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)

2021 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

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

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

1.3 Yu Peigen, Person-in-charge 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 first 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	Increase/decrease as at the end of the Reporting Period as compared with the end of last year *(%)*
Total assets	**96,545,125,179.58**	97,795,137,769.16	-1.28
Net asset attributable to shareholders of the Company	**31,560,967,030.35**	30,907,668,527.78	2.11

	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 same period of last year *(%)*
Net cash flow generated from operating activities	**-3,714,939,510.01**	-739,297,921.44	N/A

	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 same period of last year *(%)*
Total operating income	**10,871,234,392.61**	8,190,097,788.76	32.74
Operating income	**10,621,877,187.26**	7,916,428,774.86	34.18
Net profit attributable to shareholders of the Company	**632,953,003.56**	395,858,487.41	59.89
Net profit attributable to shareholders of the Company after deducting non-recurring gain or loss	**637,424,401.00**	446,575,403.48	42.74
Weighted average return on net assets *(%)*	**2.03**	1.33	Increased by 0.7 percentage point
Basic earnings per share *(RMB/share)*	**0.203**	0.127	59.84
Diluted earnings per share *(RMB/share)*	**0.203**	0.127	59.84

Non-recurring gain or loss items and amounts

☑ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	Amount for the period	Explanation
Gain or loss from disposal of non-current assets	**-17,740,296.61**	
Ultra vires approval/no official approval/episodic tax return or relief		
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, in compliance with state policy, and entitled to fixed amount or quantity pursuant to the State's unified standard)	**26,949,367.65**	
Fund appropriation fee charged on non-financial enterprises recognized through profit or loss for the period	**–**	
Gains generated when cost of investment for acquiring subsidiary, associates or joint venture is less than the fair value of identifiable net assets acquired	**–**	
Gains or losses from non-monetary asset swap	**–**	
Gain or loss from entrusting third party to invest or manage assets	**–**	
Provision for impairment of assets due to force majeure such as natural disaster	**–**	
Gain or loss from debt restructuring	**–**	
Corporate restructuring expenses such as expenses for employee resettlement and integration costs	**–**	
Gain or loss arising from transactions at unfair consideration over their fair value	**–**	

Item	Amount for the period	Explanation
Net gain or loss of subsidiaries formed through business combination under common control from the beginning of the period to the date of merger attributable to the current period	–	
Gain or loss from contingencies irrelevant to the normal operations of the Company	–	
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 the hedging business that is related to the normal business of the Company	**-11,864,007.40**	
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test	**1,683,760.68**	
Gain or loss from external entrusted loans	–	
Gain or loss from changes in fair value of investment properties using the fair value model for subsequent measurement	–	
Effect on gain or loss for the current period from one-off adjustment to gain or loss for the period in accordance with requirements of laws and regulations on taxation and accounting	–	
Entrustment fee income from entrusted operations	–	
Other non-operating income and expenses other than the above items	**5,484,346.33**	
Other gain or loss items falling within the meaning of non-recurring gain or loss	**678,197.88**	
Impact on minority interest (after tax)	**-1,462,575.58**	
Impact on income tax	**-8,200,190.39**	
Total	**-4,471,397.44**	

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	126,860

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	55.39	753,903,063	Nil		State-owned legal person
Hong Kong Securities Clearing Company Limited	298,005,590	9.55	0	Unknown		Overseas 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		State-owned legal person
Brown Brothers Harriman & Co.	17,257,179	0.55	0	Unknown		Overseas legal person
Citigroup Inc.	16,926,032	0.54	0	Unknown		Overseas legal person
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program (博時基金－農業銀行－博時中證金融資產管理計劃)	8,480,400	0.27	0	Unknown		Unknown
E Fund – Agricultural Bank – E Fund China Securities and Financial Asset Management Program (易方達基金－農業銀行－易方達中證金融資產管理計劃)	8,480,400	0.27	0	Unknown		Unknown
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Program (大成基金－農業銀行－大成中證金融資產管理計劃)	8,480,400	0.27	0	Unknown		Unknown

