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東方電氣股份有限公司

DONGFANG ELECTRIC CO., LTD.

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

(Stock Code: 1072)

2017 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

1.1 The board of directors, the supervisory committee and the directors, supervisors and senior management of the Company warrant that the contents of this quarterly report are true, accurate and complete, and contain no false representation, misleading statements or material omission, and jointly and severally accept legal responsibility for this quarterly report.

1.2 Director(s) absent from the meeting

Name of absent Directors	Position of absent Directors	Reasons for absence	Name of proxies
Zou Lei	Chairman	Business trip	Huang Wei
Zhang Xiaolun	Director	Business trip	Huang Wei

1.3 Zou Lei, Chairman of the Company, Gong Dan, Chief Accountant, and Zeng Yi, Head of Accounting Department have guaranteed the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

1.4 The Company's first quarterly report is unaudited.

II. PRINCIPAL FINANCIAL DATA OF THE COMPANY AND THE CHANGES OF SHAREHOLDERS

2.1 Principal financial data

		<i>Unit: yuan</i>	<i>Currency: RMB</i>
	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period as compared with the end of last year (%)
Total assets	83,756,185,823.35	84,702,600,301.42	-1.12
Net asset attributable to shareholders of the Company	21,317,232,545.24	21,144,292,192.79	0.82
	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of the reporting period of last year	Increase/decrease as compared with the corresponding period of last year (%)
Net cash flow generated from operating activities	-862,910,408.40	55,426,300.40	-1,656.86
	From the beginning of the year to the end of the Reporting Period	From the beginning of last year to the end of the reporting period of last year	Increase/decrease as compared with the corresponding period of last year (%)
Operating income	5,585,978,309.66	9,287,202,976.70	-39.85
Net profit attributable to shareholders of the Company	152,972,471.40	4,394,811.03	3,380.75
Net profit attributable to shareholders of the Company after deducing non-recurring gain or loss	29,935,889.94	-4,010,334.05	846.47
Weighted average return on net assets (%)	0.72	0.02	Increased by 0.70 percentage point
Basic earnings per share (RMB/share)	0.07	0.002	3,400.00
Diluted earnings per share (RMB/share)	0.07	0.002	3,400.00

Non-recurring gain or loss items and amounts

Applicable Not applicable

Unit: yuan Currency: RMB

Item	Amount for the period
Gain or loss from disposal of non-current assets	11,573,126.90
Government subsidies recorded in the income statement for the period (exclusive of government subsidies which are closely related to the normal business operations of the Company and entitled to fixed amount or quantity pursuant to the State's unified standard)	19,638,470.09
Gain or loss on debt restructuring	136,529,292.50
Gain or loss from the changes in fair value of held-for-trading financial assets, held-for-trading financial liabilities and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, other than those from effective hedging activities relating to the Company's normal business operations	-736,691.00
Other non-operating revenue and expenses other than the above items	-6,342,077.79
Effect of minority interests (after tax)	-900,811.83
Effect of income tax	-36,724,727.41
Total	<u><u>123,036,581.46</u></u>

2.2 Total number of shareholders and particulars of shareholdings of the top ten shareholders and top ten holders of tradable shares (or holders of shares not subject to trading moratorium) as at the end of the Reporting Period

Unit: share

Total number of shareholders 133,149

Particulars of shareholdings of top ten shareholders

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen status		Nature of shareholder
				Share status	Number	
Dongfang Electric Corporation	974,016,763	41.68	0	Nil		State-owned legal person
HKSCC Nominees Limited	338,285,297	14.48	0	Unknown		Overseas legal person
China Securities Finance Corporation Limited	49,648,500	2.12	0	Unknown		Others
Central Huijin Asset Management Ltd.	22,645,600	0.97		Unknown		Others
China National Petroleum Corporation	12,516,400	0.54		Unknown		Others
Annuity Plan – Industrial and Commercial Bank of China Limited						
Bank of China –E Fund Active Growth Equity Fund	10,930,748	0.47		Unknown		Others
Hong Zejun	8,660,053	0.37		Unknown		Others
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	8,480,400	0.36		Unknown		Others
E Fund – Agricultural Bank – E Fund China Securities and Financial Asset Management Program	8,480,400	0.36		Unknown		Others
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Program	8,480,400	0.36		Unknown		Others
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program	8,480,400	0.36		Unknown		Others
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	8,480,400	0.36		Unknown		Others
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program	8,480,400	0.36		Unknown		Others

