東方電氣股份有限公司
DONGFANG ELECTRIC CO., LTD.

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

(Stock Code: 1072)

2019 THIRD QUARTERLY REPORT

I. IMPORTANT NOTICE

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

1.2 All directors of the Company attended the meeting of the board of directors to consider this quarterly report.

1.3 Zou Lei, Chairman of the Company, Bai Yong, Chief Accountant, and Wang Chengmi, Person-in-Charge of Accounting Organization (head of accounting department), have guaranteed the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

1.4 The Company's third quarterly report is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major financial data

Unit: yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of last year (Restated)	Increase/decrease as at the end of the Reporting Period as compared with the end of last year *(%)*
Total assets	89,118,646,878.66	91,323,329,417.78	-2.41
Net asset attributable to shareholders of the Company	29,305,855,020.71	28,584,050,995.80	2.53

	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September) (Restated)	Increase/decrease as compared with the corresponding period of last year *(%)*
Net cash flow generated from operating activities	-2,672,494,976.80	3,079,050,848.90	-186.80

	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September) (Restated)	Increase/decrease as compared with the corresponding period of last year *(%)*
Total operating income	22,989,270,921.40	22,211,309,367.75	3.50
Operating income	22,184,022,610.05	21,485,308,257.44	3.25
Net profit attributable to shareholders of the Company	1,035,430,085.52	911,942,636.41	13.54
Net profit attributable to shareholders of the Company after deducting non-recurring gain or loss	1,053,332,453.05	809,599,395.23	30.11
Weighted average return on net assets *(%)*	3.56	3.30	Increased by 0.26 percentage point
Basic earnings per share *(RMB/share)*	0.34	0.30	13.33
Diluted earnings per share *(RMB/share)*	0.34	0.30	13.33

Non-recurring gain or loss items and amounts

☑ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	**Amount for the period (July to September)**	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Explanation
Gain or loss from disposal of non-current assets	2,337,985.64	3,438,013.84	
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)	31,990,404.45	70,029,895.00	
Gains and losses of debt reorganization	340,822.71	-168,007.75	
Gains or losses arising from fair value changes of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income on disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments other than those from the effective hedging business that is related to the normal business operations of the Company	-43,004,554.81	-122,411,420.66	
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test	–	39,109,726.70	
Other non-operating income and expenses other than the above items	-24,864,270.49	-5,036,033.30	
Impact on non-controlling shareholders' interest (after tax)	-155,934.39	-6,256,184.28	
Impact on income tax	3,236,688.45	3,391,642.92	
Total	-30,118,858.44	-17,902,367.53	

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	126,662

Particulars of shareholdings of top ten shareholders

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage	Number of shares held subject to trading moratorium	Pledged or frozen status		Nature of shareholder
				Share status	Number	
		(%)				
Dongfang Electric Corporation	1,727,919,826	55.91	753,903,063	Nil	0	State-owned legal person
HKSCC Nominees Limited	338,339,619	10.95	0	Unknown	0	Overseas legal person
China Securities Finance Corporation Limited(中國證券金融股份有限公司)	49,648,500	1.61	0	Unknown	0	State-owned legal person
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	22,645,600	0.73	0	Unknown	0	State-owned legal person
Yi Jiandong (易建東)	12,501,000	0.40	0	Unknown	0	Domestic natural person
China Construction Bank Corporation – Huaxia China Securities Sichuan SOE Reform ETF Securities Investment Fund (中國建設銀行股份有限公司－華夏中證四川國企改革交易型開放式指數證券投資基金)	12,467,900	0.40	0	Unknown	0	Other
China Merchants Bank Co., Ltd.－Bosera CSI Central SOE Restructuring ETF Securities Investment Fund(招商銀行股份有限公司－博時中證央企結構調整交易型開放式指數證券投資基金)	11,940,875	0.39	0	Unknown	0	Other

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage	Number of shares held subject to trading moratorium	Pledged or frozen status		Nature of shareholder
				Share status	Number	
		(%)				
Agricultural Bank of China Limited–CSI 500 Index ETF Securities Investment Fund (中國農業銀行股份有限公司－中證500交易型開放式指數證券投資基金)	11,926,359	0.39	0	Unknown	0	Other
Tu Wenbin (屠文斌)	10,550,000	0.34	0	Unknown	0	Domestic natural person
Agricultural Bank of China Limited–Huaxia CSI Central SOE Restructuring ETF Securities Investment Fund (中國農業銀行股份有限公司－華夏中證央企結構調整交易型開放式指數證券投資基金)	9,253,600	0.30	0	Unknown	0	Other

