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SHANGHAI ELECTRIC GROUP COMPANY LIMITED

上海電氣集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02727)

2016 Third Quarterly Report

Pursuant to the regulations and rules of the China Securities Regulatory Commission and the Shanghai Stock Exchange, Shanghai Electric Group Company Limited (the “**Company**”) is required to announce quarterly results.

This announcement is made pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce the results of the Company and its subsidiaries for the three months ended 30 September 2016 (the “**Period**”) prepared in accordance with Generally Accepted Accounting Principles of the People's Republic of China (the “**PRC GAAP**”). Such results have not been audited by independent auditors but have been reviewed by audit committee of the Company.

1. IMPORTANT NOTICE

- 1.1 The Board and the supervisory committee of the Company together with the directors, supervisors and the senior management of the Company confirm that there are no false statements or misleading representations contained in or material omissions from this report. All of them jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the content of this report.
- 1.2 All the Directors have attended the meeting of the Board.
- 1.3 Financial information set forth in this 2016 Third Quarterly Report has been prepared in accordance with the PRC GAAP and has not been audited by independent auditors but has been reviewed by audit committee of the Company.
- 1.4 Mr. Huang Dinan, chairman of the Board, Mr. Hu Kang, chief financial officer as well as head of finance department of the Company, warrant the truthfulness and completeness of the financial report within this quarterly report.
- 1.5 This announcement is made pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (as defined in the Listing Rules) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

2. GENERAL INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

Currency: RMB'000'

	As at 30 September 2016	As at 31 December 2015		Change from 31 December 2015 to 30 September 2016 (%)
		After adjustments	Before adjustments	
Total assets	170,935,464	165,467,872	162,123,657	3.30
Net assets attributable to shareholders of the Company	44,520,626	39,269,082	37,251,086	13.37
	From 1 January 2016 to 30 September 2016	From 1 January 2015 to 30 September 2015		Year-on-year change (%)
		After adjustments	Before adjustments	
Net cash flow from operating activities	-505,131	-718,637	-725,490	Not applicable
	From 1 January 2016 to 30 September 2016	From 1 January 2015 to 30 September 2015		Year-on-year change (%)
		After adjustments	Before adjustments	
Revenue	54,711,739	55,161,864	53,909,588	-0.82
Net profit attributable to shareholders of the Company	1,768,712	1,898,507	1,892,220	-6.84
Net profit attributable to shareholders of the Company after excluding non- recurring profit or loss items	1,413,200	1,307,339	1,307,339	8.10
Return on net assets on a weighted average basis (%)	4.33	4.81	5.11	Decrease by 0.48 percentage points
Basic earnings per share (RMB/share)	0.1317	0.1480	0.1476	-11.01
Diluted earnings per share (RMB/share)	0.1317	0.1480	0.1476	-11.01

During the reporting period (from 1 January 2016 to 30 September 2016), the Company obtained new orders in the amount of RMB62,500 million, representing an increase of 24.98% over the corresponding period of the preceding year, among which, new orders from new energy and environmental protection equipment, high efficiency and clean energy equipment and modern services accounted for 15.39%, 45.15% and 39.46% of the total new orders, respectively. As at the end of the reporting period, the Company's orders on hand amounted to RMB224,440 million (with orders in the amount of RMB98,002 million not yet coming into effect). It represented a decrease of 16.09% compared to that of the corresponding period end date of the preceding year, among which, the orders on hand from new energy and environmental protection equipment, high efficiency and clean energy equipment and modern services accounted for 11.39%, 59.29% and 29.32% of the total orders on hand respectively.

As at the end of the reporting period, the orders on hand of the Company for wind power equipment amounted to RMB11,490 million, a reduction of 1.88% year on year; orders on hand of the Company for coal-fired power generation equipment amounted to RMB99,600 million (of which RMB52,300 million were not yet coming into effect), an increase of 4.64% year on year; and orders on hand of the Company for gas-fired power generation equipment amounted to RMB9,900 million, a reduction of 4.26% year on year.

Note 1: unless otherwise specified.

