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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)**

### 2018 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 2018 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 65<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 2018 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. Zheng Jianhua, chairman of the Board, Mr. Hu Kang, chief financial officer of the Company and Mr. Si Wenpei, 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 2018	As at 31 December 2017		Change from 31 December 2017 to 31 March 2018 (%)
		After adjustments	Before adjustments	
Total assets	198,874,898	199,345,759	199,345,759	-0.24%
Net assets attributable to shareholders of the Company	56,452,381	55,537,083	55,537,083	1.65%
	From 1 January 2018 to 31 March 2018	From 1 January 2017 to 31 March 2017 <sup>2</sup>		Year-on-year change (%)
		After adjustments	Before adjustments	
Net cash flow from operating activities	-8,722,106	-7,151,063	-7,299,603	N/A
	From 1 January 2018 to 31 March 2018	From 1 January 2017 to 31 March 2017 <sup>2</sup>		Year-on-year change (%)
		After adjustments	Before adjustments	
Revenue	18,419,990	15,344,874	13,034,616	20.04%
Net profit attributable to shareholders of the Company	657,420	536,458	485,659	22.55%
Net profit attributable to shareholders of	572,484	451,797	451,797	26.71%

the Company after excluding nonrecurring profit or loss items				
Return on net assets on a weighted average basis (%)	1.18	1.11	1.07	Increased by 0.07 percentage point
Basic earnings per share (RMB/share)	0.0446	0.0385	0.0362	15.84%
Diluted earnings per share (RMB/share)	0.0446	0.0385	0.0362	15.84%

During the reporting period from 1 January 2018 to 31 March 2018, the Company obtained new orders in the amount of RMB 25.43 billion, representing a decrease of 24.67% 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 10.97%, 17.18%, 47.46% and 24.38% of the total new orders, respectively. As at the end of the reporting period, the Company's orders on hand amounted to RMB231.83 billion (with orders in the amount of RMB110.13 billion not yet coming into effect). It represented an increase of 1.98% over the end of the period of the last year, among which, the orders on hand from new energy and environmental protection equipment, high efficiency and clean energy equipment, industrial equipment and modern services accounted for 14.59%, 48.01%, 5.94% and 31.45% 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 RMB15.99 billion (of which RMB9.42 billion were not yet coming into effect), an increase of 5.41% over the end of the period of the last year; orders on hand of the Company for coal-fired power generation equipment amounted to RMB76.8 billion (of which RMB30.2 billion were not yet coming into effect), a reduction of 6.57% over the end of the period of the last year; and orders on hand of the Company for gas-fired power generation equipment and services amounted to RMB10.18 billion (of which RMB2.6 billion were not yet coming into effect), an increase of 6.26% over the end of the period of the last year.

Note 1: unless otherwise specified.

Note 2: Comparative figures from 1 January 2017 to 31 March 2017 have been restated in accordance with the reporting requirements for business combination under common control.

Non-recurring profit and loss items and amounts:

Unit: '000 Currency: RMB

Non-recurring profit and loss items	Amount for period from 1 January 2018 to 31 March 2018
Profit and loss from disposal of non-current assets	1,106
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	45,492
Profit and loss from debt reorganization	2,310
Investment income arising from fair value change or disposal gain/loss of financial asset/liability at fair value through profit and loss and available-for-sale financial asset, excluding those from the effective hedging activities in relation to normal operation of the company	2,850
Other non-operating income and expenses besides the above items	52,017
Relocation compensation	15,814
Impact of non-controlling interests (net of tax)	-9,122
Effect of income tax	-25,531
Total	84,936

### 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
Inventories	39,441,180	34,473,800	14%

The inventories increased by RMB4.967 billion as compared with the beginning of the period mainly because that the Company was in the peak season for production and more purchases were made to meet subsequent manufacturing requirements, resulting in an increase in inventories.

Items of consolidated income  
statement

Unit: '000 Currency: RMB

Particulars	Amount for current period	Amount for corresponding period of preceding year	Percentage of change
Investment income	331,987	229,139	45%

The investment income rose by 45% as compared with the corresponding period of preceding year mainly due to the increase in investment income from financial products of Shanghai Electric Group Finance Co., Ltd., a subsidiary of the Company.

