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## SHANGHAI ELECTRIC GROUP COMPANY LIMITED

上海電氣集團股份有限公司

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

**(Stock Code: 02727)**

### 2017 First 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 of the Company (the “**Board**”) is pleased to announce the results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 31 March 2017 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 the audit committee of the Company.

#### 1. IMPORTANT NOTICE

1.1 The Board and the supervisory committee of the Company together with the directors of the Company (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 This quarterly report has been approved at the 44<sup>th</sup> meeting of the Fourth Session of the Board. All the Directors have attended this meeting of the Board.

1.3 Financial information set forth in this 2017 first quarterly report has been prepared in accordance with the PRC GAAP and has not been audited by independent auditors but has been reviewed by the audit committee of the Company.

1.4 Mr. Huang Dinan, chairman of the Board, Mr. Hu Kang, chief financial officer of the Company and Mr. Hu Kang, head of finance department, hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in 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

Unit: '000 Currency: RMB<sup>1</sup>

	As at 31 March 2017	As at 31 December 2016		Change from 31 December 2016 to 31 March 2017 (%)
		After adjustments	Before adjustments	
Total assets	176,350,287	175,633,911	175,633,911	0.41%
Net assets attributable to shareholders of the Company	45,650,144	45,092,754	45,092,754	1.24%
	From 1 January 2017 to 31 March 2017	From 1 January 2016 to 31 March 2016		Year-on-year change (%)
		After adjustments	Before adjustments	
Net cash flow from operating activities	-7,299,603	-3,852,297	-3,833,503	N/A
	From 1 January 2017 to 31 March 2017	From 1 January 2016 to 31 March 2016		Year-on-year change (%)
		After adjustments	Before adjustments	
Revenue	13,034,616	15,456,798	15,068,377	-15.67%
Net profit attributable to shareholders of the Company	485,659	504,877	469,417	-3.81%
Net profit attributable to shareholders of	451,797	445,484	445,484	1.42%

the Company after excluding nonrecurring profit or loss items				
Return on net assets on a weighted average basis (%)	1.07	1.28	1.25	Decrease by 0.21 percentage points
Basic earnings per share (RMB/share)	0.0362	0.0384	0.0366	-5.73%
Diluted earnings per share (RMB/share)	0.0362	0.0384	0.0366	-5.73%

During the reporting period from 1 January 2017 to 31 March 2017, the Company obtained new orders in the amount of RMB 21,890 million, representing a decrease of 30.79% 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 9.09%, 19.64% and 71.27% of the total new orders, respectively. As at the end of the reporting period, the Company's orders on hand amounted to RMB235,120 million (with orders in the amount of RMB91,090 million not yet coming into effect). It represented a decrease of 17.48% over the corresponding period 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 11.27%, 55.81% and 32.93% 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 RMB12,860 million, an increase of 17.77% year on year; orders on hand of the Company for coal-fired power generation equipment amounted to RMB97,600 million (of which RMB41,900 million were not yet coming into effect), a reduction of 0.91% year on year; and orders on hand of the Company for gas-fired power generation equipment amounted to RMB9,900 million, an increase of 11.24% year on year.

Note 1: unless otherwise specified.

Non-recurring profit and loss items and amounts:

Unit: '000 Currency: RMB

Non-recurring profit and loss items	Amount for period from 1 January 2017 to 31 March 2017
Profit and loss from disposal of non-current assets	1,284
Governmental subsidies counted into the current profit and loss, except for the one closely related to the normal operation of the Company and gained constantly at a fixed amount or quantity according to certain standard based on State's policies	19,475
Profit and loss from debt reorganization	396
Other non-operating income and expenses besides the above items	3,856
Relocation compensation	26,269
Impact of non-controlling interests (net of tax)	-4,937
Effect of income tax	-12,481
Total	33,862

### 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

Items of consolidated balance sheet

Unit: '000 Currency: RMB

Particulars	Closing balance	Opening balance	Percentage of change
Current portion of long-term liabilities	2,664,000	1,053,928	153%

The increase of current portion of long-term liabilities from the opening balance was due to the transfer of the Company's corporate bonds of RMB1.6 billion, which will be due for repayment in February 2018, from bonds payable to current portion of long-term liabilities.