Excluding non-recurring profit and loss items and amounts:

Currency: RMB'000

	From 1 July 2016 to 30 September 2016	From 1 January 2016 to 30 September 2016
Non-recurring profit and loss items		
Profit and loss from disposal of non-current assets	147	8,194
Governmental subsidies counted into the current profit and loss, except for the one closely related with the normal operation of the company and gained constantly at a fixed amount or quantity according to certain standard based on state policies;	136,595	198,642
Profit and loss from debt reorganization	710	3,709
Enterprises' reorganization fees, such as redundancy and business integration expenses	0	-7,896
Net profit and loss for period from beginning of the year to consolidation day for subsidiaries consolidated under common control	0	41,057
Gain or loss from fair value changes of financial assets held for trading and financial liabilities held for trading, and investment gain from disposal of financial assets held for trading, financial liabilities held for trading and financial assets available-for-sale, except from effective hedging activities related to the Company's normal operation	0	6,390
Reversal of the provision for the receivables subject to separate assessment for impairment	0	81,518
Other non-operating revenue and expenses other than the above	19,108	34,764
Investment gain resulted from disposal of subsidiaries	0	210,989
Effect on income tax	-32,370	-120,303
Effect on non-controlling interests (after tax)	-18,361	-101,552
Total	105,829	355,512

3. SIGNIFICANT EVENTS

3.1 Material changes of principal items in the financial statements and financial indicators of the Company and the underlying reasons

Applicable Not Applicable

Analysis on changes for items of consolidated balance sheet during the reporting period

Currency: RMB'000

Items	Closing balance	Opening balance	Percentage of change
Intangible assets	5,172,533	2,673,729	93%
Capital reserve	9,501,347	6,636,447	43%

The increase in intangible assets was primarily due to the acquisition of assets through issuance of shares by the Company to Shanghai Electric (Group) Corporation in relation to the land use rights for 14 parcels of land in the amount of approximately RMB2,600 million.

The increase in capital reserve was primarily due to the acquisition of assets through issuance of shares by the Company to Shanghai Electric (Group) Corporation which resulted in an increase of share premium of approximately RMB2,500 million.

Analysis on changes for items of consolidated income statement during the reporting period

Currency: RMB'000

Item	Amount for the current period (Jan-Sep)	Amount for the preceding period (Jan-Sep)	Percentage of change
Investment income	1,073,720	1,991,958	-46%

The decrease in investment income was due to Shanghai Mechanical & Electrical Industry Company Limited, a subsidiary of the Company, having disposed of Goss International, its wholly-owned subsidiary, in the corresponding period last year, resulted in an investment gain of approximately RMB850 million.

Analysis on changes for items of consolidated statement of cash flows during the reporting period

Currency: RMB'000

Items	Amount for the current period	Amount for the preceding period	Increase or decrease
Net cash flows from investing activities	1,594,570	3,975,998	-2,381,428
Net cash flows from financing activities	-4,413,800	6,659,674	-11,073,474

The decrease in net cash flows from investing activities from that of the corresponding period last year was primarily due to the withdrawal of time deposits of more than three months amounted to approximately RMB2,300 million in the corresponding period last year.

The decrease in net cash flows from financing activities from that of the corresponding period last year was primarily due to the issuance of convertible bonds of RMB6,000 million and bonds of EUR600 million by the Company during the corresponding period last year.

Shanghai Electric Group Company Limited
Huang Dinan
Legal representative
28 October 2016

4. APPENDIX

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 30 September 2016

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Items	As at 30 September 2016	As at 1 January 2016
Current assets:		
Cash and cash equivalents	38,169,222	40,665,622
Settlement reserve		
Due from banks and other financial institutions		
Financial assets at fair value through profit or loss	874,401	754,044
Derivative financial assets	345	290
Notes receivable	5,242,055	6,726,313
Accounts receivable	29,478,765	26,021,351
Advances to suppliers	10,044,264	8,633,555
Premium receivable		
Amounts due from reinsurers		
Reinsurance contract reserve receivable		
Interest receivable	62,901	64,836
Dividends receivable	132,954	83,824
Other receivables	1,469,681	1,180,227
Financial assets purchased under agreements to resell		
Inventories	28,014,542	24,473,253
Assets held-for-sale		4,442,156
Current portion of non-current assets	3,644,219	2,466,824
Other current assets	13,929,341	14,608,291
Total current assets	131,062,690	130,120,586