Particulars of shareholdings of top ten holders of shares not subject to trading moratorium

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Dongfang Electric Corporation	974,016,763	RMB denominated ordinary shares	974,016,763
HKSCC Nominees Limited	338,285,297	Overseas listed foreign shares	338,285,297
China Securities Finance Corporation Limited	49,648,500	RMB denominated ordinary shares	49,648,500
Central Huijin Asset Management Ltd.	22,645,600	RMB denominated ordinary shares	22,645,600
China National Petroleum Corporation Annuity Plan – Industrial and Commercial Bank of China Limited	12,516,400	RMB denominated ordinary shares	12,516,400
Bank of China – E Fund Active Growth Equity Fund	10,930,748	RMB denominated ordinary shares	10,930,748
Hong Zejun	8,660,053	RMB denominated ordinary shares	8,660,053
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program	8,480,400	RMB denominated ordinary shares	8,480,400
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program	8,480,400	RMB denominated ordinary shares	8,480,400
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Program	8,480,400	RMB denominated ordinary shares	8,480,400
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program	8,480,400	RMB denominated ordinary shares	8,480,400
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program	8,480,400	RMB denominated ordinary shares	8,480,400
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program	8,480,400	RMB denominated ordinary shares	8,480,400

Explanation on the connected relationship or concerted actions among the aforesaid shareholders

The Company is not aware of any connected relationship or concerted actions among the top ten shareholders and top ten holders of tradable shares.

2.3 Total number of preferential shareholders and particulars of shareholdings of the top ten preferential shareholders and top ten holders of preferential shares not subject to trading moratorium as at the end of the Reporting Period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Production and operation of the Company in the first quarters

The Company successfully turned loss into profit in the first quarter of 2017. The Company recorded a total operating revenue of RMB5.586 billion, net profit attributable to the shareholders of the Company of RMB153 million and earnings per share of RMB0.07.

In the first quarter of 2017, the Company manufactured power generation equipment with capacity of 6,489 MW, representing an increase of 23.1% as compared with the corresponding period of last year, including 6 hydro-electric turbine generating units (410MW), 21 steam turbine generators (5,937MW) and 58 wind power generation sets (142MW). In addition, the Company produced 10 power station boilers (4,662MW) and 17 power station steam turbines (4,514MW).

In the first quarter of 2017, the Company's new orders amounted to RMB7.18 billion, including RMB340 million for export orders, which accounted for 4.8%. Among the new orders, 59.7% was attributable to high-efficiency clean energy, 16.0% to new energy, 6.3% to hydropower and environmental protection, and 18.0% to engineering and services.

3.2 Particulars of material changes in major accounting items and financial indicators of the Company and the reasons thereof

Applicable Not applicable

Analysis on changes in items in income statement during the Reporting Period

Changes in composition of expenses

Currency unit: RMB yuan

Item	Amount for the period	Amount for the corresponding period of last year	Year-on year increase/decrease (%)
Finance costs	-49,596,668.03	-69,996,676.06	29.14
Asset impairment losses	-14,153,980.90	25,929,062.98	-154.59
Gain(loss) on fair value changes	2,354,680.99	-2,938,988.81	180.12
Investment income	11,437,057.97	14,965,874.00	-23.58
Income tax expenses	46,360,412.10	38,090,843.67	21.71
Net profit attributable to the owners of the Company	152,972,471.40	4,394,811.03	3,380.75

Analysis on reasons of the changes

1. Finance costs of the Company increased year-on-year by 29.14%, mainly due to the year-on-year decrease in exchange gain under the effect of change in exchange rate.
2. Asset impairment losses of the Company decreased year-on-year by 154.59%, mainly due to the year-on-year decrease in the bad debt provision as a result of the decrease in the balance of account receivables for this period.