Items of consolidated income statement

Unit: '000 Currency: RMB

Particulars	Amount for current period	Amount for corresponding period of preceding year	Percentage of change
Finance expenses	125,131	82,543	52%
Impairment loss of assets	162,389	290,322	-44%

The increase of finance expenses from that of the corresponding period of preceding year was primarily due to the increase of borrowings resulting in the increase of interest expenses. The decrease of impairment loss of assets from that of the corresponding period of preceding year was primarily due to the recovery of certain accounts receivable.

Items of consolidated statement of cash flows

Unit: '000 Currency: RMB

Particulars	Amount for current period	Amount for corresponding period of preceding year	Percentage of change
Net cash flows from investing activities	4,280,760	293,500	3,987,260
Net cash flows from financing activities	99,284	-3,842,298	3,941,582

The increase in net cash flows from investing activities from that of the corresponding period of preceding year was primarily due to the decrease in time deposits of more than three months of the Finance Company, a subsidiary of the Company, during the period.

The difference in net cash flows from financing activities from that of the corresponding period of preceding year was primarily due to the decrease in customer deposits in the Finance Company, a subsidiary of the Company, during the corresponding period of preceding year.

Shanghai Electric Group Company Limited  
Huang Dinan  
Legal representative  
21 April 2017

#### 4 Appendix

### Consolidated Balance Sheet (unaudited)

As at 31 March 2017

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	As at 31 March 2017	As at 31 December 2016
<b>Current assets:</b>		
Cash and cash equivalents	37,328,791	43,418,176
Settlement reserve		
Placements from banks and other financial institutions		
Financial assets at fair value through profit or loss	933,176	898,093
Derivative financial assets	984	263
Notes receivable	6,710,733	6,653,165
Accounts receivable	27,163,620	27,138,909
Advances to suppliers	10,756,598	8,428,186
Premium receivable		
Amounts due from reinsurers		
Reinsurance contract reserve receivable		
Interest receivable	134,729	113,180
Dividends receivable	61,042	61,042
Other receivables	1,857,916	1,727,019
Financial assets purchased under agreements to resell		
Inventories	29,400,500	24,883,259
Assets classified as held-for-sale		
Non-current assets due within one year	4,933,751	4,466,830
Other current assets	14,836,679	15,995,977
<b>Total current assets</b>	<b>134,118,519</b>	<b>133,784,099</b>
<b>Non-current assets:</b>		
Loans receivables		
Financial assets available-for-sale	1,645,529	1,740,936
Held-to-maturity investments		
Long-term receivables	7,160,290	6,979,629
Long-term equity investments	9,536,045	9,079,858
Investment properties	349,529	353,969
Fixed assets	11,447,027	11,638,977
Construction in progress	1,436,185	1,350,861

Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	5,436,698	5,483,633
Development disbursements	101,311	89,659
Goodwill	1,131,993	1,136,011
Long-term deferred expenses	76,007	76,921
Deferred tax assets	2,884,445	2,897,838
Other non-current assets	1,026,709	1,021,520
Total non-current assets	42,231,768	41,849,812
Total assets	176,350,287	175,633,911
<b>Current liabilities:</b>		
Short-term borrowings	2,216,045	2,146,310
Due to central banks		
Customer deposits and placements from other financial institutions		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	17,905	26,788
Notes payable	5,579,987	5,913,034
Accounts payable	32,724,563	30,699,455
Advances from customers	44,170,594	43,651,680
Financial assets sold under agreement to repurchase		
Fee and commissions income payable		
Employee benefits payable	2,104,291	2,511,831
Tax payable	854,064	2,328,594
Interests payable	79,725	143,820
Dividends payable	274,731	319,073
Other payables	4,993,293	4,614,107
Amounts due to reinsurer		
Reserve of insurance contract		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	2,664,000	1,053,928
Other current liabilities	8,399,843	9,652,071
Total current liabilities	104,079,041	103,060,691
<b>Non-current liabilities:</b>		
Long-term borrowings	1,192,413	997,252
Bonds payable	9,642,547	11,148,377

Inclusive: Preferred shares		
Perpetual bond		
Long-term payables	1,571,179	1,285,263
Long-term employee benefits payable	118,836	133,437
Payables for specific projects	249,104	268,662
Provisions		
Deferred revenue	573,390	711,999
Deferred tax liabilities	317,096	312,927
Other non-current liabilities	111,470	68,172
Total non-current liabilities	13,776,035	14,926,089
Total liabilities	117,855,076	117,986,780
<b>Equity:</b>		
Paid in capital (or share capital)	13,431,156	13,431,156
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bond		
Capital surplus	9,725,393	9,720,605
Less: Treasury stock		
Other comprehensive income	1,188,228	1,128,785
Specialized reserve	111,201	103,701
Surplus reserves	4,606,028	4,606,028
General provisions		
Retained earnings	16,588,138	16,102,479
Equity attributable to owners of the Company	45,650,144	45,092,754
Non-controlling interests	12,845,067	12,554,377
Total equity	58,495,211	57,647,131
Total equity and liabilities	176,350,287	175,633,911

