

FOSHAN ELECTRICAL AND LIGHTING CO., LTD.
FIRST QUARTER REPORT 2019

April 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. (hereinafter referred to as the “Company”) 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 Financial Information

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

Yes No

	Q1 2019	Q1 2018	Change (%)
Operating revenue (RMB)	889,232,750.52	1,123,376,512.26	-20.84%
Net profit attributable to the listed company's shareholders (RMB)	86,659,035.18	96,552,712.99	-10.25%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	74,681,526.84	96,033,861.87	-22.23%
Net cash flows from operating activities (RMB)	29,966,955.13	124,450,627.91	-75.92%
Basic earnings per share (RMB/share)	0.0619	0.0690	-10.29%
Diluted earnings per share (RMB/share)	0.0619	0.0690	-10.29%
Weighted average return on equity (%)	1.82%	2.00%	-0.18%
	31 March 2019	31 December 2018	Change (%)
Total assets (RMB)	5,799,151,823.18	5,588,166,699.30	3.78%
Equity attributable to the listed company's shareholders (RMB)	4,645,187,669.60	4,319,259,418.46	7.55%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-630.50	
Government subsidies charged to the profit/loss for this Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	163,829.98	
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	13,927,800.00	Investment income received from selling the equities of Chengdu Hongbo Industry Co., Ltd in the

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)		Reporting Period
Non-operating income and expense other than above	20,201.65	
Less: Income tax effects	2,130,749.24	
Non-controlling interests effects (net of tax)	2,943.55	
Total	11,977,508.34	--

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 31 March 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 at the period-end	88,597	Number of preferred shareholders with resumed voting rights at the period-end (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	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) Co., Ltd.	Foreign legal person	2.10%	29,332,186		
Hong Kong Rising Investment Development Co., Ltd.	Foreign legal person	1.82%	25,482,252		
DBS Vickers (Hong Kong) Ltd A/C Clients	Foreign legal person	1.58%	22,102,137		
China Merchants Securities (Hong Kong) Co., Ltd	Foreign legal person	0.88%	12,338,236		
Zhuang Jianyi	Foreign natural person	0.85%	11,903,509	8,927,632	
Top 10 unrestricted shareholders					
Name of shareholder	Unrestricted shares held	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) Co., Ltd.	29,332,186	Domestically listed foreign stock	29,332,186		
Hong Kong Rising Investment Development Co., Ltd.	25,482,252	Domestically listed foreign stock	25,482,252		
DBS Vickers (Hong Kong) Ltd A/C Clients	22,102,137	Domestically listed foreign stock	22,102,137		

China Merchants Securities (Hong Kong) Co., Ltd	12,338,236	Domestically listed foreign stock	12,338,236
Shenzhen Xingsen Asset Management Co., Ltd—Phase II Private Fund of Xingsen	8,633,126	RMB-denominated ordinary stock	8,633,126
Related or acting-in-concert parties among the shareholders above	Among the top 10 shareholders, Hong Kong Wah Shing Holding Company Limited, Shenzhen Rising Investment Development Co., Ltd., Guangdong Electronics Information Industry Group Ltd. and Hong Kong Rising Investment Development Co., Ltd. are acting-in-concert parties; and Prosperity Lamps & Components Limited and Zhuang Jianyi are acting-in-concert parties. Apart from that, it is unknown whether there is among the top 10 shareholders any other related parties or acting-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	Among the top 10 unrestricted shareholders, shareholder Shenzhen Xingsen Asset Management Co., Ltd—Phase II Private Fund of Xingsen holds 57,250 shares through common securities account, and holds 8,575,876 shares through an account of collateral securities for margin trading, where the total shares is 8,633,126.		

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.

Yea No

No such cases in the Reporting Period.