3. Gain on fair value changes of the Company increased by 180.12% as compared with the same period last year, mainly attributable to the year-on-year increase in gain on fair value changes of shares during this period.
4. Investment income of the Company decreased by 23.58% as compared with the same period last year, mainly due to the loss incurred by some associates during the first quarter.
5. Income tax expenses of the Company increased by 21.71% as compared with the same period last year, mainly attributable to the increase in the current income tax expenses.
6. Net profit attributable to the owners of the Company increased significantly as compared with the same period last year, mainly attributable to the increase of 5.26 percentage points in the principal business as compared with the same period last year, the recovery of profitability, the year-on-year decrease in the asset impairment losses as well as the gain of RMB136 million generating from the debt restructuring during this period.

Gross profit margin of the principal business during the Reporting Period:

Item	Principal operations on consolidated basis	High-efficient cleaning power generating equipment	New energy equipment	Hydropower and environmental protection equipment	Engineering and services
Gross profit margin of principal business (%)	14.85	14.72	17.29	6.49	18.34

Analysis on changes in items in cash flow statement during the Reporting Period

Changes in items in cash flow statement

Currency unit: RMB yuan

Item	Amount for the year	Amount for the corresponding period last year	Year-on-year increase/decrease (%)
Net cash flow from operating activities	-862,910,408.40	55,426,300.40	-1,656.86
Net cash flow from investment activities	-41,636,611.77	-84,451,343.74	50.70
Net cash flow from financing activities	-338,839,433.09	-815,257,920.18	58.44

Analysis on reasons for the changes

1. The net cash flow from operating activities decreased by 1,656.86% as compared with the same period last year, mainly attributable to the year-on-year decrease in the payment received during the period.
2. The net cash flow from investment activities increased by 50.70% as compared with the same period last year, mainly due to the year-on-year reduction in cash paid for the investment during the period.
3. The net cash flow from financing activities increased by 58.44% as compared with the same period last year, mainly due to the year-on-year decrease in the repayment during the period.

3.3 The analysis and explanation of progress and impact of major events and solutions

Applicable Not applicable

On 8 December 2016, the Company received a notice from the Controlling Shareholder of the Company, that the Group is contemplating material matters which may involve the Company's issuance of its A shares for the acquisition of assets of the Group. As such matters consist of significant uncertainties, trading of the Company's A shares has suspended since 9 December 2016 and the subsequent announcements for continued suspension have been issued in a periodic manner according to relevant requirements. For details, please refer to the announcements published on the website of the Shanghai Stock Exchange (www.sse.com.cn).

On 7 March 2017, the Proposal for Acquisition of Assets by Issuance of Shares of Dongfang Electric Corporation Limited and Connected Transaction, after considered and approved at the 15th meeting of the eighth session of the Board of directors of the Company, was announced on the website of the Shanghai Stock Exchange (www.sse.com.cn). On 16 March 2017, the Company received the Inquiry Letter Regarding the Disclosures of Proposal for Acquisition of Assets by Issuance of Shares of Dongfang Electric Corporation Limited and Connected Transaction (Shang Zheng Gong Han No. [2017]0282) from the first Division for the Regulation of Listed Company of the Shanghai Stock Exchange. After that, the Company promptly organized relevant parties to reply to the matters involved in the Inquiry Letter according to the related requirements stipulated in the Inquiry Letter, and made revision and supplement to the proposal and its summary for the acquisition of assets by issuance of shares. The details of related reply and revision to the related documents are set out in the announcement published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 28 March 2017. After application submitted to the Shanghai Stock Exchange, trading of the Company's shares has been resumed on 28 March 2017.

At present, the acquisition of assets by issuance of shares of the Company is in progress as scheduled.