Company's legal representative:  
Huang Dinan

Person-in-charge of  
accounting: Hu Kang

Head of accounting  
department: Hu Kang



**Balance Sheet of the Company (unaudited)**

As at 31 March 2017

Prepared by: Shanghai Electric Group Company Limited

Unit: '000

Currency: RMB

Particulars	As at 31 March 2017	As at 31 December 2016
<b>Current assets:</b>		
Cash and cash equivalents	24,043,699	25,962,099
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	105,058	522,380
Accounts receivable	14,951,438	14,427,261
Advances to suppliers	17,942,098	16,554,596
Interest receivable		
Dividends receivable	199,236	199,236
Other receivables	1,534,390	1,304,355
Inventories	1,934,618	1,388,663
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	770,575	724,283
<b>Total current assets</b>	<b>61,481,112</b>	<b>61,082,873</b>
<b>Non-current assets:</b>		
Financial assets available-for-sale	793,360	746,616
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	26,443,762	26,069,696
Investment properties	39,260	39,880
Fixed assets	1,357,092	1,379,806
Construction in progress	36,295	29,831
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	2,864,409	2,895,741
Development disbursements		
Goodwill		
Long-term deferred expenses	289	289
Deferred tax assets	1,061,304	1,045,538
Other non-current assets		
<b>Total non-current assets</b>	<b>32,595,771</b>	<b>32,207,397</b>
<b>Total assets</b>	<b>94,076,883</b>	<b>93,290,270</b>

<b>Current liabilities:</b>		
Short-term borrowings	1,910,000	1,510,000
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	1,647,482	1,457,587
Accounts payable	25,796,089	25,133,432
Advances from customers	20,148,632	20,548,208
Employee benefits payable	373,355	439,401
Tax payable	204,996	142,894
Interests payable	16,303	92,805
Dividends payable		5,594
Other payables	1,624,354	1,712,261
Non-current liabilities due within one year	1,604,596	5,373
Other current liabilities	377,918	463,607
Total current liabilities	53,703,725	51,511,162
<b>Non-current liabilities:</b>		
Long-term borrowings		
Bonds payable	5,227,970	6,773,575
Inclusive: Preferred shares		
Perpetual bond		
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	41,891	47,033
Total non-current liabilities	5,284,571	6,835,318
Total liabilities	58,988,296	58,346,480
<b>Equity:</b>		
Paid in capital (or share capital)	13,431,156	13,431,156
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bond		
Capital surplus	9,336,700	9,336,700
Less: Treasury stock		
Other comprehensive income	90,418	85,355
Specialized reserve		
Surplus reserves	2,005,213	2,005,213
Retained earnings	10,225,100	10,085,366
Total equity	35,088,587	34,943,790
Total equity and liabilities	94,076,883	93,290,270

Company's legal representative:  
Huang Dinan

Person-in-charge of  
accounting: Hu Kang

Head of accounting  
department: Hu Kang

**Consolidated Income Statement (unaudited)**  
January to March 2017  
Prepared by: Shanghai Electric Group Company Limited

Particulars	Unit: '000	Currency: RMB
	Amount for the period from 1 January 2017 to 31 March 2017	Amount for the corresponding period of preceding year from 1 January 2016 to 31 March 2016
1. Total revenue	13,034,616	15,456,798
Inclusive: Operating revenue	13,034,616	15,456,798
Interest income		
Premium earned		
Fees and commission income		
2. Total cost of sales	12,342,924	14,586,368
Inclusive: Operating cost	9,971,004	12,361,170
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	75,552	101,646
Selling expenses	493,908	488,653
General and administrative expenses	1,514,940	1,262,034
Finance expenses	125,131	82,543
Impairment loss on assets	162,389	290,322
Add: Profit or loss arising from changes in fair value	3,150	-466
Investment income	221,873	298,674
Inclusive: Income from investment in associates and joint ventures	177,566	95,043
Foreign exchange gain	-7,225	13,962
3. Operating profits (losses are denoted by “-”)	909,490	1,182,600
Add: non-operating income	64,543	46,998
Inclusive: Gain from disposal of non-current assets	2,847	3,717
Less: non-operating expenses	8,168	3,172
Inclusive: Loss from disposal of non-current assets	1,563	691
4. Profit and loss before tax (total losses are denoted by “-”)	965,865	1,226,426
Less: income tax expenses	163,070	296,539