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

Applicable Not applicable

Part III Significant Events

I Changes in Key Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

Unit: RMB

Item	31 March 2019/Q1 2019	Q1 2018/31 December 2018	Change (%)	Explanation of why
Available-for-sale financial assets		897,716,590.20	-100.00%	The transfer of certain available-for-sale financial assets to investments in other equity instruments according to the new accounting standards governing financial instruments issued in the Reporting Period
Investments in other equity instruments	1,173,231,806.05		N/A	
Trading financial liabilities	99,400.00		N/A	The transfer of certain financial liabilities at fair value through profit or loss to trading financial liabilities according to the new accounting standards governing financial instruments issued in the Reporting Period
Financial liabilities at fair value through profit or loss		477,200.00	-100.00%	
Payroll payable	66,724,183.83	96,088,621.59	-30.56%	The payment in the current period of the year-end bonuses of last year to the employees
Deferred income tax liabilities	94,757,791.37	52,530,509.00	80.39%	The rise in the fair value of the Company's shareholdings in other companies in the current period
Other comprehensive income	536,937,088.76	297,667,872.80	80.38%	The rise in the fair value of the Company's shareholdings in other companies in the current period
Administrative expense	32,701,258.08	48,496,349.98	-32.57%	A smaller amount of salary provision as a result of lower revenue
R&D expense	14,375,055.48	7,920,976.24	81.48%	A greater R&D investment
Asset impairment loss	2,181,356.17	6,299,423.27	-65.37%	A smaller amount of allowances for doubtful accounts
Return on investment	20,086,440.56	7,509,169.19	167.49%	Income from the sale of the Company's equity interests in Chengdu Hongbo Industrial Co., Ltd. in the current period
Other income	146,400.00	355,982.00	-58.87%	A smaller amount of government subsidies received in the Company's

				ordinary course of business
Non-operating income	207,409.53	692,142.62	-70.03%	A smaller amount of government subsidies not related to the Company's operating activities
Non-operating expense	24,008.40	72,651.12	-66.95%	The payment of miscellaneous compensations in the same period of last year
Net profit attributable to non-controlling interests	-202,588.07	2,600,282.32	-107.79%	A smaller amount of profits of non-wholly-owned subsidiaries
Other comprehensive income, net of tax	239,269,215.96	-9,187,456.23	2704.30%	A rise in the fair value of investments in other equity instruments
Changes in the fair value of investments in other equity instruments	239,287,933.48		N/A	The transfer of certain available-for-sale financial assets to investments in other equity instruments according to the new accounting standards governing financial instruments issued in the Reporting Period, with the changes in the related fair value recorded into the changes in the fair value of investments in other equity instruments
Gain/Loss on changes in the fair value of available-for-sale financial assets		-9,186,346.21	100.00%	
Differences arising from the translation of foreign currency-denominated financial statements	-18,717.52	-1,110.02	-1586.23%	The appreciation of euro against Renminbi
Total comprehensive income	325,725,663.07	89,965,539.08	262.06%	A rise in the fair value of investments in other equity instruments
Total comprehensive income attributable to owners of the Company as the parent	325,928,251.14	87,365,256.76	273.06%	
Net cash flows from operating activities	29,966,955.13	124,450,627.91	-75.92%	Mature bank acceptance bills were honored in the current period
Net cash flows from investing activities	59,745,391.61	-54,668,249.60	209.29%	A higher amount of proceeds from disinvestment and a smaller amount of payments for the acquisition of fixed assets
Net increase in cash and cash equivalents	87,083,045.17	66,459,645.26	31.03%	Increase in net cash flows from investing activities

II Progress, Influence and Solutions with regard to Significant Events

√ Applicable □ Not applicable

1. The Company held the 26th Meeting of the 8th Board of Directors on 7 September 2018, on which the *Proposal*

on Cancellation of Wholly-owned Subsidiary was reviewed and approved. The cancellation of the wholly-owned subsidiary Guangdong FSL Financing Lease Co., Ltd. was agreed by the board of directors. The cancellation registration procedure of Guangdong FSL Financing Lease Co., Ltd. has been completed on 26 March 2019.

2. The Company held the 28th Meeting of the 8th Board of Directors on 7 March 2019, on which the *Proposal on Transfer of Shares in Chengdu Hongbo Industrial Co., Ltd.* was reviewed and approved. The transfer of 6.94% of shares held by the Company in Chengdu Hongbo Industrial Co., Ltd. at the price of RMB19.55 million was agreed by the board of directors. As of the period-end, the Company has received the share transfer payment and completed the share transfer registration procedure.