3.4 Undertaking matters which have passed the deadline and not yet performed during the Reporting Period

Applicable Not applicable

3.5 The warning and explanation in the forecast of the possible aggregate net profits from the beginning of the year to the end of the next reporting period becoming a loss or significant changes over the corresponding period of the previous year

Applicable Not applicable

Company name **Dongfang Electric Corporation Limited**
Legal representative **Zou Lei**
Date 28 April 2017

IV. APPENDICES

4.1 Financial statements

Consolidated Balance Sheet

31 March 2017

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	Closing balance	Opening balance
Current assets:		
Monetary fund	27,156,910,570.24	28,408,778,336.14
Balances with clearing companies		
Funds for lending		
Financial assets at fair value through profit or loss	61,993,578.28	59,661,930.59
Derivative financial assets		
Notes receivable	4,359,761,837.54	4,917,792,022.12
Accounts receivable	15,173,199,666.18	15,954,481,388.79
Prepayments	2,073,149,652.23	2,513,937,554.91
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interest receivable	319,881,800.63	373,159,473.91
Dividends receivable		
Other receivable	293,504,753.52	245,140,412.85
Purchases of resold financial assets		
Inventories	22,165,949,859.94	19,871,046,530.61
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	303,926,932.29	293,077,796.09
Total current assets	71,908,278,650.85	72,637,075,446.01

Item	Closing balance	Opening balance
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	3,100,000.00	3,100,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	1,463,133,720.20	1,447,245,662.23
Investment properties	112,983,941.21	111,942,870.46
Fixed assets	7,333,182,870.16	7,617,279,165.25
Construction in progress	190,669,743.02	107,598,422.31
Construction materials	433,977.78	113,464.96
Disposal of fixed assets	373,554.94	48,257.24
Biological assets for production		
Oil and gas assets		
Intangible assets	901,295,109.94	911,701,102.64
Development expenses		
Goodwill		
Long-term deferred expenditures	1,058,108.95	1,075,608.94
Deferred income tax asset	1,841,282,722.82	1,864,994,092.61
Other non-current assets	393,423.48	426,208.77
	<hr/>	<hr/>
Total non-current assets	<u>11,847,907,172.50</u>	<u>12,065,524,855.41</u>
	<hr/>	<hr/>
Total assets	<u>83,756,185,823.35</u>	<u>84,702,600,301.42</u>

Legal representative:
Zou Lei

Chief accountant:
Gong Dan

*Head of the accounting
department:*
Zeng Yi

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	377,000,000.00	284,500,000.00
Borrowings from central bank		
Deposit taking and deposit in interbank market		
Capital borrowed		
Financial liabilities at fair value through profit or loss	10,349,162.66	10,372,195.96
Derivative financial liabilities		
Notes payable	5,036,487,808.09	5,276,331,920.02
Accounts payable	15,112,208,645.23	14,380,312,585.36
Payments received in advance	34,644,888,625.41	35,566,439,682.61
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	427,417,181.69	427,869,549.45
Taxes payable	215,905,699.30	566,207,934.48
Interest payable		736,111.11
Dividends payable	2,787,911.77	2,787,911.77
Other payable	1,896,281,467.36	1,965,909,372.89
Reinsurance accounts payable		
Insurance contract reserves		
Customer deposits for trading in securities		
Amounts due to issuer for securities underwriting		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	314,429,338.40	731,379,338.40
Other current liabilities	70,565,359.28	77,113,715.51
Total current liabilities	<u>58,108,321,199.19</u>	<u>59,289,960,317.56</u>

