



FOSHAN ELECTRICAL AND LIGHTING CO., LTD.

FIRST QUARTER REPORT 2020

April 2020

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 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 2020	Q1 2019	Change (%)
Operating revenue (RMB)	560,357,960.57	889,232,750.52	-36.98%
Net profit attributable to the listed company's shareholders (RMB)	32,282,776.35	86,659,035.18	-62.75%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	34,187,987.98	74,681,526.84	-54.22%
Net cash generated from/used in operating activities (RMB)	-24,040,955.33	29,966,955.13	-180.22%
Basic earnings per share (RMB/share)	0.0231	0.0619	-62.68%
Diluted earnings per share (RMB/share)	0.0231	0.0619	-62.68%
Weighted average return on equity (%)	0.65%	1.82%	-1.17%
	31 March 2020	31 December 2019	Change (%)
Total assets (RMB)	6,196,213,408.53	6,175,200,008.24	0.34%
Equity attributable to the listed company's shareholders (RMB)	5,013,575,515.11	4,880,736,800.07	2.72%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-664,717.71	
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)	143,128.00	

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 invest in other debt obligations (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	-1,528,400.00	
Non-operating income and expense other than above	2,129.38	
Less: Income tax effects	-147,020.11	
Non-controlling interests effects (net of tax)	4,371.41	
Total	-1,905,211.63	--

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 2020

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	82,890	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	2.22%	31,028,913			
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	1.57%	22,002,137			
China Merchants Securities (Hong Kong) Co., Ltd	State-owned legal person	0.87%	12,160,316			
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.	31,028,913	Domestically listed foreign stock	31,028,913

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	22,002,137	Domestically listed foreign stock	22,002,137
China Merchants Securities (Hong Kong) Co., Ltd.	12,160,316	Domestically listed foreign stock	12,160,316
Guangdong Rising Financial Holding Co., Ltd.	11,434,762	RMB-denominated ordinary stock	11,434,762
Related or acting-in-concert parties among the shareholders above	Among the top 10 shareholders and top 10 unrestricted shareholders, Hong Kong Wah Shing Holding Company Limited, Shenzhen Rising Investment Development Co., Ltd., Guangdong Electronics Information Industry Group Ltd., Hong Kong Rising Investment Development Co., Ltd. and Guangdong Rising Financial Holding 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)	None		

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	Q1 2020/31 March 2020	Q1 2019/31 December 2019	Change (%)	Explanation of why
Held-for-trading financial assets	617,674,635.62	901,166,682.64	-31.46%	primarily driven by a decrease in outstanding investments in bank's wealth management products in the Current Period.
Other non-current assets	5,978,312.17	9,861,098.08	-39.37%	Settlement of prepayments for equipment
Advances from customers		50,449,357.17	-100.00%	Reclassification of certain advances from customers to contractual liabilities due to the adoption of the new accounting standard governing revenue
Contractual liabilities	61,086,542.09		N/A	Reclassification of certain advances from customers to contractual liabilities due to the adoption of the new accounting standard governing revenue
Payroll payable	44,523,464.80	83,156,852.86	-46.46%	Payment in the Current Period of the year-end bonuses of last year to the employees
Operating revenue	560,357,960.57	889,232,750.52	-36.98%	Postponement of work resumption of the Company and its upstream and downstream companies due to the COVID-19 outbreak, as well as the impact of traffic limitation on raw material purchase, product delivery, market promotion, etc.
Cost of sales	436,510,926.18	686,392,508.53	-36.41%	Corresponding to a decrease in operating revenue
Taxes and surcharges	7,083,895.77	10,992,127.94	-35.55%	Corresponding to a decrease in operating revenue
R&D expense	19,828,312.32	14,375,055.48	37.94%	Increase in patent royalties paid
Finance costs	-13,908,499.01	3,967,630.69	-450.55%	Increase in foreign exchange gain due to the depreciation of RMB against the U.S. dollar
Interest income	10,597,188.92	4,993,925.50	112.20%	Increase in interest on bank deposits
Return on investment	8,050,462.45	20,086,440.56	-59.92%	Q1 2019 recorded income from the sale of the equity interests held in Chengdu Hongbo Industrial Co., Ltd.
Gain on changes in fair value	-1,528,400.00	377,800.00	-504.55%	As the forward forex settlement products outstanding at the beginning of the period

