



**FOSHAN ELECTRICAL AND LIGHTING CO., LTD.**

**FIRST QUARTERLY REPORT 2021**

**April 2021**

## **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.**

**Wu Shenghui, the Company’s legal representative, Tang Qionglan, the Company’s Chief Financial Officer (CFO), and Peng Fentao, the person-in-charge of the Company’s accounting organ (equivalent to accounting manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

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

## Part II Key Corporate Information

### I Key Financial Information

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

Yes  No

Reason for retrospective restatement:

Business combination involving entities under common control.

	Q1 2021	Q1 2020		Change (%)
		Before	Restated	Restated
Operating revenue (RMB)	825,678,013.99	560,357,960.57	560,357,960.57	47.35%
Net profit attributable to the listed company's shareholders (RMB)	42,203,399.57	32,282,776.35	31,238,269.29	35.10%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	39,266,019.69	34,187,987.98	34,187,987.98	14.85%
Net cash generated from/used in operating activities (RMB)	48,558,082.07	-24,040,955.33	-21,233,501.52	328.69%
Basic earnings per share (RMB/share)	0.0305	0.0234	0.0226	34.96%
Diluted earnings per share (RMB/share)	0.0305	0.0234	0.0226	34.96%
Weighted average return on equity (%)	0.71%	0.65%	0.62%	0.09%
	31 March 2021	31 December 2020		Change (%)
		Before	Restated	Restated
Total assets (RMB)	7,851,627,428.83	8,519,336,914.11	8,519,336,914.11	-7.84%
Equity attributable to the listed company's shareholders (RMB)	5,629,948,280.73	6,263,921,304.54	6,263,921,304.54	-10.12%

Note: Due to share repurchases in the Reporting Period, the total share capital is calculated on a weighted average basis according to the time of share changes when computing the earnings per share, and the earnings per share of the same period of last year were adjusted accordingly as per the aforesaid principle.

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	Q1 2021	Note
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Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	149,083.95	
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	4,237,000.00	
Capital occupation charges on non-financial enterprises that are recognized in profit or loss	303,275.64	
Gain or loss on fair-value changes on held-for-trading and derivative financial assets and liabilities & income from disposal of held-for-trading and derivative financial assets and liabilities and other debt investments (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	197,950.00	
Non-operating income and expense other than the above	94,596.37	
Less: Income tax effects	1,785,892.81	
Non-controlling interests effects (net of tax)	258,633.27	
Total	2,937,379.88	--

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 the End of the Reporting Period

### 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	73,406	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
Hongkong Wah Shing Holding	Foreign legal person	13.47%	188,496,430	0	In pledge	92,363,251

Company Limited						
Prosperity Lamps & Components Limited	Foreign legal person	10.50%	146,934,857	0		
Guangdong Electronics Information Industry Group Ltd.	State-owned legal person	8.77%	122,694,246	0	In pledge	32,532,815
Shenzhen Rising Investment Development Co., Ltd.	State-owned legal person	5.12%	71,696,136	0	In pledge	35,800,000
Central Huijin Asset Management Co., Ltd.	State-owned legal person	2.42%	33,878,900	0		
Essence International Securities (Hong Kong) Co., Ltd.	Foreign legal person	2.34%	32,780,128	0		
Special securities account for repurchases of Foshan Electrical and Lighting Co., Ltd.	Other	2.22%	31,070,300	0		
Rising Investment Development Limited	Foreign legal person	1.82%	25,482,252	0		
China Merchants Securities (Hong Kong) Co., Ltd	State-owned legal person	1.04%	14,504,423	0		
DBS Vickers (Hong Kong) Ltd A/C Clients	Foreign legal person	0.94%	13,118,691	0		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held			Shares by type		
				Type	Shares	