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

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Dongfang Electric Corporation	974,016,763	RMB denominated ordinary shares	974,016,763
HKSCC Nominees Limited	338,339,619	Overseas listed foreign shares	338,339,619
China Securities Finance Corporation Limited(中國證券金融股份有限公司)	49,648,500	RMB denominated ordinary shares	49,648,500
Central Huijin Asset Management Ltd.(中央匯金資產管理有限責任公司)	22,645,600	RMB denominated ordinary shares	22,645,600
Yi Jiandong (易建東)	12,501,000	RMB denominated ordinary shares	12,501,000
China Construction Bank Corporation – Huaxia China Securities Sichuan SOE Reform ETF Securities Investment Fund (中國建設銀行股份有限公司－華夏中證四川國企改革交易型開放式指數證券投資基金)	12,467,900	RMB denominated ordinary shares	12,467,900
China Merchants Bank Co., Ltd.－ Bosera CSI Central SOE Restructuring ETF Securities Investment Fund(招商銀行股份有限公司－博時中證央企結構調整交易型開放式指數證券投資基金)	11,940,875	RMB denominated ordinary shares	11,940,875
Agricultural Bank of China Limited–CSI 500 Index ETF Securities Investment Fund (中國農業銀行股份有限公司－中證500交易型開放式指數證券投資基金)	11,926,359	RMB denominated ordinary shares	11,926,359
Tu Wenbin (屠文斌)	10,550,000	RMB denominated ordinary shares	10,550,000
Agricultural Bank of China Limited– Huaxia CSI Central SOE Restructuring ETF Securities Investment Fund (中國農業銀行股份有限公司－華夏中證央企結構調整交易型開放式指數證券投資基金)	9,253,600	RMB denominated ordinary shares	9,253,600

Explanation on the connected relationship or concerted actions among the aforesaid shareholders	The Company is not aware of any connected relationship or concerted actions among the top ten shareholders and top ten holders of tradable shares
Description of shareholders of preference shares with restoration of voting rights and their shareholdings	N/A

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

In the first three quarters of 2019, the Company manufactured power generation equipment with capacity of 15,031.7MW, representing a decrease of 17.6% as compared with the corresponding period of last year, including 14 hydro-electric turbine generating units (2,936.2MW), 60 steam turbine generators (11,595MW) and 225 wind power generation sets (500.5MW). In addition, the Company produced 41 power station boilers (9,991MW) and 79 power station steam turbines (12,365MW).

In the first three quarters of 2019, the Company's new orders amounted to RMB26.12 billion, representing an increase of 14.4% as compared with the corresponding period of last year, including RMB2.90 billion for export orders, which accounted for 11.1%. Among the new orders, 28% was attributable to high-efficiency clean energy equipment, 24% to renewable energy equipment, 7% to engineering and trade, 15% to modern manufacturing service business, 26% to emerging growth industry.

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

☑ Applicable ☐ Not applicable

Changes in items in income statement and cash flow statement during the Reporting Period

Unit: yuan Currency: RMB

Item	**Amount for the period**	Amount for the same period last year (Restated)	Change *(%)*
Operating income	**22,184,022,610.05**	21,485,308,257.44	3.25
Operating costs	**17,319,151,447.22**	17,613,843,186.94	-1.67
Sales expenses	**966,206,362.69**	702,237,369.40	37.59
General and administrative expenses	**1,690,005,530.11**	1,953,394,568.32	-13.48
Research and development costs	**1,207,632,425.38**	650,427,484.45	85.67
Finance costs	**-167,533,431.44**	-345,729,596.18	/
Investment income	**192,858,051.74**	132,614,144.44	45.43
Gain on fair value changes	**-122,432,967.68**	-2,811,588.84	/
Net cash flows from operating activities	**-2,672,494,976.80**	3,079,050,848.90	-186.80
Net cash flows from investing activities	**57,499,966.20**	-115,905,016.85	/
Net cash flows from financing activities	**-497,122,245.03**	-1,077,854,645.16	/

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

1. Reasons for the changes in operating income: operating income for the current period recorded an increase of 3.25%, mainly due to a year-on-year increase in income from renewable energy equipment, engineering and trade, modern manufacturing services and emerging growth industry.

2. Reasons for the changes in operating costs: operating costs for the current period decreased by 1.67% as compared with the same period last year, mainly due to the year-on-year increase of 3.96 percentage points in consolidated gross profit margin as a result of the obvious effect of strengthened efforts of the Company on the cost management.

3. Reasons for the changes in finance costs: finance costs for the current period increased as compared with the same period last year, mainly attributable to a year-on-year increase in foreign exchange loss recorded for the current period as affected by the fluctuations of Renminbi exchange rate.

4. Reasons for the changes in research and development cost: research and development cost for the current period increased by 85.67% as compared with the same period last year, mainly due to the Company's increased investment in research and development and standardized research and development expenditures during the current period.

5. Reasons for the changes in net cash flow generated from operating activities: net cash flow generated from operating activities for the current period decreased by 186.80% as compared with the same period last year, which was due to: first, the receivables for the current period represented a year-on-year decrease; second, the cash outflow for the investment in the financial service by DEC Finance, a subsidiary of the Company, for the current period represented a year-on-year increase.

6. Reasons for the changes in net cash flows from investing activities: net cash flows from investing activities for the current period increased as compared with the same period last year, mainly due to a year-on-year increase in the recovery of the bank's wealth management products upon maturity of DEC Finance, a subsidiary of the Company, during the current period.

7. Reasons for the changes in net cash flow from financing activities: net cash flow from financing activities for the current period increased as compared with the same period last year, mainly attributable to a year-on-year decrease in financing expenditures for the current period.

