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東方電氣股份有限公司

Dongfang Electric Corporation Limited

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

(Stock Code: 1072)

2015 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

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

1.2 If directors were not able to attend the board meeting, their name should be listed individually

**Name of directors
absent from the**

meeting	Duties of directors	Reasons of absence	Name of proxy
Peng Shaobing	Independent director	Sickness	Li Yanmeng

1.3 Si Zefu, Chairman of the Company, Gong Dan, Chief Accountant, and Zeng Yi, Head of Finance Department have declared that they warrant the truthfulness, accuracy and completeness of the financial statement 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

Unit: yuan Currency: RMB

	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	84,314,189,020.81	85,230,169,494.86	-1.07
Net asset attributable to shareholders of the Company	22,924,868,323.71	19,544,092,526.73	17.30
	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	-2,372,494,824.80	-786,116,392.83	-201.80
	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	7,685,559,058.00	8,259,606,361.40	-6.95
Net profit attributable to shareholders of the Company	107,714,386.29	417,860,463.73	-74.22
Net profit attributable to shareholders of the Company after deducing non-recurring gain or loss	108,302,337.80	399,016,383.65	-72.86
Weighted average return on net assets (%)	0.52	2.33	Decreased by 1.81 percentage points
Basic earnings per share (RMB/share)	0.05	0.21	-76.19
Diluted earnings per share (RMB/share)	0.05	0.21	-76.19

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	1,401,437.53
Tax refund or exemption from unauthorized approval or non-official approved document or contingency	
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)	18,477,700.49
Capital utilization fee received from non-financial enterprises and included in profit or loss	
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the share of fair value of net identifiable assets of the investees at the time of acquisition	
Gain or loss on exchange of non-monetary assets	
Gain or loss on entrusted investment or asset management	
Impairment provisions for assets due to force majeure factors such as natural disasters	
Gain or loss on debt restructuring	
Corporate restructuring fees such as staff resettlement expenses, consolidation charges, etc.	
Gain or loss arising from transactions at unfair trading prices over their fair value	
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control	
Gain or loss on contingency items unrelated to the normal business operations of the Company	

Item	Amount for the period
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 ordinary course of business	866,422.79
Reversal of impairment provisions for receivables subject to individual impairment test	
Gain or loss on external entrusted loans	
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements	
Effect on profit or loss from one-off adjustment to profit or loss according to the requirements of the tax and accounting laws and regulations	
Custody fee income received from custody operation	
Other non-operating revenue/expenses other than the above items	-19,873,229.07
Other gain or loss items conforming with the definition of non-recurring gain or loss	
Effect of minority interests (after tax)	-401,827.66
Effect of income tax	<u>-1,058,455.59</u>
Total	<u><u>-587,951.51</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 182,495

Particulars of the shareholding of top ten shareholders

Name of shareholder (in full)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium		Nature of shareholder
			Pledged or frozen status	Share status	
Dongfang Electric Corporation	966,068,063	41.34%	0	Nil	State-owned legal person
HKSCC Nominees Limited	338,102,695	14.47%	0	Unknown	Overseas legal person
China Huarong Assets Management Co., Ltd. (中國華融資產管理股份有限公司)	7,546,864	0.32%	0	Unknown	Unknown
China Life Insurance (Group) Company — Traditional — Ordinary Insurance Product — 005L — CT001 Hu (中國人壽保險股份有限公司 — 傳統 — 普通保險產品 — 005L — CT001滬)	6,712,999	0.29%	0	Unknown	Unknown
Wei Lihua (魏麗華)	6,230,000	0.27%	0	Unknown	Unknown
Agricultural Bank of China Limited — SWS MU CSI Environmental Protection Industry Index Classified Securities Investment Fund (中國農業銀行股份有限公司 — 申萬菱信中證環保產業指數分級證券投資基金)	4,335,079	0.19%	0	Unknown	Unknown
Bank of China Limited — Harvest Shanghai Shenzhen 300 Trading Index Securities Investment Open-ended Fund (中國銀行股份有限公司 — 嘉實滬深300交易型開放式指數證券投資基金)	4,226,845	0.18%	0	Unknown	Unknown