Summary of the significant event	Disclosure date	Index to the related announcement
Cancellation of wholly-owned subsidiary Guangdong FSL Financing Lease Co., Ltd.	2 April 2019	www.cninfo.com.cn
Transfer of shares of Chengdu Hongbo Industrial Co., Ltd.	8 March 2019	www.cninfo.com.cn

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 Operating Performance Forecast for H1 2019

Warning of a forecast loss on or a forecast significant year-on-year change in the net profit of H1 2019, as well as explanation of why:

Applicable Not applicable

V Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

VI Investments in Derivative Financial Instruments

Applicable Not applicable

Unit: USD'0,000

Operating party	Relationship with the Company	Related-party transaction or not	Type of derivative	Initial investment amount	Beginning date	Ending date	Beginning investment	Purchased in Reporting Period	Sold in Reporting Period	Impairment allowance (if any)	Ending investment	Ending investment as % of the Company's ending net assets	Actual gain/loss in Reporting Period
Foshan branch of China Construction Bank	Not related	Not	Forward forex settlement portfolio	1,200	12 July 2018	14 January 2019	200		200		0	0.00%	-1.81
Foshan branch of the Agricultural Bank of China	Not related	Not	Forward forex settlement portfolio	1,200	2 August 2018	1 February 2019	400		400		0	0.00%	-0.14
Foshan branch of Guangzhou Rural Commercial Bank	Not related	Not	Ordinary forward forex settlement	600	22 March 2019	12 June 2019		600			600	0.87%	-1.48
Total				3,000	--	--	600	600	600		600	0.87%	-3.43
Funding source				All from the Company's own money									
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, etc.)	<p>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 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	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

include measurement method and related assumptions and parameters)	<p>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 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
21 February 2019	By one-on-one meeting	Institution	Cninf-Interactive-Investor Relations
19 March 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.

31 March 2019

Unit: RMB

Item	31 March 2019	31 December 2018
Current assets:		
Monetary capital	950,691,746.55	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 and accounts receivable	982,213,059.72	941,927,209.55
Including: Notes receivable	135,080,457.47	107,506,613.50
Accounts receivable	847,132,602.25	834,420,596.05
Prepayments	17,021,181.84	13,811,905.18
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	21,802,949.65	21,745,690.53
Including: Interest receivable	6,320,543.45	5,152,364.04
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	659,861,575.74	767,319,599.00
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	815,531,430.50	864,093,663.30

Total current assets	3,447,121,944.00	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	182,458,559.69	182,458,559.69
Investments in other equity instruments	1,173,231,806.05	
Other non-current financial assets		
Investment property		
Fixed assets	508,352,567.33	512,106,912.39
Construction in progress	227,866,204.56	224,624,447.16
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	171,618,097.10	172,725,277.21
R&D expense		
Goodwill		
Long-term prepaid expense	7,994,885.24	6,852,985.35
Deferred income tax assets	33,010,063.79	37,831,704.45
Other non-current assets	47,497,695.42	48,305,435.42
Total non-current assets	2,352,029,879.18	2,082,621,911.87
Total assets	5,799,151,823.18	5,588,166,699.30
Current liabilities:		
Short-term borrowings		
Borrowings from central bank		
Interbank loans obtained		
Trading financial liabilities	99,400.00	
Financial liabilities at fair value through profit or loss		477,200.00
Derivative financial liabilities		
Notes and accounts payable	855,258,604.84	985,280,820.92
Advances from customers	42,765,323.37	43,850,788.04

Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	66,724,183.83	96,088,621.59
Taxes payable	28,039,849.00	25,354,466.37
Other payables	44,350,475.98	43,115,011.68
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Contractual liabilities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	1,037,237,837.02	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	116,250.33	155,000.31
Deferred income tax liabilities	94,757,791.37	52,530,509.00
Other non-current liabilities		
Total non-current liabilities	94,874,041.70	52,685,509.31
Total liabilities	1,132,111,878.72	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	536,937,088.76	297,667,872.80
Specific reserve		
Surplus reserves	809,456,186.20	809,456,186.20
General reserve		
Retained earnings	1,740,840,067.57	1,654,181,032.39
Total equity attributable to owners of the Company as the parent	4,645,187,669.60	4,319,259,418.46
Non-controlling interests	21,852,274.86	22,054,862.93
Total owners' equity	4,667,039,944.46	4,341,314,281.39
Total liabilities and owners' equity	5,799,151,823.18	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	31 March 2019	31 December 2018
Current assets:		
Monetary capital	897,564,675.93	848,949,693.91
Trading financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes and accounts receivable	946,084,406.78	900,843,331.26
Including: Notes receivable	133,737,856.97	104,945,398.61
Accounts receivable	812,346,549.81	795,897,932.65
Prepayments	27,314,944.06	25,444,445.34
Other receivables	52,583,961.86	43,538,848.72
Including: Interest receivable	6,320,543.45	5,152,364.04
Dividends receivable		

