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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 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 2017 prepared in accordance with China Accounting Standards (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 of the Company have attended the meeting of the Board to discuss and approve the operating results for the third quarter of 2017.

1.3 Financial information set forth in this 2017 third quarterly report of the Company 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. Zheng Jianhua, chairman of the Board, Mr. Hu Kang, chief financial officer of the Company and Mr. Hu Kang, 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'000¹

	As at 30 September 2017	As at 31 December 2016		Change from 31 December 2016 to 30 September 2017 (%)
		After adjustments	Before adjustments	
Total assets	196,863,369	186,600,990	175,633,911	5.50
Net assets attributable to shareholders of the Company	52,535,438	47,899,861	45,092,754	9.68
	From 1 January 2017 to 30 September 2017	From 1 January 2016 to 30 September 2016		Year-on-year change (%)
		After adjustments	Before adjustments	
Net cash flow used in/from operating activities	-10,498,778	743,655	-505,131	N/A
	From 1 January 2017 to 30 September 2017	From 1 January 2016 to 30 September 2016		Year-on-year change (%)
		After adjustments	Before adjustments	
Revenue	58,647,550	61,871,979	54,711,739	-5.21
Net profit attributable to shareholders of the Company	1,877,447	2,043,869	1,768,712	-8.14

Net profit attributable to shareholders of the Company after excluding non-recurring profit or loss items	1,361,923	1,413,200	1,413,200	-3.63
Return on net assets on a weighted average basis (%)	3.82	4.67	4.33	Decrease by 0.85 percentage point
Basic earnings per share (RMB/share)	0.1398	0.1493	0.1317	-6.36
Diluted earnings per share (RMB/share)	0.1398	0.1493	0.1317	-6.36

During the reporting period (from 1 January 2017 to 30 September 2017), the Company obtained new orders in the amount of RMB76.16 billion, representing a decrease of 21.60% 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, industrial equipment, and modern services accounted for 12.32%, 24.26%, 38.92% and 24.50% of the total new orders, respectively. As at the end of the reporting period, the Company's orders on hand amounted to RMB242.76 billion (with orders in the amount of RMB88.39 billion not yet coming into effect), which is basically the same as of the end of the preceding year. The Company's orders on hand from new energy and environmental protection equipment, high efficiency and clean energy equipment, industrial equipment, and modern services accounted for 12.35%, 48.23%, 9.48% and 29.95% of the total orders on hand, respectively.

As at the end of the reporting period, the Company's orders on hand for wind power equipment amounted to RMB14.79 billion, representing an increase of 30.19% as compared with the end of the preceding year; the Company's orders on hand for gas-fired power generation equipment amounted to RMB10.6 billion, representing a slight increase of 1.92% as compared with the end of the preceding year; and the Company's orders on hand for power plant engineering amounted to RMB65.89 billion, representing an increase of 10.31% as compared with the end of the preceding year.

Note 1: unless otherwise specified.

Excluding non-recurring profit and loss items and amounts:

Currency: RMB'000

Non-recurring profit and loss items	From 1 July 2017 to 30 September 2017	From 1 January 2017 to 30 September 2017
Profit and loss from disposal of non-current assets	-4,408	6,475
Governmental subsidies counted into the	84,681	208,217

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;		
Profit and loss from debt reorganization		747
Enterprises' reorganization fees, such as redundancy and business integration expenses		-9,545
Net profit and loss for period from beginning of the year to consolidation date for subsidiaries consolidated under common control	53,450	359,696
Reversal of the provision for the receivables subject to separate assessment for impairment		119,576
Other non-operating revenue and expenses other than the above	15,439	144,099
Effect on income tax	-16,578	-106,647
Effect on non-controlling interests (net of tax)	-27,192	-207,094
Total	105,392	515,524

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

Currency: RMB'000

Particulars	Balance at the end of the period	Balance at the beginning of the year	Percentage of change
Inventories	35,782,406	27,015,376	32%

Under the effect of the national macroeconomic policies, the implementation of projects and delivery of products were delayed, resulting in the increase of inventories. At the same time, the peak season for production and purchases to meet subsequent manufacturing requirements during the reporting period resulted in further increase of inventories.

