

FOSHAN ELECTRICAL AND LIGHTING CO., LTD.

THIRD QUARTER REPORT 2019

October 2019

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Foshan Electrical and Lighting Co., Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

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

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

Part II Key Corporate Information

I Key Consolidated Financial Information

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

☐ Yes ☒ No

	30 September 2019		31 December 2018		Change (%)			
Total assets (RMB)	5,512,912,337.32		5,588,166,699.30		-1.35%			
Equity attributable to the listed company’s shareholders (RMB)	4,372,149,231.17		4,319,259,418.46		1.22%			
	Q3 2019		YoY change (%)		Q1-Q3 2019		YoY change (%)	
Operating revenue (RMB)	755,281,612.77		-7.98%		2,442,466,273.63		-15.35%	
Net profit attributable to the listed company’s shareholders (RMB)	63,440,260.60		-32.79%		230,715,986.35		-28.72%	
Net profit attributable to the listed company’s shareholders before exceptional items (RMB)	64,734,076.20		-31.54%		219,252,063.86		-32.03%	
Net cash generated from/used in operating activities (RMB)	--		--		335,947,221.70		-34.18%	
Basic earnings per share (RMB/share)	0.0453		-32.89%		0.1649		-28.71%	
Diluted earnings per share (RMB/share)	0.0453		-32.89%		0.1649		-28.71%	
Weighted average return on equity (%)	1.52%		-0.14%		5.29%		-1.69%	

Exceptional gains and losses:

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Q1-Q3 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-53,336.67	
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	3,412,550.19	

Gain or loss on fair-value changes in trading financial assets and liabilities and derivative financial assets and liabilities & investment income from disposal of trading financial assets and liabilities and derivative financial assets and liabilities, and other creditors' investment (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	11,401,600.00	
Non-operating income and expense other than above	-1,196,346.06	
Less: Income tax effects	2,084,348.88	
Non-controlling interests effects (net of tax)	16,196.09	
Total	11,463,922.49	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2019

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

Unit: share

Number of ordinary shareholders	85,241	Number of preferred shareholders with resumed voting rights (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
Hong Kong Wah Shing Holding Company Limited	Foreign legal person	13.47%	188,496,430		In pledge	92,363,251
Prosperity Lamps & Components Limited	Foreign legal person	10.50%	146,934,857			
Shenzhen Rising Investment Development Co., Ltd.	State-owned legal person	5.12%	71,696,136		In pledge	35,800,000

Guangdong Electronics Information Industry Group Ltd.	State-owned legal person	4.74%	66,393,501		In pledge	32,532,815
Central Huijin Asset Management Co., Ltd.	State-owned legal person	2.42%	33,878,900			
Essence International Securities (Hong Kong) Limited	Foreign legal person	2.22%	31,008,913			
Rising Investment Development Limited	Foreign legal person	1.82%	25,482,252			
DBS VICKERS (HONG KONG) LTD A/C CLIENTS	Foreign legal person	1.57%	22,002,137			
China Merchants Securities (HK) Co., Limited	Foreign legal person	0.87%	12,226,036			
Zhuang Jianyi	Foreign natural person	0.85%	11,903,509	8,927,632		

Top 10 unrestricted shareholders

Name of shareholder	Unrestricted shares	Shares by type	
		Type	Shares
Hong Kong Wah Shing Holding Company Limited	188,496,430	RMB-denominated ordinary stock	188,496,430
Prosperity Lamps & Components Limited	146,934,857	RMB-denominated ordinary stock	146,934,857
Shenzhen Rising Investment Development Co., Ltd.	71,696,136	RMB-denominated ordinary stock	71,696,136
Guangdong Electronics Information Industry Group Ltd.	66,393,501	RMB-denominated ordinary stock	66,393,501
Central Huijin Asset Management Co., Ltd.	33,878,900	RMB-denominated ordinary stock	33,878,900
Essence International Securities (Hong Kong) Limited	31,008,913	Domestically listed foreign stock	31,008,913

Rising Investment Development Limited	25,482,252	Domestically listed foreign stock	25,482,252
DBS VICKERS (HONG KONG) LTD A/C CLIENTS	22,002,137	Domestically listed foreign stock	22,002,137
China Merchants Securities (HK) Co., Limited	12,226,036	Domestically listed foreign stock	12,226,036
Zhao Xiyi	7,868,765	RMB-denominated ordinary stock	7,868,765
Related or acting-in-concert parties among shareholders above	Among the top 10 shareholders, Hong Kong Wah Shing Holding Company Limited, Shenzhen Rising Investment Development Co., Ltd., Guangdong Electronics Information Industry Group Ltd. and Rising Investment Development Limited are acting-in-concert parties. Apart from that, it is unknown whether there is among the top 10 shareholders any other related parties or acting-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	NA		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yes ☒ No

No such cases in the Reporting Period.

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

☐ Applicable ☒ Not applicable

Part III Significant Events

I Changes in Selected Consolidated Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

Unit: RMB

Item	30 September 2019 (or Q1~Q3 2019)	31 December 2018 (or Q1~Q3 2018)	Change (%)	Explanation of why
Interests receivable	7,827,159.65	5,152,364.04	51.91%	Primarily driven by increase in withdrawal of interests of undue fixed time deposits in the Reporting Period
Available-for-sale financial assets		897,716,590.20	-100.00%	Primarily driven by the transfer of this item into investments in other equity instruments for accounting in accordance with the New Standards Governing Financial Instruments in the Reporting Period
Investments in other equity instruments	939,350,512.41		N/A	Primarily driven by the transfer of those originally recorded into available-for-sale financial assets into this item for accounting in accordance with the New Standards Governing Financial Instruments in the Reporting Period
Other non-current assets	6,829,987.60	48,305,435.42	-85.86%	Primarily driven by recovery of accounts
Trading financial liabilities	2,625,600.00		N/A	Primarily driven by the transfer of those originally recorded into financial liabilities at fair value through profit or loss into this item for accounting in accordance with the New Standards Governing Financial Instruments in the Reporting Period
Financial liabilities at fair value through profit or loss		477,200.00	-100.00%	Primarily driven by the transfer of this item into trading financial liabilities for accounting in accordance with the New Standards Governing Financial Instruments in the Reporting Period
Payroll payable	65,113,082.24	96,088,621.59	-32.24%	The payment in the current period of the year-end bonuses of last year to the employees
Tax payable	16,204,972.79	25,354,466.37	-36.09%	Decrease in VAT and income tax in the Reporting Period
Deferred income	38,750.37	155,000.31	-75.00%	Carry-over of some deferred income to non-operating income in the Reporting Period
R&D expense	51,257,471.53	35,259,823.24	45.37%	Primarily driven by increase in the salary of R&D personnel for the Reporting Period compared to that of last year