5. Net profits (net losses are denoted by “-”)	802,795	929,887
<b>Net profit attributable to owners (shareholders) of the Company</b>	485,659	504,877
<b>Profit or loss attributable to Non-controlling interests</b>	317,136	425,010
6. Other comprehensive income, net of tax	55,518	-160,683
Other comprehensive income, net of tax, attributable to shareholders of the Company	59,443	-147,037
(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	59,443	-147,037
Share of other comprehensive income of investments accounted for using the equity method	79,133	-142,463
Change in fair value of financial assets available-for-sale		
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale		
Cash flow hedge		9,421
Currency translation difference	-19,690	-13,995
Others		
Other comprehensive income, net of tax, attributable to non-controlling interests	-3,925	-13,646
7. Total comprehensive income	858,313	769,204
Attributable to shareholders of the Company	545,102	357,840
Attributable to non-controlling interests	313,211	411,364
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.0362	0.0384
(2) Diluted earnings per share (RMB/share)	0.0362	0.0384

Company's Legal Representative:  
Huang Dinan

Person-in-charge of  
accounting: Hu Kang

Head of Accounting  
Department: Hu Kang

**Income Statement of the Company (unaudited)**  
January to March 2017  
Prepared by: Shanghai Electric Group Company Limited

Unit: '000    Currency: RMB

Particulars	Amount for the period from 1 January 2017 to 31 March 2017	Amount for the corresponding period of preceding year from 1 January 2016 to 31 March 2016
1. Operating revenue	4,303,683	5,372,320
Deduct: Cost of sales	3,745,306	4,710,701
Business tax and surcharge	15,946	10,756
Selling expenses	49,529	88,466
General and administrative expenses	202,594	59,387
Finance expenses	29,427	21,461
Impairment loss on assets	209,429	234,815
Add: Profit or loss arising from changes in fair value		
Investment income	66,216	43,558
Inclusive: Income from investment in associates and joint ventures	63,876	37,960
2. Operating profits (losses are denoted by “-”)	117,668	290,292
Add: non-operating income	9,019	5,623
Inclusive: Gain from disposal of non-current assets		
Less: non-operating expenses	20	98
Inclusive: Loss from disposal of non-current assets		78
3. Profit and loss before tax (total losses are denoted by “-”)	126,667	295,817
Less: income tax expenses	-13,067	78,776
4. Net profits (net losses are denoted by “-”)	139,734	217,041
5. Other comprehensive income , net of tax	5,063	-55,270
(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	5,063	-55,270
Share of other comprehensive income of investments accounted for using the equity method		

Change in fair value of financial assets available-for-sale	5,063	-64,691
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale		
Cash flow hedge		9,421
Currency translation difference		
Others		
6. Total comprehensive income	144,797	161,771
7. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.0104	0.0169
(2) Diluted earnings per share (RMB/share)	0.0104	0.0169

Company's Legal Representative:  
Huang Dinan

Person-in-charge of  
accounting: Hu Kang

Head of Accounting  
Department: Hu Kang

**Consolidated Cash Flow Statement (unaudited)**  
 January to March 2017  
 Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	Amount for the current period from 1 January 2017 to 31 March 2017	Amount for the corresponding period of preceding year from 1 January 2016 to 31 March 2016
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	14,622,110	15,694,952
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		
Placements from banks and other financial institutions, net increase		
Net increase in repurchases		
Tax refunds	78,766	64,739
Cash receipts related to other operating activities	1,098,849	1,316,190
<b>Total cash inflows from operating activities</b>	<b>15,799,725</b>	<b>17,075,881</b>
Cash paid for goods and services	17,422,640	15,090,192
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	1,914,141	1,818,147
Payments of all types of taxes	1,486,726	1,655,717