Items	As at 30 September 2016	As at 1 January 2016
Non-current assets:		
Loans receivables		
Financial assets available-for-sale	1,702,870	1,720,767
Held-to-maturity investments		
Long-term receivables	6,777,211	6,262,676
Long-term equity investments	8,484,509	7,677,997
Investment properties	361,868	379,455
Fixed assets	11,826,655	11,410,394
Construction in progress	1,175,176	983,090
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	5,172,533	2,673,729
Development disbursements	96,627	84,487
Goodwill	189,151	189,151
Long-term deferred expenses	68,096	80,409
Deferred tax assets	3,020,435	2,911,443
Other non-current assets	997,643	973,688
Total non-current assets	39,872,774	35,347,286
Total assets	170,935,464	165,467,872

Items	As at 30 September 2016	As at 1 January 2016
Current liabilities:		
Short-term borrowings	1,624,838	1,154,242
Due to central banks		
Customer deposits and placements from other financial institutions		
Placement from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	611	25,507
Notes payable	5,301,241	3,439,412
Accounts payable	32,853,249	28,607,973
Advances from customers	39,738,056	39,203,083
Financial assets sold under agreement to repurchase		
Fee and commissions income payable		
Employee benefits payable	1,958,901	2,499,057
Tax payable	1,081,929	2,474,823
Interests payable	89,675	132,394
Dividends payable	454,203	407,229
Other payables	4,661,410	3,191,091
Amounts due to reinsurer		
Reserve of insurance contract		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Liabilities held-for-sale		3,752,429
Current portion of long-term liabilities	865,472	1,985,688
Other current liabilities	10,370,070	13,663,050
Total current liabilities	98,999,655	100,535,978

Items	As at 30 September 2016	As at 1 January 2016
Non-current liabilities:		
Long-term borrowings	526,700	123,987
Bonds payable	11,198,344	10,792,803
Inclusive: Preferred shares		
Perpetual bond		
Long-term payables	1,058,454	563,925
Long-term employee benefits payable	139,136	148,988
Payables for specific projects	289,152	301,527
Provisions		
Deferred revenue	648,975	660,933
Deferred tax liabilities	278,067	282,439
Other non-current liabilities	34,389	69,240
Total non-current liabilities	14,173,217	12,943,842
Total liabilities	113,172,872	113,479,820
Equity:		
Paid in capital (or share capital)	13,431,156	12,824,305
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bond		
Capital surplus	9,501,347	6,636,447
Less: Treasury stock		
Other comprehensive income	1,026,137	1,013,965
Specialized reserve	106,737	96,973
Surplus reserves	4,158,818	4,158,818
General provisions		
Retained earnings	16,296,431	14,538,574
Equity attributable to owners of the Company	44,520,626	39,269,082
Non-controlling interests	13,241,966	12,718,970
Total equity	57,762,592	51,988,052
Total equity and liabilities	170,935,464	165,467,872

Company's legal
representative:
Huang Dinan

Person-in-charge of
accounting:
Hu Kang

Head of accounting
department:
Hu Kang

UNAUDITED BALANCE SHEET OF THE PARENT COMPANY

As at 30 September 2016

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Items	As at 30 September 2016	As at 1 January 2016
Current assets:		
Cash and cash equivalents	24,375,763	23,010,275
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	204,927	1,088,056
Accounts receivable	17,086,012	15,146,579
Advances to suppliers	14,869,796	14,726,209
Interest receivable		
Dividends receivable	241,059	228,495
Other receivables	1,261,831	949,649
Inventories	1,536,257	503,966
Assets held-for-sale		
Current portion of non-current assets		
Other current assets	651,122	1,200,122
Total current assets	60,226,767	56,853,351
Non-current assets:		
Financial assets available-for-sale	748,753	695,131
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	24,646,683	20,733,565
Investment properties	40,501	42,288
Fixed assets	1,401,793	1,024,700
Construction in progress	32,591	29,275
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	2,921,058	361,811