Interest income	16,370,875.76	7,691,616.90	112.84%	Primarily driven by increase in interests of deposits for the Reporting Period
Other income	6,665,710.25	27,330,963.26	-75.61%	A smaller amount of government subsidies received in the Company's ordinary course of business
Income from investment in joint ventures and associated enterprises	875,062.13	6,515,462.53	-86.57%	Decrease in associated enterprises' net profit attributable to shareholders of the Company as the parent in the Reporting Period
Gain on changes in fair value	-2,148,400.00	-4,819,200.00	55.42%	Primarily driven by decrease in amount of undue forward foreign exchange settlement products as at 30 September 2019
Credit impairment loss	1,749,099.60		N/A	Primarily driven by the presentation of bad debt provision withdrawn for accounts receivable under this item in accordance with the New Standards Governing Financial Instruments in the Reporting Period
Asset impairment loss	-12,157,202.51	-31,327,824.39	61.19%	Primarily driven by the presentation of bad debt provision withdrawn for accounts receivable under the item of credit impairment loss in accordance with the New Standards Governing Financial Instruments in the Reporting Period
Asset disposal income		-78,039.44	100.00%	Resale of non-current assets in the same period of last year
Operating profit	271,171,799.88	387,876,055.36	-30.09%	Decrease in operating revenue in the Reporting Period
Non-operating income	2,672,321.16	2,040,284.75	30.98%	Primarily driven by increase in non-operating income for the Reporting Period
Non-operating expense	2,680,673.95	884,191.93	203.18%	Increase in non-operating expense in the Reporting Period
Profit before tax	271,163,447.09	389,032,148.18	-30.30%	Decrease in operating revenue in the Reporting Period
Income tax expense	38,512,677.43	62,530,147.85	-38.41%	Decrease in profit before tax in the Reporting Period
Net profit attributable to non-controlling interests	1,934,783.31	2,835,156.82	-31.76%	Decrease in profits of non-wholly-owned subsidiaries in the Reporting Period
Other comprehensive income, net of tax	40,471,826.38	-333,328,064.68	112.14%	Increase in fair value of investments in other equity assets in the Reporting Period
Total comprehensive income	273,122,596.04	-6,826,064.35	4101.17%	Increase in fair value of investments in other equity instruments in the Reporting Period
Net cash generated from/used in operating activities	335,947,221.70	510,441,096.28	-34.18%	Primarily driven by increase of mature bank acceptance bills honored in the Reporting Period compared to that of the same period of last year
Net cash generated from/used in investing activities	47,955,813.35	-20,911,229.55	329.33%	Decrease in cash paid for construction of fixed assets, intangible assets and other long-term assets in

				the Reporting Period
Net cash generated from/used in financing activities	-215,948,000.02	-405,163,764.00	46.70%	Decrease in cash dividends paid in the Reporting Period
Effect of foreign exchange rate changes on cash and cash equivalents	531,705.94	5,036,692.65	-89.44%	Large fluctuation of exchange rates of the same period of last year
Net increase in cash and cash equivalents	168,486,740.97	89,402,795.38	88.46%	Primarily driven by increase in cash flows from financing activities

II Progress, Influence and Solutions with regard to Significant Events

☐ Applicable ☒ Not applicable

Progress of any share repurchase:

☐ Applicable ☒ Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

☐ Applicable ☒ Not applicable

III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IV Securities Investments

☒ Applicable ☐ Not applicable

Unit: RMB

Security type	Security code	Security name	Initial investment cost	Measurement method	Beginning carrying amount	Gain/Loss on fair-value changes in Reporting Period	Accumulated fair-value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying amount	Accounting title	Funding source
Domestically/Overseas listed stock	002074	Guoxuan High-tech	160,000,000.00	Fair value method	525,465,291.00	43,182,701.25	348,412,852.61			4,545,547.50	568,647,992.25	Investment in other equity instruments	Self-funded

Domestically/Overseas listed stock	601818	China Everbright Bank	30,828,816.00	Fair value method	68,622,989.80	4,451,220.96	49,424,462.94			2,986,027.39	73,074,210.76	Investment in other equity instruments	Self-funded
Domestically/Overseas listed stock	N/A	Xiamen Bank	292,574,133.00	Cost method	292,574,133.00					10,971,417.60	292,574,133.00	Investment in other equity instruments	Self-funded
Domestically/Overseas listed stock	N/A	Foshan branch of Guangdong Development Bank	500,000.00	Cost method	500,000.00					7,962.31	500,000.00	Investment in other equity instruments	Self-funded
Total			483,902,949.00	--	887,162,413.80	47,633,922.21	397,837,315.55	0.00	0.00	18,510,954.80	934,796,336.01	--	--
Disclosure date of announcement on Board's consent for securities investments													
Disclosure date of announcement on general meeting's consent for securities investments (if any)													

V Wealth Management Entrustment

√ Applicable □ Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

Type of wealth management	Funding source	Principal	Outstanding amount before maturity	Overdue amount
Wealth management product purchased from bank	Self-funded	36,500	34,500	0

Structural deposits	Self-funded	60,000	48,000	0
Total		96,500	82,500	0

High-risk wealth management entrustments with amounts that are individually significant, or with low security, low liquidity, or no protection of the principal:

√ Applicable □ Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

Trustee	Type of trustee	Type of wealth management product	Principal	Funding source	Start date	End date	Investment with principal	Way of payback	Reference annualized return (%)	Expected return (if any)	Actual gain/loss in Reporting Period	Collection/payment of gain/loss in Reporting Period	Impairment allowance (if any)	Through prescribed procedure or not	Any plan for further entrustment	Overview and index to more information (if any)
China Guangfa Bank (Guangzhou Development District sub-branch)	Bank	Principal-protected with floating-rate income	8,000	Self-owned idle capital	12 July 2019	11 October 2019	Investment	Payment of principal and interest upon maturity	3.90%	48.62	42.74	To be collected		Yes	Yes	www.cninfo.com.cn
China Guangfa Bank (Foshan Chengnan sub-branch)	Bank	Principal-protected with floating-rate income	5,000	Self-owned idle capital	23 July 2019	21 October 2019	Investment	Payment of principal and interest upon maturity	3.95%	48.7	37.34	To be collected		Yes	Yes	www.cninfo.com.cn
Bohai Bank	Bank	Principal-protected	5,000	Self-owned	9 August	10 February	Investment	Payment of	3.85%	97.57	27.42	To be collected		Yes	Yes	www.cninfo