Cash payments related to other operating activities	2,275,821	2,364,122
Total cash outflows from operating activities	23,099,328	20,928,178
Net cash flows from operating activities	-7,299,603	-3,852,297
<b>2. Cash flows from investing activities:</b>		
Cash received from sale of investments	20,885	72,306
Cash receipts from returns on investments	160,739	306,475
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	94,466	13,444
Net cash received from disposing subsidiaries and other business units		
Cash receipts related to other investing activities	5,498,656	5,966,874
Total cash inflows from investing activities	5,774,746	6,359,099
Cash paid to acquire fixed assets, intangible assets and other long-term assets	312,476	371,712
Cash paid for investments	333,395	42,319
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		
Cash payments related to other investing activities	848,115	5,651,568
Total cash outflows from investing activities	1,493,986	6,065,599
Net cash flows from investing activities	4,280,760	293,500
<b>3. Cash flows from financing activities</b>		
Cash proceeds from investments by others		48,000
Inclusive: Cash received from capital contributions from non-controlling interests of subsidiaries		48,000
Cash received from borrowings	817,829	338,433
Cash received from issuance of bonds		
Cash receipts related to other financing activities	34,497	
Total cash inflows from financing activities	852,326	386,433
Cash repayments for debts	397,293	532,810
Cash payments for distribution of dividends, profit or interest expenses	228,065	142,496
Inclusive: Profit and dividends paid to non-controlling interests by the subsidiaries		
Cash payments related to other financing activities	127,684	3,553,425
Total cash outflows from financing activities	753,042	4,228,731
Net cash flows from financing activities	99,284	-3,842,298

<b>4. Effects of foreign exchange rates changes on cash and cash equivalents</b>	-4,991	-1,418
<b>5. Net increase in cash and cash equivalents</b>	-2,924,550	-7,402,513
Add: Cash and cash equivalents at beginning of the period	29,793,605	33,594,058
<b>6. Cash and cash equivalents at end of the period</b>	26,869,055	26,191,545

Company's legal representative:  
Huang Dinan

Person-in-charge of  
accounting: Hu Kang

Head of accounting  
department : Hu Kang

**Cash Flow Statement of the Company (unaudited)**  
 January to March 2017  
 Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	Amount for the current period from 1 January 2017 to 31 March 2017	Amount for the corresponding period of preceding year from 1 January 2016 to 31 March 2016
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	2,559,059	2,952,643
Tax refunds		
Cash receipts related to other operating activities	204,040	355,736
Total cash inflows from operating activities	2,763,099	3,308,379
Cash paid for goods and services	3,815,143	3,595,549
Cash paid to and on behalf of employees	163,732	161,791
Payments of all types of taxes	53,879	211,075
Cash payments related to other operating activities	523,433	850,370
Total cash outflows from operating activities	4,556,187	4,818,785
Net cash flows from operating activities	-1,793,088	-1,510,406
<b>2. Cash flows from investing activities:</b>		
Cash received from sale of investments		240,000
Cash receipts from returns on investments	18,340	91,598
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposing subsidiaries and other business units		
Cash receipts related to other investing activities	6,163	2,286
Total cash inflows from investing activities	24,503	333,884
Cash paid to acquire fixed assets, intangible assets and other long-term assets	30,197	3,549
Cash paid for investments	383,684	440,400
Net cash paid for acquiring subsidiaries and other business units		
Cash payments related to other investing activities		
Total cash outflows from investing activities	413,881	443,949
Net cash flows from investing activities	-389,378	-110,065
<b>3. Cash flows from financing activities</b>		

Cash proceeds from investments by others		
Cash received from borrowings	400,000	
Cash receipts related to other financing activities		
Total cash inflows from financing activities	400,000	
Cash repayments for debts		890,000
Cash payments for distribution of dividends, profit or interest expenses	132,383	108,543
Cash payments related to other financing activities		
Total cash outflows from financing activities	132,383	998,543
Net cash flows from financing activities	267,617	-998,543
<b>4. Effects of foreign exchange rates changes on cash and cash equivalents</b>	-3,550	-5,944
<b>5. Net increase in cash and cash equivalents</b>	-1,918,399	-2,624,958
Add: Cash and cash equivalents at beginning of the period	24,653,658	12,620,375
<b>6. Cash and cash equivalents at end of the period</b>	22,735,259	9,995,417

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 of the Board*

Shanghai, the PRC, 21 April 2017

As at the date of this announcement, the executive Directors of the Company are Mr. HUANG Dinan and Mr. ZHENG Jianhua; the non-executive Directors of the Company are Mr. LI Jianjin, 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*