Items	As at 30 September 2016	As at 1 January 2016
Development disbursements		
Goodwill		
Long-term deferred expenses	289	
Deferred tax assets	1,175,284	1,229,467
Other non-current assets		
Total non-current assets	30,966,952	24,116,237
Total assets	91,193,719	80,969,588
Current liabilities:		
Short-term borrowings	600,000	490,000
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		24,428
Notes payable	1,374,317	1,058,559
Accounts payable	28,859,280	25,295,499
Advances from customers	16,621,457	16,955,050
Employee benefits payable	129,305	285,860
Tax payable	256,863	443,987
Interests payable	56,670	91,270
Dividends payable		5,593
Other payables	1,595,150	649,827
Liabilities held – for-sale		
Current portion of long-term liabilities	39,311	429,614
Other current liabilities	302,073	710,401
Total current liabilities	49,834,426	46,440,088
Non-current liabilities:		
Long-term borrowings		
Bonds payable	6,715,738	6,547,280
Inclusive: Preferred shares		
Perpetual bond		

Items	As at 30 September 2016	As at 1 January 2016
Long-term payables		
Long-term employee benefits payable		
Payables for specific projects	14,710	14,710
Provisions		
Deferred revenue		
Deferred tax liabilities		
Other non-current liabilities	45,859	35,352
Total non-current liabilities	6,776,307	6,597,342
Total liabilities	56,610,733	53,037,430
Equity:		
Paid in capital (or share capital)	13,431,156	12,824,305
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bond		
Capital surplus	9,167,941	4,750,127
Less: Treasury stock		
Other comprehensive income	87,605	173,351
Specialized reserve		
Surplus reserves	1,814,593	1,814,593
Retained earnings	10,081,691	8,369,782
Total equity	34,582,986	27,932,158
Total equity and liabilities	91,193,719	80,969,588

Company's legal
representative:
Huang Dinan

Person-in-charge of
accounting:
Hu Kang

Head of accounting
department:
Hu Kang

UNAUDITED CONSOLIDATED INCOME STATEMENT

From 1 January 2016 to 30 September 2016

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Items	Amount for the period from 1 July 2016 to 30 September 2016	Amount for the corresponding period last year from 1 July 2015 to 30 September 2015	Amount for the period from 1 January 2016 to 30 September 2016	Amount for the corresponding period last year from 1 January 2015 to 30 September 2015
1. Total revenue	17,845,137	18,036,859	54,711,739	55,161,864
Inclusive: Operating revenue	17,845,137	18,036,859	54,711,739	55,161,864
Interest income				
Premium earned				
Fees and commission income				
2. Total cost of sales	16,628,530	17,302,002	51,482,683	52,669,403
Inclusive: Operating cost	14,014,934	14,488,670	43,399,706	44,267,224
Interest expenses				
Fees and commission expenses				
Cash surrender value				
Claim settlement expenses, net				
Net insurance contract reserves				
Policy dividend expense				
Reinsurance expenses				
Business tax and surcharge	61,620	102,719	268,632	322,349
Selling expenses	715,857	592,613	1,982,865	1,835,294
General and administrative expenses	1,709,468	1,667,556	4,688,035	5,151,812
Finance expenses	46,426	18,641	119,962	111,906
Impairment loss	80,225	431,803	1,023,483	980,818
Add: Profit or loss arising from changes in fair value	1,782	-51,765	1,520	-62,941
Investment income	177,938	915,386	1,073,720	1,991,958
Inclusive: Income from investment in associates and joint ventures	121,110	94,207	402,970	421,606
Foreign exchange gain				