(Shenzhen Chego ngmia o Branch)		ected with floatin g-rate income		idle capital	t 2019	ry 2020		princi pal and interes t upon maturi ty				ed				.com.cn
Huaxi a Bank (Fosha n branch)	Bank	Princip al-prot ected with floatin g-rate income	3,000	Self-o wned idle capital	9 August 2019	7 Nove mber 2019	Invest ment	Payme nt of princi pal and interes t upon maturi ty	3.90%	28.85	16.67	To be collect ed		Yes	Yes	www.cninfo.com.cn
China Guang fa Bank (Guan gzhou Devel opmen t Distric t sub-br anch)	Bank	Princip al-prot ected with floatin g-rate income	2,000	Self-o wned idle capital	20 August 2019	18 Nove mber 2019	Invest ment	Payme nt of princi pal and interes t upon maturi ty	3.90%	19.23	8.76	To be collect ed		Yes	Yes	www.cninfo.com.cn
China Guang fa Bank (Guan gzhou Devel opmen t Distric t sub-br anch)	Bank	Princip al-prot ected with floatin g-rate income	5,000	Self-o wned idle capital	27 August 2019	25 Nove mber 2019	Invest ment	Payme nt of princi pal and interes t upon maturi ty	3.85%	47.47	17.93	To be collect ed		Yes	Yes	www.cninfo.com.cn
PingA	Bank	Princip	3,500	Self-o	22	22	Invest	Payme	3.85%	33.96	14.4	To be		Yes	Yes	www.

n Bank (Foshan Jiangwan sub-branch)		al-protected with floating-rate income		wned idle capital	August 2019	November 2019	ment	nt of princi pal and interes t upon maturi ty				collect ed				cninfo .com.cn
China Guangfa Bank (Foshan Chengnan sub-branch)	Bank	Princip al-protected with floating-rate income	3,000	Self-o wned idle capital	4 Sept ember 2019	3 Dec ember 2019	Invest ment	Payme nt of princi pal and interes t upon maturi ty	3.85%	28.48	8.23	To be collect ed		Yes	Yes	www. cninfo .com.cn
Total			34,500	--	--	--	--	--	--	352.88	173.49	--		--	--	--

Wealth management entrustments with possible impairments including an expectedly unrecoverable principal:

☐ Applicable ☒ Not applicable

VI Investments in Derivative Financial Instruments

☒ Applicable ☐ Not applicable

Unit: USD'0,000

Counterparty	Relation ship with the Company	Related- party transacti on or not	Type of derivativ e	Initial investm ent amount	Start date	End date	Beginni ng investm ent	Purchas ed in Reporti ng Period	Sold in Reporti ng Period	Impairm ent allowan ce (if any)	Ending investm ent	Ending investm ent as % of the Compan y's ending net assets	Actual gain/los s in Reporti ng Period
China Constructi on Bank (Foshan branch)	Not related	Not	Forward forex settleme nt portfolio	1,200	12 July 2018	14 January 2019	200		200			0.00%	-1.78

Agricultural Bank of China (Foshan branch)	Not related	Not	Forward forex settlement portfolio	1,200	2 August 2018	1 February 2019	400		400			0.00%	-0.12
Guanzhou Rural Commercial Bank (Foshan branch)	Not related	Not	Ordinary forward forex settlement	600	22 March 2019	12 June 2019		600	600			0.00%	-5.6
Guanzhou Rural Commercial Bank (Foshan branch)	Not related	Not	Ordinary forward forex settlement	600	24 April 2019	31 October 2019		600			600	0.96%	-29.51
China Construction Bank (Foshan branch)	Not related	Not	Ordinary forward forex settlement	500	9 May 2019	15 October 2019		500	400		100	0.16%	-11.51
Agricultural Bank of China (Foshan branch)	Not related	Not	Ordinary forward forex settlement	500	9 May 2019	14 October 2019		500	400		100	0.16%	-11.32
Total				4,600	--	--	600	2,200	2,000	0	800	1.28%	-59.84
Funding source				Self-funded									
Legal matters involved (if applicable)				N/A									
Disclosure date of board announcement approving derivative investment (if any)				23 May 2018									
Disclosure date of general meeting announcement approving derivative investment (if any)													
Analysis of risks and control measures associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal				Risk Analysis of Forward Exchange Settlement Business: 1. Risk of exchange rate fluctuations. In the case of large fluctuations in the exchange rate, the quoted price of the bank's forward exchange rate may be lower than the Company's quoted exchange rate to the customer, which will make the Company unable to lock the quoted exchange rate to the customer or the bank's forward exchange rate may deviate from the exchange rate at the time									