Hongkong 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
Guangdong Electronics Information Industry Group Ltd.	122,694,246	RMB-denominated ordinary stock	122,694,246
Shenzhen Rising Investment Development Co., Ltd.	71,696,136	RMB-denominated ordinary stock	71,696,136
Central Huijin Asset Management Co., Ltd.	33,878,900	RMB-denominated ordinary stock	33,878,900
Essence International Securities (Hong Kong) Co., Ltd.	32,780,128	Domestically listed foreign stock	32,780,128
Special securities account for repurchases of Foshan Electrical and Lighting Co., Ltd.	31,070,300	RMB-denominated ordinary stock	31,070,300
Rising Investment Development Limited	25,482,252	Domestically listed foreign stock	25,482,252
China Merchants Securities (Hong Kong) Co., Ltd	14,504,423	Domestically listed foreign stock	14,504,423
DBS Vickers (Hong Kong) Ltd A/C Clients	13,118,691	Domestically listed foreign stock	13,118,691
Related or acting-in-concert parties among the shareholders above	Among the top 10 shareholders holding unrestricted ordinary shares, Hongkong Wah Shing Holding Company Limited, Shenzhen Rising Investment Development Co., Ltd., Guangdong Electronics Information Industry Group Ltd. and Rising Investment Development Limited are acting-in-concert parties. Apart from that, it is unknown whether there is among the top 10 shareholders any other related parties or acting-in-concert parties as defined in the Administrative Measures for the Acquisition of Listed Companies.		
Top 10 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.

Yes  No

No such cases in the Reporting Period.

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

Applicable  Not applicable

## Part III Significant Events

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

√ Applicable □ Not applicable

Unit: RMB

Item	Q1 2021/31 March 2021	Q1 2020/31 December 2020	Change (%)	Explanation of why
Held-for-trading financial assets	203,249,119.16	407,619,201.36	-50.14%	Disinvestment in bank's wealth management products upon maturity in the Current Period
Other receivables	35,876,484.95	20,194,968.19	77.65%	Increase in export tax rebates in the Current Period
Notes payable	630,905,437.90	480,971,214.80	31.17%	Increase in procurement in the Current Period
Employee benefits payable	53,626,433.18	82,485,090.47	-34.99%	Payment in the Current Period of the year-end bonuses of last year to the employees
Other current liabilities	7,373,666.58	5,503,702.07	33.98%	Increase in output tax to be recognized as a result of an increase in contract liabilities at the period-end
Other non-current liabilities	30,636.07	1,244,064.84	-97.54%	Settlement of loan of subsidiary to be liquidated and de-registered in the Current Period
Treasury shares	207,340,531.49		N/A	Repurchase of treasury shares in the Current Period
Operating revenue	825,678,013.99	560,357,960.57	47.35%	Increase in operating revenue in the Current Period
Cost of sales	676,742,067.81	450,843,200.86	50.11%	Mainly due to the increase in the cost of sales with the rising of the operating revenue for the Reporting Period; for the Company starts to implement the new standards governing revenue since 1 January 2020, the freight related to contract performance was turned into the cost of sales for accounting, thus the data of the same period of last year shall be adjusted accordingly.
R&D expense	35,175,015.78	19,828,312.32	77.40%	The Company increased R&D investments in the Current Period, with an expanded R&D team and an increase in R&D projects.
Finance costs	-5,512,578.78	-13,912,036.15	60.38%	Mainly due to the decrease in interest of the Company and fluctuation of exchange rates for the Reporting Period.