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 Share status	Number	Nature of shareholder
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program (廣發基金－農業銀行－廣發中證金融資產管理計劃)	8,480,400	0.27	0	Unknown		Unknown
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program (中歐基金－農業銀行－中歐中證金融資產管理計劃)	8,480,400	0.27	0	Unknown		Unknown
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program (南方基金－農業銀行－南方中證金融資產管理計劃)	8,480,400	0.27	0	Unknown		Unknown

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

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares: Class	Number
Dongfang Electric Corporation	974,016,763	RMB denominated ordinary shares	974,016,763
Hong Kong Securities Clearing Company Limited	298,005,590	Overseas listed foreign shares	298,005,590
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
Brown Brothers Harriman & Co.	17,257,179	Overseas listed foreign shares	17,257,179
Citigroup Inc.	16,926,032	Overseas listed foreign shares	16,926,032
Bosera Funds – Agricultural Bank – Bosera China Securities and Financial Assets Management Program (博時基金-農業銀行-博時中證金融資產管理計劃)	8,480,400	RMB denominated ordinary shares	8,480,400
E Fund – Agricultural Bank – E Fund China Securities and Financial Asset Management Program (易方達基金-農業銀行-易方達中證金融資產管理計劃)	8,480,400	RMB denominated ordinary shares	8,480,400
Da Cheng Fund – Agricultural Bank – Da Cheng China Securities and Financial Assets Management Program (大成基金-農業銀行-大成中證金融資產管理計劃)	8,480,400	RMB denominated ordinary shares	8,480,400
GF Fund – Agricultural Bank – GF China Securities and Financial Assets Management Program (廣發基金-農業銀行-廣發中證金融資產管理計劃)	8,480,400	RMB denominated ordinary shares	8,480,400
Zhong Ou Fund – Agricultural Bank – Zhong Ou China Securities and Financial Assets Management Program (中歐基金-農業銀行-中歐中證金融資產管理計劃)	8,480,400	RMB denominated ordinary shares	8,480,400
China Southern Fund – Agricultural Bank – China Southern China Securities and Financial Assets Management Program (南方基金-農業銀行-南方中證金融資產管理計劃)	8,480,400	RMB denominated ordinary shares	8,480,400

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

3.1 Production and operation of the Company in the first quarter

In the first quarter of 2021, the Company manufactured power generation equipment with capacity of 9,259.6 MW, including hydro-electric turbine generating units (2,483 MW), steam turbine generators (6,223 MW) and wind power generation sets (553.6 MW). In addition, the Company produced power station boilers (4,310 MW) and power station steam turbines (3,776 MW).

In the first quarter of 2021, the Company's new orders amounted to RMB15,640 million, representing an increase of 31.6% as compared with the same period of last year. Among the new orders, 34.13% was attributable to high-efficiency clean energy equipment, 28.74% to renewable energy equipment, 6.83% to engineering and trade, 12.10% to modern manufacturing and service business and 18.19% to emerging growth business.

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

☑ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Item	**Amount for the period**	Amount for the same period last year	Change (%)
Total operating income	**10,871,234,392.61**	8,190,097,788.76	32.74
Sales expenses	**306,430,213.69**	138,612,869.06	121.07
Research and development costs	**550,948,164.38**	293,511,435.77	87.71
Investment income	**100,781,555.90**	54,266,341.49	85.72
Gain from change in fair value	**-11,864,007.40**	-72,072,161.30	N/A
Credit impairment loss (Loss is indicated by "-")	**-169,679,478.34**	-401,404,867.86	N/A
Asset impairment loss (Loss is indicated by "-")	**-33,460,048.82**	188,083,126.60	N/A
Net cash flow generated from operating activities	**-3,714,939,510.01**	-739,297,921.44	N/A
Net cash flow generated from investing activities	**1,596,158,767.61**	-214,557,406.85	N/A
Net cash flow generated from financing activities	**22,329,424.36**	-33,783,714.59	N/A

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

1. The total operating income for the current period recorded an increase of 32.74%, mainly due to a year-on-year increase in income from renewable energy equipment and emerging growth industry.