Item	Closing balance	Opening balance
Non-current liabilities:		
Long-term borrowings	536,940,000.00	536,940,000.00
Bonds payable		
Including: Preferred shares		
Perpetual capital securities		
Long-term payables	14,607,677.37	16,537,992.70
Long-term staff remuneration payable	470,289,195.95	462,107,103.50
Special payables	58,242,614.63	58,062,614.63
Estimated liabilities	1,806,612,463.16	1,771,952,763.14
Deferred income	471,020,686.00	473,991,696.19
Deferred income tax liabilities	7,385,494.53	7,292,893.73
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	3,365,098,131.64	3,326,885,063.89
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	61,473,419,330.83	62,616,845,381.45
	<hr/> <hr/>	<hr/> <hr/>
Owners' equity		
Share capital	2,336,900,368.00	2,336,900,368.00
Other equity instruments		
Including: Preferred shares		
Perpetual capital securities		
Capital reserves	8,828,262,489.81	8,828,262,489.81
Less: Treasury shares		
Other comprehensive income	-23,490,136.23	-28,762,895.01
Special reserves	60,010,053.68	45,314,931.41
Surplus reserves	769,092,997.56	769,092,997.56
General risk reserves		
Retained profit	9,346,456,772.42	9,193,484,301.02
Total owners' equity attributable to equity holders of the Company	21,317,232,545.24	21,144,292,192.79
Minority shareholders' equity	965,533,947.28	941,462,727.18
	<hr/>	<hr/>
Total owners' equity	22,282,766,492.52	22,085,754,919.97
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Total liabilities and owners' equity	83,756,185,823.35	84,702,600,301.42
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Balance Sheet of the Parent Company

31 March 2017

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	Closing balance	Opening balance
Current assets:		
Monetary fund	10,356,340,152.75	11,381,567,991.30
Financial assets at fair value through profit or loss	61,993,578.28	59,661,930.59
Derivative financial assets		
Notes receivable	102,222,339.00	567,394,000.00
Accounts receivable	4,581,758,756.41	4,745,672,922.71
Prepayments	12,905,540,486.19	12,586,382,578.40
Interest receivable	56,322,575.23	65,747,794.78
Dividends receivable	131,436,444.73	131,436,444.73
Other receivable	6,011,419,561.87	6,144,015,724.17
Inventories	1,935,440,876.54	1,541,201,576.93
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	441,430,970.53	475,804,734.55
Total current assets	<u>36,583,905,741.53</u>	<u>37,698,885,698.16</u>

Item	Closing balance	Opening balance
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	10,829,826,239.97	10,813,480,800.68
Investment properties	14,267,197.71	14,545,537.78
Fixed assets	5,068,726.36	5,712,064.88
Construction in progress	704,585.01	704,585.01
Construction materials		
Disposal of fixed assets	31,646.24	31,646.24
Biological assets for production		
Oil and gas assets		
Intangible assets	10,011,995.60	10,598,294.13
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax asset	182,521,466.30	183,477,713.82
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	<u>11,042,431,857.19</u>	<u>11,028,550,642.54</u>
Total assets	<u>47,626,337,598.72</u>	<u>48,727,436,340.70</u>

Legal representative:
Zou Lei

Chief accountant:
Gong Dan

*Head of the accounting
department:*
Zeng Yi

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss	17,556.02	40,589.32
Derivative financial liabilities		
Notes payable		
Accounts payable	7,453,296,106.78	8,118,611,030.08
Payments received in advance	20,086,598,735.66	20,414,122,044.34
Staff remuneration payable	11,107,171.54	13,911,224.08
Taxes payable	515,844.06	8,555,709.24
Interest payable		
Dividends payable		
Other payable	1,433,526,874.73	1,557,682,276.88
Liabilities classified as held-for-sale		
Non-current liabilities due within one year		
Other current liabilities	17,641.02	23,521.36
Total current liabilities	28,985,079,929.81	30,112,946,395.30
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual capital securities		
Long-term payables		
Long-term staff remuneration payable	11,428.34	40,328.62
Special payables		
Estimated liabilities	58,500,000.00	58,500,000.00
Deferred income	5,377,849.97	5,377,849.97
Deferred income tax liabilities	566,249.44	473,648.64
Other non-current liabilities		
Total non-current liabilities	64,455,527.75	64,391,827.23
Total liabilities	29,049,535,457.56	30,177,338,222.53

Item	Closing balance	Opening balance
Owners' equity		
Share capital	2,336,900,368.00	2,336,900,368.00
Other equity instruments		
Including: Preferred shares		
Perpetual capital securities		
Capital reserves	8,891,700,256.53	8,891,700,256.53
Less: Treasury shares		
Other comprehensive income		
Special reserves		
Surplus reserves	1,057,456,113.99	1,057,456,113.99
Retained profit	6,290,745,402.64	6,264,041,379.65
	<hr/>	<hr/>
Total owners' equity	18,576,802,141.16	18,550,098,118.17
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and owners' equity	47,626,337,598.72	48,727,436,340.70
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Legal representative:
Zou Lei