Other income	4,247,000.00	122,198.82	3375.48%	Increase in government grants received in the ordinary course of business in the Current Period
Gain on changes in fair value	-6,092,000.00	-1,528,400.00	-298.59%	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	3,529,334.65	-730,317.40	583.26%	Reversal of allowances for expected credit losses due to a decrease in accounts receivable
Asset disposal income	149,083.95		N/A	Disposal of assets in the Current Period
Non-operating income	269,122.60	72,280.75	272.33%	Refunds of handling charges received in the Current Period
Non-operating expense	174,526.23	684,869.08	-74.52%	Decrease in loss on disposal of fixed assets in the Current Period
Gross profit	53,310,213.85	37,767,693.04	41.15%	Increase in operating revenue in the Current Period
Income tax expense	9,123,807.96	6,072,161.84	50.26%	Increase in gross profit in the Current Period
Net profit	44,186,405.89	31,695,531.20	39.41%	Increase in gross profit in the Current Period
Net profit attributable to owners of the Company as the parent	42,203,399.57	31,238,269.29	35.10%	Increase in net profit in the Current Period
Net profit attributable to non-controlling interests	1,983,006.32	457,261.91	333.67%	Increase in profits of non-wholly-owned subsidiaries in the Current Period
Other comprehensive income, net of tax	-468,665,430.52	100,555,938.69	-566.07%	Decrease in the fair value of investments in other equity instruments in the Current Period
Other comprehensive income, net of tax, attributable to owners of the Company as the parent	-468,665,430.52	100,555,938.69	-566.07%	Decrease in the fair value of investments in other equity instruments in the Current Period
Changes in the fair value of investments in other equity instruments	-468,616,484.90	100,595,067.77	-565.84%	Decrease in the fair value of investments in other equity instruments in the Current Period
Net cash generated from/used in operating activities	48,558,082.07	-21,233,501.52	328.69%	Increase in sales collected
Net cash generated from/used in financing activities	-207,510,992.86	-	N/A	Repurchase of treasury shares in the Current Period
Net increase in cash and cash equivalents	35,692,307.61	256,047,246.55	-86.06%	Decrease in net cash generated from financing activities in the Current Period

## II Progress, Influence and Solutions with regard to Significant Events

Applicable  Not applicable

The Company held the 6<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors and the 3<sup>rd</sup> Extraordinary General Meeting of 2020 respectively on 2 December 2020 and 18 December 2020. On the meetings, the *Proposal on the Related-party Transaction of Acquisition of 100% Equities of Hunan Keda New Energy Investment and Development Co., Ltd.* was reviewed and approved, and the acquisition by the Company was agreed. As for the above-mentioned equity transfer, the registration for the transfer of share ownership was completed. For more details, please refer to the Announcement on the Related-party Transaction of Acquisition of 100% Equities of Hunan Keda New Energy Investment and Development Co., Ltd. and Announcement on the Progress of the Acquisition of 100% Equities of Hunan Keda New Energy Investment and Development Co., Ltd. disclosed on Cninfo (cninfo.com.cn) respectively on 3 December 2020 and 28 January 2021.

Summary of the significant event	Disclosure date	Index to the related announcement
Announcement on the Related-party Transaction of Acquisition of 100% Equities of Hunan Keda New Energy Investment and Development Co., Ltd.	3 December 2020	www.cninfo.com.cn
Announcement on the Progress of the Acquisition of 100% Equities of Hunan Keda New Energy Investment and Development Co., Ltd.	28 January 2021	www.cninfo.com.cn

Progress on any share repurchases:

Applicable  Not applicable

On 18 December 2020, the Company called the 3<sup>rd</sup> Extraordinary General Meeting of 2020, at which the Proposal on the Repurchase of Part of the Company's Renminbi-Denominated Ordinary Shares (A-Shares) and Domestic Listed Foreign Investment Shares (B-Shares) was examined and approved. As of 31 March 2021, the Company had repurchased a total of 31,070,300 A-Shares and 3,799,702 B-shares of the Company through centralized bidding. The repurchased shares account for 2.49% of the Company's total share capital. The A-shares were repurchased at a highest price of RMB6.70 per share and a lowest price of RMB6.03 per share, with a total cost of RMB196.959 million (excluding transaction costs). The B shares were repurchased a highest price of HKD3.40 per share and a lowest price of HKD3.14 per share, with a total cost of HKD12.4382 million (excluding transaction costs).

Progress on reducing the repurchased shares by means of 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 Financial Investments

### 1. Securities Investments

Applicable  Not applicable

Unit: RMB

Type of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement method	Opening carrying amount	Gain/loss on fair-value changes in the current period	Cumulative fair-value changes through equity	Purchased in the current period	Sold in the current period	Gain/loss in the current period	Closing carrying amount	Accounting title	Funding source
Domestically/ Overseas listed stock	0020 74	Guoxua n High-te ch	160,000,000 .00	Fair value method	1,778,218, 182.00	-140,457, 417.75	1,417,525, 624.61				1,637,760, 764.25	Invest ment in other equity instru ments	Self-fu nded
Domestically/ Overseas listed stock	6018 18	China Everbri ght Bank	30,828,816. 00	Fair value method	74,001,54 8.46	1,669,207 .86	52,021,00 8.50				75,670,75 6.32	Invest ment in other equity instru ments	Self-fu nded
Domestically/ Overseas listed stock	6011 87	Xiamen Bank	292,574,133 .00	Fair value method	1,448,227, 123.20	-412,525, 301.76	743,127,6 88.44				1,035,701, 821.44	Invest ment in	Self-fu nded