				were delivered upon maturity in the period, the gain/loss on changes in the corresponding fair value was transferred to return on investment
Credit impairment loss	-730,317.40	-2,181,356.17	66.52%	Decrease in allowances for doubtful accounts
Non-operating income	72,280.75	207,409.53	-65.15%	Decrease in government subsidies that are not associated with operating activities
Non-operating expense	684,869.08	24,008.40	2752.62%	Increase in loss on disposal of fixed assets
Profit before tax	38,812,200.10	102,690,409.91	-62.20%	Decrease in operating revenue
Income tax expense	6,072,161.84	16,233,962.80	-62.60%	Decrease in profit before tax
Net profit	32,740,038.26	86,456,447.11	-62.13%	Decrease in profit before tax
Net profit attributable to owners of the Company as the parent	32,282,776.35	86,659,035.18	-62.75%	Decrease in net profit
Net profit attributable to non-controlling interests	457,261.91	-202,588.07	325.71%	Increase in profits of non-wholly-owned subsidiaries
Other comprehensive income, net of tax	100,555,938.69	239,269,215.96	-57.97%	Smaller increase in the fair value of investments in other equity instruments
Other comprehensive income, net of tax, attributable to owners of the Company as the parent	100,555,938.69	239,269,215.96	-57.97%	Smaller increase in the fair value of investments in other equity instruments
Changes in the fair value of investments in other equity instruments	100,595,067.77	239,287,933.48	-57.96%	Smaller increase in the fair value of investments in other equity instruments
Differences arising from the translation of foreign currency-denominated financial statements	-39,129.08	-18,717.52	-109.05%	Appreciation of euro against RMB
Total comprehensive income	133,295,976.95	325,725,663.07	-59.08%	Smaller increase in the fair value of investments in other equity instruments
Net cash generated from/used in operating activities	-24,040,955.33	29,966,955.13	-180.22%	Larger decrease in proceeds from sale of commodities and rendering of services than in payments for commodities and services
Net cash generated from/used in investing activities	277,193,052.58	59,745,391.61	363.96%	Increase in investments withdrawn from bank's wealth management products upon maturity
Net increase in cash and cash equivalents	253,239,792.74	87,083,045.17	190.80%	Increase in net cash generated from investing 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 value	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 value	Accounting title	Funding source
Domestically/Overseas listed stock	002074	Guoxuan High-tech	160,000,000.00	Fair value method	661,377,161.25	133,184,541.75	574,326,563.36				794,561,703.00	Investments in other equity instruments	Self-funded
Domestically/Overseas listed stock	601818	China Everbright Bank	30,828,816.00	Fair value method	81,791,185.14	-14,837,403.20	43,304,034.12				66,953,781.94	Investments in other equity instruments	Self-funded
Domestically/Overseas listed stock	N/A	Xiamen	292,574	Fair	706,517		413,943				706,517	Investments in other equity instruments	Self-funded

cally/Ov erseas listed stock		Bank	,133.00	value method	,718.67		,585.67				,718.67	ents in other equity instrum ents	ded
Domesti cally/Ov erseas listed stock	N/A	Foshan branch of Guangd ong Develop ment Bank	500,000 .00	Fair value method	500,000 .00						500,000 .00	Investm ents in other equity instrum ents	Self-fun ded
Total			483,902 ,949.00	--	1,450,1 86,065. 06	118,347, 138.55	1,031,5 74,183. 15	0.00	0.00	0.00	1,568,5 33,203. 61	--	--
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 Cash Entrusted for Wealth Management

Applicable Not applicable

Unit: RMB'0,000

Specific type	Capital resources	Amount incurred	Undue Balance	Overdue amount
Bank financial products	Self-owned funds	47,000	33,500	0
Structural deposits	Self-owned funds	43,000	28,000	0
Total		90,000	61,500	0

Particulars of cash entrusted for wealth management with single significant amount or low security, bad liquidity, and no capital preservation