Items	Amount for the period from 1 July 2016 to 30 September 2016	Amount for the corresponding period last year from 1 July 2015 to 30 September 2015	Amount for the period from 1 January 2016 to 30 September 2016	Amount for the corresponding period last year from 1 January 2015 to 30 September 2015
3. Operating profits	1,396,327	1,598,478	4,304,296	4,421,478
Add: non-operating income	175,822	101,015	286,742	389,446
Inclusive: Gain from disposal of non-current assets	1,949	4,280	13,014	20,040
Less: non-operating expenses	10,331	2,371	27,683	33,745
Inclusive: Loss from disposal of non-current assets	1,802	1,467	4,820	13,451
4. Profit and loss before tax	1,561,818	1,697,122	4,563,355	4,777,179
Less: income tax expenses	383,373	385,837	954,480	925,016
5. Net profits	1,178,445	1,311,285	3,608,875	3,852,163
Net profit attributable to owners (shareholders) of the Company	519,356	479,182	1,768,712	1,898,507
Profit or loss attributable to Non-controlling interests	659,089	832,103	1,840,163	1,953,656
6. Other comprehensive income, net of tax	239,420	-473,930	3,590	187,486
Other comprehensive income, net of tax, attributable to shareholders of the Company	229,236	-437,530	12,172	135,513
(1) Items that will not be reclassified subsequently to profit or loss		-427		-3,836
Remeasurements gains/(losses) of defined benefit obligation		-427		-3,836
Share of other comprehensive income of investments accounted for using the equity method, which will not be reclassified subsequently to profit or loss				

Items	Amount for the period from 1 July 2016 to 30 September 2016	Amount for the corresponding period last year from 1 July 2015 to 30 September 2015	Amount for the period from 1 January 2016 to 30 September 2016	Amount for the corresponding period last year from 1 January 2015 to 30 September 2015
(2) Items that may be reclassified to profit or loss	229,236	-437,103	12,172	139,349
Share of other comprehensive income of investments accounted for using the equity method, which will be reclassified subsequently to profit or loss				
Change in fair value of financial assets available-for-sale	125,719	-438,920	-71,732	141,455
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale				
Cash flow hedge	15,983	-17,186	17,890	-12,496
Currency translation difference	87,534	17,993	65,428	9,690
Others		1,010	586	700
Other comprehensive income, net of tax, attributable to non-controlling interests	10,184	-36,400	-8,582	51,973
7. Total comprehensive income	1,417,865	837,355	3,612,465	4,039,649
Attributable to shareholders of the Company	748,592	41,652	1,780,884	2,034,020
Attributable to non-controlling interests	669,273	795,703	1,831,581	2,005,629
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.0387	0.0374	0.1317	0.1480
(2) Diluted earnings per share (RMB/share)	0.0387	0.0374	0.1317	0.1480

Company's legal representative:
Huang Dinan

Person-in-charge of accounting:
Hu Kang

Head of accounting department:
Hu Kang

UNAUDITED INCOME STATEMENT OF THE PARENT COMPANY

From 1 January 2016 to 30 September 2016

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Items	Amount for the period from 1 July 2016 to 30 September 2016	Amount for the corresponding period last year from 1 July 2015 to 30 September 2015	Amount for the period from 1 January 2016 to 30 September 2016	Amount for the corresponding period last year from 1 January 2015 to 30 September 2015
1. Operating revenue	5,824,728	5,686,065	18,137,475	18,029,531
Deduct: Cost of sales	5,202,672	5,257,105	16,372,223	16,319,637
Business tax and surcharge	3,825	1,906	15,161	9,085
Selling expenses	80,956	114,392	261,382	238,455
General and administrative expenses	184,484	166,604	455,305	500,357
Finance expenses	8,409	-69,521	-8,676	-138,614
Impairment loss	144,162	33,663	103,637	232,606
Add: Profit or loss arising from changes in fair value				
Investment income	644,148	71,972	1,013,774	452,730
Inclusive: Income from investment in associates and joint ventures	69,372	76,507	168,539	197,382
2. Operating profits	844,368	253,888	1,952,217	1,320,735
Add: non-operating income	79,190	172	86,482	6,758
Inclusive: Gain from disposal of non-current assets		1	2,351	2,262
Less: non-operating expenses	6	1	399	173
Inclusive: Loss from disposal of non-current assets			179	134
3. Profit and loss before tax	923,552	254,059	2,038,300	1,327,320
Less: income tax expenses	101,866	81,439	326,391	297,503
4. Net profits	821,686	172,620	1,711,909	1,029,817