												other equity instruments	
Domestically/ Overseas listed stock	N/A	Foshan branch of Guangdong Development Bank	500,000.00	Fair value method	500,000.00	0.00					500,000.00	Investment in other equity instruments	Self-funded
Total			483,902,949.00	--	3,300,946,853.66	-551,313,511.65	2,212,674,321.55	0.00	0.00	0.00	2,749,633,342.01	--	--
Disclosure date of the announcement on the Board's approval of securities investments													
Disclosure date of the announcement on the general meeting's approval of securities investments (if any)													

## 2. 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/losses in Reporting Period
Agricultural Bank of China (Foshan)	Not related	Not	Ordinary forward forex settlement (USD)	600	25 August 2020	29 March 2021	600	600			0		48.59

branch)													
Industrial and Commercial Bank of China (Foshan branch)	Not related	Not	Ordinary forward forex settlement (USD)	300	30 September 2020	23 February 2021	300		300		0		19.51
Industrial and Commercial Bank of China (Foshan branch)	Not related	Not	Ordinary forward forex settlement (USD)	600	20 October 2020	23 April 2021	600		400		200		15.38
Industrial and Commercial Bank of China (Foshan branch)	Not related	Not	Ordinary forward forex settlement (USD)	300	28 October 2020	29 January 2021	300		300		0		10.4
Industrial and Commercial Bank of China (Foshan branch)	Not related	Not	Ordinary forward forex settlement (USD)	200	3 December 2020	29 January 2021	200		200		0		1.45
Bank of Communication (Foshan branch)	Not related	Not	Ordinary forward forex settlement (USD)	300	15 January 2021	25 February 2021		300	300		0		1.1
Industrial and Commercial	Not related	Not	Ordinary forward forex settlement	200	21 January 2021	25 February 2021		200	200		0		0.49

Bank of China (Foshan branch)			nt (USD)										
Foshan branch of the Agricultural Bank of China	Not related	Not	Ordinary forward forex settlement (USD)	400	8 March 2021	29 April 2021		400			400	0.46%	
Industrial and Commercial Bank of China (Foshan branch)	Not related	Not	Ordinary forward forex settlement (USD)	300	25 March 2021	29 April 2021		300			300	0.35%	
Total				3,200	--	--	2,000	1,200	2,300	0	900	0.81%	96.92
Funding source				All self-funded									
Legal matters involved (if applicable)				N/A									
Disclosure date of board announcement approving derivative investment (if any)				10 April 2020 28 Jan 2021									
Disclosure date of general meeting announcement approving derivative investment (if any)				8 May 2020									
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 include measurement method and related assumptions and parameters)	<p>The Company carries out recognition and measurement in accordance with the Accounting Standard for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments, the Accounting Standard for Business Enterprises No. 24—Hedges, the Accounting Standard for Business Enterprises No. 37—Presentation of Financial Instrument and other applicable regulations. Fair value is arrived at based on the price provided by pricing service providers such as banks or the price obtained. Fair value measurement and recognition are carried out on a monthly basis. Changes in the fair value of forward exchange settlement contracts entered into by the Company are mainly attributable to difference arising from exchange rate fluctuations.</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>Opinions of the Independent Directors: The forward foreign exchange settlement transactions conducted by the Company are based on normal production and operation, are supported by specific businesses, aim to avoid and prevent foreign exchange risks associated with export businesses, do not involve speculative operations and are consistent with the needs of the</p>

	Company's operation and development. The Company has established relevant business management policies and risk control and prevention measures. The risk is controllable. The proposal was passed following a lawful, valid decision-making procedure, has no negative impact on the Company's normal operation and business development and does not undermine the interest of the Company and its shareholders. Therefore, the Company's conducting forward foreign exchange settlement transactions is approved.
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## V Progress of Projects Financed with Raised Funds