2. The sales expenses for the current period recorded an increase of 121.07%, mainly due to the quality retention money for wind power products increased with the increase of revenue.

3. The research and development costs for the current period recorded an increase of 87.71%, mainly due to the increased investment in research and development for the current period.

4. The investment income for the current period recorded an increase of 85.72%, mainly due to a year-on-year increase in the profit of the enterprises in which the Company holds equity interests.

5. Gain on fair value changes for the period amounted to RMB-11,864,000, representing an increase of RMB 60,208,200 as compared with the same period last year, mainly attributable to the decrease in the loss of market value of shares for the current period.

6. The provision for credit impairment losses of the Company for the period decreased as compared with the same period last year, mainly due to a year-on-year decrease in the provision for bad debt of accounts receivables based on aging.

7. The provision for asset impairment losses of the Company for the period increased as compared with the same period last year, mainly due to a year-on-year increase in the provision for bad debt of contract assets.

8. The net cash flow generated from operating activities for the current period decreased as compared with the same period last year, which was mainly due to the expansion of production and operation scale, resulting in an increase in payment for purchase.

9. The 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 inflow from investment of the wealth management products of DEC Finance, a subsidiary of the Company, during the current period.

10. The net cash flow from financing activities for the current period increased as compared with the same period last year, mainly attributable to the increase in cash received by the subsidiaries from absorbing minority shareholders' investment for the current period.

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

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

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

☐ Applicable ☑ Not applicable

Company name	**Dongfang Electric Corporation Limited**
Legal representative	**Yu Peigen**
Date	29 April 2021

IV. APPENDICES

4.1 Financial statements

Consolidated Balance Sheet

31 March 2021

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	31 March 2021	31 December 2020
Current assets:		
Monetary fund	**24,483,538,055.37**	26,686,232,240.60
Balances with clearing companies	**–**	–
Funds for lending	**–**	–
Held-for-trading financial assets	**1,233,916,415.15**	1,292,860,471.15
Derivative financial assets	**–**	–
Notes receivable	**3,598,540,748.81**	3,781,237,139.94
Accounts receivable	**8,158,341,562.41**	7,526,238,208.54
Accounts receivable financing	**1,798,549,867.39**	1,946,034,819.15
Prepayments	**2,711,131,889.50**	2,973,122,649.71
Premiums receivable	**–**	–
Reinsurance accounts receivable	**–**	–
Deposits receivable from reinsurance treaty	**–**	–
Other receivables	**613,271,542.79**	633,416,127.20
Including: Interest receivable	**277,899,946.66**	236,257,055.12
Dividends receivable	**53,237,143.57**	54,487,143.57
Purchases of resold financial assets	**2,890,281,600.00**	2,730,498,000.00
Inventories	**15,721,135,816.29**	15,609,854,069.57
Contract assets	**8,339,160,367.46**	6,527,930,416.19
Assets held-for-sale	**–**	–
Non-current assets due within one year	**–**	–
Other current assets	**1,136,398,304.85**	965,833,690.73
Total current assets	**70,684,266,170.02**	70,673,257,832.78

Item	**31 March 2021**	31 December 2020
Non-current assets:		
Loans and advances granted	**1,925,876,263.41**	1,927,919,340.85
Debt investment	**8,398,371,190.26**	9,946,621,270.91
Other debt investment	**–**	–
Long-term receivables	**242,435,420.59**	273,964,739.39
Long-term equity investments	**2,331,392,386.00**	1,775,770,115.49
Investment in other equity instruments	**27,544,649.47**	27,544,649.47
Other non-current financial assets	**–**	–
Investment properties	**160,781,755.00**	162,966,524.20
Fixed assets	**5,004,322,835.76**	5,242,562,925.69
Construction in progress	**225,565,046.43**	204,474,620.89
Biological assets for production	**–**	–
Oil and gas assets	**–**	–
Right-of-use assets	**118,909,864.63**	164,993,842.35
Intangible assets	**1,542,025,781.66**	1,599,905,484.86
Development expenses	**2,051,886.80**	2,051,886.80
Goodwill	**–**	–
Long-term deferred expenditures	**2,192,733.07**	2,109,452.20
Deferred tax asset	**3,000,972,138.74**	2,975,542,663.62
Other non-current assets	**2,878,417,057.74**	2,815,452,419.66
Total non-current assets	**25,860,859,009.56**	27,121,879,936.38
Total assets	**96,545,125,179.58**	97,795,137,769.16