Applicable Not applicable

Unit: RMB'0,000

Trustee	Type of trustee	Type of wealth management product	Principal	Source of principal	Beginning date	Ending date	Use of principal	Determination of yield	Annualized yield rate for reference	Expected yield (if any)	Actual gain/loss in Reporting Period	Receipt/payment of such gain/loss	Allowance for impairment (if any)	Prescribed procedure executed or not	Plan for more transaction or not	Index to transaction summary and other information (if any)
China Guangfa Bank, Guangzhou development area sub-branch	Bank	Principal-protected with floating yield	8,000	The Company's own idle funds	16 January 2020	15 April 2020	Investment	Repayment of principal with yield	4.00%	78.9	65.75	To be received		Yes	Yes	www.cninfo.com.cn
Huaxia Bank, Foshan branch	Bank	Principal-protected with floating yield	5,000	The Company's own idle funds	14 February 2020	14 May 2020	Investment	Repayment of principal with yield	3.80%	46.85	23.95	To be received		Yes	Yes	www.cninfo.com.cn
China Bohai Bank Shenzhen Chegongmiao sub-branch	Bank	Principal-protected with floating yield	2,500	The Company's own idle funds	19 February 2020	19 May 2020	Investment	Repayment of principal with yield	3.80%	23.42	10.67	To be received		Yes	Yes	www.cninfo.com.cn
Huaxia Bank	Bank	Principal-protected	3,000	The Company's	19 February	19 May	Investment	Repayment	3.80%	28.11	13.12	To be received		Yes	Yes	www.cninfo.com.cn

Bank, Foshan branch		ected with floatin g yield		any's own idle funds	ry 2020	2020		of princi pal with yield				ed				.com.cn
China Guang fa Bank, Guang zhou develo pment area sub-br anch	Bank	Princip al-prot ected with floatin g yield	2,000	The Comp any's own idle funds	19 Februa ry 2020	19 May 2020	Invest ment	Repay ment of princi pal with yield	3.85%	18.99	8.86	To be receiv ed		Yes	Yes	www.cninfo.com.cn
China Minsh eng Bank Fosha n sub-br anch	Bank	Princip al-prot ected with floatin g yield	8,000	The Comp any's own idle funds	26 Februa ry 2020	26 May 2020	Invest ment	Repay ment of princi pal with yield	4.00%	78.9	29.81	To be receiv ed		Yes	Yes	www.cninfo.com.cn
China Guang fa Bank, Guang zhou develo pment area sub-br anch	Bank	Princip al-prot ected with floatin g yield	5,000	The Comp any's own idle funds	26 Februa ry 2020	26 May 2020	Invest ment	Repay ment of princi pal with yield	3.85%	47.47	17.93	To be receiv ed		Yes	Yes	www.cninfo.com.cn
Industr ial Bank, Guang zhou Baiyu n sub-br	Bank	Princip al-prot ected with floatin g yield	12,000	The Comp any's own idle funds	11 Februa ry 2020	12 May 2020	Invest ment	Repay ment of princi pal with yield	3.90%	116.68	62.83	To be receiv ed		Yes	Yes	www.cninfo.com.cn

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China Minsheng Bank Foshan sub-branch	Bank	Principal-protected with floating yield	16,000	The Company's own idle funds	20 March 2020	1 July 2020	Investment	Repayment of principal with yield	3.85%	173.83	18.56	To be received	Yes	Yes		www.cninfo.com.cn
Total			61,500	--	--	--	--	--	--	613.15	251.48	--	--	--	--	--

Whether there is the case where the principal cannot be recovered at maturity or other case which may cause impairment of cash entrusted for wealth management

Applicable Not applicable

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 Bank of China	Not related	Not	Ordinary forward forex settlement	800	4 November 2019	7 January 2020	400		400				3.67
Foshan branch of the Agricultural Bank of China	Not related	Not	Ordinary forward forex settlement	1,200	4 December 2019	15 April 2020	1,200		800		400	0.56%	10.37
Foshan branch	Not	Not	Ordinary forward	100	17 March	27 March		100	100				-0.65

of Guangz hou Rural Comme rcial Bank	related		forex settlemen t		2020	2020							
Total				2,100	--	--	1,600	100	1,300		400	0.56%	13.39
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</p>									

	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.
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)	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.
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	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.

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

Applicable Not applicable

No such cases in the Reporting Period.