Consolidated gross profit margin of operations during the Reporting Period:

Item	Consolidated basis	High-efficiency clean power generation equipment	Renewable energy equipment	Engineering and trade	Modern manufacturing service business (*Note*)	Emerging growth industry
Consolidated gross profit margin of operations (*%*)	24.40	24.22	14.41	15.27	52.42	20.05

Note: The modern manufacturing service segment includes financial service business

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

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

3.4 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 same period last year

☐ Applicable ☑ Not applicable

Company name	**Dongfang Electric Corporation Limited**
Legal representative	**Zou Lei**
Date	29 October 2019

IV. APPENDICES

4.1 Financial statements

Consolidated Balance Sheet
30 September 2019

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	30 September 2019	31 December 2018
Current assets:		
Monetary fund	**25,927,208,995.70**	29,346,448,438.05
Balances with clearing companies	**–**	–
Funds for lending	**400,000,000.00**	300,000,000.00
Held-for-trading financial assets	**1,838,499,684.14**	3,122,839,818.04
Financial assets at fair value through profit and loss	**–**	–
Derivative financial assets	**–**	–
Notes receivable	**3,414,601,178.18**	5,109,357,725.63
Accounts receivable	**6,623,207,081.50**	6,555,217,018.91
Accounts receivable financing	**–**	–
Prepayments	**2,629,163,428.84**	1,913,342,742.55
Premiums receivable	**–**	–
Reinsurance accounts receivable	**–**	–
Deposits receivable from reinsurance treaty	**–**	–
Other receivables	**823,198,387.85**	535,465,160.58
Including: Interest receivable	**439,830,869.97**	297,649,175.14
Dividends receivable	**3,297,000.00**	6,597,000.00
Purchases of resold financial assets	**2,500,000,000.00**	1,744,127,000.00
Inventories	**13,310,898,272.37**	13,873,986,465.23
Contract assets	**12,051,725,294.75**	10,187,971,672.86
Assets held-for-sale	**–**	–
Non-current assets due within one year	**–**	396,500,000.00
Other current assets	**440,155,510.83**	470,439,698.83
Total current assets	**69,958,657,834.16**	73,555,695,740.68

Item	**30 September 2019**	31 December 2018
Non-current assets:		
Loans and advances granted	**976,285,843.54**	430,663,941.00
Debt investment	**6,070,726,035.75**	4,922,529,793.75
Available-for-sale financial assets	**–**	–
Other debt investment	**–**	–
Held-to-maturity investments	**–**	–
Long-term receivables	**–**	13,775,453.41
Long-term equity investments	**1,504,645,847.32**	1,516,634,253.84
Investment in other equity instruments	**5,989,859.48**	4,989,859.48
Other non-current financial assets	**–**	–
Investment properties	**174,849,737.02**	153,816,742.24
Fixed assets	**5,356,322,582.93**	5,902,438,578.09
Construction in progress	**338,393,166.99**	188,792,238.53
Biological assets for production	**–**	–
Oil and gas assets	**–**	–
Right-of-use assets	**58,407,246.60**	–
Intangible assets	**1,673,179,907.90**	1,681,044,339.19
Development expenses	**–**	–
Goodwill	**–**	–
Long-term deferred expenditures	**38,384,437.93**	51,778,532.60
Deferred tax asset	**2,962,804,379.04**	2,897,188,154.97
Other non-current assets	**–**	3,981,790.00
Total non-current assets	**19,159,989,044.50**	17,767,633,677.10
Total assets	**89,118,646,878.66**	91,323,329,417.78

Item	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	**9,850,000.00**	245,566,000.00
Borrowings from central bank	**–**	–
Capital borrowed	**–**	–
Held-for-trading financial liabilities	**–**	–
Financial liabilities at fair value through profit and loss	**–**	–
Derivative financial liabilities	**–**	–
Notes payable	**2,983,139,650.95**	3,552,762,831.53
Accounts payable	**12,278,856,309.13**	11,540,188,158.94
Receipt in advance	**–**	–
Contract liabilities	**26,139,519,709.03**	29,460,944,098.28
Disposal of repurchased financial assets	**–**	–
Deposit taking and deposit in interbank market	**5,187,662,931.36**	4,793,625,912.49
Customer deposits for trading in securities	**–**	–
Amounts due to issuer for securities underwriting	**–**	–
Staff remuneration payable	**621,345,409.78**	772,584,805.65
Taxes payable	**152,838,418.51**	461,097,975.94
Other payables	**1,998,984,964.33**	1,749,869,606.78
Including: Interest payable	**40,922,133.01**	69,676,019.71
Dividends payable	**32,265,817.66**	34,465,530.50
Handling charges and commissions payable	**–**	–
Reinsurance accounts payable	**–**	–
Liabilities held-for-sale	**–**	–
Non-current liabilities due within one year	**16,320,000.00**	16,320,000.00
Other current liabilities	**84,408,785.82**	103,588,912.65
Total current liabilities	**49,472,926,178.91**	52,696,548,302.26

Item	**30 September 2019**	31 December 2018
Non-current liabilities:		
Insurance contract reserves	**–**	–
Long-term borrowings	**455,120,107.56**	462,864,840.00
Bonds payable	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Lease liabilities	**53,375,542.78**	–
Long-term payables	**29,387,385.30**	26,340,460.52
Long-term staff remuneration payable	**850,997,796.63**	837,303,270.07
Estimated liabilities	**6,286,117,790.78**	6,136,106,066.37
Deferred income	**480,797,109.26**	444,014,801.58
Deferred tax liabilities	**19,202,420.27**	26,243,061.77
Other non-current liabilities	**385,687.50**	–
Total non-current liabilities	**8,175,383,840.08**	7,932,872,500.31
Total liabilities	**57,648,310,018.99**	60,629,420,802.57