Chief accountant:
Gong Dan

*Head of the accounting
department:*
Zeng Yi

Consolidated Income Statement

January to March 2017

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the prior period
I. Total revenue	5,585,978,309.66	9,287,202,976.70
Including: Operating income	5,585,978,309.66	9,287,202,976.70
Interest income		
Premium earned		
Fee and commission income		
II. Total operating costs	5,538,624,563.54	9,260,897,698.20
Including: Operating costs	4,745,203,749.99	8,386,818,230.45
Interest expenses		
Fee and commission expenses		
Surrenders		
Claims and policyholder benefits (net of amounts recoverable from reinsurers)		
Changes in insurance contract reserves (net of reinsurers' share)		
Insurance policyholder dividends		
Expenses for reinsurance accepted		
Tax and levies	46,668,166.61	51,972,472.53
Sales expenses	197,892,107.68	240,399,005.66
Administrative expenses	612,611,188.19	625,775,602.64
Finance costs	-49,596,668.03	-69,996,676.06
Impairment loss of assets	-14,153,980.90	25,929,062.98
Add: Gains from changes in fair values (Losses are indicated by "-")	2,354,680.99	-2,938,988.81
Investment income (Loss is indicated by "-")	11,437,057.97	14,965,874.00
Including: Income from investments in associates and joint ventures	13,888,057.97	8,419,273.06
Foreign exchange gains (Losses are indicated by "-")		

Item	Amount for the current period	Amount for the prior period
III. Operating profit (Loss is indicated by “-”)	61,145,485.08	38,332,163.69
Add: Non-operating income	170,917,767.34	17,992,628.35
Including: Gain from disposal of non-current assets	11,792,463.92	419,223.64
Less: Non-operating expenses	9,518,962.21	1,875,550.69
Including: Losses from disposal of non-current assets	219,337.02	240,618.84
IV. Total profit (Total loss is indicated by “-”)	222,544,290.21	54,449,241.35
Less: Income tax expenses	46,360,412.10	38,090,843.67
V. Net profit (Net loss is indicated by “-”)	176,183,878.11	16,358,397.68
Net profit attributable to owners of the Company	152,972,471.40	4,394,811.03
Profit or loss attributable to minority shareholders	23,211,406.71	11,963,586.65
VI. Other comprehensive income (net of tax)	5,272,753.29	-939,219.02
Other comprehensive income attributable to Owners of the Company (net of tax)	5,272,758.78	-939,132.50
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss		
1. Changes of net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income (that will not be reclassified to profit or loss) of investees accounted for using equity method		

Item	Amount for the current period	Amount for the prior period
(II) Other comprehensive income that will be reclassified subsequently to profit or loss	5,272,758.78	-939,132.50
1. Share of other comprehensive income of the investees which will be reclassified into profit or loss under equity method subsequently		
2. Gain or loss from changes in fair value of available-for-sale financial assets		
3. Gain or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements	5,272,758.78	-939,132.50
6. Others		
Other comprehensive income attributable to minority shareholders (net of tax)	-5.49	-86.52
VII. Total comprehensive income	181,456,631.40	15,419,178.66
Total comprehensive income attributable to the owners of the parent company	158,245,230.18	3,455,678.53
Total comprehensive income attributable to minority shareholders	23,211,401.22	11,963,500.13
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	0.07	0.002
(II) Diluted earnings per share (<i>RMB/share</i>)	0.07	0.002