Items of consolidated statement of cash flows

Unit: '000 Currency: RMB

Particulars	Amount for current period	Amount for corresponding period of preceding year	Change in amount
Cash received from sale of investments	4,618,626	20,885	4,597,741

The cash received from sale of investments increased by nearly RMB4.6 billion as compared with the corresponding period of preceding year mainly due to the recovery of more external financial investments by Shanghai Electric Group Finance Co., Ltd., a subsidiary of the Company, in the period.

Shanghai Electric Group Company Limited  
Zheng Jianhua  
Legal representative  
27 April 2018

#### 4 Appendix

### Consolidated Balance Sheet (unaudited)

As at 31 March 2018

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	As at 31 March 2018	As at 31 December 2017
<b>Current assets:</b>		
Cash on hand and at bank	29,561,874	37,224,092
Settlement reserve		
Placements from banks and other financial institutions		
Financial assets at fair value through profit or loss	1,774,307	518,550
Derivative financial assets	13,174	14,682
Notes receivable	7,925,283	10,106,004
Accounts receivable	29,988,332	27,905,847
Advances to suppliers	13,259,125	9,551,236
Premium receivable		
Amounts due from reinsurers		
Reinsurance contract reserve receivable		
Interest receivable	53,163	33,855
Dividends receivable	81,700	79,660
Other receivables	1,545,486	1,324,798
Financial assets purchased under agreements to resell		
Inventories	39,441,180	34,473,800
Assets classified as held-for-sale		
Non-current assets due within one year	4,706,908	4,815,509
Other current assets	14,833,969	18,309,228
Total current assets	143,184,501	144,357,261
<b>Non-current assets:</b>		
Loans receivables		
Financial assets available-for-sale	3,371,264	1,393,811
Held-to-maturity investments		
Long-term receivables	8,753,442	8,755,971
Long-term equity investments	10,969,019	10,704,961
Investment properties	817,383	832,508
Fixed assets	13,665,853	13,912,776
Construction in progress	3,020,954	2,556,136

Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	7,081,594	7,117,247
Development disbursements	121,157	104,341
Goodwill	2,678,794	2,648,897
Long-term deferred expenses	222,836	247,151
Deferred tax assets	4,194,546	3,982,674
Other non-current assets	793,555	2,732,025
Total non-current assets	55,690,397	54,988,498
Total assets	198,874,898	199,345,759
<b>Current liabilities:</b>		
Short-term borrowings	3,013,838	2,553,508
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	4,581	
Derivative financial liabilities	14,408	8,537
Notes payable	6,615,602	7,144,728
Accounts payable	34,963,609	33,740,212
Advances from customers	42,652,006	44,100,234
Financial assets sold under agreement to repurchase		
Fee and commissions income payable		
Employee benefits payable	2,619,041	3,033,359
Tax payable	1,393,618	2,029,572
Interests payable	196,033	176,394
Dividends payable	275,469	274,796
Other payables	4,715,178	4,470,085
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	1,595,851	3,171,648
Other current liabilities	10,158,098	10,616,655
Total current liabilities	108,217,332	111,319,728
<b>Non-current liabilities:</b>		
Long-term borrowings	5,658,969	4,145,442
Bonds payable	9,949,117	10,058,027

Inclusive: Preferred shares		
Perpetual bond		
Long-term payables	995,918	943,706
Long-term employee benefits payable	240,951	273,189
Payables for specific projects	330,272	359,620
Provisions	109,018	109,406
Deferred revenue	958,266	1,055,960
Deferred tax liabilities	337,840	337,530
Other non-current liabilities	18,626	21,564
Total non-current liabilities	18,598,977	17,304,444
Total liabilities	126,816,309	128,624,172
<b>Equity:</b>		
Paid in capital (or share capital)	14,725,181	14,725,181
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bond		
Capital surplus	16,505,501	16,534,623
Less: Treasury stock		
Other comprehensive income	-127,874	-47,395
Specialized reserve	120,848	120,848
Surplus reserves	5,091,927	5,091,927
General provisions		
Retained earnings	20,136,798	19,111,899
Equity attributable to owners of the Company	56,452,381	55,537,083
Non-controlling interests	15,606,208	15,184,504
Total equity	72,058,589	70,721,587
Total equity and liabilities	198,874,898	199,345,759

Company's legal representative: Zheng Jianhua      Person-in-charge of accounting: Hu Kang      Head of accounting department: Si Wenpei