Item	**31 March 2021**	31 December 2020
Current liabilities:		
Short-term borrowings	**301,820,000.00**	297,980,000.00
Borrowings from central bank	**–**	16,043,235.82
Capital borrowed	**–**	–
Held-for-trading financial liabilities	**–**	–
Derivative financial liabilities	**–**	–
Notes payable	**4,485,240,904.50**	4,861,679,751.95
Accounts payable	**12,206,158,167.57**	13,641,381,835.86
Receipt in advance	**–**	–
Contract liabilities	**28,560,643,916.48**	28,922,353,784.79
Disposal of repurchased financial assets	**–**	–
Deposit taking and deposit in interbank market	**5,827,277,065.47**	5,726,841,172.92
Customer deposits for trading in securities	**–**	–
Amounts due to issuer for securities underwriting	**–**	–
Staff remuneration payable	**645,908,185.50**	677,337,429.12
Taxes payable	**142,276,639.10**	288,449,718.75
Other payables	**1,505,878,473.90**	1,411,657,254.42
Including: Interest payable	**6,584,278.60**	28,164,115.17
Dividends payable	**7,643,158.58**	13,224,263.63
Handling charges and commissions payable	**–**	–
Reinsurance accounts payable	**–**	–
Liabilities held-for-sale	**–**	–
Non-current liabilities due within one year	**130,732,315.50**	139,954,877.02
Other current liabilities	**140,575,430.23**	121,286,819.72
Total current liabilities	**53,946,511,098.25**	56,104,965,880.37

Item	31 March 2021	31 December 2020
Non-current liabilities:		
Insurance contract reserves	**–**	–
Long-term borrowings	**712,153,192.20**	719,350,539.48
Bonds payable	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Lease liabilities	**32,119,399.66**	27,531,905.94
Long-term payables	**5,660,910.03**	5,660,910.03
Long-term staff remuneration payable	**1,099,249,829.76**	960,970,033.23
Estimated liabilities	**5,931,253,796.15**	5,896,410,937.40
Deferred income	**397,971,810.57**	404,283,233.21
Deferred tax liabilities	**34,364,292.43**	34,364,292.43
Other non-current liabilities	**–**	–
Total non-current liabilities	**8,212,773,230.80**	8,048,571,851.72
Total liabilities	**62,159,284,329.05**	64,153,537,732.09

Item	**31 March 2021**	31 December 2020
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	**3,119,764,130.00**	3,119,764,130.00
Other equity instruments	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Capital reserves	**11,584,176,034.17**	11,584,176,034.17
Less: Treasury shares	**172,329,868.00**	172,329,868.00
Other comprehensive income	**-63,578,074.01**	-67,918,065.04
Special reserves	**104,514,126.56**	88,508,618.58
Surplus reserves	**972,805,441.29**	972,805,441.29
General risk reserves	**–**	–
Retained profit	**16,015,615,240.34**	15,382,662,236.78
Total owners' equity (or shareholders' equity) attributable to owners of the parent company	**31,560,967,030.35**	30,907,668,527.78
Non-controlling shareholders' equity	**2,824,873,820.18**	2,733,931,509.29
Total owners' equity (or shareholders' equity)	**34,385,840,850.53**	33,641,600,037.07
Total liabilities and owners' equity (or shareholders' equity)	**96,545,125,179.58**	97,795,137,769.16

Person-in-charge of the Company:	*Chief accountant:*	*Head of the accounting department:*
Yu Peigen	**Bai Yong**	**Wang Chengmi**