Item	**30 September 2019**	31 December 2018
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**3,090,803,431.00**	3,090,803,431.00
Other equity instruments	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Capital reserves	**11,251,874,281.59**	11,251,874,281.59
Less: Treasury shares	**–**	–
Other comprehensive income	**-14,914,931.30**	-33,400,468.00
Special reserves	**87,271,959.28**	79,395,179.18
Surplus reserves	**871,273,166.80**	871,273,166.80
General risk reserves	**–**	–
Retained profit	**14,019,547,113.34**	13,324,105,405.23
Total owners' equity (or shareholders' equity) attributable to owners of the parent company	**29,305,855,020.71**	28,584,050,995.80
Non-controlling shareholders' equity	**2,164,481,838.96**	2,109,857,619.41
Total owners' equity (or shareholders' equity)	**31,470,336,859.67**	30,693,908,615.21
Total liabilities and owners' equity (or shareholders' equity)	**89,118,646,878.66**	91,323,329,417.78

Legal representative:	*Chief accountant:*	*Head of the accounting department:*
Zou Lei	**Bai Yong**	**Wang Chengmi**

Balance Sheet of the Parent Company
30 September 2019

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	30 September 2019	31 December 2018
Current assets:		
Monetary fund	**5,531,737,598.54**	8,040,524,852.09
Held-for-trading financial assets	**473,538,336.60**	595,949,757.26
Financial assets at fair value through profit and loss	**–**	–
Derivative financial assets	**–**	–
Notes receivable	**280,464,949.32**	865,318,082.63
Accounts receivable	**1,567,954,181.13**	1,355,903,343.63
Accounts receivable financing	**–**	–
Prepayments	**7,393,493,910.53**	9,382,067,906.12
Other receivables	**459,540,415.14**	370,612,187.12
Including: Interest receivable	**38,730,637.59**	61,892,578.10
Dividends receivable	**131,436,444.73**	131,436,444.73
Inventories	**312,093,151.60**	69,239,529.73
Contract assets	**3,626,429,193.29**	3,252,589,182.48
Assets held-for-sale	**–**	–
Non-current assets due within one year	**–**	–
Other current assets	**70,735,716.44**	56,394,516.30
Total current assets	**19,715,987,452.59**	23,988,599,357.36

Item	**30 September 2019**	31 December 2018
Non-current assets:		
Debt investment	**–**	–
Available-for-sale financial assets	**–**	–
Other debt investment	**–**	–
Held-to-maturity investments	**–**	–
Long-term receivables	**–**	–
Long-term equity investments	**22,088,323,293.71**	21,576,904,119.31
Investment in other equity instruments	**–**	–
Other non-current financial assets	**–**	–
Investment properties	**11,483,797.06**	12,318,817.26
Fixed assets	**42,795,662.69**	50,409,533.23
Construction in progress	**2,808,523.95**	1,443,058.47
Biological assets for production	**–**	–
Oil and gas assets	**–**	–
Right-of-use assets	**–**	–
Intangible assets	**178,032,480.64**	197,668,622.62
Development expenses	**–**	–
Goodwill	**–**	–
Long-term deferred expenditures	**–**	–
Deferred tax asset	**273,356,149.38**	275,356,901.19
Other non-current assets	**–**	–
Total non-current assets	**22,596,799,907.43**	22,114,101,052.08
Total assets	**42,312,787,360.02**	46,102,700,409.44

Item	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	**–**	–
Held-for-trading financial liabilities	**–**	–
Financial liabilities at fair value through profit and loss	**–**	–
Derivative financial liabilities	**–**	–
Notes payable	**–**	–
Accounts payable	**5,449,960,309.18**	5,833,469,234.78
Receipt in advance	**–**	–
Contract liabilities	**10,915,274,297.39**	14,261,970,077.65
Staff remuneration payable	**16,938,142.02**	34,924,721.82
Taxes payable	**1,906,722.44**	12,758,992.30
Other payables	**741,997,593.42**	709,679,160.03
Including: Interest payable	**–**	–
Dividends payable	**–**	–
Liabilities held-for-sale	**–**	–
Non-current liabilities due within one year	**–**	–
Other current liabilities	**–**	–
Total current liabilities	**17,126,077,064.45**	20,852,802,186.58
Non-current liabilities:		
Long-term borrowings	**–**	–
Bonds payable	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Lease liabilities	**–**	–
Long-term payables	**–**	–
Long-term staff remuneration payable	**15,923,854.55**	16,062,947.55
Estimated liabilities	**700,895,683.70**	768,595,143.58
Deferred income	**3,469,971.03**	2,884,954.54
Deferred tax liabilities	**–**	7,035,254.75
Other non-current liabilities	**–**	–
Total non-current liabilities	**720,289,509.28**	794,578,300.42
Total liabilities	**17,846,366,573.73**	21,647,380,487.00

Item	30 September 2019	31 December 2018
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**3,090,803,431.00**	3,090,803,431.00
Other equity instruments	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Capital reserves	**13,021,217,305.33**	13,021,217,305.33
Less: Treasury shares	**–**	–
Other comprehensive income	**–**	–
Special reserves	**–**	–
Surplus reserves	**1,159,636,283.23**	1,159,636,283.23
Retained profit	**7,194,763,766.73**	7,183,662,902.88
Total owners' equity (or shareholders' equity)	**24,466,420,786.29**	24,455,319,922.44
Total liabilities and owners' equity (or shareholders' equity)	**42,312,787,360.02**	46,102,700,409.44

Legal representative:	*Chief accountant:*	*Head of the accounting department:*
Zou Lei	**Bai Yong**	**Wang Chengmi**