Name of shareholder (in full)	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	
China National Petroleum Corporation Annuity Plan — Industrial and Commercial Bank of China (中國石油天然氣集團公司企業年金計劃 — 中國工商銀行)	4,152,422	0.18%	0	Unknown		Unknown
China Construction Bank — E Fund Return Enhanced Debt Securities Investment Fund (中國建設銀行 — 易方達增強回報債券型證券投資基金)	3,848,364	0.16%	0	Unknown		Unknown
Guosen Securities Co., Ltd. (國信證券股份有限公司)	3,732,937	0.16%	0	Unknown		Unknown

Particulars of the shareholding 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	966,068,063	RMB denominated ordinary shares	
HKSCC Nominees Limited	338,102,695	Overseas listed foreign shares	
China Huarong Assets Management Co., Ltd. (中國華融資產管理股份有限公司)	7,546,864	RMB denominated ordinary shares	
China Life Insurance (Group) Company — Traditional — Ordinary Insurance Product — 005L — CT001 Hu (中國人壽保險股份有限公司 — 傳統 — 普通保險產品 — 005L — CT001滬)	6,712,999	RMB denominated ordinary shares	

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Wei Lihua (魏麗華)	6,230,000	RMB denominated ordinary shares	
Agricultural Bank of China Limited — SWS MU CSI Environmental Protection Industry Index Classified Securities Investment Fund (中國農業銀行股份有限公司 — 申萬菱信中證環保產業指數分級證券投資基金)	4,335,079	RMB denominated ordinary shares	
Bank of China Limited — Harvest Shanghai Shenzhen 300 Trading Index Securities Investment Open-ended Fund (中國銀行股份有限公司 — 嘉實滬深300交易型開放式指數證券投資基金)	4,226,845	RMB denominated ordinary shares	
China National Petroleum Corporation Annuity Plan—Industrial and Commercial Bank of China (中國石油天然氣集團公司企業年金計劃 — 中國工商銀行)	4,152,422	RMB denominated ordinary shares	
China Construction Bank—E Fund Return Enhanced Debt Securities Investment Fund (中國建設銀行 — 易方達增強回報債券型證券投資基金)	3,848,364	RMB denominated ordinary shares	
Guosen Securities Co., Ltd. (國信證券股份有限公司)	3,732,937	RMB denominated ordinary shares	

Statements 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 shares not subject to trading moratorium.

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 quarter

In the first quarter of 2015, the Company manufactured power generation equipment with capacity of 10,894MW, representing an increase of 19.6% as compared with corresponding period last year, including 6 hydro-electric turbine generator sets (720.5MW), 21 steam turbine generators (9,970MW) and 110 wind power generation sets (203.5MW). In addition, the Company produced 17 power station boilers (6,977MW) and 26 power station steam turbines (7,822MW).

In the first quarter of 2015, the Company's new orders amounted to RMB11.04 billion, including RMB3,930 million for exports, which accounted for 35.6%. Among the new orders, 40% was attributable to high-efficiency clean energy, 7% to new energy, 30% to water energy and environmental protection, and 23% to engineering and service industry.

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

Applicable Not applicable

Analysis on changes in items in income statement during the reporting period

Changes in composition of expenses

Unit: RMB

Item	Amount for the period	Amount for the corresponding period last year	Year-on-year
			increase/ decrease (%)
Finance costs	-20,084,992.78	-29,994,065.64	33.04
Asset impairment losses	-41,104,561.21	23,304,810.78	-276.38
Gain(loss) on fair value changes	-8,388,554.34	3,418,152.55	-345.41
Investment income	41,289,075.95	18,131,590.64	127.72
Non-operating expenditures	22,469,340.40	877,420.68	2,460.84
Tax expenses	-2,685,216.99	74,050,593.28	-103.63
Net profit attributable to the owners of the Company	107,714,386.29	417,860,463.73	-74.22

Gross profit margin during the reporting period:

	Principal operations on consolidated basis	Clean and high-efficiency power generating equipment	New energy equipment	Water energy and environmental protection equipment	Engineering and services
Gross profit margin (%)	11.50	9.46	16.95	18.64	13.84

Analysis on reasons of the changes

1. Finance costs for this period increased by 33.04% as compared with the same period last year, mainly attributable to an increase of RMB18 million in exchange losses during this period.
2. Asset impairment losses for this period decreased by 276.38% as compared with the same period last year, mainly due to a significant decrease in provision for loss on bad debts during this period as compared with the same period last year.
3. Gain on fair value changes for this period decreased by 345.41% as compared with the same period last year, mainly attributable to disposal of shares of China XD Electric by the Company during the period.
4. Gains on investment of the Company for this period increased by 127.72% as compared to the same period of last year, mainly attributable to disposal of shares in Guangdong Oil Shale Power Generation Co., Ltd. during this period.
5. Income tax expenses of the Company for this period decreased by 103.63% as compared to the same period of last year, mainly attributable to the significant decrease in profit for the period.
6. Net profit attributable to the owners of the Company for this period decreased by 74.22% as compared to the same period of last year, mainly attributable to the decrease in gross profit margin for this period.

Analysis on changes in items in cash flow statement during the reporting period

Changes in items in cash flow statement

Unit: RMB

Item	Amount for the period	Amount for the corresponding period last year	Year-on- year increase/ decrease (%)
Net cash flow from operating activities	-2,372,494,824.80	-786,116,392.83	-201.80
Net cash flow from investment activities	-51,540,789.98	-204,731,885.47	74.83
Net cash flow from financing activities	-36,645,793.09	-241,778,938.83	84.84

Analysis on reasons for the changes

1. Net cash inflow from operating activities decreased by 201.80% as compared to the same period of last year, mainly attributable to the increased cash paid by the Company for purchase of goods as compared with that of the same period of last year.
2. Net cash inflow from investment activities increased by 74.83% as compared to the same period of last year, mainly attributable to the decrease in cash paid for acquisition and construction of fixed assets and other long-term assets as compared with that of the same period of last year.
3. Net cash inflow from financing activities increased by 84.84% as compared to the same period of last year, mainly attributable to the significant decrease in cash repayments of borrowings as compared with that of the same period of last year.

3.3 Particulars of A share convertible bonds

As approved by the Approval Document Zheng Jian Xu Ke [2014] No. 628 issued by China Securities Regulatory Commission and the Self-regulation Decision [2014] No. 402 issued by Shanghai Stock Exchange, the A share convertible bonds with a nominal value of RMB4,000 million were publicly issued by the Company on 10 July 2014 and were listed on the Shanghai Stock Exchange on 25 July 2014. The security abbreviation is “Dongfang Convertible Bonds” and the security code is “110027”.

The conversion period for the shares of the Company commenced from 12 January 2015. As the close prices for the 15 consecutive trading days during the period from 12 January 2015 to 30 January 2015 were higher than 130% of the conversion price for such tranche of “Dongfang Convertible Bonds (110027)” of the Company, according to the agreement in the Prospectus in relation to Public Issuance of Convertible Corporate Bonds, the redemption condition of the convertible bonds was triggered. The Resolution in relation to Conditional Redemption of the “Dongfang Convertible Bonds” was considered and approved at the 20th meeting of the seven session of the Board of the Company, pursuant to which it was resolved to exercise the conditional redemption rights of the “Dongfang Convertible Bonds” to redeem all the Dongfang Convertible Bonds as appeared in the register on the “Redemption Record Date”.

Up to close of trading on 16 February 2015, A total of RMB3,996,503,000 of “Dongfang Convertible Bonds” were converted into A shares of the Company with converted shares of 333,040,368 in aggregate. Such converted shares accounted for 16.62% of the issued shares of the Company totaling 2,003,860,000 shares before the conversion of “Dongfang Convertible Bonds”. Upon completion of converting the “Dongfang Convertible Bonds”, the total share capital of the Company increased to 2,336,900,368 shares.