Balance Sheet of the Parent Company
31 March 2021

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	31 March 2021	31 December 2020
Current assets:		
Monetary fund	**4,218,599,438.67**	5,164,577,904.92
Held-for-trading financial assets	**357,232,194.57**	362,316,158.96
Derivative financial assets	**–**	–
Notes receivable	**–**	–
Accounts receivable	**1,596,168,944.27**	1,449,236,828.49
Accounts receivable financing	**54,613,587.17**	149,335,304.88
Prepayments	**6,178,244,168.65**	7,266,016,464.08
Other receivables	**291,849,435.21**	288,943,597.30
Including: Interest receivable	**1,575,750.00**	1,277,718.75
Dividends receivable	**182,040,406.60**	183,290,406.60
Inventories	**141,336,078.79**	145,791,731.71
Contract assets	**3,162,697,752.34**	2,938,180,073.49
Assets held-for-sale	**–**	–
Non-current assets due within one year	**–**	–
Other current assets	**157,553,119.58**	165,651,155.60
Total current assets	**16,158,294,719.25**	17,930,049,219.43

Item	**31 March 2021**	31 December 2020
Non-current assets:		
Debt investment	**–**	–
Other debt investment	**–**	–
Long-term receivables	**–**	–
Long-term equity investments	**22,711,247,697.39**	22,510,739,000.97
Investment in other equity instruments	**–**	–
Other non-current financial assets	**–**	–
Investment properties	**9,813,756.67**	10,092,096.74
Fixed assets	**30,162,895.82**	29,893,170.00
Construction in progress	**–**	–
Biological assets for production	**–**	–
Oil and gas assets	**–**	–
Right-of-use assets	**67,785,870.31**	90,381,160.42
Intangible assets	**118,990,014.46**	123,372,143.97
Development expenses	**2,051,886.80**	2,051,886.80
Goodwill	**–**	–
Long-term deferred expenditures	**–**	–
Deferred tax asset	**249,231,239.50**	248,150,155.01
Other non-current assets	**586,022,001.47**	586,022,001.47
Total non-current assets	**23,775,305,362.42**	23,600,701,615.38
Total assets	**39,933,600,081.67**	41,530,750,834.81

Item	**31 March 2021**	31 December 2020
Current liabilities:		
Short-term borrowings	**–**	–
Held-for-trading financial liabilities	**–**	–
Derivative financial liabilities	**–**	–
Notes payable	**–**	–
Accounts payable	**3,002,086,248.09**	3,668,203,269.80
Receipt in advance	**–**	–
Contract liabilities	**11,311,003,317.44**	12,258,579,491.06
Staff remuneration payable	**27,874,594.87**	28,192,005.87
Taxes payable	**3,581,604.16**	5,107,368.98
Other payables	**481,881,744.41**	461,367,095.24
Including: Interest payable	**–**	–
Dividends payable	**573,768.34**	573,768.34
Liabilities held-for-sale	**–**	–
Non-current liabilities due within one year	**94,822,777.28**	94,822,777.28
Other current liabilities	**–**	–
Total current liabilities	**14,921,250,286.25**	16,516,272,008.23

Item	**31 March 2021**	31 December 2020
Non-current liabilities:		
Long-term borrowings	**–**	–
Bonds payable	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Lease liabilities	**–**	–
Long-term payables	**–**	–
Long-term staff remuneration payable	**8,874,232.77**	8,874,232.77
Estimated liabilities	**461,853,003.46**	467,921,129.61
Deferred income	**12,697,025.05**	12,193,062.50
Deferred tax liabilities	**–**	–
Other non-current liabilities	**–**	–
Total non-current liabilities	**483,424,261.28**	488,988,424.88
Total liabilities	**15,404,674,547.53**	17,005,260,433.11

Item	31 March 2021	31 December 2020
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	**3,119,764,130.00**	3,119,764,130.00
Other equity instruments	**–**	–
Including: Preferred shares	**–**	–
Perpetual capital securities	**–**	–
Capital reserves	**13,198,774,983.32**	13,198,774,983.32
Less: Treasury shares	**172,329,868.00**	172,329,868.00
Other comprehensive income	**–**	–
Special reserves	**–**	–
Surplus reserves	**1,261,168,557.72**	1,261,168,557.72
Retained profit	**7,121,547,731.10**	7,118,112,598.66
Total owners' equity (or shareholders' equity)	**24,528,925,534.14**	24,525,490,401.70
Total liabilities and owners' equity (or shareholders' equity)	**39,933,600,081.67**	41,530,750,834.81