risk, etc.)	<p>of the Company's actual receipt and payment, and causes exchange losses. 2. Risk of customer default. The customer's accounts receivable may be overdue, and the payment for goods cannot be recovered within the predictable payback period, which will result in the loss of the Company due to the delayed forward settlement. 3. Risk of payback prediction. The marketing department shall made corresponding payback prediction based on customer orders and expected orders. However, during the actual implementation process, customers may adjust their orders and predictions, which will result in the Company's incorrect payback prediction and cause the risk of delayed delivery of forward exchange settlement.</p> <p>Adopted Risk Control Measures: 1. The Company will strengthen the research and analysis of the exchange rate. When the exchange rate fluctuates greatly, it will adjust the business strategy in a timely manner to stabilize the export business and avoid exchange losses to the utmost. 2. The Management System for Forward Settlement and Sales of Foreign Exchanges reviewed and approved by the board of directors of the Company stipulates that all forward foreign exchange settlement businesses of the Company shall be based on the normal production and operation, and relied on specific business operations to avoid and prevent various exchange rate risks. However, speculative transaction and interest arbitrage are not allowed. At the same time, the system clearly defines the operating principles, approval authority, responsible department and responsible person, internal operation procedures, information isolation measures, internal risk reporting system, risk management procedures, and information disclosure related to the forward settlement business as well. In fact, the system is conducive to strengthen the management of the Company's forward foreign exchange settlement business and prevent investment risks. 3. In order to prevent any delay in the forward exchange settlement, the Company will strengthen the management of accounts receivable, actively collect receivables, and avoid any overdue receivables. In the meantime, the Company plans to increase the export purchases and purchase corresponding credit insurance so as to reduce the risk of default and customer default. 4. The Company's forward foreign exchange settlement transactions must be based on the Company's foreign exchange earnings prediction. Besides, the Company shall strictly control the scale of its forward foreign exchange settlement business, and manage all risks that the Company may face within a controllable range. 5. The internal audit department of the Company shall check the actual signing and execution situation of all trading contracts on a regular or irregular basis.</p>
Changes in market prices or fair value of derivative investments in Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	<p>1. The Company has invested various derivatives including Forward Exchange Settlement 3+3 Portfolio. This product portfolio is superior to other ordinary forward settlement products during the same period. The first three sessions of vesting conditions of this portfolio are: the spot exchange rate at maturity is lower than the agreed front-end exchange rate, and the exchange settlement shall be carried out based on the agreed front-end exchange rate; if the spot exchange rate at maturity is higher than the agreed front-end exchange rate, the Company can choose not to settle the exchange or choose to settle the exchange based on the spot exchange rate at maturity. The back-end three sessions of vesting conditions are: the spot exchange rate at maturity is lower than the agreed back-end exchange rate, and the Company can choose not to settle the exchange or choose to settle the exchange based on the spot exchange rate at maturity; if the spot exchange rate at maturity is higher than the agreed back-end exchange rate, the exchange settlement shall be carried out based on the agreed</p>

	<p>back-end exchange rate. At present, in terms of Forward Exchange Settlement 3+3 Portfolio purchased by the Company, the spot exchange rates at maturity are all higher than the agreed front-end exchange rates, and the Company chooses not to exercise the right. Therefore, the product's fair value has not changed.</p> <p>2. The Company has invested ordinary forward exchange settlement product and the exchange settlement shall be carried out in accordance with the currency, amount and exchange rate stipulated in the forward exchange settlement contract, and the fair value of the product will change.</p>
Major changes in accounting policies and specific accounting principles adopted for derivative investments in Reporting Period compared to last reporting period	N/A
Opinion of independent directors on derivative investments and risk control	<p>The independent directors of the Company are of the opinion that during the Reporting Period, the Company carried out forward forex settlement in strict compliance with the Company Law, the Regulations of the People's Bank of China on Foreign Exchange Settlement, Sale and Payment and the Company's Management Rules for Forward Foreign Exchange Settlement and Sale, among others, as well as within the Board's authorization. Such trading is primarily aimed to prevent exchange rate fluctuations from impacting the Company's export business and operating earnings, with no speculative trading involved. It is a necessity, and the risk is well under control.</p>

VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

☒ Applicable ☐ Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
2 September 2019	By one-on-one meeting	Institution	Cninf-Interactive-Investor Relations

VIII Irregularities in the Provision of Guarantees

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

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

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

30 September 2019

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Monetary capital	1,038,625,465.23	896,646,719.87
Settlement reserve		
Interbank loans granted		
Trading financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	117,332,228.14	107,506,613.50
Accounts receivable	715,591,814.02	834,420,596.05
Accounts receivable financing		
Prepayments	12,297,675.47	13,811,905.18
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	26,391,846.27	21,745,690.53
Including: Interest receivable	7,827,159.65	5,152,364.04
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	651,340,109.93	767,319,599.00
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		

Other current assets	864,628,092.32	864,093,663.30
Total current assets	3,426,207,231.38	3,505,544,787.43
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Available-for-sale financial assets		897,716,590.20
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	180,213,036.07	182,458,559.69
Investments in other equity instruments	939,350,512.41	
Other non-current financial assets		
Investment property		
Fixed assets	578,059,529.88	512,106,912.39
Construction in progress	171,553,570.26	224,624,447.16
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	169,403,736.89	172,725,277.21
R&D expense		
Goodwill		
Long-term prepaid expense	7,691,746.38	6,852,985.35
Deferred income tax assets	33,602,986.45	37,831,704.45
Other non-current assets	6,829,987.60	48,305,435.42
Total non-current assets	2,086,705,105.94	2,082,621,911.87
Total assets	5,512,912,337.32	5,588,166,699.30
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Interbank loans obtained		
Trading financial liabilities	2,625,600.00	
Financial liabilities at fair value through profit or loss		477,200.00
Derivative financial liabilities		

Notes payable	419,896,446.04	452,683,676.97
Accounts payable	451,398,326.85	532,597,143.95
Advances from customers	51,392,925.18	43,850,788.04
Contractual liabilities		
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	65,113,082.24	96,088,621.59
Taxes payable	16,204,972.79	25,354,466.37
Other payables	48,077,759.10	43,115,011.68
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	1,054,709,112.20	1,194,166,908.60
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income	38,750.37	155,000.31

Deferred income tax liabilities	59,675,597.34	52,530,509.00
Other non-current liabilities		
Total non-current liabilities	59,714,347.71	52,685,509.31
Total liabilities	1,114,423,459.91	1,246,852,417.91
Owners' equity:		
Share capital	1,399,346,154.00	1,399,346,154.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	158,608,173.07	158,608,173.07
Less: Treasury stock		
Other comprehensive income	338,139,699.18	297,667,872.80
Specific reserve		
Surplus reserves	809,456,186.20	809,456,186.20
General reserve		
Retained earnings	1,666,599,018.72	1,654,181,032.39
Total equity attributable to owners of the Company as the parent	4,372,149,231.17	4,319,259,418.46
Non-controlling interests	26,339,646.24	22,054,862.93
Total owners' equity	4,398,488,877.41	4,341,314,281.39
Total liabilities and owners' equity	5,512,912,337.32	5,588,166,699.30

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Monetary capital	977,640,664.63	848,949,693.91
Trading financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	112,920,307.14	104,945,398.61
Accounts receivable	689,203,898.48	795,897,932.65

