.00		
FSL Lighting Equipment Co., Ltd.	15,000,000.00			15,000,000.00		
Suzhou Mont Lighting Co., Ltd.	24,360,000.00			24,360,000.00		
Total	441,949,939.76			441,949,939.76		

(2) Investment to joint ventures and associated enterprises

Unit: RMB Yuan

Name of investee	Opening balance	Increase/decrease in reporting period								Closing balance	Closing balance of impairment provision
		Additional investment	Negative investment	Investment profit and loss recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profits	Withdrawal impairment provision	Other		
Investment to subsidiary											
Investment to associate enterprises											
Qinghai FSL Lithium	3,689,724.39			-1,208.40						3,688,515.99	

Energy Exploitation Co., Ltd.											
subtotal	3,689,724.39			-1,208.40						3,688,515.99	
Total	3,689,724.39			-1,208.40						3,688,515.99	

4. Revenues and operating costs

Unit: RMB Yuan

Item	Reporting period		Same period of last year	
	Revenues	Operating costs	Revenues	Operating costs
Main operations	1,459,454,200.77	1,136,562,737.09	1,490,151,685.68	1,147,781,613.27
Other operations	90,145,253.61	76,755,687.39	80,081,492.90	63,896,479.03
Total	1,549,599,454.38	1,213,318,424.48	1,570,233,178.58	1,211,678,092.30

5. Investment income

Unit: RMB Yuan

Item	Reporting period	Same period of last year
Long-term equity investment calculated by cost method		4,888,044.88
Long-term equity investment calculated by equity method	-1,208.40	-2,595,523.09
Investment income from the disposal of long-term equity investment		-17,112.47
Investment income from financial assets measured at fair value and changes recorded into current profits and losses during holding period	870.00	
Investment income obtained through disposal of financial assets measured at fair value and changes recorded into current profits and losses	640,080.26	-997,145.30
Investment income during the period of the held of available for sale financial assets	3,449,696.24	21,942,835.20

Investment income from the disposal of available for sale financial assets	17,063,266.56	
Other	-443,538.84	-217,648.56
Total	20,709,165.82	23,003,450.66

XVIII. Supplementary materials

1. Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	Amount	Note
Gains/losses on the disposal of non-current assets	-391,009.93	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	2,519,246.86	
Gain/loss from change of fair value of transactional assets and liabilities, and investment gains from disposal of transactional financial assets and liabilities and available-for-sale financial assets, other than valid hedging related to the Company's common businesses	18,541,755.45	
Other non-operating income and expenses other than the above	-14,119,698.73	Withdrawal of estimated liabilities
Other items in line with extraordinary gains and losses definition	491,693.21	
Less: Income tax effects	-1,472,221.11	
Minority interests effects	67,459.11	
Total	8,446,748.86	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

☐ Applicable ☒ Inapplicable

2. Return on equity (ROE) and earnings per share (EPS)

Profit as of reporting period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to the Company's common shareholders	3.48%	0.0788	0.0788
Net profit attributable to the Company's common shareholders after deducting extraordinary gains and losses	3.19%	0.0722	0.0722

3. Differences between accounting data under domestic and overseas accounting standards**(1) Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards**

□ Applicable √ Inapplicable

Unit: RMB Yuan

	Net profits		Net assets	
	Reporting period	Same period of last year	Closing balance	Opening balance
According to Chinese accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58
Items and amounts adjusted according to overseas accounting standards				
According to overseas accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58

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

□ Applicable √ Inapplicable

Unit: RMB Yuan

	Net profits		Net assets	
	Reporting period	Same period of last year	Closing balance	Opening balance
According to Chinese accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58
Items and amounts adjusted according to overseas accounting standards:				
According to overseas accounting standards	100,258,759.31	188,959,139.45	4,325,397,037.15	3,044,585,720.58

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

Inapplicable

Section X. Documents Available for Reference

Investors and relevant departments can refer to the following materials in office of secretary to the Board in office building of the Company:

1. Financial statements signed and sealed by legal representative, principal of accounting work, and manager of finance department;
2. In the reporting period, all originals of the Company's documents and public notices have been publicly disclosed in China Securities Journal, Securities Times, and Ta Kung Pao;
3. Original Annual Report 2015 signed by Chairman of the Board.

Board of Directors
Foshan Electrical and Lighting Co., Ltd
26 August 2015