Inventories	602,250,378.73	692,681,479.03
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	809,274,492.71	856,504,839.81
Total current assets	3,335,072,860.07	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	466,251,661.95	466,251,661.95
Investments in other equity instruments	1,173,231,806.05	
Other non-current financial assets		
Investment property		
Fixed assets	426,146,813.45	427,947,613.74
Construction in progress	226,183,855.03	222,570,503.14
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	128,432,316.98	129,452,067.42
R&D expense		
Goodwill		
Long-term prepaid expense	6,475,878.82	5,106,268.25
Deferred income tax assets	31,042,289.33	35,908,741.15
Other non-current assets	46,110,695.42	46,852,235.42
Total non-current assets	2,503,875,317.03	2,231,805,681.27
Total assets	5,838,948,177.10	5,599,768,319.34
Current liabilities:		
Short-term borrowings		
Trading financial liabilities	99,400.00	
Financial liabilities at fair value through profit or loss		477,200.00
Derivative financial liabilities		

Notes and accounts payable	1,027,536,865.54	1,134,173,851.66
Advances from customers	39,780,260.65	41,912,301.85
Contractual liabilities		
Payroll payable	54,321,859.42	84,220,746.16
Taxes payable	20,363,003.05	17,528,644.83
Other payables	127,660,528.13	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	1,269,761,916.79	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	94,757,791.37	52,530,509.00
Other non-current liabilities		
Total non-current liabilities	94,757,791.37	52,530,509.00
Total liabilities	1,364,519,708.16	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	536,960,817.82	297,672,884.34

Specific reserve		
Surplus reserves	809,456,186.20	809,456,186.20
Retained earnings	1,562,453,531.77	1,482,164,706.92
Total owners' equity	4,474,428,468.94	4,154,851,710.61
Total liabilities and owners' equity	5,838,948,177.10	5,599,768,319.34

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

3. Consolidated Income Statement

Unit: RMB

Item	Q1 2019	Q1 2018
1. Revenue	889,232,750.52	1,123,376,512.26
Including: Operating revenue	889,232,750.52	1,123,376,512.26
Interest income		
Premium income		
Handling charge and commission income		
2. Costs and expenses	807,336,382.30	1,012,171,251.73
Including: Cost of sales	686,392,508.53	874,409,768.15
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	10,992,127.94	14,410,687.99
Selling expense	56,726,445.41	55,410,407.71
Administrative expense	32,701,258.08	48,496,349.98
R&D expense	14,375,055.48	7,920,976.24
Finance costs	3,967,630.69	5,223,638.39
Including: Interest expense		
Interest income	4,993,925.50	2,238,215.91
Asset impairment loss	2,181,356.17	6,299,423.27

Credit impairment loss		
Add: Other income	146,400.00	355,982.00
Return on investment (“-” for loss)	20,086,440.56	7,509,169.19
Including: Share of profit or loss of joint ventures and associates		-316,136.14
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	377,800.00	
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	102,507,008.78	119,070,411.72
Add: Non-operating income	207,409.53	692,142.62
Less: Non-operating expense	24,008.40	72,651.12
4. Profit before tax (“-” for loss)	102,690,409.91	119,689,903.22
Less: Income tax expense	16,233,962.80	20,536,907.91
5. Net profit (“-” for net loss)	86,456,447.11	99,152,995.31
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	86,456,447.11	99,152,995.31
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	86,659,035.18	96,552,712.99
5.2.1 Net profit attributable to non-controlling interests	-202,588.07	2,600,282.32
6. Other comprehensive income, net of tax	239,269,215.96	-9,187,456.23
Attributable to owners of the Company as the parent	239,269,215.96	-9,187,456.23
6.1 Items that will not be reclassified to profit or loss	239,287,933.48	
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	239,287,933.48	
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	-18,717.52	-9,187,456.23
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		-9,186,346.21
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	-18,717.52	-1,110.02
6.2.9 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	325,725,663.07	89,965,539.08
Attributable to owners of the Company as the parent	325,928,251.14	87,365,256.76
Attributable to non-controlling interests	-202,588.07	2,600,282.32
8. Earnings per share		
8.1 Basic earnings per share	0.0619	0.0690
8.2 Diluted earnings per share	0.0619	0.0690