Accounts receivable financing		
Prepayments	10,690,306.76	25,444,445.34
Other receivables	53,009,127.43	43,538,848.72
Including: Interest receivable	7,827,159.65	5,152,364.04
Dividends receivable		
Inventories	575,936,836.56	692,681,479.03
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	862,211,256.36	856,504,839.81
Total current assets	3,281,612,397.36	3,367,962,638.07
Non-current assets:		
Investments in debt obligations		
Available-for-sale financial assets		897,716,590.20
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	464,006,138.33	466,251,661.95
Investments in other equity instruments	939,350,512.41	
Other non-current financial assets		
Investment property		
Fixed assets	520,809,674.90	427,947,613.74
Construction in progress	168,539,320.30	222,570,503.14
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	126,592,816.10	129,452,067.42
R&D expense		
Goodwill		
Long-term prepaid expense	5,184,296.98	5,106,268.25
Deferred income tax assets	31,390,774.48	35,908,741.15
Other non-current assets	5,190,287.60	46,852,235.42
Total non-current assets	2,261,063,821.10	2,231,805,681.27

Total assets	5,542,676,218.46	5,599,768,319.34
Current liabilities:		
Short-term borrowings		
Trading financial liabilities	2,625,600.00	
Financial liabilities at fair value through profit or loss		477,200.00
Derivative financial liabilities		
Notes payable	419,896,446.04	452,683,676.97
Accounts payable	584,693,750.70	681,490,174.69
Advances from customers	48,018,693.90	41,912,301.85
Contractual liabilities		
Payroll payable	54,090,069.48	84,220,746.16
Taxes payable	17,278,471.94	17,528,644.83
Other payables	160,789,518.61	114,073,355.23
Including: Interest payable		
Dividends payable		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	1,287,392,550.67	1,392,386,099.73
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income		
Deferred income tax liabilities	59,675,597.34	52,530,509.00
Other non-current liabilities		
Total non-current liabilities	59,675,597.34	52,530,509.00

Total liabilities	1,347,068,148.01	1,444,916,608.73
Owners' equity:		
Share capital	1,399,346,154.00	1,399,346,154.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	166,211,779.15	166,211,779.15
Less: Treasury stock		
Other comprehensive income	338,161,718.21	297,672,884.34
Specific reserve		
Surplus reserves	809,456,186.20	809,456,186.20
Retained earnings	1,482,432,232.89	1,482,164,706.92
Total owners' equity	4,195,608,070.45	4,154,851,710.61
Total liabilities and owners' equity	5,542,676,218.46	5,599,768,319.34

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Revenue	755,281,612.77	820,735,540.10
Including: Operating revenue	755,281,612.77	820,735,540.10
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	691,448,806.54	742,105,730.35
Including: Cost of sales	580,798,340.17	619,459,583.91
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as policy reserve		
Expenditure on policy		

dividends		
Reinsurance premium expense		
Taxes and surcharges	8,935,144.14	7,110,901.52
Selling expense	56,301,280.46	67,625,662.29
Administrative expense	38,716,494.36	45,731,759.35
R&D expense	21,396,838.92	16,316,330.46
Finance costs	-14,699,291.51	-14,138,507.18
Including: Interest expense		
Interest income	5,992,546.47	2,812,177.03
Add: Other income	1,141,840.25	26,312,578.09
Investment income ("-" for loss)	11,278,789.23	25,411,137.34
Including: Share of profit or loss of joint ventures and associates	90,350.15	6,335,680.97
Derecognition income of financial assets measured at amortized cost		
Foreign exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-1,152,200.00	-4,819,200.00
Credit impairment loss ("-" for loss)	2,786,071.54	
Asset impairment loss ("-" for loss)	82,041.70	-15,320,954.56
Asset disposal income ("-" for loss)		-78,039.44
3. Operating profit ("-" for loss)	77,969,348.95	110,135,331.18
Add: Non-operating income	730,448.59	370,428.32
Less: Non-operating expense	2,202,281.98	692,442.51
4. Profit before tax ("-" for loss)	76,497,515.56	109,813,316.99
Less: Income tax expense	11,345,388.86	15,486,002.15
5. Net profit ("-" for net loss)	65,152,126.70	94,327,314.84
5.1 By operating continuity		
5.1.1 Net profit from continuing operations ("-" for net loss)	65,152,126.70	94,327,314.84

5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	63,440,260.60	94,389,387.69
5.2.2 Net profit attributable to non-controlling interests	1,711,866.10	-62,072.85
6. Other comprehensive income, net of tax	-21,164,061.27	-10,352,713.29
Attributable to owners of the Company as the parent	-21,164,061.27	-10,352,713.29
6.1 Items that will not be reclassified to profit or loss	-21,132,875.94	
6.1.1 Changes caused by remeasurements on defined benefit pension schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	-21,132,875.94	
6.1.4 Changes in the fair value of the company’s credit risks		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-31,185.33	-10,352,713.29
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		-10,354,561.67
6.2.4 Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt		

obligations		
6.2.7 Reserve for cash flow hedges		
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	-31,185.33	1,848.38
6.2.9 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	43,988,065.43	83,974,601.55
Attributable to owners of the Company as the parent	42,276,199.33	84,036,674.40
Attributable to non-controlling interests	1,711,866.10	-62,072.85
8. Earnings per share		
8.1 Basic earnings per share	0.0453	0.0675
8.2 Diluted earnings per share	0.0453	0.0675

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Operating revenue	740,099,125.98	806,761,538.76
Less: Cost of sales	584,073,731.53	629,785,452.97
Taxes and surcharges	7,830,107.52	4,807,080.85
Selling expense	51,020,010.55	59,544,684.51
Administrative expense	33,727,059.40	42,369,376.35
R&D expense	19,137,384.89	15,372,638.99
Finance costs	-14,606,198.25	-13,703,097.66
Including: Interest expense		
Interest income	5,888,747.23	2,367,541.27
Add: Other income	1,003,660.25	24,812,879.00
Investment income ("-" for loss)	11,278,789.23	57,357,355.93
Including: Share of profit or	90,350.15	6,335,680.97

loss of joint ventures and associates		
Derecognition income of financial assets measured at amortized cost		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-1,152,200.00	-4,819,200.00
Credit impairment loss (“-” for loss)	2,533,358.60	
Asset impairment loss (“-” for loss)	82,041.70	-15,359,989.07
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	72,662,680.12	130,576,448.61
Add: Non-operating income	674,724.20	330,267.62
Less: Non-operating expense	2,202,281.98	192,865.77
3. Profit before tax (“-” for loss)	71,135,122.34	130,713,850.46
Less: Income tax expense	9,973,689.36	12,679,416.15
4. Net profit (“-” for net loss)	61,161,432.98	118,034,434.31
4.1 Net profit from continuing operations (“-” for net loss)	61,161,432.98	118,034,434.31
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-21,132,875.94	-10,354,561.67
5.1 Items that will not be reclassified to profit or loss	-21,132,875.94	
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
5.1.3 Changes in the fair value of investments in other equity instruments	-21,132,875.94	
5.1.4 Changes in the fair value of the company’s credit risks		
5.1.5 Other		