Items of consolidated income statement

Currency: RMB'000

Particulars	Amount for the period from 1 January 2017 to 30 September 2017	Amount for the corresponding period last year from 1 January 2016 to 30 September 2016	Percentage of change
Finance expenses	343,748	166,141	107%
Impairment loss of assets	1,801,872	1,051,948	71%

The increase of finance expenses as compared with the corresponding period of preceding year was due to the increase of exchange loss as a result of exchange rate fluctuations.

The increase of impairment loss of assets as compared with the corresponding period of preceding year was primarily due to the increase in provision for bad debts for high risk projects.

Items of consolidated statement of cash flows

Currency: RMB'000

Particulars	Amount for the period from 1 January 2017 to 30 September 2017	Amount for the corresponding period last year from 1 January 2016 to 30 September 2016	Percentage of change
Net cash flows used in/generated from operating activities	-10,498,778	743,655	N/A
Net cash flows used in/generated from investing activities	-840,053	1,323,050	N/A
Net cash flows generated from/used in financing activities	531,823	-5,111,951	N/A

There is an outflow of net cash used in operating activities for the current period, as compared to an inflow of net cash for the corresponding period of preceding year, which was primarily due to market illiquidity during the reporting period, and the decrease in inflow of operating cash of the Company as compared with the corresponding period of preceding year. At the same time, the busy production plan of the Company resulted in an increase in cash payment for procurement as compared with the corresponding period of preceding year.

There is an outflow of net cash used in investing activities for the current period, as compared to an inflow of net cash for the corresponding period of preceding year, which was mainly due to an increase in the investment business of the finance company within the group during the reporting period as compared with the corresponding period of preceding year.

There is an inflow of net cash generated from financing activities for the current period, as compared to an outflow of net cash for the corresponding period of preceding year, which was mainly due to a net decrease in deposits from customers of the finance company within the group for the corresponding period of preceding year.

Shanghai Electric Group Company Limited
Zheng Jianhua
Legal representative
30 October 2017

4 Appendix

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 30 September 2017

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Particulars	As at 30 September 2017	As at 1 January 2017
Current assets:		
Cash and cash equivalents	32,535,787	44,916,075
Settlement reserve		
Due from banks and other financial institutions		
Financial assets at fair value through profit or loss	644,211	898,093
Derivative financial assets	12,684	263
Notes receivable	8,257,706	7,241,022
Accounts receivable	32,274,777	28,425,537
Advances to suppliers	10,515,626	8,639,305
Premium receivable		
Amounts due from reinsurers		
Reinsurance contract reserve receivable		
Interest receivable	128,502	113,180
Dividends receivable	40,390	61,042
Other receivables	2,771,637	1,783,201
Financial assets purchased under agreements to resell		
Inventories	35,782,406	27,015,376
Assets held-for-sale		
Current portion of non-current assets	4,613,962	4,466,830
Other current assets	18,801,794	16,040,034
Total current assets	146,379,482	139,599,958
Non-current assets:		
Loans receivable		
Financial assets available-for-sale	1,579,940	1,741,808
Held-to-maturity investments		
Long-term receivables	7,298,037	6,979,629
Long-term equity investments	10,303,508	9,263,681
Investment properties	943,958	1,030,436
Fixed assets	14,288,631	13,815,294
Construction in progress	1,501,520	1,599,769
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		