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

As at 31 March 2018

Prepared by: Shanghai Electric Group Company Limited

Unit: '000

Currency: RMB

Particulars	As at 31 March 2018	As at 31 December 2017
<b>Current assets:</b>		
Cash on hand and at bank	18,329,980	22,149,538
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	159,645	1,591,021
Accounts receivable	16,086,625	14,880,750
Advances to suppliers	20,355,218	18,388,976
Interest receivable		
Dividends receivable	319,673	319,673
Other receivables	1,263,346	1,214,076
Inventories	3,937,437	3,174,632
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	2,580,940	1,952,617
<b>Total current assets</b>	<b>63,032,864</b>	<b>63,671,283</b>
<b>Non-current assets:</b>		
Financial assets available-for-sale	2,694,735	782,004
Held-to-maturity investments	269,000	269,000
Long-term receivables		
Long-term equity investments	30,248,870	29,911,927
Investment properties	36,779	37,399
Fixed assets	1,867,178	1,901,322
Construction in progress	65,385	51,150
Construction materials		
Fixed assets pending for disposal		
Bearer biological assets		
Oil and gas assets		
Intangible assets	4,295,807	4,346,433
Development disbursements		
Goodwill		
Long-term deferred expenses	289	289
Deferred tax assets	864,107	1,077,837
Other non-current assets		1,932,522
<b>Total non-current assets</b>	<b>40,342,150</b>	<b>40,309,883</b>
<b>Total assets</b>	<b>103,375,014</b>	<b>103,981,166</b>
<b>Current liabilities:</b>		

Short-term borrowings	3,675,000	3,375,000
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	1,276,816	1,321,253
Accounts payable	25,182,165	24,153,205
Advances from customers	19,765,667	21,145,743
Employee benefits payable	411,114	506,391
Tax payable	66,053	159,145
Interests payable	14,548	120,306
Dividends payable		5,593
Other payables	1,033,351	794,700
Non-current liabilities due within one year	33,466	1,609,018
Other current liabilities	275,968	306,119
Total current liabilities	51,734,148	53,496,473
<b>Non-current liabilities:</b>		
Long-term borrowings	1,500,000	
Bonds payable	5,431,512	5,383,674
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	37,632	43,367
Total non-current liabilities	6,983,854	5,441,751
Total liabilities	58,718,002	58,938,224
<b>Equity:</b>		
Paid in capital (or share capital)	14,725,181	14,725,181
Other equity instruments		
Inclusive: Preferred shares		
Perpetual bond		
Capital surplus	16,967,803	16,996,925
Less: Treasury stock		
Other comprehensive income		6,352
Specialized reserve		
Surplus reserves	2,127,603	2,127,603
Retained earnings	10,836,425	11,186,881
Total equity	44,657,012	45,042,942
Total equity and liabilities	103,375,014	103,981,166

Company's legal representative:  
Zheng Jianhua

Person-in-charge of  
accounting: Hu Kang

Head of accounting  
department: Si Wenpei

**Consolidated Income Statement (unaudited)**  
January to March 2018  
Prepared by: Shanghai Electric Group Company Limited

Particulars	Unit: '000    Currency: RMB	
	Amount for the period from 1 January 2018 to 31 March 2018	Amount for the corresponding period of preceding year from 1 January 2017 to 31 March 2017
1. Total revenue	18,419,990	15,344,874
Inclusive: Operating revenue	18,419,990	15,344,874
Interest income		
Premium earned		
Fees and commission income		
2. Total cost of sales	17,532,251	14,530,508
Inclusive: Operating cost	14,603,769	11,782,584
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	61,935	82,614
Selling expenses	611,763	591,821
General and administrative expenses	1,842,535	1,763,693
Finance expenses	207,603	144,142
Impairment loss on assets	204,646	165,654
Add: Profit or loss arising from changes in fair value	-54,808	-10,415
Investment income	331,987	229,139
Inclusive: Income from investment in associates and joint ventures	186,794	177,566
Gains on disposals of assets	1,106	1,384
Foreign exchange gain		
Other income	64,654	
3. Operating profits (losses are denoted by “-”)	1,230,678	1,034,474
Add: non-operating income	73,870	67,195
Less: non-operating expenses	5,499	6,944
4. Profit and loss before tax (total losses are denoted by “-”)	1,299,049	1,094,725
Less: income tax expenses	175,578	197,447