Items	Amount for the period from 1 July 2016 to 30 September 2016	Amount for the corresponding period last year from 1 July 2015 to 30 September 2015	Amount for the period from 1 January 2016 to 30 September 2016	Amount for the corresponding period last year from 1 January 2015 to 30 September 2015
5. Other comprehensive income, net of tax	17,176	-245,925	-85,746	-26,981
(1) Items that will not be reclassified subsequently to profit or loss				
Remeasurements gains/(losses) of defined benefit obligation				
Share of other comprehensive income of investments accounted for using the equity method, which will not be reclassified subsequently to profit or loss				
(2) Items that may be reclassified to profit or loss	17,176	-245,925	-85,746	-26,981
Share of other comprehensive income of investments accounted for using the equity method, which will be reclassified subsequently to profit or loss				
Change in fair value of financial assets available-for-sale	762	-228,739	-104,067	-14,485
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale				
Cash flow hedge	16,414	-17,186	18,321	-12,496
Currency translation difference				
Others				
6. Total comprehensive income	838,862	-73,305	1,626,163	1,002,836
7. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.0612	0.0135	0.1275	0.0803
(2) Diluted earnings per share (RMB/share)	0.0612	0.0135	0.1275	0.0803

Company's legal representative:
Huang Dinan

Person-in-charge of accounting:
Hu Kang

Head of accounting department:
Hu Kang

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

From 1 January 2016 to 30 September 2016

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Items	Amount for the current period from 1 January 2016 to 30 September 2016	Amount for the preceding period from 1 January 2015 to 30 September 2015
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	56,801,302	57,542,929
Net increase in customer deposits and placements from other bank		
Net increase in due to central banks		
Net increase in borrowings from other financial institutions		
Cash from premiums on original insurance contracts		
Reinsurance business, net amount		
Net increase in insured's deposits and investments		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interests, fees and commissions		
Placement from banks and other financial institutions, net increase		
Net increase in repurchases		
Tax refunds	148,320	167,249
Cash receipts related to other operating activities	1,045,962	803,536
Total cash inflows from operating activities	57,995,584	58,513,714
Cash paid for goods and services	45,122,349	46,681,058
Net increase in loans receivables		
Net increase in deposits with central bank and other banks		
Cash paid for claim settlements on original insurance contracts		
Cash paid for interest, fees and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	4,624,572	4,740,188
Payments of all types of taxes	4,159,698	3,820,360
Cash payments related to other operating activities	4,594,096	3,990,745
Total cash outflows from operating activities	58,500,715	59,232,351
Net cash flows from operating activities	-505,131	-718,637

Items	Amount for the current period from 1 January 2016 to 30 September 2016	Amount for the preceding period from 1 January 2015 to 30 September 2015
2. Cash flows from investing activities:		
Cash received from sale of investments	178,625	123,135
Cash receipts from returns on investments	1,844,003	1,407,866
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	63,189	215,512
Net cash received from disposing subsidiaries and other business units	135,107	17,818
Cash receipts related to other investing activities	1,582,965	5,572,991
Total cash inflows from investing activities	3,803,889	7,337,322
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,206,845	865,593
Cash paid for investments	858,224	1,104,281
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		570,325
Cash payments related to other investing activities	144,250	821,125
Total cash outflows from investing activities	2,209,319	3,361,324
Net cash flows from investing activities	1,594,570	3,975,998