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 2020

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Monetary assets	1,388,237,154.04	1,125,456,662.64
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	617,674,635.62	901,166,682.64
Derivative financial assets		
Notes receivable	94,402,341.97	109,444,480.94
Accounts receivable	638,198,118.23	712,175,266.51
Accounts receivable financing		
Prepayments	8,849,906.99	7,851,390.78
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	25,208,373.76	22,307,344.76
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	659,682,396.21	637,336,584.06
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	54,587,262.37	52,502,863.59
Total current assets	3,486,840,189.19	3,568,241,275.92

Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	179,013,334.93	181,093,725.43
Investments in other equity instruments	1,573,087,380.01	1,454,740,241.46
Other non-current financial assets		
Investment property		
Fixed assets	619,966,978.24	629,832,098.35
Construction in progress	126,040,645.31	119,030,610.16
Productive living assets		
Oil and gas assets		
Use rights assets		
Intangible assets	166,728,438.65	167,826,499.74
R&D expense		
Goodwill		
Long-term prepaid expense	7,365,707.75	7,727,394.74
Deferred income tax assets	31,192,422.28	36,847,064.36
Other non-current assets	5,978,312.17	9,861,098.08
Total non-current assets	2,709,373,219.34	2,606,958,732.32
Total assets	6,196,213,408.53	6,175,200,008.24
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	402,453,555.39	374,665,327.74
Accounts payable	432,907,849.35	559,016,692.70
Advances from customers		50,449,357.17
Contractual liabilities	61,086,542.09	
Financial assets sold under repurchase agreements		

Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	44,523,464.80	83,156,852.86
Taxes payable	12,373,363.79	17,211,068.21
Other payables	47,422,480.53	46,073,344.71
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	1,000,767,255.95	1,130,572,643.39
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		
Deferred income tax liabilities	154,738,947.48	137,216,136.70
Other non-current liabilities		
Total non-current liabilities	154,738,947.48	137,216,136.70
Total liabilities	1,155,506,203.43	1,267,788,780.09
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	876,816,286.88	776,260,348.19
Specific reserve		
Surplus reserves	836,559,645.36	836,559,645.36
General reserve		
Retained earnings	1,742,245,255.80	1,709,962,479.45
Total equity attributable to owners of the Company as the parent	5,013,575,515.11	4,880,736,800.07
Non-controlling interests	27,131,689.99	26,674,428.08
Total owners' equity	5,040,707,205.10	4,907,411,228.15
Total liabilities and owners' equity	6,196,213,408.53	6,175,200,008.24

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 2020	31 December 2019
Current assets:		
Monetary assets	1,325,624,026.11	1,059,001,233.28
Held-for-trading financial assets	617,674,635.62	901,166,682.64
Derivative financial assets		
Notes receivable	88,168,041.97	107,567,164.99
Accounts receivable	581,441,036.33	666,106,832.53
Accounts receivable financing		
Prepayments	27,878,139.97	6,614,791.10
Other receivables	51,582,773.76	37,934,614.96
Including: Interest receivable		
Dividends receivable		
Inventories	571,102,261.26	553,557,529.00
Contractual assets		
Assets classified as held for sale		

Current portion of non-current assets		
Other current assets	47,647,959.63	43,118,385.01
Total current assets	3,311,118,874.65	3,375,067,233.51
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	462,806,437.19	464,886,827.69
Investments in other equity instruments	1,573,087,380.01	1,454,740,241.46
Other non-current financial assets		
Investment property		
Fixed assets	563,257,071.26	573,844,707.66
Construction in progress	125,379,749.88	116,240,559.37
Productive living assets		
Oil and gas assets		
Use rights assets		
Intangible assets	124,753,315.22	125,673,065.66
R&D expense		
Goodwill		
Long-term prepaid expense	4,949,385.66	4,891,398.93
Deferred income tax assets	28,446,561.21	34,205,213.27
Other non-current assets	4,659,512.17	8,440,448.08
Total non-current assets	2,887,339,412.60	2,782,922,462.12
Total assets	6,198,458,287.25	6,157,989,695.63
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	405,403,555.39	376,265,327.74
Accounts payable	579,571,098.24	689,846,497.35
Advances from customers		46,758,714.00
Contractual liabilities	68,606,340.51	
Payroll payable	32,660,750.28	68,658,329.30