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

Applicable Not applicable

3.5 The performance of the undertakings made by the Company and shareholders holding 5% or more of the Company's shares

Applicable Not applicable

3.6 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: Si Zefu

29 April 2015

IV. APPENDICES

4.1 Financial statements

Consolidated Balance Sheet

31 May 2015

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: unaudited

Item	Closing balance	Opening balance
Current assets:		
Monetary fund	15,359,739,879.15	17,822,818,071.65
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets at fair value through profit or loss	39,058.77	56,547,665.82
Derivative financial assets		
Notes receivable	3,355,438,392.00	2,626,992,774.70
Accounts receivable	16,234,133,392.48	17,698,467,285.71
Prepayments	3,889,821,678.81	4,210,529,353.01
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance treaty		
Interest receivable	157,212,207.91	153,964,346.27
Dividends receivable		
Other receivable	291,894,948.41	282,414,587.72
Purchases of resold financial assets		
Inventories	32,421,472,266.68	29,640,990,594.62
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	8,368,800.75	
Total current assets	<u>71,718,120,624.96</u>	<u>72,492,724,679.50</u>

Non-current assets:

Loans and advances granted		
Available-for-sale financial assets	15,335,232.75	11,835,232.75
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	992,904,089.11	974,911,045.43
Investment properties	73,142,861.55	74,061,743.59
Fixed assets	8,338,690,816.44	8,537,913,652.38
Construction in progress	858,155,722.10	818,328,683.80
Construction materials	113,464.96	113,464.96
Disposal of fixed assets	768,495.14	9,546.86
Biological assets for production		
Fuel assets		
Intangible assets	973,099,016.06	988,752,792.34
Development expenses		
Goodwill		
Long-term deferred expenditures	438,125.19	475,500.18
Deferred income tax asset	1,343,420,572.55	1,331,043,153.07
Other non-current assets		
Total non-current assets	12,596,068,395.85	12,737,444,815.36
Total assets	84,314,189,020.81	85,230,169,494.86

Current liabilities:

Short-term borrowings	2,844,000,000.00	2,534,000,000.00
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	4,934,723,497.21	5,275,895,399.74
Accounts payable	16,490,375,898.03	15,893,241,172.06
Payments received in advance	32,309,194,865.44	33,384,928,229.93
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Staff remuneration payable	343,517,842.33	339,885,075.65
Taxes payable	-400,895,298.09	-172,896,861.70
Interest payable		13,317,579.91
Dividends payable	2,379,654.25	3,143,316.82
Other payable	1,650,565,347.29	1,738,314,628.62
Reinsurance accounts payable		
Deposits for insurance contracts		
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	16,320,000.00	3,256,860,290.35
Other current liabilities	119,339,510.63	128,543,364.04
Total current liabilities	<u>58,309,521,317.09</u>	<u>62,395,232,195.42</u>

Non-current liabilities:		
Long-term borrowings	245,620,000.00	545,620,000.00
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payable	685,252.84	685,252.84
Long-term staff remuneration payable	106,781,551.47	63,585,273.19
Special payable	59,142,114.63	58,042,614.63
Estimated liabilities	1,241,555,144.79	1,228,921,362.78
Deferred income	498,874,431.09	466,149,584.34
Deferred income tax liabilities	1,410,864.19	2,667,580.34
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	2,154,069,359.01	2,365,671,668.12
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities	60,463,590,676.10	64,760,903,863.54
	<hr/> <hr/>	<hr/> <hr/>
Owners' equity		
Share capital	2,336,900,368.00	2,003,860,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	8,828,539,327.93	5,895,507,792.32
Less: Treasury stock		
Other comprehensive income	-32,525,726.48	-35,879,992.16
Special reserve	25,893,454.25	22,258,212.85
Surplus reserve	674,102,684.70	674,102,684.70
General risk provision		
Undistributed profit	11,091,958,215.31	10,984,243,829.02
Total equity attributable to the owners of the Company	22,924,868,323.71	19,544,092,526.73
Minority interests	925,730,021.00	925,173,104.59
	<hr/>	<hr/>
Total owners' equity	23,850,598,344.71	20,469,265,631.32
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and owners' equity	84,314,189,020.81	85,230,169,494.86
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Legal representative:

Si Zefu

Chief accountant:

Gong Dan

*Head of the accounting
department:*

Zeng Yi

Balance Sheet of the Company

31 May 2015

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: unaudited

Item	Closing balance	Opening balance
Current assets:		
Monetary fund	5,699,854,494.93	6,610,853,925.64
Financial assets at fair value through profit or loss		56,508,607.05
Derivative financial assets		
Notes receivable	168,453,690.40	233,757,169.32
Accounts receivable	4,160,701,731.59	4,068,731,758.42
Prepayments	11,186,211,421.83	11,573,196,278.69
Interest receivable	33,038,988.91	19,350,749.82
Dividends receivable	131,436,444.73	131,436,444.73
Other receivable	6,020,308,309.24	6,021,055,148.85
Inventories	2,690,374,056.33	2,160,818,568.14
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	<u>1,623,620,850.55</u>	<u>1,575,000,000.00</u>
Total current assets	<u><u>31,713,999,988.51</u></u>	<u><u>32,450,708,650.66</u></u>

Non-current assets:

Available-for-sale financial assets	12,000,000.00	
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	10,165,056,784.69	10,149,114,668.67
Investment properties	16,493,978.52	16,772,319.67
Fixed assets	10,842,402.87	11,849,697.97
Construction in progress		
Construction materials		
Disposal of fixed assets	9,546.86	9,546.86
Biological assets for production		
Fuel assets		
Intangible assets	14,186,699.58	14,752,982.34
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax asset	118,074,501.09	110,508,321.81
Other non-current assets		
	_____	_____
Total non-current assets	<u><u>10,336,663,913.61</u></u>	<u><u>10,303,007,537.32</u></u>
Total assets	<u><u>42,050,663,902.12</u></u>	<u><u>42,753,716,187.98</u></u>

Current liabilities:

Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	5,526,065,514.36	5,951,383,462.79
Payments received in advance	17,454,344,217.69	17,858,367,625.93
Staff remuneration payable	17,178,514.89	17,188,113.85
Taxes payable	-476,316,148.63	-446,270,320.17
Interest payable		9,534,246.58
Dividends payable		
Other payable	1,335,699,714.83	1,391,462,258.85
Liabilities classified as held-for-sale		
Non-current liabilities due within one year		3,240,540,290.35
Other current liabilities	103,744,763.41	23,521.37
Total current liabilities	<u>23,960,716,576.55</u>	<u>28,022,229,199.55</u>

Non-current liabilities:

Long-term borrowings		
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payable		
Long-term staff remuneration payable		
Special payable		
Estimated liabilities	45,500,000.00	45,500,000.00
Deferred income	70,564.10	70,564.10
Deferred income tax liabilities		1,258,283.15
Other non-current liabilities		
Total non-current liabilities	<u>45,570,564.10</u>	<u>46,828,847.25</u>
Total liabilities	<u>24,006,287,140.65</u>	<u>28,069,058,046.80</u>

Owners' equity:		
Share capital	2,336,900,368.00	2,003,860,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	8,891,700,256.53	5,958,668,720.92
Less: Treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	962,465,801.13	962,465,801.13
Undistributed profit	5,853,310,335.81	5,759,663,619.13
	<hr/>	<hr/>
Total owners' equity	<u>18,044,376,761.47</u>	<u>14,684,658,141.18</u>
	<hr/>	<hr/>
Total liabilities and owners' equity	<u>42,050,663,902.12</u>	<u>42,753,716,187.98</u>

<i>Legal representative:</i>	<i>Chief accountant:</i>	<i>Head of the accounting</i>
		<i>department:</i>
<i>Si Zefu</i>	<i>Gong Dan</i>	<i>Zeng Yi</i>