Applicable  Not applicable

## VI Operating Performance Forecast for January-June 2021

Warning of a forecast loss on or a forecast significant YoY change in the accumulative net profit from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable  Not applicable

## VII Significant Contracts Arising from the Company's Ordinary Course of Business

Applicable  Not applicable

## VIII Cash Entrusted for Wealth Management

Applicable  Not applicable

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Bank's wealth management product	Self-funded	40,000	20,000	0
Total		40,000	20,000	0

High-risk wealth management transactions with a significant single amount, or with low security, low liquidity or no principal protection:

Applicable  Not applicable

Unit: RMB'0,000

Trustee	Type of trustee	Type of wealth management	Principal	Source of principal	Beginning date	Ending date	Use of principal	Determination of yield	Annualized yield rate for	Expected yield (if	Actual gain/loss in Reporting	Receipt/payment of such gain/loss	Allowance for impairment	Prescribed procedure	Plan for more transaction	Index to transaction summ
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		product							reference	any)	Period	ss	(if any)	ed or not	or not	ary and other information (if any)
China Merchants Bank (Foshan branch)	Bank	Not principal-protected with floating yield	10,000	The Company's own idle funds	17 Sept. 2020	17 Sept. 2021	Investment	Repayment of principal with yield upon maturity	4.30%	428.82	212.05	To be received		Yes	Yes	<a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
Industrial Bank (sub-branch of Baiyun, Guangzhou)	Bank	Not principal-protected with floating yield	10,000	The Company's own idle funds	31 Dec. 2020	30 Jun. 2021	Investment	Repayment of principal with yield upon maturity	3.60%	178.52	88.77	To be received		Yes	Yes	<a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
Total			20,000	--	--	--	--	--	--	607.34	300.82	--		--	--	--

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

Applicable  Not applicable

### IX Irregularities in the Provision of Guarantees

Applicable  Not applicable

No such cases in the Reporting Period.

### X 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.

**XI 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.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Foshan Electrical and Lighting Co., Ltd.

31 March 2021

Unit: RMB

Item	31 March 2021	31 December 2020
Current assets:		
Monetary assets	1,045,900,558.16	981,249,699.49
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets	203,249,119.16	407,619,201.36
Derivative financial assets		
Notes receivable	180,468,347.32	140,972,143.00
Accounts receivable	940,223,382.28	1,134,233,235.70
Accounts receivable financing		
Prepayments	11,214,269.84	11,994,745.05
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	35,876,484.95	20,194,968.19
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	883,309,501.72	735,685,116.91
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	184,909,000.24	175,090,368.85
Total current assets	3,485,150,663.67	3,607,039,478.55

Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	181,440,282.83	181,365,016.32
Investments in other equity instruments	2,754,187,518.41	3,305,501,030.06
Other non-current financial assets		
Investment property		
Fixed assets	681,636,804.62	685,707,548.55
Construction in progress	521,082,060.29	503,941,120.31
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	169,972,066.94	170,693,873.30
Development costs		
Goodwill		
Long-term prepaid expense	13,329,715.28	13,411,226.23
Deferred income tax assets	35,853,135.21	40,253,777.17
Other non-current assets	8,975,181.58	11,423,843.62
Total non-current assets	4,366,476,765.16	4,912,297,435.56
Total assets	7,851,627,428.83	8,519,336,914.11
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	630,905,437.90	480,971,214.80
Accounts payable	972,841,055.92	1,059,674,020.99
Advances from customers	1,508,780.05	1,285,357.28
Contract liabilities	84,453,803.87	65,777,726.45
Financial assets sold under repurchase agreements		

Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	53,626,433.18	82,485,090.47
Taxes payable	15,410,647.10	18,876,657.51
Other payables	73,385,698.36	76,668,330.66
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities	7,373,666.58	5,503,702.07
Total current liabilities	1,839,505,522.96	1,791,242,100.23
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	331,901,148.22	414,670,609.97
Other non-current liabilities	30,636.07	1,244,064.84
Total non-current liabilities	331,931,784.29	415,914,674.81
Total liabilities	2,171,437,307.25	2,207,156,775.04
Owners' equity:		