Oil and gas assets		
Intangible assets	7,222,773	5,680,337
Development disbursements	131,589	102,204
Goodwill	2,666,984	2,554,827
Long-term deferred expenses	137,961	160,530
Deferred tax assets	3,615,133	3,050,997
Other non-current assets	793,853	1,021,520
Total non-current assets	50,483,887	47,001,032
Total assets	196,863,369	186,600,990
Current liabilities:		
Short-term borrowings	2,892,073	2,228,316
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	106,830	31,505
Notes payable	6,551,968	6,335,179
Accounts payable	38,670,778	32,208,257
Advances from customers	43,853,045	44,159,918
Financial assets sold under agreement to repurchase		
Fee and commissions income payable		
Employee benefits payable	2,309,933	2,736,145
Tax payable	994,732	2,491,994
Interests payable	140,720	168,088
Dividends payable	445,076	333,024
Other payables	5,295,282	4,803,888
Amounts due to reinsurer		
Reserve of insurance contract		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Liabilities held-for-sale		
Current portion of long-term liabilities	3,268,805	1,655,950
Other current liabilities	7,972,578	9,222,747
Total current liabilities	112,501,820	106,375,011
Non-current liabilities:		
Long-term borrowings	3,524,932	3,371,868
Bonds payable	10,016,975	11,148,377
Inclusive: Preferred shares		
Perpetual bonds		
Long-term payables	1,615,986	1,285,263

Long-term employee benefits payable	249,620	262,770
Payables for specific projects	362,902	268,662
Provisions		
Deferred revenue	944,191	967,231
Deferred tax liabilities	370,748	337,958
Other non-current liabilities	49,783	165,023
Total non-current liabilities	17,135,137	17,807,152
Total liabilities	129,636,957	124,182,163
Equity:		
Paid in capital (or share capital)	13,431,162	13,431,156
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bonds		
Capital surplus	14,597,493	11,789,842
Less: Treasury stock		
Other comprehensive income	953,449	980,857
Specialized reserve	117,462	103,701
Surplus reserves	4,606,028	4,606,028
General provisions		
Retained earnings	18,829,844	16,988,277
Equity attributable to owners of the Company	52,535,438	47,899,861
Non-controlling interests	14,690,974	14,518,966
Total equity	67,226,412	62,418,827
Total equity and liabilities	196,863,369	186,600,990

Company's legal
representative:
Zheng Jianhua

Person-in-charge of
accounting:
Hu Kang

Head of accounting
department:
Hu Kang

UNAUDITED BALANCE SHEET OF THE PARENT COMPANY

As at 30 September 2017

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Particulars	As at 30 September 2017	As at 1 January 2017
Current assets:		
Cash and cash equivalents	21,755,509	25,962,099
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	227,590	522,380

Accounts receivable	16,423,902	14,427,261
Advances to suppliers	18,408,404	16,554,596
Interest receivable		
Dividends receivable	346,655	199,236
Other receivables	1,560,073	1,304,355
Inventories	3,233,947	1,388,663
Assets held-for-sale		
Current portion of non-current assets		
Other current assets	1,129,575	724,283
Total current assets	63,085,655	61,082,873
Non-current assets:		
Financial assets available-for-sale	846,860	746,616
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	29,895,469	26,069,696
Investment properties	38,019	39,880
Fixed assets	2,248,940	1,379,806
Construction in progress	42,348	29,831
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	4,474,710	2,895,741
Development disbursements		
Goodwill		
Long-term deferred expenses	289	289
Deferred tax assets	1,294,498	1,045,538
Other non-current assets		
Total non-current assets	38,841,133	32,207,397
Total assets	101,926,788	93,290,270
Current liabilities:		
Short-term borrowings	2,990,000	1,510,000
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	1,144,634	1,457,587
Accounts payable	26,850,616	25,133,432
Advances from customers	20,108,297	20,548,208
Employee benefits payable	345,968	439,401
Tax payable	309,656	142,894
Interests payable	85,584	92,805
Dividends payable		5,594
Other payables	1,336,589	1,712,261

Current portion of long-term liabilities	1,604,167	5,373
Other current liabilities	337,579	463,607
Total current liabilities	55,113,090	51,511,162
Non-current liabilities:		
Long-term borrowings		
Bonds payable	5,330,767	6,773,575
Inclusive: Preferred shares		
Perpetual bonds		
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	47,170	47,033
Total non-current liabilities	5,392,647	6,835,318
Total liabilities	60,505,737	58,346,480
Equity:		
Paid in capital (or share capital)	13,431,162	13,431,156
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bonds		
Capital surplus	15,140,525	9,336,700
Less: Treasury stock		
Other comprehensive income	55,542	85,355
Specialized reserve		
Surplus reserves	2,005,213	2,005,213
Retained earnings	10,788,609	10,085,366
Total equity	41,421,051	34,943,790
Total equity and liabilities	101,926,788	93,290,270