5.2 Items that will be reclassified to profit or loss		-10,354,561.67
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		-10,354,561.67
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	40,028,557.04	107,679,872.64
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Revenue	2,442,466,273.63	2,885,514,830.09
Including: Operating revenue	2,442,466,273.63	2,885,514,830.09
Interest income		
Premium income		

Handling charge and commission income		
2. Operating costs and expenses	2,220,522,130.06	2,538,665,681.86
Including: Cost of sales	1,878,135,053.94	2,198,751,451.80
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as policy reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	29,771,412.88	29,073,419.76
Selling expense	179,711,846.84	171,542,672.76
Administrative expense	106,253,674.05	131,262,298.09
R&D expense	51,257,471.53	35,259,823.24
Finance costs	-24,607,329.18	-27,223,983.79
Including: Interest expense		
Interest income	16,370,875.76	7,691,616.90
Add: Other income	6,665,710.25	27,330,963.26
Investment income ("-" for loss)	55,118,448.97	49,921,007.70
Including: Share of profit or loss of joint ventures and associates	875,062.13	6,515,462.53
Derecognition income of financial assets measured at amortized cost		
Foreign exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-2,148,400.00	-4,819,200.00
Credit impairment loss ("-" for loss)	1,749,099.60	
Asset impairment loss ("-" for loss)	-12,157,202.51	-31,327,824.39

Asset disposal income (“-” for loss)		-78,039.44
3. Operating profit (“-” for loss)	271,171,799.88	387,876,055.36
Add: Non-operating income	2,672,321.16	2,040,284.75
Less: Non-operating expense	2,680,673.95	884,191.93
4. Profit before tax (“-” for loss)	271,163,447.09	389,032,148.18
Less: Income tax expense	38,512,677.43	62,530,147.85
5. Net profit (“-” for net loss)	232,650,769.66	326,502,000.33
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	232,650,769.66	326,502,000.33
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	230,715,986.35	323,666,843.51
5.2.2 Net profit attributable to non-controlling interests	1,934,783.31	2,835,156.82
6. Other comprehensive income, net of tax	40,471,826.38	-333,328,064.68
Attributable to owners of the Company as the parent	40,471,826.38	-333,328,064.68
6.1 Items that will not be reclassified to profit or loss	40,488,833.87	
6.1.1 Changes caused by remeasurements on defined benefit pension schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	40,488,833.87	
6.1.4 Changes in the fair value of the company’s credit risks		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-17,007.49	-333,328,064.68
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		

6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		-333,327,471.37
6.2.4 Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt obligations		
6.2.7 Reserve for cash flow hedges		
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	-17,007.49	-593.31
6.2.9 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	273,122,596.04	-6,826,064.35
Attributable to owners of the Company as the parent	271,187,812.73	-9,661,221.17
Attributable to non-controlling interests	1,934,783.31	2,835,156.82
8. Earnings per share		
8.1 Basic earnings per share	0.1649	0.2313
8.2 Diluted earnings per share	0.1649	0.2313

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Operating revenue	2,375,758,293.94	2,811,049,983.52

Less: Cost of sales	1,868,485,313.34	2,217,179,773.50
Taxes and surcharges	25,780,092.13	22,021,486.96
Selling expense	165,043,294.64	150,661,877.23
Administrative expense	92,197,397.18	119,997,288.25
R&D expense	47,267,023.97	33,985,885.56
Finance costs	-24,277,401.37	-26,358,156.78
Including: Interest expense		
Interest income	16,013,181.20	6,799,775.32
Add: Other income	6,327,530.25	25,374,222.06
Investment income (“-” for loss)	55,448,677.17	78,395,196.25
Including: Share of profit or loss of joint ventures and associates	875,062.13	6,515,462.53
Derecognition income of financial assets measured at amortized cost		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-2,148,400.00	-4,819,200.00
Credit impairment loss (“-” for loss)	2,434,197.31	
Asset impairment loss (“-” for loss)	-11,722,378.21	-30,584,644.12
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	251,602,200.57	361,927,402.99
Add: Non-operating income	2,423,216.08	1,902,719.21
Less: Non-operating expense	2,590,176.44	356,969.86
3. Profit before tax (“-” for loss)	251,435,240.21	363,473,152.34
Less: Income tax expense	32,869,714.22	45,627,355.24
4. Net profit (“-” for net loss)	218,565,525.99	317,845,797.10
4.1 Net profit from continuing operations (“-” for net loss)	218,565,525.99	317,845,797.10
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	40,488,833.87	-333,327,471.37

5.1 Items that will not be reclassified to profit or loss	40,488,833.87	
5.1.1 Changes caused by remeasurements on defined benefit pension schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments	40,488,833.87	
5.1.4 Changes in the fair value of the company's credit risks		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		-333,327,471.37
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		-333,327,471.37
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	259,054,359.86	-15,481,674.27
7. Earnings per share		
7.1 Basic earnings per share		

7.2 Diluted earnings per share		
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Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,592,925,263.78	2,646,375,234.95
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	76,915,672.88	109,951,990.96
Cash generated from other operating activities	101,313,019.67	71,257,187.00
Subtotal of cash generated from operating activities	2,771,153,956.33	2,827,584,412.91
Payments for commodities and services	1,641,623,556.46	1,462,982,460.41
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original		

insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	472,172,124.51	501,231,015.45
Taxes paid	145,610,049.05	195,992,337.25
Cash used in other operating activities	175,801,004.61	156,937,503.52
Subtotal of cash used in operating activities	2,435,206,734.63	2,317,143,316.63
Net cash generated from/used in operating activities	335,947,221.70	510,441,096.28
2. Cash flows from investing activities:		
Proceeds from disinvestment	21,000,000.00	160,000,000.00
Investment income	60,410,002.14	45,348,316.28
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets	40,834.00	507,597.20
Net proceeds from disposal of subsidiaries or other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	81,450,836.14	205,855,913.48
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	33,495,022.79	136,815,616.01
Payments for investments		
Net increase in pledged loans granted		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		89,951,527.02
Subtotal of cash used in investing activities	33,495,022.79	226,767,143.03
Net cash generated from/used in investing activities	47,955,813.35	-20,911,229.55
3. Cash flows from financing activities:		
Capital contributions received	2,350,000.00	