Share capital	1,399,346,154.00	1,399,346,154.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	15,157,514.90	15,157,514.90
Less: Treasury stock	207,340,531.49	
Other comprehensive income	1,880,723,103.09	2,349,388,533.61
Specific reserve		
Surplus reserves	741,396,578.18	741,567,039.55
General reserve		
Retained earnings	1,800,665,462.05	1,758,462,062.48
Total equity attributable to owners of the Company as the parent	5,629,948,280.73	6,263,921,304.54
Non-controlling interests	50,241,840.85	48,258,834.53
Total owners' equity	5,680,190,121.58	6,312,180,139.07
Total liabilities and owners' equity	7,851,627,428.83	8,519,336,914.11

Legal representative: Wu Shenghui

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Peng Fentao

## 2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2021	31 December 2020
Current assets:		
Monetary assets	974,627,411.83	896,261,882.77
Held-for-trading financial assets	203,249,119.16	407,619,201.36
Derivative financial assets		
Notes receivable	178,039,378.10	137,477,199.21
Accounts receivable	852,409,341.60	1,030,713,074.22
Accounts receivable financing		
Prepayments	9,788,452.03	9,581,302.45
Other receivables	517,859,300.45	462,284,585.09
Including: Interest receivable		
Dividends receivable		

Inventories	740,154,062.06	615,106,650.81
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	143,917,931.44	139,275,518.71
Total current assets	3,620,044,996.67	3,698,319,414.62
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	552,024,578.24	536,949,311.73
Investments in other equity instruments	2,754,187,518.41	3,305,501,030.06
Other non-current financial assets		
Investment property		
Fixed assets	623,968,198.88	628,174,755.88
Construction in progress	64,597,964.57	54,652,119.14
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	122,047,889.91	122,391,701.60
Development costs		
Goodwill		
Long-term prepaid expense	11,859,189.57	11,651,100.48
Deferred income tax assets	27,002,792.82	31,403,727.94
Other non-current assets	6,185,496.63	7,548,885.47
Total non-current assets	4,161,873,629.03	4,698,272,632.30
Total assets	7,781,918,625.70	8,396,592,046.92
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	644,395,437.90	484,230,566.21
Accounts payable	1,084,351,433.92	1,108,208,382.75

Advances from customers		
Contract liabilities	70,981,283.18	53,572,800.70
Employee benefits payable	40,299,566.96	62,075,512.08
Taxes payable	7,236,105.44	7,819,839.48
Other payables	148,299,043.78	171,916,835.73
Including: Interest payable		
Dividends payable		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities	6,300,427.00	4,483,279.11
Total current liabilities	2,001,863,298.18	1,892,307,216.06
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	331,901,148.22	414,670,609.97
Other non-current liabilities		
Total non-current liabilities	331,901,148.22	414,670,609.97
Total liabilities	2,333,764,446.40	2,306,977,826.03
Owners' equity:		
Share capital	1,399,346,154.00	1,399,346,154.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	7,426,635.62	7,426,635.62
Less: Treasury stock	207,340,531.49	



Other comprehensive income	1,880,773,173.33	2,349,389,658.23
Specific reserve		
Surplus reserves	741,396,578.18	741,567,039.55
Retained earnings	1,626,552,169.66	1,591,884,733.49
Total owners' equity	5,448,154,179.30	6,089,614,220.89
Total liabilities and owners' equity	7,781,918,625.70	8,396,592,046.92

Legal representative: Wu Shenghui

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Peng Fentao

### 3. Consolidated Income Statement

Unit: RMB

Item	Q1 2021	Q1 2020
1. Revenue	825,678,013.99	560,357,960.57
Including: Operating revenue	825,678,013.99	560,357,960.57
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	784,152,595.65	527,891,623.07
Including: Cost of sales	676,742,067.81	450,843,200.86
Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	6,729,392.37	7,084,171.07
Selling expense	30,751,003.52	32,287,937.98
Administrative expense	40,267,694.95	31,760,036.99
R&D expense	35,175,015.78	19,828,312.32