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

Unit: RMB

Item	Q1 2019	Q1 2018
1. Operating revenue	852,343,699.73	1,067,787,968.82

Less: Cost of sales	670,506,168.18	858,449,485.00
Taxes and surcharges	9,152,146.60	12,057,313.68
Selling expense	51,507,913.46	48,345,146.83
Administrative expense	28,180,888.78	43,861,856.58
R&D expense	14,051,923.39	8,015,732.18
Finance costs	4,084,122.70	5,409,152.86
Including: Interest expense		
Interest income	4,878,769.66	2,043,799.05
Asset impairment loss	1,386,674.74	5,508,500.39
Credit impairment loss		
Add: Other income	146,400.00	355,982.00
Return on investment (“-” for loss)	20,416,668.76	5,613,752.53
Including: Share of profit or loss of joint ventures and associates		-316,136.14
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	377,800.00	
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	94,414,730.64	92,110,515.83
Add: Non-operating income	53,128.97	645,474.35
Less: Non-operating expense	10,418.62	72,650.61
3. Profit before tax (“-” for loss)	94,457,440.99	92,683,339.57
Less: Income tax expense	14,168,616.14	13,949,921.35
4. Net profit (“-” for net loss)	80,288,824.85	78,733,418.22
4.1 Net profit from continuing operations (“-” for net loss)	80,288,824.85	78,733,418.22
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	239,287,933.48	-9,186,346.21
5.1 Items that will not be reclassified to profit or loss	239,287,933.48	
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	239,287,933.48	
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		-9,186,346.21
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		-9,186,346.21
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	319,576,758.33	69,547,072.01
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 Cash Flow Statement

Unit: RMB

Item	Q1 2019	Q1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	860,544,423.63	888,818,669.95
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	25,748,584.53	14,547,468.34
Cash generated from other operating activities	17,661,656.41	28,140,908.49
Subtotal of cash generated from operating activities	903,954,664.57	931,507,046.78
Payments for commodities and services	610,047,969.13	520,963,882.48
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original		

insurance contracts		
Net increase in financial assets held for trading purposes		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	173,108,110.24	181,134,694.05
Taxes paid	37,615,521.94	53,369,965.83
Cash used in other operating activities	53,216,108.13	51,587,876.51
Subtotal of cash used in operating activities	873,987,709.44	807,056,418.87
Net cash generated from/used in operating activities	29,966,955.13	124,450,627.91
2. Cash flows from investing activities:		
Proceeds from disinvestment	51,000,000.00	10,000,000.00
Return on investment	21,535,662.08	10,035,191.59
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	72,535,662.08	20,035,191.59
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	12,790,270.47	74,703,441.19
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	12,790,270.47	74,703,441.19
Net cash generated from/used in	59,745,391.61	-54,668,249.60

investing activities		
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings obtained		
Net proceeds from the issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayments of borrowings		
Payments for interest and dividends		
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities		
Net cash generated from/used in financing activities		
4. Effect of foreign exchange rate changes on cash and cash equivalents	-2,629,301.57	-3,322,733.05
5. Net increase in cash and cash equivalents	87,083,045.17	66,459,645.26
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	882,368,801.55	636,643,854.22

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	Q1 2019	Q1 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	828,912,698.12	852,348,438.77