Consolidated Income Statement
January to September 2019

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item		Third quarter of 2019 (July–September)	Third quarter of 2018 (July–September) (Restated)	First three quarters of 2019 (January–September)	First three quarters of 2018 (January–September) (Restated)
I.	**Total operating income**	7,148,105,321.23	5,634,497,724.51	22,989,270,921.40	22,211,309,367.75
	Including: Operating income	6,874,131,222.20	5,351,262,816.65	22,184,022,610.05	21,485,308,257.44
	Interest income	273,974,099.03	282,849,093.77	805,248,311.35	718,700,562.28
	Premium earned	–	–	–	–
	Fee and commission income	–	385,814.09	–	7,300,548.03
II.	**Total operating costs**	6,697,733,697.56	5,226,412,723.69	21,227,593,948.22	20,854,035,872.51
	Including: Operating costs	5,325,242,391.09	4,087,029,912.35	17,319,151,447.22	17,613,843,186.94
	Interest expenses	19,153,785.86	20,269,873.69	59,873,003.71	56,955,329.65
	Fee and commission expenses	271,609.92	236,745.01	866,303.33	836,358.52
	Surrenders	–	–	–	–
	Net claims	–	–	–	–
	Net provision for insurance contract	–	–	–	–
	Insurance policyholder dividends	–	–	–	–
	Expenses for reinsurance accepted	–	–	–	–
	Tax and levies	18,154,562.48	45,209,812.69	151,392,307.22	222,071,171.41
	Sales expenses	505,145,209.27	250,234,161.21	966,206,362.69	702,237,369.40
	General and administrative expenses	545,302,407.91	795,515,299.90	1,690,005,530.11	1,953,394,568.32
	Research and development cost	421,699,668.11	218,883,224.67	1,207,632,425.38	650,427,484.45
	Finance costs	-137,235,937.08	-190,966,305.83	-167,533,431.44	-345,729,596.18
	Including: Interest expenses	7,206,855.52	11,688,675.56	24,172,224.48	29,806,720.44
	Interest income	26,421,515.07	17,323,093.24	67,948,295.46	97,676,704.76

Item	**Third quarter of 2019 (July–September)**	Third quarter of 2018 (July–September) (Restated)	**First three quarters of 2019 (January–September)**	First three quarters of 2018 (January–September) (Restated)
Add: Other gains	28,146,034.46	40,582,171.06	63,339,036.13	66,071,579.21
Investment income (Loss is indicated by "-")	42,234,670.95	-12,416,307.56	192,858,051.74	132,614,144.44
Including: Income from investments in associates and joint ventures	11,521,485.31	-34,723,245.05	112,858,209.85	43,281,049.80
Derecognition gains on financial assets measured at amortised cost	–	–	–	–
Foreign exchange gains (Loss is indicated by "-")	284,065.67	392,907.50	692,062.82	861,787.54
Gains from net exposure hedges (Loss is indicated by "-")	–	–	–	–
Gains from changes in fair values (Loss is indicated by "-")	-43,548,714.35	5,464,493.24	-122,432,967.68	-2,811,588.84
Credit impairment loss (Loss is indicated by "-")	-73,105,990.31	76,794,137.74	-249,237,583.12	-291,054,926.60
Impairment loss of assets (Loss is indicated by "-")	-459,934.99	-110,481,889.75	-348,261,272.27	-189,942,215.22
Gains from disposal of assets (Loss is indicated by "-")	2,526,008.31	-756,446.63	3,726,608.59	23,058.80

Item	Third quarter of 2019 (July–September)	Third quarter of 2018 (July–September) (Restated)	First three quarters of 2019 (January–September)	First three quarters of 2018 (January–September) (Restated)
III. Operating profit (Loss is indicated by "-")	406,447,763.41	407,664,066.42	1,302,360,909.39	1,073,035,334.57
Add: Non-operating income	20,401,399.27	5,996,337.34	56,523,004.72	50,594,285.98
Less: Non-operating expenses	47,959,148.60	5,771,341.54	62,015,640.52	83,163,369.25
IV. Total profit (Total loss is indicated by "-")	378,890,014.08	407,889,062.22	1,296,868,273.59	1,040,466,251.30
Less: Income tax expenses	54,646,844.67	24,973,132.78	186,505,119.48	103,229,934.53
V. Net profit (Net loss is indicated by "-")	324,243,169.41	382,915,929.44	1,110,363,154.11	937,236,316.77
(I) Classified by continuing operation	–	–	–	–
1. Net profit from continuing operations (Net loss is indicated by "-")	324,243,169.41	382,915,929.44	1,110,363,154.11	937,236,316.77
2. Net profit from discontinued operations (Net loss is indicated by "-")	–	–	–	–
(II) Classified by ownership				
1. Net profit attributable to shareholders of the parent company (Net loss is indicated by "-")	305,737,409.25	377,228,195.28	1,035,430,085.52	911,942,636.41
2. Profit or loss attributable to non-controlling shareholders' interests (Net loss is indicated by "-")	18,505,760.16	5,687,734.16	74,933,068.59	25,293,680.36
VI. Other comprehensive income (net of tax)	16,227,753.58	16,092,202.43	18,858,001.45	8,455,040.85
Other comprehensive income attributable to owners of the parent company (net of tax)	15,875,636.45	15,627,996.85	18,485,536.70	8,168,418.18