Including: Capital contributions by non-controlling interests to subsidiaries	2,350,000.00	
Increase in borrowings obtained		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	2,350,000.00	
Repayment of borrowings		
Payments for interest and dividends	218,298,000.02	405,163,764.00
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	218,298,000.02	405,163,764.00
Net cash generated from/used in financing activities	-215,948,000.02	-405,163,764.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	531,705.94	5,036,692.65
5. Net increase in cash and cash equivalents	168,486,740.97	89,402,795.38
Add: Cash and cash equivalents, beginning of the period	795,285,756.38	570,184,208.96
6. Cash and cash equivalents, end of the period	963,772,497.35	659,587,004.34

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,496,081,015.34	2,555,607,130.21
Tax rebates	76,904,234.22	109,928,355.77
Cash generated from other operating activities	87,466,294.97	57,831,655.01
Subtotal of cash generated from operating activities	2,660,451,544.53	2,723,367,140.99

Payments for commodities and services	1,712,948,237.15	1,638,169,956.39
Cash paid to and for employees	357,209,702.93	311,008,108.99
Taxes paid	109,330,385.86	124,616,603.82
Cash used in other operating activities	158,745,798.35	141,247,884.47
Subtotal of cash used in operating activities	2,338,234,124.29	2,215,042,553.67
Net cash generated from/used in operating activities	322,217,420.24	508,324,587.32
2. Cash flows from investing activities:		
Proceeds from disinvestment	21,000,000.00	140,000,000.00
Investment income	60,740,230.34	73,422,562.27
Net proceeds from disposal of fixed assets, intangible assets and other long-lived assets	40,330.00	
Net proceeds from disposal of subsidiaries or other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	81,780,560.34	213,422,562.27
Payments for acquisition of fixed assets, intangible assets and other long-lived assets	31,023,609.46	129,942,619.86
Payments for investments		
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		89,951,527.02
Subtotal of cash used in investing activities	31,023,609.46	219,894,146.88
Net cash generated from/used in investing activities	50,756,950.88	-6,471,584.61
3. Cash flows from financing activities:		
Capital contributions received		
Increase in borrowings obtained		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		

Repayment of borrowings		
Payments for interest and dividends	218,298,000.02	405,163,764.00
Cash used in other financing activities		
Sub-total of cash used in financing activities	218,298,000.02	405,163,764.00
Net cash generated from/used in financing activities	-218,298,000.02	-405,163,764.00
4. Effect of foreign exchange rate changes on cash and cash equivalents	522,595.23	5,004,415.19
5. Net increase in cash and cash equivalents	155,198,966.33	101,693,653.90
Add: Cash and cash equivalents, beginning of the period	747,588,730.42	502,169,100.40
6. Cash and cash equivalents, end of the period	902,787,696.75	603,862,754.30

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the Execution of any New Standards Governing Financial Instruments, Revenue or Leases from 2019

√ Applicable □ Not applicable

Consolidated balance sheet

Unit: RMB

Item	31 December 2018	1 January 2019	Adjustment
Current assets:			
Monetary capital	896,646,719.87	896,646,719.87	
Settlement reserve			
Interbank loans granted			
Trading financial assets		6,000,000.00	6,000,000.00
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	107,506,613.50	107,506,613.50	
Accounts receivable	834,420,596.05	834,420,596.05	
Accounts receivable			

financing			
Prepayments	13,811,905.18	13,811,905.18	
Premiums receivable			
Reinsurance receivables			
Receivable reinsurance contract reserve			
Other receivables	21,745,690.53	21,745,690.53	
Including: Interest receivable	5,152,364.04	5,152,364.04	
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	767,319,599.00	767,319,599.00	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	864,093,663.30	864,093,663.30	
Total current assets	3,505,544,787.43	3,511,544,787.43	6,000,000.00
Non-current assets:			
Loans and advances to customers			
Investments in debt obligations			
Available-for-sale financial assets	897,716,590.20		-897,716,590.20
Investments in other debt obligations			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	182,458,559.69	182,458,559.69	
Investments in other equity instruments		891,716,590.20	891,716,590.20
Other non-current financial assets			

Investment property			
Fixed assets	512,106,912.39	512,106,912.39	
Construction in progress	224,624,447.16	224,624,447.16	
Productive living assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	172,725,277.21	172,725,277.21	
R&D expense			
Goodwill			
Long-term prepaid expense	6,852,985.35	6,852,985.35	
Deferred income tax assets	37,831,704.45	37,831,704.45	
Other non-current assets	48,305,435.42	48,305,435.42	
Total non-current assets	2,082,621,911.87	2,076,621,911.87	-6,000,000.00
Total assets	5,588,166,699.30	5,588,166,699.30	
Current liabilities:			
Short-term borrowings			
Borrowings from central bank			
Interbank loans obtained			
Trading financial liabilities		477,200.00	477,200.00
Financial liabilities at fair value through profit or loss	477,200.00		-477,200.00
Derivative financial liabilities			
Notes payable	452,683,676.97	452,683,676.97	
Accounts payable	532,597,143.95	532,597,143.95	
Advances from customers	43,850,788.04	43,850,788.04	
Contractual liabilities			
Financial assets sold under repurchase agreements			
Customer deposits and interbank deposits			
Payables for acting trading of securities			
Payables for underwriting of securities			
Payroll payable	96,088,621.59	96,088,621.59	

Taxes payable	25,354,466.37	25,354,466.37	
Other payables	43,115,011.68	43,115,011.68	
Including: Interest payable			
Dividends payable			
Handling charges and commissions payable			
Reinsurance payables			
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	1,194,166,908.60	1,194,166,908.60	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term payroll payable			
Provisions			
Deferred income	155,000.31	155,000.31	
Deferred income tax liabilities	52,530,509.00	52,530,509.00	
Other non-current liabilities			
Total non-current liabilities	52,685,509.31	52,685,509.31	
Total liabilities	1,246,852,417.91	1,246,852,417.91	
Owners' equity:			
Share capital	1,399,346,154.00	1,399,346,154.00	
Other equity instruments			