Taxes payable	10,796,113.24	12,374,430.19
Other payables	115,602,104.01	125,001,875.83
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	1,212,639,961.67	1,318,905,174.41
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	154,738,947.48	137,216,136.70
Other non-current liabilities		
Total non-current liabilities	154,738,947.48	137,216,136.70
Total liabilities	1,367,378,909.15	1,456,121,311.11
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	876,838,055.67	776,242,987.90
Specific reserve		
Surplus reserves	836,559,645.36	836,559,645.36
Retained earnings	1,552,123,743.92	1,523,507,818.11

Total owners' equity	4,831,079,378.10	4,701,868,384.52
Total liabilities and owners' equity	6,198,458,287.25	6,157,989,695.63

Legal representative: He Yong

General manager: Liu Xingming

Chief Financial Officer: Tang Qionglan

3. Consolidated Income Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Revenue	560,357,960.57	889,232,750.52
Including: Operating revenue	560,357,960.57	889,232,750.52
Interest income		
Premium income		
Handling charge and commission income		
2. Costs and expenses	526,847,116.01	805,155,026.13
Including: Cost of sales	436,510,926.18	686,392,508.53
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	7,083,895.77	10,992,127.94
Selling expense	46,466,589.81	56,726,445.41
Administrative expense	30,865,890.94	32,701,258.08
R&D expense	19,828,312.32	14,375,055.48
Finance costs	-13,908,499.01	3,967,630.69
Including: Interest expense		
Interest income	10,597,188.92	4,993,925.50
Add: Other income	122,198.82	146,400.00
Return on investment ("-" for loss)	8,050,462.45	20,086,440.56
Including: Share of profit or loss of joint ventures and associates		

Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-1,528,400.00	377,800.00
Credit impairment loss (“-” for loss)	-730,317.40	-2,181,356.17
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	39,424,788.43	102,507,008.78
Add: Non-operating income	72,280.75	207,409.53
Less: Non-operating expense	684,869.08	24,008.40
4. Profit before tax (“-” for loss)	38,812,200.10	102,690,409.91
Less: Income tax expense	6,072,161.84	16,233,962.80
5. Net profit (“-” for net loss)	32,740,038.26	86,456,447.11
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	32,740,038.26	86,456,447.11
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	32,282,776.35	86,659,035.18
5.2.1 Net profit attributable to non-controlling interests	457,261.91	-202,588.07
6. Other comprehensive income, net of tax	100,555,938.69	239,269,215.96
Attributable to owners of the Company as the parent	100,555,938.69	239,269,215.96
6.1 Items that will not be reclassified to profit or loss	100,595,067.77	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	100,595,067.77	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	-39,129.08	-18,717.52
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 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Allowance for credit impairments in investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-39,129.08	-18,717.52
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	133,295,976.95	325,725,663.07
Attributable to owners of the Company as the parent	132,838,715.04	325,928,251.14
Attributable to non-controlling interests	457,261.91	-202,588.07
8. Earnings per share		
8.1 Basic earnings per share	0.0231	0.0619
8.2 Diluted earnings per share	0.0231	0.0619

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 2020	Q1 2019
1. Operating revenue	525,496,491.07	852,343,699.73
Less: Cost of sales	418,987,671.28	670,506,168.18
Taxes and surcharges	6,177,097.24	9,152,146.60
Selling expense	43,453,718.50	51,507,913.46
Administrative expense	26,821,027.28	28,180,888.78
R&D expense	17,626,070.34	14,051,923.39
Finance costs	-13,775,921.87	4,084,122.70
Including: Interest expense		
Interest income	10,456,543.51	4,878,769.66
Add: Other income	75,128.00	146,400.00
Return on investment (“-” for loss)	8,050,462.45	20,416,668.76
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-1,528,400.00	377,800.00
Credit impairment loss (“-” for loss)	772,220.24	-1,386,674.74
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	33,576,238.99	94,414,730.64
Add: Non-operating income	18,235.94	53,128.97
Less: Non-operating expense	-71,320.11	10,418.62
3. Profit before tax (“-” for loss)	33,665,795.04	94,457,440.99
Less: Income tax expense	5,049,869.23	14,168,616.14
4. Net profit (“-” for net loss)	28,615,925.81	80,288,824.85

4.1 Net profit from continuing operations (“-” for net loss)	28,615,925.81	80,288,824.85
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	100,595,067.77	239,287,933.48
5.1 Items that will not be reclassified to profit or loss	100,595,067.77	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	100,595,067.77	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		
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 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Allowance for credit impairments in investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	129,210,993.58	319,576,758.33
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

5. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	666,737,548.22	860,544,423.63
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		
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	15,719,615.48	25,748,584.53
Cash generated from other operating activities	15,110,878.20	17,661,656.41
Subtotal of cash generated from operating activities	697,568,041.90	903,954,664.57
Payments for commodities and services	483,605,896.41	610,047,969.13
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 interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	164,552,051.15	173,108,110.24
Taxes paid	15,571,789.20	37,615,521.94
Cash used in other operating activities	57,879,260.47	53,216,108.13
Subtotal of cash used in operating activities	721,608,997.23	873,987,709.44
Net cash generated from/used in operating activities	-24,040,955.33	29,966,955.13
2. Cash flows from investing activities:		
Proceeds from disinvestment	280,000,000.00	51,000,000.00
Return on investment	12,613,429.83	21,535,662.08
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	109,978.12	
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	292,723,407.95	72,535,662.08
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	15,530,355.37	12,790,270.47
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	15,530,355.37	12,790,270.47
Net cash generated from/used in investing activities	277,193,052.58	59,745,391.61
3. Cash flows from financing activities:		

Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings obtained		
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	87,695.49	-2,629,301.57
5. Net increase in cash and cash equivalents	253,239,792.74	87,083,045.17
Add: Cash and cash equivalents, beginning of the period	1,049,833,555.02	795,285,756.38
6. Cash and cash equivalents, end of the period	1,303,073,347.76	882,368,801.55

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 2020	Q1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	640,471,098.43	828,912,698.12
Tax rebates	15,714,059.77	25,745,430.08
Cash generated from other operating activities	12,361,475.68	13,446,529.19
Subtotal of cash generated from operating activities	668,546,633.88	868,104,657.39

Payments for commodities and services	497,890,855.63	636,614,939.04
Cash paid to and for employees	127,807,771.53	133,856,759.29
Taxes paid	8,859,709.89	24,163,638.62
Cash used in other operating activities	54,781,434.63	49,548,623.78
Subtotal of cash used in operating activities	689,339,771.68	844,183,960.73
Net cash generated from/used in operating activities	-20,793,137.80	23,920,696.66
2. Cash flows from investing activities:		
Proceeds from disinvestment	280,000,000.00	51,000,000.00
Return on investment	12,613,429.83	21,865,890.28
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	103,361.02	
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	292,716,790.85	72,865,890.28
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	14,962,496.05	12,531,880.47
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	14,962,496.05	12,531,880.47
Net cash generated from/used in investing activities	277,754,294.80	60,334,009.81
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings obtained		
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	120,937.17	-2,601,705.96
5. Net increase in cash and cash equivalents	257,082,094.17	81,653,000.51
Add: Cash and cash equivalents, beginning of the period	983,378,125.66	747,588,730.42
6. Cash and cash equivalents, end of the period	1,240,460,219.83	829,241,730.93

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 Revenue or Leases from 2020

Applicable Not applicable

Consolidated balance sheet

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary assets	1,125,456,662.64	1,125,456,662.64	
Held-for-trading financial assets	901,166,682.64	901,166,682.64	
Notes receivable	109,444,480.94	109,444,480.94	
Accounts receivable	712,175,266.51	712,175,266.51	
Prepayments	7,851,390.78	7,851,390.78	
Other receivables	22,307,344.76	22,307,344.76	
Inventories	637,336,584.06	637,336,584.06	
Other current assets	52,502,863.59	52,502,863.59	
Total current assets	3,568,241,275.92	3,568,241,275.92	