Company's legal
representative:
Zheng Jianhua

Person-in-charge of
accounting:
Hu Kang

Head of
accounting
department:
Hu Kang

UNAUDITED CONSOLIDATED INCOME STATEMENT

From 1 January 2017 to 30 September 2017

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Particulars	Amount for the period from 1 July 2017 to 30 September 2017	Amount for the corresponding period last year from 1 July 2016 to 30 September 2016	Amount for the period from 1 January 2017 to 30 September 2017	Amount for the corresponding period last year from 1 January 2016 to 30 September 2016
1. Total revenue	17,382,512	20,853,712	58,647,550	61,871,979
Inclusive: Operating revenue	17,382,512	20,853,712	58,647,550	61,871,979
Interest income				
Premium earned				
Fees and commission income				
2. Total cost of sales	16,872,987	19,359,782	56,196,057	58,176,321
Inclusive: Operating cost	13,499,431	16,310,514	45,634,306	48,911,493
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	61,821	122,663	354,374	337,341
Selling expenses	642,888	812,829	2,182,640	2,277,218
General and administrative expenses	2,001,996	1,968,680	5,879,117	5,432,180
Finance expenses	132,569	60,595	343,748	166,141
Impairment loss	534,282	84,501	1,801,872	1,051,948

Add: Profit or loss arising from changes in fair value	-24,603	-7,657	-94,507	-18,190
Investment income	586,767	188,992	1,367,980	1,100,915
Inclusive: Income from investment in associates and joint ventures	310,138	127,185	912,392	425,126
Foreign exchange gain				
Other income	65,190		169,745	
3. Operating profits	1,136,879	1,675,265	3,894,711	4,778,383
Add: non-operating income	79,390	210,095	282,898	339,681
Inclusive: Gain from disposal of non-current assets	5,027	4,279	19,694	15,884
Less: non-operating expenses	23,447	16,925	41,526	38,678
Inclusive: Loss from disposal of non-current assets	11,817	5,511	16,670	8,528
4. Profit and loss before tax	1,192,822	1,868,435	4,136,083	5,079,386
Less: income tax expenses	235,302	457,305	586,235	1,081,542
5. Net profits	957,520	1,411,130	3,549,848	3,997,844
Net profit attributable to owners (shareholders) of the Company	314,939	716,024	1,877,447	2,043,869
Profit or loss attributable to Non-controlling interests	642,581	695,106	1,672,401	1,953,975
6. Other comprehensive income , net of tax	-93,124	227,460	-11,456	-23,227
Other comprehensive income, net of tax, attributable to shareholders of the Company	-91,508	223,509	-27,409	-598
(1) Items that will not be reclassified subsequently to profit or loss	121	-3,369	2,414	-6,510
Remeasurement gains/(losses) of defined benefit obligations	121	-3,369	2,414	-6,510
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	-91,629	226,878	-29,823	5,912

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	-106,981	125,719	-54,139	-71,732
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale				
Cash flow hedge	22,615	15,345	44,148	17,252
Currency translation difference	-7,263	85,157	-20,345	59,806
Others		657	513	586
Other comprehensive income, net of tax, attributable to non-controlling interests	-1,616	3,951	15,953	-22,629
7. Total comprehensive income	864,397	1,638,590	3,538,393	3,974,617
Attributable to shareholders of the Company	223,432	939,533	1,850,039	2,043,271
Attributable to non-controlling interests	640,965	699,057	1,688,354	1,931,346
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.0234	0.0521	0.1398	0.1493
(2) Diluted earnings per share (RMB/share)	0.0234	0.0521	0.1398	0.1493