Consolidated Income Statement

January to March 2015

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: unaudited

Item	Amount for the period	Amount for the previous period
I. Total revenue from operations	7,685,559,058.00	8,259,606,361.40
Including: Revenue from operations	7,685,559,058.00	8,259,606,361.40
Interest income		
Premiums earned		
Income from fees and commissions		
II. Total cost of operations	7,605,927,296.12	7,786,903,994.66
Including: Cost of operations	6,785,912,614.38	6,946,168,005.47
Interest expenses		
Fees and commissions expenses		
Surrender payment		
Net expenditure for compensation payments		
Net drawing on deposits for insurance contracts		
Expenditures for insurance policy dividend		
Reinsurance costs		
Business tax and surcharges	57,356,329.28	60,498,209.11
Selling expenses	125,849,944.80	134,413,725.63
Administrative expenses	697,997,961.65	652,513,309.31
Finance expenses	-20,084,992.78	-29,994,065.64
Impairments loss of assets	-41,104,561.21	23,304,810.78
Add: Gains from change in fair value (loss is represented by “-”)	-8,388,554.34	3,418,152.55
Gains from investment (loss is represented by “-”)	41,289,075.95	18,131,590.64
Including: Gains from investment in associates and joint ventures	17,993,043.68	18,131,590.64
Gains from exchange (loss is represented by “-”)		

III. Operating profit (loss is represented by “-”)	112,532,283.49	494,252,109.93
Add: Non-operating income	22,475,249.35	20,503,855.93
Including: Gains from disposal of non-current assets	1,793,202.89	102,588.46
Less: Non-operating expenses	22,469,340.40	877,420.68
Including: Loss from disposal of non-current assets	391,765.36	800,251.34
IV. Total profit (total loss is represented by “-”)	112,538,192.44	513,878,545.18
Less: Income tax expenses	-2,685,216.99	74,050,593.28
V. Net profit (net loss is represented by “-”)	115,223,409.43	439,827,951.90
Net profit attributable to the owners of the Company	107,714,386.29	417,860,463.73
Minority interests	7,509,023.14	21,967,488.17
VI. Other net comprehensive income after tax	3,354,265.68	13,220,377.23
Other net comprehensive income after tax attributable to the owners of the Company	3,354,265.68	13,220,377.23
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Changes in re-measurement of net liabilities or net assets of defined benefit plan		
2. Share of other comprehensive income (that will not be reclassified to profit or loss subsequently) of investees accounted for using equity method		

(II) Other comprehensive income to be reclassified into profit or loss subsequently	3,354,265.68	13,220,377.23
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method		
2. Gain or loss on changes in fair value of available-for-sale financial assets		
3. Gain or loss on reclassification of held-to-maturity investments to available-for-sale financial assets		9,047,858.15
4. Effective portion of cash flow adjusted for hedging gain or loss		
5. Exchange difference on translation of foreign financial statements	3,354,265.68	4,172,519.08
6. Others		
Other net comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	118,577,675.11	453,048,329.13
Total comprehensive income attributable to the owners of the Company	111,068,651.97	431,080,840.96
Total comprehensive income attributable to minority shareholders	7,509,023.14	21,967,488.17
VIII. Earnings per share:		
(I) Basic earnings per share (<i>RMB/share</i>)	0.05	0.21
(II) Diluted earnings per share (<i>RMB/share</i>)	0.05	0.21
<i>Legal representative:</i>	<i>Chief accountant:</i>	<i>Head of the accounting department:</i>
<i>Si Zefu</i>	<i>Gong Dan</i>	<i>Zeng Yi</i>