Items	Amount for the current period from 1 January 2016 to 30 September 2016	Amount for the preceding period from 1 January 2015 to 30 September 2015
3. Cash flows from financing activities		
Cash proceeds from investments by others	321,194	108,000
Inclusive: Cash received from capital contributions from non-controlling interests of subsidiaries	321,194	108,000
Cash received from borrowings	2,270,528	2,147,547
Cash received from issuance of bonds		10,079,203
Cash receipts related to other financing activities		3,441,057
Total cash inflows from financing activities	2,591,722	15,775,807
Cash repayments for debts	1,339,813	6,400,706
Cash payments for distribution of dividends, profit or interest expenses	1,623,647	2,478,280
Inclusive: Profit and dividends paid to non-controlling interests by the subsidiaries	1,373,955	1,302,185
Cash payments related to other financing activities	4,042,062	237,147
Total cash outflows from financing activities	7,005,522	9,116,133
Net cash flows from financing activities	-4,413,800	6,659,674
4. Effects of foreign exchange rates changes on cash and cash equivalents	59,130	31,718
5. Net increase in cash and cash equivalents	-3,265,231	9,948,753
Add: Cash and cash equivalents at beginning of the period	33,594,058	20,099,829
6. Cash and cash equivalents at end of the period	30,328,827	30,048,582

Company's legal
representative:
Huang Dinan

Person-in-charge of
accounting:
Hu Kang

Head of accounting
department:
Hu Kang

UNAUDITED STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

From 1 January to 30 September 2016

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Items	Amount for the current period from 1 January 2016 to 30 September 2016	Amount for the preceding period from 1 January 2015 to 30 September 2015
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	13,531,908	13,441,067
Tax refunds		
Cash receipts related to other operating activities	943,489	310,528
Total cash inflows from operating activities	14,475,397	13,751,595
Cash paid for goods and services	10,468,296	11,636,620
Cash paid to and on behalf of employees	381,309	252,154
Payments of all types of taxes	413,079	497,775
Cash payments related to other operating activities	865,039	888,889
Total cash outflows from operating activities	12,127,723	13,275,438
Net cash flows from operating activities	2,347,674	476,157
2. Cash flows from investing activities:		
Cash received from sale of investments	1,327,000	1,569,385
Cash receipts from returns on investments	1,112,343	298,610
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9
Net cash received from disposing subsidiaries and other business units	107,058	683
Cash receipts related to other investing activities	9,549,767	9,626,047
Total cash inflows from investing activities	12,096,168	11,494,734
Cash paid to acquire fixed assets, intangible assets and other long-term assets	132,421	48,673
Cash paid for investments	2,215,428	3,690,142
Net cash paid for acquiring subsidiaries and other business units		
Cash payments related to other investing activities	828,256	679,000
Total cash outflows from investing activities	3,176,105	4,417,815
Net cash flows from investing activities	8,920,063	7,076,919

Items	Amount for the current period from 1 January 2016 to 30 September 2016	Amount for the preceding period from 1 January 2015 to 30 September 2015
3. Cash flows from financing activities		
Cash proceeds from investments by others		
Cash received from borrowings	600,000	
Cash received from issuance of bonds		5,969,672
Cash receipts related to other financing activities		
Total cash inflows from financing activities	600,000	5,969,672
Cash repayments for debts	890,000	1,050,000
Cash payments for distribution of dividends, profit or interest expenses	110,762	844,981
Cash payments related to other financing activities		500
Total cash outflows from financing activities	1,000,762	1,895,481
Net cash flows from financing activities	-400,762	4,074,191
4. Effects of foreign exchange rates changes on cash and cash equivalents	38,032	60,537
5. Net increase in cash and cash equivalents	10,905,007	11,687,804
Add: Cash and cash equivalents at beginning of the period	12,620,375	6,611,037
6. Cash and cash equivalents at end of the period	23,525,382	18,298,841

Company's legal
representative:
Huang Dinan

Person-in-charge of
accounting:
Hu Kang

Head of accounting
department:
Hu Kang

By Order of the Board
Shanghai Electric Group Company Limited
Huang Dinan
Chairman

Shanghai, the PRC, 28 October 2016

As at the date of this announcement, the executive Directors of the Company are Mr. HUANG Dinan, Mr. ZHENG Jianhua and Mr. Huang Ou; the non-executive Directors of the Company are Mr. LI Jianjing, Mr. ZHU Kelin and Ms. YAO Minfang; and the independent non-executive Directors of the Company are Dr. LUI Sun Wing, Mr. KAN Shun Ming and Dr. CHU Junhao.

* For identification purpose only