Finance costs	-5,512,578.78	-13,912,036.15
Including: Interest expense		
Interest income	3,988,043.22	10,602,533.79
Add: Other income	4,247,000.00	122,198.82
Return on investment (“-” for loss)	9,856,780.54	8,050,462.45
Including: Share of profit or loss of joint ventures and associates	75,266.51	
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-6,092,000.00	-1,528,400.00
Credit impairment loss (“-” for loss)	3,529,334.65	-730,317.40
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)	149,083.95	
3. Operating profit (“-” for loss)	53,215,617.48	38,380,281.37
Add: Non-operating income	269,122.60	72,280.75
Less: Non-operating expense	174,526.23	684,869.08
4. Profit before tax (“-” for loss)	53,310,213.85	37,767,693.04
Less: Income tax expense	9,123,807.96	6,072,161.84
5. Net profit (“-” for net loss)	44,186,405.89	31,695,531.20
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	44,186,405.89	31,695,531.20
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	42,203,399.57	31,238,269.29
5.2.1 Net profit attributable to non-controlling interests	1,983,006.32	457,261.91
6. Other comprehensive income, net of	-468,665,430.52	100,555,938.69

tax		
Attributable to owners of the Company as the parent	-468,665,430.52	100,555,938.69
6.1 Items that will not be reclassified to profit or loss	-468,616,484.90	100,595,067.77
6.1.1 Changes caused by remeasurements on defined benefit 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	-468,616,484.90	100,595,067.77
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-48,945.62	-39,129.08
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 Credit impairment allowance for 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	-48,945.62	-39,129.08
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	-424,479,024.63	132,251,469.89
Attributable to owners of the Company as the parent	-426,462,030.95	131,794,207.98
Attributable to non-controlling interests	1,983,006.32	457,261.91

8. Earnings per share		
8.1 Basic earnings per share	0.0305	0.0226
8.2 Diluted earnings per share	0.0305	0.0226

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 last year being RMB0.00.

Legal representative: Wu Shenghui

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Peng Fentao

#### 4. Income Statement of the Company as the Parent

Unit: RMB

Item	Q1 2021	Q1 2020
1. Operating revenue	749,661,660.91	525,496,491.07
Less: Cost of sales	629,874,068.88	432,357,989.78
Taxes and surcharges	5,497,116.23	6,177,097.24
Selling expense	27,724,076.48	30,083,400.00
Administrative expense	31,428,131.61	26,821,027.28
R&D expense	31,190,272.17	17,626,070.34
Finance costs	-5,335,497.92	-13,775,921.87
Including: Interest expense		
Interest income	3,828,283.03	10,456,543.51
Add: Other income	2,501,000.00	75,128.00
Return on investment ("-" for loss)	9,856,780.54	8,050,462.45
Including: Share of profit or loss of joint ventures and associates	75,266.51	
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)	-6,092,000.00	-1,528,400.00
Credit impairment loss ("-" for loss)	4,845,885.57	772,220.24
Asset impairment loss ("-" for loss)		

Asset disposal income (“-” for loss)	149,083.95	
2. Operating profit (“-” for loss)	40,544,243.52	33,576,238.99
Add: Non-operating income	234,583.03	18,235.94
Less: Non-operating expense	6,889.83	-71,320.11
3. Profit before tax (“-” for loss)	40,771,936.72	33,665,795.04
Less: Income tax expense	6,104,500.55	5,049,869.23
4. Net profit (“-” for net loss)	34,667,436.17	28,615,925.81
4.1 Net profit from continuing operations (“-” for net loss)	34,667,436.17	28,615,925.81
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax	-468,616,484.90	100,595,067.77
5.1 Items that will not be reclassified to profit or loss	-468,616,484.90	100,595,067.77
5.1.1 Changes caused by remeasurements on defined benefit 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	-468,616,484.90	100,595,067.77
5.1.4 Changes in the fair value arising from changes in own credit risk		
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 Credit impairment allowance for 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	-433,949,048.73	129,210,993.58
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

Legal representative: Wu Shenghui

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Peng Fentao

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2021	Q1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,031,138,656.04	669,750,377.22
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	26,143,863.35	15,719,615.48