Income Statement of the Company

January to March 2015

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: unaudited

Item	Amount for the period	Amount for the previous period
I. Revenue from operations	3,464,508,992.53	3,562,988,342.97
Less: Cost of operations	3,357,036,645.79	3,436,462,575.31
Business tax and surcharges	698,663.81	532,343.15
Selling expenses	10,218,325.00	10,132,069.86
Administrative expenses	24,250,218.76	22,449,196.36
Finance expenses	-26,358,773.07	-22,175,358.93
Impairments loss of assets	49,746,549.46	29,698,225.19
Add: Gains from change in fair value (loss is represented by “-”)	-8,388,554.34	3,418,152.55
Gains from investment (loss is represented by “-”)	46,312,425.43	474,582,717.52
Including: Gains from investment in associates and joint ventures	15,942,116.02	14,379,277.04
II. Operating profit (loss is represented by “-”)	86,841,233.87	563,890,162.10
Add: Non-operating income	229,834.52	1,735,800.16
Including: Gains from disposal of non-current assets		
Less: Non-operating expenses	248,814.14	9,861.49
Including: Loss from disposal of non-current assets		2,593.24
III. Total profit (total loss is represented by “-”)	86,822,254.25	565,616,100.77
Less: Income tax expenses	-6,824,462.43	-239,024.11
IV. Net profit (net loss is represented by “-”)	93,646,716.68	565,855,124.88

V. Other net comprehensive income after tax		9,047,858.15
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Changes in re-measurement of net liabilities or net assets of defined benefit plan		
2. Share of other comprehensive income (that will not be reclassified to profit or loss subsequently) of investees accounted for using equity method		
(II) Other comprehensive income to be reclassified into profit or loss subsequently		9,047,858.15
1. Share of other comprehensive income (that will be reclassified to profit or loss subsequently) of investees accounted for using equity method		
2. Gain or loss on changes in fair value of available-for-sale financial assets		9,047,858.15
3. Gain or loss on reclassification of held-to-maturity investments to available-for-sale financial assets		
4. Effective portion of cash flow adjusted for hedging gain or loss		
5. Exchange difference on translation of foreign financial statements		
6. Others		
VI. Total comprehensive income	93,646,716.68	574,902,983.03

VII. Earnings per share:

- (I) Basic earnings per share (*RMB/share*)
- (II) Diluted earnings per share (*RMB/share*)

Legal representative:

Si Zefu

Chief accountant:

Gong Dan

Head of the accounting department:

Zeng Yi

Consolidated Cash Flow Statement

January to March 2015

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: unaudited

Item	Amount for the period	Amount for the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	6,365,313,221.16	6,715,690,431.79
Net increase in customer and interbank deposits		
Net increase in borrowings from central bank		
Net increase in placements 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 in disposal of financial assets at fair value through profit or loss		
Cash received from interest, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in income from repurchase business		
Tax rebates	28,942,004.74	152,443,960.50
Other cash received from activities relating to operation	420,901,614.04	212,301,675.05
Sub-total of cash inflows from operating activities	6,815,156,839.94	7,080,436,067.34
Cash paid for goods and service	6,972,304,029.48	6,017,741,062.10
Net increase in customer loans and advances		
Net increase in deposit in central bank and interbank deposits		

Cash paid for compensation payments under original insurance contract		
Cash paid for interests, fees and commissions		
Cash paid for insurance policy dividend		
Cash paid to and on behalf of employees	696,234,147.87	718,345,043.72
Tax payments	940,702,600.14	651,411,362.73
Other cash payments relating to operating activities	578,410,887.25	479,054,991.62
Sub-total of cash outflows from operating activities	9,187,651,664.74	7,866,552,460.17
Net cash flow from operating activities	-2,372,494,824.80	-786,116,392.83

II. Cash flow from investment activities:

Cash received from disposal of investments	79,781,534.98	39,013,662.90
Cash received from gains from investment		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,092,950.00	132,139.00
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from activities relating to investment		
Sub-total of cash inflows from investment activities	81,874,484.98	39,145,801.90
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	121,415,274.96	243,877,687.37
Cash paid for investment	12,000,000.00	
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid for activities relating to investment		
Sub-total of cash outflows from investment activities	133,415,274.96	243,877,687.37
Net cash flow generated from investment activities	-51,540,789.98	-204,731,885.47