Person-in-charge of the Company:	*Chief accountant:*	*Head of the accounting department:*
Yu Peigen	**Bai Yong**	**Wang Chengmi**

Consolidated Income Statement
January to March 2021

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	First quarter of 2021	First quarter of 2020
I. Total operating income	**10,871,234,392.61**	8,190,097,788.76
Including: Operating income	**10,621,877,187.26**	7,916,428,774.86
Interest income	**248,774,793.80**	273,081,969.57
Premium earned	**–**	–
Fee and commission income	**582,411.55**	587,044.33
II. Total operating costs	**10,219,963,294.83**	7,509,773,580.56
Including: Operating costs	**8,665,270,520.68**	6,541,953,458.67
Interest expenses	**23,156,849.54**	19,689,078.24
Fee and commission expenses	**420,448.02**	364,741.21
Surrenders	**–**	–
Net claims	**–**	–
Net provision for insurance contract	**–**	–
Insurance policy holder dividends	**–**	–
Expenses for reinsurance accepted	**–**	–
Tax and levies	**52,580,089.32**	40,377,387.33
Sales expenses	**306,430,213.69**	138,612,869.06
General and administrative expenses	**663,765,574.21**	532,867,155.35
Research and development cost	**550,948,164.38**	293,511,435.77
Finance costs	**-42,608,565.01**	-57,602,545.07
Including: Interest expenses	**5,464,781.69**	8,300,128.35
Interest income	**4,956,394.98**	14,365,117.47
Add: Other gains	**32,863,155.56**	18,295,674.42
Investment income (Loss is indicated by "-")	**100,781,555.90**	54,266,341.49
Including: Income from investments in associates and joint ventures	**69,447,258.33**	39,027,165.44
Derecognition gains on financial assets measured at amortised cost	**–**	–
Foreign exchange gains (Loss is indicated by "-")	**81,602.43**	78,983.24
Gains from net exposure hedges (Loss is indicated by "-")	**–**	–
Gains from changes in fair values (Loss is indicated by "-")	**-11,864,007.40**	-72,072,161.30

Item	First quarter of 2021	First quarter of 2020
Credit impairment loss (Loss is indicated by "-")	**-169,679,478.34**	-401,404,867.86
Impairment loss of assets (Loss is indicated by "-")	**-33,460,048.82**	188,083,126.60
Gains from disposal of assets (Loss is indicated by "-")	**151,689,975.51**	1,514,150.83
III. Operating profit (Loss is indicated by "-")	**721,683,852.62**	469,085,455.62
Add: Non-operating income	**7,118,359.50**	19,493,794.71
Less: Non-operating expenses	**1,381,883.53**	29,119,938.87
IV. Total profit (Total loss is indicated by "-")	**727,420,328.59**	459,459,311.46
Less: Income tax expenses	**42,753,067.57**	36,458,741.37
V. Net profit (Net loss is indicated by "-")	**684,667,261.02**	423,000,570.09
(I) Classified by continuing operation		
1. Net profit from continuing operations (Net loss is indicated by "-")	**684,667,261.02**	423,000,570.09
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 "-")	**632,953,003.56**	395,858,487.41
2. Profit or loss attributable to non-controlling shareholders' interests (Net loss is indicated by "-")	**51,714,257.46**	27,142,082.68
VI. Other comprehensive income (net of tax)	**4,433,741.40**	427,714.96
(I) Other comprehensive income attributable to owners of the parent company (net of tax)	**4,339,991.03**	207,439.50
1. 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	First quarter of 2021	First quarter of 2020
2. Other comprehensive income that will be reclassified to profit or loss	**4,339,991.03**	207,439.50
(1) Other comprehensive income which can be reclassified into profit or loss under equity method	**-93,915.80**	–
(2) Changes in fair value of other debt investment	**–**	–
(3) The amount of financial assets reclassified into other comprehensive income	**–**	–
(4) Credit impairment provisions for other debt investment	**–**	–
(5) Reserves for cash flows hedges	**–**	–
(6) Exchange differences from translation of financial statements	**4,433,906.83**	207,439.50
(7) Others		
(II) Other comprehensive income attributable to non-controlling shareholders' equity (net of tax)	**93,750.37**	220,275.46
VII. Total comprehensive income	**689,101,002.42**	423,428,285.05
(I) Total comprehensive income attributable to the owners of the parent company	**637,292,994.59**	396,065,926.91
(II) Total comprehensive income attributable to non-controlling shareholders' equity	**51,808,007.83**	27,362,358.14
VIII. Earnings per share:		
(I) Basic earnings per share *(RMB/share)*	**0.203**	0.127
(II) Diluted earnings per share *(RMB/share)*	**0.203**	0.127