Company's legal representative:
Zheng Jianhua

Person-in-charge of accounting:
Hu Kang

Head of accounting department:
Hu Kang

UNAUDITED INCOME STATEMENT OF THE PARENT COMPANY

From 1 January 2017 to 30 September 2017

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Particulars	Amount for the period from 1 July 2017 to 30 September 2017	Amount for the corresponding period last year from 1 July 2016 to 30 September 2016	Amount for the period from 1 January 2017 to 30 September 2017	Amount for the corresponding period last year from 1 January 2016 to 30 September 2016
1. Operating revenue	2,956,530	5,824,728	15,383,388	18,137,475
Deduct: Cost of sales	2,537,570	5,202,672	13,917,514	16,372,223
Business tax and surcharge	2,838	3,825	42,613	15,161
Selling expenses	97,307	80,956	202,547	261,382
General and administrative expenses	148,509	184,484	599,710	455,305
Finance expenses	53,293	8,409	117,971	-8,676
Impairment loss	554,901	144,162	1,096,586	103,637
Add: Profit or loss arising from changes in fair value				
Investment income	858,681	644,148	1,234,192	1,013,774
Inclusive: Income from investment in associates and joint ventures	74,011	69,372	206,201	168,539
Other income			57,264	
2. Operating profits	420,793	844,368	697,903	1,952,217
Add: non-operating income	1,111	79,190	15,148	86,482
Inclusive: Gain from disposal of non-current assets				2,351
Less: non-operating expenses	121	6	384	399

Inclusive: Loss from disposal of non-current assets	121	-	258	179
3. Profit and loss before tax	421,783	923,552	712,667	2,038,300
Less: income tax expenses	-62,455	101,866	9,424	326,391
4. Net profits	484,238	821,686	703,243	1,711,909
5. Other comprehensive income , net of tax	-24,188	17,176	-30,938	-85,746
(1) Items that will not be reclassified subsequently to profit or loss				
Remeasurement gain / (losses) of defined benefit obligations				
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	-24,188	17,176	-30,938	-85,746
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	-24,188	762	-30,938	-104,067
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale				
Cash flow hedge		16,414		18,321
Currency translation difference				
Others				

6. Total comprehensive income	460,050	838,862	672,305	1,626,163
7. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.0361	0.0612	0.0524	0.1275
(2) Diluted earnings per share (RMB/share)	0.0361	0.0612	0.0524	0.1275

Company's legal representative:
Zheng Jianhua

Person-in-charge of accounting:
Hu Kang

Head of accounting department:
Hu Kang

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

From 1 January 2017 to 30 September 2017

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Particulars	Amount for the current period from 1 January to 30 September 2017	Amount for the corresponding period of last year from 1 January to 30 September 2016
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	58,675,046	64,453,590
Net increase in customer deposits and placements from other banks		
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	213,946	148,320
Cash receipts related to other operating activities	1,426,275	1,467,979
Total cash inflows from operating activities	60,315,267	66,069,889
Cash paid for goods and services	53,361,666	49,456,728
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	6,338,729	5,930,256
Payments of all types of taxes	4,248,768	4,431,964

Cash payments related to other operating activities	6,864,882	5,507,286
Total cash outflows from operating activities	70,814,045	65,326,234
Net cash flows used in/from operating activities	-10,498,778	743,655
2. Cash flows from investing activities:		
Cash received from sale of investments	309,862	178,625
Cash receipts from returns on investments	1,661,336	1,864,488
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	709,984	71,364
Net cash received from disposing subsidiaries and other business units		135,107
Net cash received from acquiring subsidiaries and other business units	22,406	
Cash receipts related to other investing activities	1,134,935	1,603,427
Total cash inflows from investing activities	3,838,523	3,853,011
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,433,569	1,423,501
Cash paid for investments	694,067	884,474
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units	105,559	
Cash payments related to other investing activities	2,445,381	221,986
Total cash outflows from investing activities	4,678,576	2,529,961
Net cash flows used in/from investing activities	-840,053	1,323,050
3. Cash flows from financing activities		
Cash proceeds from investments by others	286,897	321,194
Inclusive: Cash received from capital contributions from non-controlling interests of subsidiaries		321,194
Cash received from borrowings	2,888,833	2,574,498
Cash received from issuance of bonds		
Cash receipts related to other financing activities	1,413,024	
Total cash inflows from financing activities	4,588,754	2,895,692
Cash repayments for debts	2,097,490	1,501,119
Cash payments for distribution of dividends, profit or interest expenses	1,742,883	2,412,338
Inclusive: Profit and dividends paid to non-controlling interests by the subsidiaries	1,308,938	1,373,955