Legal representative:
Zou Lei

Chief accountant:
Gong Dan

Head of the accounting department:
Zeng Yi

Income Statement of the Parent Company

January to March 2017

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	Amount for the current period	Amount for the prior period
I. Operating income	2,646,370,104.12	5,180,199,465.61
Less: Cost of operations	2,618,662,687.70	5,034,215,618.34
Business tax and surcharges	831,480.78	99,147.14
Selling expenses	7,760,655.93	8,032,809.44
Administrative expenses	24,482,960.21	21,052,486.38
Finance costs	-2,241,129.42	-50,994,462.47
Impairments loss of assets	-4,602,860.54	53,757,213.57
Add: Gains from changes in fair value (loss is represented by “-”)	2,354,680.99	-2,938,988.81
Gains from investment (loss is represented by “-”)	17,106,052.49	31,885,974.56
Including: Gains from investment in associates and joint ventures	16,345,439.29	17,478,506.14
II. Operating profit (loss is represented by “-”)	20,937,042.94	142,983,638.96
Add: Non-operating income	7,367,256.22	53,744.43
Including: Gains from disposal of non-current assets		
Less: Non-operating expenses	1,512.48	
Including: Loss from disposal of non-current assets	1,512.48	
III. Total profit (total loss is represented by “-”)	28,302,786.68	143,037,383.39
Less: Income tax expenses	1,598,763.69	-6,503,419.48
IV. Net profit (net loss is represented by “-”)	26,704,022.99	149,540,802.87

Item	Amount for the current period	Amount for the prior period
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss		
1. Changes of net liabilities or net assets arising from the remeasurement of defined benefit plans		
2. Share of other comprehensive income (that cannot be reclassified subsequently to profit or loss) of investees accounted for using equity method		
(II) Other comprehensive income that will be reclassified subsequently to profit or loss		
1. Share of other comprehensive income of the investees which will be reclassified into profit or loss under equity method subsequently		
2. Fair value gains or losses on available-for-sale financial assets		
3. Profit or loss from held- to-maturity investment reclassified as available-for- sale financial assets		
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements		
6. Others		
VI. Total comprehensive income	26,704,022.99	149,540,802.87
VII. Earnings per share:		
(I) Basic earnings per share (RMB/Share)		
(II) Diluted earnings per share (RMB/Share)		

Legal representative:
Zou Lei

Chief accountant:
Gong Dan

*Head of the accounting
department:*
Zeng Yi

Consolidated Cash Flow Statement
January to March 2017

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	Amount for the period	Amount for the prior period
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	6,638,677,662.11	7,119,139,490.13
Net increase in customer and interbank deposits		
Net increase in borrowings from central bank		
Net increase in borrowings from other financial institutions		
Cash received from premiums under original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment		
Net increase from disposal of financial assets at fair value through profit or loss		
Cash from interests, fees and commissions		
Net increase in capital borrowed		
Net increase in repurchase business capital		
Received tax rebates	18,712,866.20	74,262,792.42
Other cash received from operating activities	144,987,790.05	375,044,886.98
Sub-total of cash inflows from operating activities	6,802,378,318.36	7,568,447,169.53

Item	Amount for the period	Amount for the prior period
Cash paid for goods and services	5,672,392,738.52	5,518,954,750.44
Net increase in customer loans and advance		
Net increase in deposits with central bank and interbank deposits		
Cash paid for compensation payments under original insurance contract		
Cash paid for interest, fees and commissions		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	742,259,280.93	668,449,282.00
Various taxes paid	837,138,696.25	766,556,135.55
Other cash payments relating to operating activities	413,498,011.06	559,060,701.14
Sub-total of cash outflows from operating activities	7,665,288,726.76	7,513,020,869.13
Net cash flow from operating activities	-862,910,408.40	55,426,300.40
II. Cash flow generated from investing activities:		
Cash received from disposal of investments		
Cash received from gains in investment		10,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,598,550.72	91,348.30
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities	1,598,550.72	101,348.30
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	41,235,162.49	60,585,936.38
Cash paid for investment	2,000,000.00	23,966,755.66
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investing activities		
Sub-total of cash outflows from investing activities	43,235,162.49	84,552,692.04
Net cash flow generated from investing activities	-41,636,611.77	-84,451,343.74