Item	**Third quarter of 2019 (July–September)**	Third quarter of 2018 (July–September) (Restated)	**First three quarters of 2019 (January–September)**	First three quarters of 2018 (January–September) (Restated)
(I) Other comprehensive income that will not be reclassified to profit or loss	–	1,474,367.90	–	-4,253,050.79
1. Changes arising from the re-measurement of defined benefit plans	–	–	–	–
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method	–	–	–	–
3. Changes in fair value of investment in other equity instruments	–	1,474,367.90	–	-4,253,050.79
4. Changes in fair value of the Company's own credit risks	–	–	–	–
(II) Other comprehensive income that will be reclassified to profit or loss	15,875,636.45	14,153,628.95	18,485,536.70	12,421,468.97
1. Other comprehensive income which can be reclassified into profit or loss under equity method	–	–	–	–
2. Changes in fair value of other debt investment	–	–	–	–
3. Gain or loss from changes in fair value of available-for-sale financial assets	–	–	–	–
4. The amount of financial assets reclassified into other comprehensive income	–	–	–	–
5. Gain or loss from held-to-maturity investment reclassified as available-for-sale financial assets	–	–	–	–
6. Credit impairment provisions for other debt investment	–	–	–	–

Item	**Third quarter of 2019 (July–September)**	Third quarter of 2018 (July–September) (Restated)	**First three quarters of 2019 (January–September)**	First three quarters of 2018 (January–September) (Restated)
7. Reserves for cash flows hedges (effective portion of profit or loss from cash flows hedges)	–	–	–	–
8. Exchange differences from translation of financial statements	15,875,636.45	14,153,628.95	18,485,536.70	12,421,468.97
9. Others	–	–	–	–
Other comprehensive income attributable to non-controlling shareholders' equity (net of tax)	352,117.13	464,205.58	372,464.75	286,622.67
VII. Total comprehensive income	340,470,922.99	399,008,131.87	1,129,221,155.56	945,691,357.62
Total comprehensive income attributable to the owners of the parent company	321,613,045.70	392,856,192.13	1,053,915,622.22	920,111,054.59
Total comprehensive income attributable to non-controlling shareholders' equity	18,857,877.29	6,151,939.74	75,305,533.34	25,580,303.03
VIII. Earnings per share:				
(I) Basic earnings per share *(RMB/share)*	0.10	0.12	0.34	0.30
(II) Diluted earnings per share *(RMB/share)*	0.10	0.12	0.34	0.30

Legal representative:	*Chief accountant:*	*Head of the accounting department:*
Zou Lei	**Bai Yong**	**Wang Chengmi**

Income Statement of the Parent Company
January to September 2019

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item		Third quarter of 2019 (July–September)	Third quarter of 2018 (July–September)	First three quarters of 2019 (January–September)	First three quarters of 2018 (January–September)
I.	**Total operating income**	1,601,170,213.47	2,055,609,731.19	7,816,923,652.98	8,144,155,979.60
	Less: operating cost	1,551,756,211.25	2,012,881,201.68	7,583,292,220.38	7,910,601,239.57
	Tax and levies	1,403.83	10,272,077.64	3,794,864.58	10,793,163.55
	Sales expenses	11,856,330.39	6,184,908.68	23,734,041.01	17,090,767.43
	General and administrative expenses	53,811,644.01	50,202,415.51	151,238,030.43	139,030,824.32
	Research and development cost	32,129,543.25	17,146,858.53	86,595,450.40	41,347,496.96
	Finance costs	-59,315,115.99	-94,149,482.41	-110,657,586.27	-201,992,743.90
	Including: Interest expenses	–	420,493.13	–	420,493.13
	Interest income	17,980,631.58	19,036,928.77	66,584,326.81	103,240,604.87
	Add: Other gains	166,390.87	5,880.34	316,308.82	17,641.02
	Investment income (Loss is indicated by "-")	4,507,006.38	1,017,733,519.68	404,231,517.82	1,084,169,632.45
	Including: Gains from investment in associates and joint ventures	8,265,770.74	12,742,233.93	87,212,873.38	69,105,275.15
	Derecognition gains on financial assets measured at amortised cost	–	–	–	–
	Gains from net exposure hedges (Loss is indicated by "-")	–	–	–	–
	Gains from changes in fair values (Loss is indicated by "-")	-35,010,165.11	4,152,271.00	-122,411,420.66	2,588,015.00
	Credit impairment loss (Loss is indicated by "-")	7,488,283.66	–	6,865,650.83	–
	Impairments loss of assets (Loss is indicated by "-")	–	21,785,102.06	–	-42,096,304.59
	Gains from disposal of assets (Loss is indicated by "-")	-6,090.23	–	-6,090.23	134,358.08