Tax rebates	25,745,430.08	14,547,468.34
Cash generated from other operating activities	13,446,529.19	21,047,144.75
Subtotal of cash generated from operating activities	868,104,657.39	887,943,051.86
Payments for commodities and services	636,614,939.04	595,935,971.69
Cash paid to and for employees	133,856,759.29	112,947,808.95
Taxes paid	24,163,638.62	28,100,581.05
Cash used in other operating activities	49,548,623.78	44,022,548.07
Subtotal of cash used in operating activities	844,183,960.73	781,006,909.76
Net cash generated from/used in operating activities	23,920,696.66	106,936,142.10
2. Cash flows from investing activities:		
Proceeds from disinvestment	51,000,000.00	10,000,000.00
Return on investment	21,865,890.28	10,035,191.59
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	72,865,890.28	20,035,191.59
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	12,531,880.47	72,690,980.48
Payments for investments		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	12,531,880.47	72,690,980.48
Net cash generated from/used in investing activities	60,334,009.81	-52,655,788.89
3. Cash flows from financing activities:		
Capital contributions received		

Borrowings obtained		
Net proceeds from the issuance of bonds		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayments of borrowings		
Payments for interest and dividends		
Cash used in other financing activities		
Subtotal of cash used in financing activities		
Net cash generated from/used in financing activities		
4. Effect of foreign exchange rate changes on cash and cash equivalents	-2,601,705.96	-3,321,626.93
5. Net increase in cash and cash equivalents	81,653,000.51	50,958,726.28
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	829,241,730.93	553,127,826.68

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 First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

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	
Trading financial assets	N/A	6,000,000.00	6,000,000.00
Notes and accounts receivable	941,927,209.55	941,927,209.55	

Including: Notes receivable	107,506,613.50	107,506,613.50	
Accounts receivable	834,420,596.05	834,420,596.05	
Prepayments	13,811,905.18	13,811,905.18	
Other receivables	21,745,690.53	21,745,690.53	
Including: Interest receivable	5,152,364.04	5,152,364.04	
Inventories	767,319,599.00	767,319,599.00	
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:			
Available-for-sale financial assets	897,716,590.20	N/A	-897,716,590.20
Long-term equity investments	182,458,559.69	182,458,559.69	
Investments in other equity instruments	N/A	891,716,590.20	891,716,590.20
Fixed assets	512,106,912.39	512,106,912.39	
Construction in progress	224,624,447.16	224,624,447.16	
Intangible assets	172,725,277.21	172,725,277.21	
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:			
Trading financial liabilities	N/A	477,200.00	477,200.00
Financial liabilities at fair value through profit or loss	477,200.00	N/A	-477,200.00
Notes and accounts payable	985,280,820.92	985,280,820.92	
Advances from customers	43,850,788.04	43,850,788.04	
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	

Total current liabilities	1,194,166,908.60	1,194,166,908.60	
Non-current liabilities:			
Deferred income	155,000.31	155,000.31	
Deferred income tax liabilities	52,530,509.00	52,530,509.00	
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	
Capital reserves	158,608,173.07	158,608,173.07	
Other comprehensive income	297,667,872.80	297,667,872.80	
Surplus reserves	809,456,186.20	809,456,186.20	
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	N/A	6,000,000.00	6,000,000.00
Notes and accounts receivable	900,843,331.26	900,843,331.26	
Including: Notes receivable	104,945,398.61	104,945,398.61	
Accounts receivable	795,897,932.65	795,897,932.65	
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	
Inventories	692,681,479.03	692,681,479.03	
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:			
Available-for-sale financial assets	897,716,590.20	N/A	-897,716,590.20
Long-term equity investments	466,251,661.95	466,251,661.95	
Investments in other equity instruments	N/A	891,716,590.20	891,716,590.20
Fixed assets	427,947,613.74	427,947,613.74	
Construction in progress	222,570,503.14	222,570,503.14	
Intangible assets	129,452,067.42	129,452,067.42	
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:			
Trading financial liabilities	N/A	477,200.00	477,200.00
Financial liabilities at fair value through profit or loss	477,200.00	N/A	-477,200.00
Notes and accounts payable	1,134,173,851.66	1,134,173,851.66	
Advances from customers	41,912,301.85	41,912,301.85	

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	
Total current liabilities	1,392,386,099.73	1,392,386,099.73	
Non-current liabilities:			
Deferred income tax liabilities	52,530,509.00	52,530,509.00	
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	
Capital reserves	166,211,779.15	166,211,779.15	
Other comprehensive income	297,672,884.34	297,672,884.34	
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 First Execution of any New Standards Governing Financial Instruments or Leases

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.

25 April 2019