Including: Preferred shares			
Perpetual bonds			
Capital reserves	158,608,173.07	158,608,173.07	
Less: Treasury stock			
Other comprehensive income	297,667,872.80	297,667,872.80	
Specific reserve			
Surplus reserves	809,456,186.20	809,456,186.20	
General reserve			
Retained earnings	1,654,181,032.39	1,654,181,032.39	
Total equity attributable to owners of the Company as the parent	4,319,259,418.46	4,319,259,418.46	
Non-controlling interests	22,054,862.93	22,054,862.93	
Total owners' equity	4,341,314,281.39	4,341,314,281.39	
Total liabilities and owners' equity	5,588,166,699.30	5,588,166,699.30	

Notes to the adjustment

The Ministry of Finance enacted the revised *Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments* (CK [2017] No. 7), *Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets* (CK [2017] No. 8), *Accounting Standards for Business Enterprises No. 24-Hedge Accounting* (CK [2017] No. 9) and *Accounting Standards for Business Enterprises No. 37-Presentation of Financial Instruments* (CK [2017] No. 14) in 2017. The Company starts to carry out above new financial accounting standards since 1 January 2019. In line with the convergence regulation, the information of comparative period is unnecessary to be adjusted and for the difference with former standards when the new standards are carried out on the first day, the beginning retained earnings and other comprehensive income for the Reporting Period shall be retroactively adjusted.

Those originally recorded into “available-for-sale financial assets” are currently recorded into “trading financial assets” and “investments in other equity instruments”; those originally recorded into “Financial liabilities at fair value through profit or loss” are currently recorded into “trading financial liabilities”.

Balance sheet of the Company as the parent

Unit: RMB

Item	31 December 2018	1 January 2019	Adjustment
Current assets:			
Monetary capital	848,949,693.91	848,949,693.91	
Trading financial assets		6,000,000.00	6,000,000.00
Financial assets at fair value through profit or loss			

Derivative financial assets			
Notes receivable	104,945,398.61	104,945,398.61	
Accounts receivable	795,897,932.65	795,897,932.65	
Accounts receivable financing			
Prepayments	25,444,445.34	25,444,445.34	
Other receivables	43,538,848.72	43,538,848.72	
Including: Interest receivable	5,152,364.04	5,152,364.04	
Dividends receivable			
Inventories	692,681,479.03	692,681,479.03	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	856,504,839.81	856,504,839.81	
Total current assets	3,367,962,638.07	3,373,962,638.07	6,000,000.00
Non-current assets:			
Investments in debt obligations			
Available-for-sale financial assets	897,716,590.20		-897,716,590.20
Investments in other debt obligations			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	466,251,661.95	466,251,661.95	
Investments in other equity instruments		891,716,590.20	891,716,590.20
Other non-current financial assets			
Investment property			
Fixed assets	427,947,613.74	427,947,613.74	
Construction in progress	222,570,503.14	222,570,503.14	

Productive living assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	129,452,067.42	129,452,067.42	
R&D expense			
Goodwill			
Long-term prepaid expense	5,106,268.25	5,106,268.25	
Deferred income tax assets	35,908,741.15	35,908,741.15	
Other non-current assets	46,852,235.42	46,852,235.42	
Total non-current assets	2,231,805,681.27	2,225,805,681.27	-6,000,000.00
Total assets	5,599,768,319.34	5,599,768,319.34	
Current liabilities:			
Short-term borrowings			
Trading financial liabilities		477,200.00	477,200.00
Financial liabilities at fair value through profit or loss	477,200.00		-477,200.00
Derivative financial liabilities			
Notes payable	452,683,676.97	452,683,676.97	
Accounts payable	681,490,174.69	681,490,174.69	
Advances from customers	41,912,301.85	41,912,301.85	
Contractual liabilities			
Payroll payable	84,220,746.16	84,220,746.16	
Taxes payable	17,528,644.83	17,528,644.83	
Other payables	114,073,355.23	114,073,355.23	
Including: Interest payable			
Dividends payable			
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	1,392,386,099.73	1,392,386,099.73	

Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term payroll payable			
Provisions			
Deferred income			
Deferred income tax liabilities	52,530,509.00	52,530,509.00	
Other non-current liabilities			
Total non-current liabilities	52,530,509.00	52,530,509.00	
Total liabilities	1,444,916,608.73	1,444,916,608.73	
Owners' equity:			
Share capital	1,399,346,154.00	1,399,346,154.00	
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	166,211,779.15	166,211,779.15	
Less: Treasury stock			
Other comprehensive income	297,672,884.34	297,672,884.34	
Specific reserve			
Surplus reserves	809,456,186.20	809,456,186.20	
Retained earnings	1,482,164,706.92	1,482,164,706.92	
Total owners' equity	4,154,851,710.61	4,154,851,710.61	
Total liabilities and owners' equity	5,599,768,319.34	5,599,768,319.34	

Notes to the adjustment

The Ministry of Finance enacted the revised *Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments* (CK [2017] No. 7), *Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets* (CK [2017] No. 8), *Accounting Standards for Business Enterprises No. 24-Hedge Accounting* (CK [2017] No. 9) and *Accounting*

Standards for Business Enterprises No. 37-Presentation of Financial Instruments (CK [2017] No. 14) in 2017. The Company starts to carry out above new financial accounting standards since 1 January 2019. In line with the convergence regulation, the information of comparative period is unnecessary to be adjusted and for the difference with former standards when the new standards are carried out on the first day, the beginning retained earnings and other comprehensive income for the Reporting Period shall be retroactively adjusted.

Those originally recorded into “available-for-sale financial assets” are currently recorded into “trading financial assets” and “investments in other equity instruments”; those originally recorded into “Financial liabilities at fair value through profit or loss” are currently recorded into “trading financial liabilities”.

2. Retrospective Restatement of Previous Comparative Data due to the Execution of any New Standards Governing Financial Instruments or Leases from 2019

☐ Applicable ☒ Not applicable

III Independent Auditor’s Report

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

☐ Yes ☒ No

These financial statements have not been audited by such an auditor.

The Board of Directors

Foshan Electrical and Lighting Co., Ltd.

29 October 2019