Item		Third quarter of 2019 (July–September)	Third quarter of 2018 (July–September)	First three quarters of 2019 (January–September)	First three quarters of 2018 (January–September)
II.	**Operating profit (Loss is indicated by "-")**	-11,924,377.70	1,096,748,524.64	367,922,599.03	1,272,098,573.63
	Add: Non-operating income	3,217,918.17	1,866,928.16	12,109,680.21	5,479,844.27
	Less: Non-operating expenses	33,971,609.40	782,180.91	33,971,667.72	1,064,479.70
III.	**Total profit (Total loss is indicated by "-")**	-42,678,068.93	1,097,833,271.89	346,060,611.52	1,276,513,938.20
	Less: Income tax expenses	-2,779,321.41	2,882,480.21	-5,028,629.74	-8,170,154.93
IV.	**Net profit (Net loss is indicated by "-")**	-39,898,747.52	1,094,950,791.68	351,089,241.26	1,284,684,093.13
	(I) Net profit from continuing operations (Net loss is indicated by "-")	-39,898,747.52	1,094,950,791.68	351,089,241.26	1,284,684,093.13
	(II) Net profit of discontinued operations (Net loss is indicated by "-")	–	–	–	–
V.	**Other comprehensive income, net of tax**	–	–	–	–
	(I) Other comprehensive income that will not be reclassified to profit or loss	–	–	–	–
	1. Changes arising from the re-measurement of defined benefit plans	–	–	–	–
	2. Other comprehensive income that cannot be reclassified to profit or loss under equity method	–	–	–	–
	3. Changes in fair value of investment in other equity instruments	–	–	–	–
	4. Changes in fair value of the Company's own credit risks	–	–	–	–

Item	**Third quarter of 2019 (July–September)**	Third quarter of 2018 (July–September)	**First three quarters of 2019 (January–September)**	First three quarters of 2018 (January–September)
(II) Other comprehensive income that will be reclassified to profit or loss	–	–	–	–
1. Other comprehensive income which can be reclassified into profit or loss under equity method	–	–	–	–
2. Changes in fair value of other debt investment	–	–	–	–
3. Gain or loss from changes in fair value of available-for-sale financial assets	–	–	–	–
4. The amount of financial assets reclassified into other comprehensive income	–	–	–	–
5. Gain or loss from held-to-maturity investment reclassified as available-for-sale financial assets	–	–	–	–
6. Credit impairment provisions for other debt investment	–	–	–	–
7. Reserves for cash flows hedges (effective portion of profit or loss from cash flows hedges)	–	–	–	–
8. Exchange differences from translation of financial statements	–	–	–	–
9. Others	–	–	–	–
VI. Total comprehensive income	-39,898,747.52	1,094,950,791.68	351,089,241.26	1,284,684,093.13

Item	Third quarter of 2019 (July–September)	Third quarter of 2018 (July–September)	First three quarters of 2019 (January–September)	First three quarters of 2018 (January–September)
VII. **Earnings per share:**	–	–	–	–
(I) Basic earnings per share *(RMB/Share)*	–	–	–	–
(II) Diluted earnings per share *(RMB/Share)*	–	–	–	–

Legal representative:
Zou Lei

Chief accountant:
Bai Yong

Head of the accounting department:
Wang Chengmi

Consolidated Cash Flow Statement
January to September 2019

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September) (Restated)
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	**18,480,197,894.35**	20,574,644,610.15
Net increase in customer and interbank deposits	**126,004,997.18**	2,067,336,167.41
Net increase in borrowings from central bank	**–**	-6,253.13
Net increase in borrowings from other financial institutions	**-86,905,249.98**	-200,000,000.00
Cash received from premiums under original insurance contract	**–**	–
Net cash received from reinsurance business	**–**	–
Net increase in deposits of policy holders and investment	**–**	–
Cash from interests, fees and commissions	**415,420,219.30**	413,153,349.65
Net increase in capital borrowed	**–**	–
Net increase in repurchase business capital	**–**	–
Net cash received from securities trading agency services	**–**	–
Tax rebates received	**68,583,492.57**	209,669,683.87
Other cash received from operating activities	**1,279,953,279.55**	3,967,812,930.33
Sub-total of cash inflows from operating activities	**20,283,254,632.97**	27,032,610,488.28

Item	First three quarters of 2019 (January to September)	First three quarters of 2018 (January to September) (Restated)
Cash paid for purchasing of goods and receiving services	**16,407,110,207.07**	15,971,862,622.13
Net increase in customer loans and advance	**498,810,554.27**	1,172,429,688.11
Net increase in deposits with central bank and interbank deposits	**-332,429,763.16**	874,838,937.75
Cash paid for compensation payments under original insurance contract	**–**	–
Net increase in funds for lending	**–**	–
Cash paid for interest, fees and commissions	**1,011,604.07**	837,894.22
Cash paid for policy dividend	**–**	–
Cash paid to and on behalf of employees	**2,612,441,237.94**	2,418,155,976.83
Various taxes paid	**1,358,006,679.40**	1,872,745,416.54
Other cash payments relating to operating activities	**2,410,799,090.18**	1,642,689,103.80
Sub-total of cash outflows from operating activities	**22,955,749,609.77**	23,953,559,639.38
Net cash flow from operating activities	**-2,672,494,976.80**	3,079,050,848.90

Item	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September) (Restated)
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	**3,860,408,172.09**	2,325,992,791.97
Cash received from gains in investment	**415,455,920.07**	101,334,037.65
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**8,171,176.31**	64,688,674.51
Net cash received from disposal of subsidiaries and other operating entities	**–**	–
Other cash received relating to investing activities	**–**	–
Sub-total of cash inflows from investing activities	**4,284,035,268.47**	2,492,015,504.13
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**172,724,152.33**	121,987,161.67
Cash paid for investment	**4,053,811,149.94**	2,455,933,359.31
Net increase in pledged loans	**–**	–
Net cash paid for acquiring subsidiaries and other operating entities	**–**	–
Other cash paid relating to investing activities	**–**	30,000,000.00
Sub-total of cash outflows from investing activities	**4,226,535,302.27**	2,607,920,520.98
Net cash flow generated from investing activities	**57,499,966.20**	-115,905,016.85