Non-current assets:			
Long-term equity investments	181,093,725.43	181,093,725.43	
Investments in other equity instruments	1,454,740,241.46	1,454,740,241.46	
Fixed assets	629,832,098.35	629,832,098.35	
Construction in progress	119,030,610.16	119,030,610.16	
Intangible assets	167,826,499.74	167,826,499.74	
Long-term prepaid expense	7,727,394.74	7,727,394.74	
Deferred income tax assets	36,847,064.36	36,847,064.36	
Other non-current assets	9,861,098.08	9,861,098.08	
Total non-current assets	2,606,958,732.32	2,606,958,732.32	
Total assets	6,175,200,008.24	6,175,200,008.24	
Current liabilities:			
Notes payable	374,665,327.74	374,665,327.74	
Accounts payable	559,016,692.70	559,016,692.70	
Advances from customers	50,449,357.17		-50,449,357.17
Contractual Liabilities		50,449,357.17	50,449,357.17
Payroll payable	83,156,852.86	83,156,852.86	
Taxes payable	17,211,068.21	17,211,068.21	
Other payables	46,073,344.71	46,073,344.71	
Total current liabilities	1,130,572,643.39	1,130,572,643.39	
Non-current liabilities:			
Deferred income tax liabilities	137,216,136.70	137,216,136.70	
Total non-current liabilities	137,216,136.70	137,216,136.70	
Total liabilities	1,267,788,780.09	1,267,788,780.09	
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	776,260,348.19	776,260,348.19	
Surplus reserves	836,559,645.36	836,559,645.36	
Retained earnings	1,709,962,479.45	1,709,962,479.45	

Total equity attributable to owners of the Company as the parent	4,880,736,800.07	4,880,736,800.07	
Non-controlling interests	26,674,428.08	26,674,428.08	
Total owners' equity	4,907,411,228.15	4,907,411,228.15	
Total liabilities and owners' equity	6,175,200,008.24	6,175,200,008.24	

Notes to the adjustment

According to the new standards governing revenues, “Contractual liabilities” refer to the obligation of the company to transfer commodity to customers due to the company’s customer consideration received or receivable. The “advances from customers” received by the Company in advance due to performing contractual obligations by customers shall be adjusted into the “Contractual liabilities”.

Balance sheet of the Company as the parent

Unit: RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary assets	1,059,001,233.28	1,059,001,233.28	
Held-for-trading financial assets	901,166,682.64	901,166,682.64	
Notes receivable	107,567,164.99	107,567,164.99	
Accounts receivable	666,106,832.53	666,106,832.53	
Prepayments	6,614,791.10	6,614,791.10	
Other receivables	37,934,614.96	37,934,614.96	
Inventories	553,557,529.00	553,557,529.00	
Other current assets	43,118,385.01	43,118,385.01	
Total current assets	3,375,067,233.51	3,375,067,233.51	
Non-current assets:			
Long-term equity investments	464,886,827.69	464,886,827.69	
Investments in other equity instruments	1,454,740,241.46	1,454,740,241.46	
Fixed assets	573,844,707.66	573,844,707.66	
Construction in progress	116,240,559.37	116,240,559.37	
Intangible assets	125,673,065.66	125,673,065.66	
Long-term prepaid expense	4,891,398.93	4,891,398.93	

Deferred income tax assets	34,205,213.27	34,205,213.27	
Other non-current assets	8,440,448.08	8,440,448.08	
Total non-current assets	2,782,922,462.12	2,782,922,462.12	
Total assets	6,157,989,695.63	6,157,989,695.63	
Current liabilities:			
Notes payable	376,265,327.74	376,265,327.74	
Accounts payable	689,846,497.35	689,846,497.35	
Advances from customers	46,758,714.00		-46,758,714.00
Contractual Liabilities		46,758,714.00	46,758,714.00
Payroll payable	68,658,329.30	68,658,329.30	
Taxes payable	12,374,430.19	12,374,430.19	
Other payables	125,001,875.83	125,001,875.83	
Total current liabilities	1,318,905,174.41	1,318,905,174.41	
Non-current liabilities:			
Deferred income tax liabilities	137,216,136.70	137,216,136.70	
Total non-current liabilities	137,216,136.70	137,216,136.70	
Total liabilities	1,456,121,311.11	1,456,121,311.11	
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	776,242,987.90	776,242,987.90	
Surplus reserves	836,559,645.36	836,559,645.36	
Retained earnings	1,523,507,818.11	1,523,507,818.11	
Total owners' equity	4,701,868,384.52	4,701,868,384.52	
Total liabilities and owners' equity	6,157,989,695.63	6,157,989,695.63	

Notes to the adjustment

According to the new standards governing revenues, “Contractual liabilities” refer to the obligation of the company to transfer commodity to customers due to the company’s customer consideration received or receivable. The “advances from customers” received by the Company in advance due to performing contractual obligations by customers shall be adjusted into the “Contractual liabilities”.

2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Revenue or Leases from 2020

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.

23 April 2020