Cash generated from other operating activities	18,358,589.39	43,411,843.79
Subtotal of cash generated from operating activities	1,075,641,108.78	728,881,836.49
Payments for commodities and services	705,267,730.79	510,880,370.55
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	219,582,109.41	165,291,285.47
Taxes paid	25,466,476.99	15,730,276.50
Cash used in other operating activities	76,766,709.52	58,213,405.49
Subtotal of cash used in operating activities	1,027,083,026.71	750,115,338.01
Net cash generated from/used in operating activities	48,558,082.07	-21,233,501.52
2. Cash flows from investing activities:		
Proceeds from disinvestment	210,000,000.00	280,000,000.00
Return on investment	8,161,200.00	12,613,429.83
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	41,640.28	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	218,202,840.28	292,723,407.95
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	16,677,660.59	15,530,355.37
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	16,677,660.59	15,530,355.37
Net cash generated from/used in investing activities	201,525,179.69	277,193,052.58
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings raised		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Interest and dividends paid		
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	207,510,992.86	
Subtotal of cash used in financing activities	207,510,992.86	
Net cash generated from/used in financing activities	-207,510,992.86	
4. Effect of foreign exchange rates changes on cash and cash equivalents	-6,879,961.29	87,695.49
5. Net increase in cash and cash equivalents	35,692,307.61	256,047,246.55
Add: Cash and cash equivalents, beginning of the period	875,728,218.57	1,055,682,413.47
6. Cash and cash equivalents, end of the period	911,420,526.18	1,311,729,660.02

Legal representative: Wu Shenghui

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Peng Fentao



**6. Cash Flow Statement of the Company as the Parent**

Unit: RMB

Item	Q1 2021	Q1 2020
<b>1. Cash flows from operating activities:</b>		
Proceeds from sale of commodities and rendering of services	955,336,342.43	640,471,098.43
Tax rebates	26,143,724.06	15,714,059.77
Cash generated from other operating activities	12,809,461.57	12,361,475.68
Subtotal of cash generated from operating activities	994,289,528.06	668,546,633.88
Payments for commodities and services	668,245,564.84	497,890,855.63
Cash paid to and for employees	173,671,566.86	127,807,771.53
Taxes paid	14,265,423.35	8,859,709.89
Cash used in other operating activities	62,557,862.59	54,781,434.63
Subtotal of cash used in operating activities	918,740,417.64	689,339,771.68
Net cash generated from/used in operating activities	75,549,110.42	-20,793,137.80
<b>2. Cash flows from investing activities:</b>		
Proceeds from disinvestment	210,000,000.00	280,000,000.00
Return on investment	8,161,200.00	12,613,429.83
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	218,161,200.00	292,716,790.85
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	14,686,415.99	14,962,496.05
Payments for investments	15,000,000.00	
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing		

activities		
Subtotal of cash used in investing activities	29,686,415.99	14,962,496.05
Net cash generated from/used in investing activities	188,474,784.01	277,754,294.80
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Interest and dividends paid		
Cash used in other financing activities	207,510,992.86	
Subtotal of cash used in financing activities	207,510,992.86	
Net cash generated from/used in financing activities	-207,510,992.86	
4. Effect of foreign exchange rates changes on cash and cash equivalents	-6,856,683.37	120,937.17
5. Net increase in cash and cash equivalents	49,656,218.20	257,082,094.17
Add: Cash and cash equivalents, beginning of the period	803,264,792.72	983,378,125.66
6. Cash and cash equivalents, end of the period	852,921,010.92	1,240,460,219.83

Legal representative: Wu Shenghui

Chief Financial Officer: Tang Qionglan

Person-in-charge of the Company's accounting organ: Peng Fentao

## II Adjustments to the Financial Statements

### 1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of the New Standards Governing Leases from 2021

Applicable  Not applicable

## **2. Retrospective Restatement of Previous Comparative Data due to the First Execution of the New Standards Governing Leases from 2021**

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.

Foshan Electrical and Lighting Co., Ltd.

Legal representative: Wu Shenghui

23 April 2021