Item	Amount for the period	Amount for the prior period
III. Cash flow generated from financing activities:		
Cash received from financing activities		
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	190,000,000.00	34,940,000.00
Cash received from issuing bonds		
Other cash received from financing-related activities		
Sub-total of cash inflows from financing activities	190,000,000.00	34,940,000.00
Cash for repayments of borrowings	514,600,000.00	825,000,000.00
Cash for dividend payment, profit distribution or interest payment	10,119,763.89	25,197,920.18
Including: Dividend and profit paid by subsidiaries to minority shareholders		8,311,143.46
Other cash paid for financing-related activities	4,119,669.20	
Sub-total of cash outflows from financing activities	528,839,433.09	850,197,920.18
Net cash flow generated from financing activities	-338,839,433.09	-815,257,920.18
IV. Effects of exchange rate fluctuation on cash and cash equivalents	-7,888,520.78	21,158,776.05
V. Net increase in cash and cash equivalents	-1,251,274,974.04	-823,124,187.47
Add: Cash and cash equivalents at the beginning of the period	28,394,277,304.32	21,066,533,111.81
VI. Cash and cash equivalents at the end of the period	27,143,002,330.28	20,243,408,924.34

Legal representative:
Zou Lei

Chief accountant:
Gong Dan

Head of the accounting department:
Zeng Yi

Cash Flow Statement of the Parent Company

January to March 2017

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	Amounts for the period	Amount for the prior period
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	2,405,725,190.92	2,447,074,323.55
Received tax rebates	18,033,023.04	74,010,304.24
Other cash received from operating related activities	214,268,807.82	230,379,181.13
Sub-total of cash inflows from operating activities	2,638,027,021.78	2,751,463,808.92
Cash paid for goods and services	3,371,491,894.97	3,464,666,193.74
Cash paid to and on behalf of employees	37,762,249.60	33,801,216.47
Various taxes paid	48,219,804.58	62,723,984.33
Other cash payments relating to operating activities	203,198,601.53	254,412,832.16
Sub-total of cash outflows from operating activities	3,660,672,550.68	3,815,604,226.70
Net cash flow from operating activities	-1,022,645,528.90	-1,064,140,417.78
II. Cash flow generated from investing activities:		
Cash received from disposal of investments		
Cash received from gains in investment	806,250.00	14,415,135.50
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
Sub-total of cash inflows from investing activities	806,250.00	14,415,135.50
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	151,096.00	583,530.00
Cash paid for investment		23,966,755.66
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid relating to investing activities		

Item	Amounts for the period	Amount for the prior period
Sub-total of cash outflows from investing activities	151,096.00	24,550,285.66
Net cash flow generated from investing activities	655,154.00	-10,135,150.16
III. Cash flow generated from financing activities:		
Cash received from financing activities		
Cash received from borrowings		
Other cash received from financing-related activities		
Sub-total of cash inflows from financing activities		
Cash for repayments of borrowings		
Cash for dividend payment, profit distribution or interest payment		
Other cash paid for financing-related activities		
Sub-total of cash outflows from financing activities		
Net cash flow generated from financing activities		
IV. Effects of exchange rate fluctuation on cash and cash equivalents	-3,237,463.65	15,499,377.66
V. Net increase in cash and cash equivalents	-1,025,227,838.55	-1,058,776,190.28
Add: Cash and cash equivalents at the beginning of the period	11,375,052,991.30	7,507,119,838.61
VI. Cash and cash equivalents at the end of the period	10,349,825,152.75	6,448,343,648.33

Legal representative:
Zou Lei

Chief accountant:
Gong Dan

Head of the accounting department:
Zeng Yi

4.2 Audit reports

Applicable Not applicable

By Order of the Board
Dongfang Electric Corporation Limited
Gong Dan
Company Secretary

Chengdu, Sichuan, the People's Republic of China
28 April 2017

As at the date of this announcement, the directors of the Company are as follows:

Directors: *Zou Lei, Zhang Xiaolun, Huang Wei, Zhu Yuanchao and Zhang Jilie*

Independent non-executive directors: *Chen Zhangwu, Gu Dake and Xu Haihe*