5. Net profits (net losses are denoted by “-”)	1,123,471	897,278
(A) Classified by continuity of operations		
1. Net profit from continuing operations	1,123,471	897,278
2. Net profit from discontinued operations		
(B) Classified by ownership of the equity		
1. Non-controlling interests	466,051	360,820
2. Attributable to equity owners of the Company	657,420	536,458
6. Other comprehensive income, net of tax	-59,245	56,669
Other comprehensive income, net of tax, attributable to shareholders of the Company	-50,872	60,029
(1) Items that will not be reclassified subsequently to profit or loss	-253	-250
Remeasurements gains/(losses) of defined benefit obligation	-253	-250
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	-50,619	60,279
Share of other comprehensive income of investments accounted for using the equity method		
Change in fair value of financial assets available-for-sale	-35,992	79,133
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale		
Cash flow hedge	10,635	-498
Currency translation difference	-25,262	-18,356
Others		
Other comprehensive income, net of tax, attributable to non-controlling interests	-8,373	-3,360
7. Total comprehensive income	1,064,226	953,947
Attributable to shareholders of the Company	606,548	596,488
Attributable to non-controlling interests	457,678	357,459
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.0446	0.0385
(2) Diluted earnings per share (RMB/share)	0.0446	0.0385

Company’s Legal Representative:  
Zheng Jianhua

Person-in-charge of  
accounting: Hu Kang

Head of Accounting  
Department: Si Wenpei

**Income Statement of the Company (unaudited)**  
 January to March 2018  
 Prepared by: Shanghai Electric Group Company Limited

Unit: '000    Currency: RMB

Particulars	Amount for the period from 1 January 2018 to 31 March 2018	Amount for the corresponding period of preceding year from 1 January 2017 to 31 March 2017
1. Operating revenue	5,120,146	4,303,683
Deduct: Cost of sales	4,716,988	3,745,306
Business tax and surcharge	13,510	15,946
Selling expenses	59,125	49,529
General and administrative expenses	230,219	202,594
Finance expenses	96,347	29,427
Impairment loss on assets	252,236	209,429
Add: Profit or loss arising from changes in fair value	2,355	
Investment income	84,179	66,216
Inclusive: Income from investment in associates and joint ventures	63,954	63,876
Gains on disposals of assets	-99	
Other income		
2. Operating profits (losses are denoted by “-”)	-161,844	117,668
Add: non-operating income	46,520	9,019
Less: non-operating expenses	70	20
3. Profit and loss before tax (total losses are denoted by “-”)	-115,394	126,667
Less: income tax expenses	6,621	-13,067
4. Net profits (net losses are denoted by “-”)	-122,015	139,734
(1) Net profit from continuing operations	-122,015	139,734
(2) Net profit from discontinued operations		
5. Other comprehensive income , net of tax		5,063
(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

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
Gain/(loss) arising from the reclassification from held-to-maturity investments to financial assets available-for-sale		
Cash flow hedge		
Currency translation difference		
Others		
6. Total comprehensive income	-122,015	144,797
7. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.0083	0.0104
(2) Diluted earnings per share (RMB/share)	-0.0083	0.0104

Company's Legal Representative:  
Zheng Jianhua

Person-in-charge of  
accounting: Hu Kang

Head of Accounting  
Department: Si Wenpei

**Consolidated Cash Flow Statement (unaudited)**  
 January to March 2018  
 Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	Amount for the current period from 1 January 2018 to 31 March 2018	Amount for the corresponding period of preceding year from 1 January 2017 to 31 March 2017
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	17,919,534	16,606,782
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	67,599	90,426
Cash receipts related to other operating activities	1,113,960	1,118,355
Total cash inflows from operating activities	19,101,093	17,815,563
Cash paid for goods and services	21,427,989	18,400,985
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	2,706,288	2,461,580
Payments of all types of taxes	1,148,741	1,665,918