Item	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September) (Restated)
III. Cash flow generated from financing activities:		
Cash received from investment activities	**154,960,000.00**	49,500,000.00
Including: Cash received by subsidiaries from non-controlling shareholders' investment	**154,960,000.00**	49,500,000.00
Cash received from borrowings	**2,650,000.00**	400,038,800.00
Other cash received from financing-related activities	**–**	–
Sub-total of cash inflows from financing activities	**157,610,000.00**	449,538,800.00
Cash for repayments of borrowings	**259,077,298.24**	531,030,555.56
Cash for dividend payment, profit distribution or interest payment	**392,546,278.34**	50,962,515.08
Including: Dividend and profit paid by subsidiaries to non-controlling shareholders	**18,297,899.62**	6,301,001.61
Other cash paid for financing-related activities	**3,108,668.45**	945,400,374.52
Sub-total of cash outflows from financing activities	**654,732,245.03**	1,527,393,445.16
Net cash flow generated from financing activities	**-497,122,245.03**	-1,077,854,645.16
IV. Effects of exchange rate fluctuation on cash and cash equivalents	**192,576,276.49**	294,247,815.46

Item	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September) (Restated)
V. Net increase in cash and cash equivalents	**-2,919,540,979.14**	2,179,539,002.35
Add: Cash and cash equivalents at the beginning of the period	**26,899,627,194.15**	28,847,748,952.33
VI. Cash and cash equivalents at the end of the period	**23,980,086,215.01**	31,027,287,954.68

Legal representative:	*Chief accountant:*	*Head of the accounting department:*
Zou Lei	**Bai Yong**	**Wang Chengmi**

Cash Flow Statement of the Parent Company
January to September 2019

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
I. Cash flow generated from operating activities:		
Cash received from sale of goods and rendering of services	**4,056,712,527.92**	6,876,562,904.70
Tax rebates received	**3,972,084.04**	133,621,644.63
Other cash received from operating activities	**108,815,612.02**	719,560,562.28
Sub-total of cash inflows from operating activities	**4,169,500,223.98**	7,729,745,111.61
Cash paid for purchasing of goods and receiving services	**5,759,506,158.21**	10,014,970,169.63
Cash paid to and on behalf of employees	**124,291,131.41**	128,143,294.79
Various taxes paid	**63,946,934.44**	47,170,815.74
Other cash payments relating to operating activities	**306,313,782.82**	444,573,421.86
Sub-total of cash outflows from operating activities	**6,254,058,006.88**	10,634,857,702.02
Net cash flow from operating activities	**-2,084,557,782.90**	-2,905,112,590.41

Item	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	**43,604,812.46**	25,000,000.00
Cash received from gains in investment	**354,614,748.85**	1,070,439,130.01
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**24,282.88**	120,613.26
Net cash received from disposal of subsidiaries and other operating entities	**–**	–
Other cash received relating to investing activities	**–**	–
Sub-total of cash inflows from investing activities	**398,243,844.19**	1,095,559,743.27
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**3,940,298.85**	4,952,593.40
Cash paid for investment	**509,200,000.00**	232,500,000.00
Net cash paid for acquiring subsidiaries and other operating entities	**–**	–
Other cash paid relating to investing activities	**–**	30,000,000.00
Sub-total of cash outflows from investing activities	**513,140,298.85**	267,452,593.40
Net cash flow generated from investing activities	**-114,896,454.66**	828,107,149.87

Item	**First three quarters of 2019 (January to September)**	First three quarters of 2018 (January to September)
III. Cash flow generated from financing activities:		
Cash received from financing activities	**–**	–
Cash received from borrowings	**–**	–
Other cash received from financing-related activities	**–**	–
Sub-total of cash inflows from financing activities	**–**	–
Cash for repayments of borrowings	**–**	–
Cash for dividend payment, profit distribution or interest payment	**340,800,360.95**	–
Other cash paid for financing-related activities	**–**	942,336,415.78
Sub-total of cash outflows from financing activities	**340,800,360.95**	942,336,415.78
Net cash flow generated from financing activities	**-340,800,360.95**	-942,336,415.78
IV. Effects of exchange rate fluctuation on cash and cash equivalents	**31,467,344.96**	80,201,555.19
V. Net increase in cash and cash equivalents	**-2,508,787,253.55**	-2,939,140,301.13
Add: Cash and cash equivalents at the beginning of the period	**8,033,458,852.09**	11,513,755,417.41
VI. Cash and cash equivalents at the end of the period	**5,524,671,598.54**	8,574,615,116.28

Legal representative:	*Chief accountant:*	*Head of the accounting department:*
Zou Lei	**Bai Yong**	**Wang Chengmi**

4.2 Adjustments to relevant items in financial statements at the beginning of the year upon the first adoption of new financial instrument standards, new revenue standards and new lease standards

☐ Applicable ☑ Not applicable

4.3 Retroactive adjustments to comparative data of previous period by first adoption of new financial instrument standards and new lease standards

☐ Applicable ☑ Not applicable

4.4 Auditor's report

☐ Applicable ☑ Not applicable

By Order of the Board
Dongfang Electric Corporation Limited
Zou Lei
Chairman

Chengdu, Sichuan, the People's Republic of China
29 October 2019

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

Directors:	*Zou Lei, Yu Peigen, Huang Wei, Xu Peng and Bai Yong*
Independent non-executive directors:	*Gu Dake, Xu Haihe and Liu Dengqing*