Cash payments related to other financing activities	216,558	4,094,186
Total cash outflows from financing activities	4,056,931	8,007,643
Net cash flows from/used in financing activities	531,823	-5,111,951
4. Effects of foreign exchange rates changes on cash and cash equivalents	-49,481	51,733
5. Net increase in cash and cash equivalents	-10,856,489	-2,993,513
Add: Cash and cash equivalents at beginning of the period	31,196,279	34,611,252
6. Cash and cash equivalents at end of the period	20,339,790	31,617,739

Company's legal
representative:
Zheng Jianhua

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 2017 to 30 September 2017

Prepared by: Shanghai Electric Group Company Limited

Currency: RMB'000

Particulars	Amount for the current period from 1 January to 30 September 2017	Amount for the corresponding period of last year from 1 January to 30 September 2016
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	8,688,599	13,531,908
Tax refunds		
Cash receipts related to other operating activities	800,471	943,489
Total cash inflows from operating activities	9,489,070	14,475,397
Cash paid for goods and services	12,238,211	10,468,296
Cash paid to and on behalf of employees	367,612	381,309
Payments of all types of taxes	84,221	413,079
Cash payments related to other operating activities	2,587,365	865,039
Total cash outflows from operating activities	15,277,409	12,127,723
Net cash flows from operating activities	-5,788,339	2,347,674
2. Cash flows from investing activities:		
Cash received from sale of investments	509,000	1,327,000
Cash receipts from returns on investments	1,090,211	1,112,343
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	430,006	
Net cash received from disposing subsidiaries and other business units		107,058
Cash receipts related to other investing activities	16,688	9,549,767
Total cash inflows from investing activities	2,045,905	12,096,168
Cash paid to acquire fixed assets, intangible assets and other long-term assets	51,482	132,421
Cash paid for investments	972,494	2,215,428
Net cash paid for acquiring subsidiaries and other business units		
Cash payments related to other investing activities	868,361	828,256
Total cash outflows from investing activities	1,892,337	3,176,105
Net cash flows from investing activities	153,568	8,920,063

3. Cash flows from financing activities		
Cash proceeds from investments by others	286,897	
Cash received from borrowings	3,730,000	600,000
Cash received from issuance of bonds		
Cash receipts related to other financing activities		
Total cash inflows from financing activities	4,016,897	600,000
Cash repayments for debts	2,250,000	890,000
Cash payments for distribution of dividends, profit or interest expenses	299,915	110,762
Cash payments related to other financing activities		
Total cash outflows from financing activities	2,549,915	1,000,762
Net cash flows from/used in financing activities	1,466,982	-400,762
4. Effects of foreign exchange rates changes on cash and cash equivalents	-38,800	38,032
5. Net increase in cash and cash equivalents	-4,206,589	10,905,007
Add: Cash and cash equivalents at beginning of the period	24,653,658	12,620,375
6. Cash and cash equivalents at end of the period	20,447,069	23,525,382

Company's legal representative:
Zheng Jianhua

Person-in-charge of accounting:
Hu Kang

Head of accounting department:
Hu Kang

By Order of the Board
Shanghai Electric Group Company Limited
ZHENG Jianhua
Chairman

Shanghai, the PRC, 30 October 2017

As at the date of this announcement, the executive director of the Company is Mr. ZHENG Jianhua; 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*