III. Cash flow from financing activities:		
Proceeds received from financing activities		
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowing	615,000,000.00	851,100,000.00
Cash received from issuing bonds		
Other cash received from activities relating to financing		
Sub-total of cash inflows from financing activities	615,000,000.00	851,100,000.00
Cash repayments of borrowings	613,497,000.00	1,053,812,763.03
Cash paid for distribution of dividends and profit or interest expenses	38,148,793.09	39,066,175.80
Including: Dividend and profit paid by subsidiaries to minority shareholders	7,783,396.41	7,075,016.77
Other cash paid for activities relating to financing		
Sub-total of cash outflows from financing activities	651,645,793.09	1,092,878,938.83
Net cash flow from financing activities	-36,645,793.09	-241,778,938.83
IV. Effects of Changes in Exchange Rate on Cash and Cash Equivalents	-1,066,072.60	-10,503,772.41
V. Net Increase in Cash and Cash Equivalents	-2,461,747,480.47	-1,243,130,989.54
Add: Cash and cash equivalents at the beginning of the period	17,802,441,129.06	12,108,370,760.93
VI. Cash and Cash Equivalents at the End of the Period	15,340,693,648.59	10,865,239,771.39

Legal representative:

Si Zefu

Chief accountant:

Gong Dan

*Head of the accounting
department:*

Zeng Yi

Cash Flow Statement of the Company

January to March 2015

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: unaudited

Item	Amount for the period	Amount for the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	2,737,010,404.91	3,040,067,311.61
Tax rebates	19,849,621.14	145,491,480.01
Other cash received from activities relating to operation	257,000,041.23	78,487,769.64
Sub-total of cash inflows from operating activities	3,013,860,067.28	3,264,046,561.26
Cash paid for goods and service	3,641,226,229.66	3,469,457,695.15
Cash paid to and on behalf of employees	20,006,154.71	37,527,086.00
Tax payments	62,803,735.11	73,974,325.78
Other cash payments relating to operating activities	265,244,592.11	150,652,010.99
Sub-total of cash outflows from operating activities	3,989,280,711.59	3,731,611,117.92
Net cash flow from operating activities	-975,420,644.31	-467,564,556.66
II. Cash flow from investment activities:		
Cash received from disposal of investments	557,375,029.84	
Cash received from gains from investment	22,561,373.95	18,286,063.79
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,000.00
Net cash received from disposal of subsidiaries and other operating entities		
Other cash received from activities relating to investment		
Sub-total of cash inflows from investment activities	579,936,403.79	18,287,063.79
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	2,335,990.00	784,401.68
Cash paid for investment	512,000,000.00	524,387,600.00
Net cash paid for acquiring subsidiaries and other operating entities		
Other cash paid for activities relating to investment		
Sub-total of cash outflows from investment activities	514,335,990.00	525,172,001.68
Net cash flow generated from investment activities	65,600,413.79	-506,884,937.89

III. Cash flow from financing activities:		
Proceeds received from financing activities		
Cash received from borrowing		
Other cash received from activities relating to financing		
Sub-total of cash inflows from financing activities		
Cash repayments of borrowings		
Cash paid for distribution of dividends and profit or interest expenses	3,497,000.00	
Other cash paid for activities relating to financing	8,498.32	3,062,500.00
Sub-total of cash outflows from financing activities	3,505,498.32	3,062,500.00
Net cash flow from financing activities	-3,505,498.32	-3,062,500.00
IV. Effects of Changes in Exchange Rate on Cash and Cash Equivalents	2,326,298.13	-16,911,169.80
V. Net Increase in Cash and Cash Equivalents	-910,999,430.71	-994,423,164.35
Add: Cash and cash equivalents at the beginning of the period	6,604,338,925.64	3,859,089,929.82
VI. Cash and Cash Equivalents at the End of the Period	5,693,339,494.93	2,864,666,765.47

<i>Legal representative:</i>	<i>Chief accountant:</i>	<i>Head of the accounting department:</i>
Si Zefu	Gong Dan	Zeng Yi

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

Chengdu, Sichuan Province, the PRC
29 April 2015

As at the date of this announcement, the Directors of the Company are:

Directors: Si Zefu, Zhang Xiaolun, Wen Shugang,
Huang Wei, Zhu Yuanchao and Zhang Jilie

Independent non-executive Directors: Li Yanmeng, Zhao Chunjun and Peng Shaobing