Cash payments related to other operating activities	2,540,181	2,438,143
Total cash outflows from operating activities	27,823,199	24,966,626
Net cash flows from operating activities	-8,722,106	-7,151,063
<b>2. Cash flows from investing activities:</b>		
Cash received from sale of investments	4,618,626	20,885
Cash receipts from returns on investments	222,680	162,914
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	81,112	101,866
Net cash received from disposing subsidiaries and other business units		
Cash receipts related to other investing activities	1,892,562	5,498,844
Total cash inflows from investing activities	6,814,980	5,784,509
Cash paid to acquire fixed assets, intangible assets and other long-term assets	622,372	470,073
Cash paid for investments	76,736	333,395
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		
Cash payments related to other investing activities	2,820,346	848,115
Total cash outflows from investing activities	3,519,454	1,651,583
Net cash flows from investing activities	3,295,526	4,132,926
<b>3. Cash flows from financing activities</b>		
Cash proceeds from investments by others	134,000	
Inclusive: Cash received from capital contributions from minority shareholders of subsidiaries	134,000	
Cash received from borrowings	2,623,262	828,262
Cash received from issuance of bonds		
Cash receipts related to other financing activities		34,497
Total cash inflows from financing activities	2,757,262	862,759
Cash repayments for debts	2,305,460	397,293
Cash payments for distribution of dividends, profit or interest expenses	292,316	244,904
Inclusive: Profit and dividends paid to non-controlling interests by the subsidiaries		
Cash payments related to other financing activities	580,190	127,685
Total cash outflows from financing activities	3,177,966	769,882
Net cash flows from financing activities	-420,704	92,877



<b>4. Effects of foreign exchange rates changes on cash and cash equivalents</b>	-46,169	967
<b>5. Net increase in cash and cash equivalents</b>	-5,893,453	-2,924,293
Add: Cash and cash equivalents at beginning of the period	22,469,071	31,760,249
<b>6. Cash and cash equivalents at end of the period</b>	16,575,618	28,835,956

Company's legal representative:  
Zheng Jianhua

Person-in-charge of  
accounting: Hu Kang

Head of accounting  
department : Si Wenpei

**Cash Flow Statement of the Company (unaudited)**  
 January to March 2018  
 Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	Amount for the current period from 1 January 2018 to 31 March 2018	Amount for the corresponding period of preceding year from 1 January 2017 to 31 March 2017
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods or rendering of services	1,849,291	2,559,059
Tax refunds		
Cash receipts related to other operating activities	466,645	204,040
Total cash inflows from operating activities	2,315,936	2,763,099
Cash paid for goods and services	4,314,423	3,815,143
Cash paid to and on behalf of employees	214,706	163,732
Payments of all types of taxes	80,640	53,879
Cash payments related to other operating activities	389,073	523,433
Total cash outflows from operating activities	4,998,842	4,556,187
Net cash flows from operating activities	-2,682,906	-1,793,088
<b>2. Cash flows from investing activities:</b>		
Cash received from sale of investments	588	
Cash receipts from returns on investments	76,000	18,340
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	33,660	6,163
Total cash inflows from investing activities	110,248	24,503
Cash paid to acquire fixed assets, intangible assets and other long-term assets	18,598	30,197
Cash paid for investments	1,196,453	383,684
Net cash paid for acquiring subsidiaries and other business units		
Cash payments related to other investing activities		
Total cash outflows from investing activities	1,215,051	413,881
Net cash flows from investing activities	-1,104,803	-389,378

<b>3. Cash flows from financing activities</b>		
Cash proceeds from investments by others		
Cash received from borrowings	1,786,525	400,000
Cash receipts related to other financing activities		
Total cash inflows from financing activities	1,786,525	400,000
Cash repayments for debts	1,600,000	
Cash payments for distribution of dividends, profit or interest expenses	176,171	132,383
Cash payments related to other financing activities		
Total cash outflows from financing activities	1,776,171	132,383
Net cash flows from financing activities	10,354	267,617
<b>4. Effects of foreign exchange rates changes on cash and cash equivalents</b>	-42,203	-3,550
<b>5. Net increase in cash and cash equivalents</b>	-3,819,558	-1,918,399
Add: Cash and cash equivalents at beginning of the period	14,052,196	24,653,658
<b>6. Cash and cash equivalents at end of the period</b>	10,232,638	22,735,259

Company's legal representative:  
Zheng Jianhua

Person-in-charge of  
accounting: Hu Kang

Head of accounting  
department : Si Wenpei

By order of the Board  
**Shanghai Electric Group Company Limited**  
**Zheng Jianhua**  
*Chairman of the Board*

Shanghai, the PRC, 27 April 2018

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 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*