For the business combination under common control during the period, the net profit achieved by the combined party before the combination is RMB0, and the net profit of prior period achieved by the combined party is RMB0.

Person-in-charge of the Company:	*Chief accountant:*	*Head of the accounting department:*
Yu Peigen	**Bai Yong**	**Wang Chengmi**

Income Statement of the Parent Company
January to March 2021

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	First quarter of 2021	First quarter of 2020
I. Operating income	**2,890,372,517.53**	2,553,751,833.94
Less: Cost of operations	**2,855,038,598.63**	2,466,135,436.77
Tax and levies	**9,333.93**	3,657.14
Selling expenses	**5,823,317.96**	6,799,016.86
General and administrative expenses	**48,939,847.65**	48,528,480.79
Research and development cost	**38,078,031.51**	29,971,293.02
Finance costs	**-19,043,285.08**	-43,929,743.06
Including: Interest expenses	**–**	–
Interest income	**14,975,452.06**	26,030,356.18
Add: Other gains	**–**	–
Investment income (Loss is indicated by "-")	**50,911,998.31**	38,859,531.60
Including: Gains from investment in associates and joint ventures	**50,508,696.42**	38,427,281.60
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 "-")	**-5,083,964.39**	-69,677,167.53
Credit impairment loss (Loss is indicated by "-")	**-8,588,917.68**	17,303,250.60
Impairments loss of assets (Loss is indicated by "-")	**-95,114.77**	-9,056,801.25
Gains from disposal of assets (Loss is indicated by "-")	**92,348.70**	–
II. Operating profit (Loss is indicated by "-")	**-1,236,976.90**	23,672,505.84
Add: Non-operating income	**3,591,024.85**	991,662.44
Less: Non-operating expenses	**–**	22,437,500.00
III. Total profit (Total loss is indicated by "-")	**2,354,047.95**	2,226,668.28
Less: Income tax expenses	**-1,081,084.49**	-43,848.96

Item	First quarter of 2021	First quarter of 2020
IV. Net profit (Net loss is indicated by "-")	**3,435,132.44**	2,270,517.24
(I) Net profit from continuing operations (Net loss is indicated by "-")	**3,435,132.44**	2,270,517.24
(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	**–**	–
(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. The amount of financial assets reclassified into other comprehensive income	**–**	–
4. Credit impairment provisions for other debt investment	**–**	–
5. Reserves for cash flows hedges	**–**	–
6. Exchange differences from translation of financial statements	**–**	–
7. Others	**–**	–
VI. Total comprehensive income	**3,435,132.44**	2,270,517.24
VII. Earnings per share:		
(I) Basic earnings per share *(RMB/Share)*		
(II) Diluted earnings per share *(RMB/Share)*		

Person-in-charge of the Company:	*Chief accountant:*	*Head of the accounting department:*
Yu Peigen	**Bai Yong**	**Wang Chengmi**

Consolidated Cash Flow Statement
January to March 2021

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item		First quarter of 2021	First quarter of 2020
I.	**Cash flow generated from operating activities:**		
	Cash received from sale of goods and rendering of services	**6,707,082,701.20**	5,639,896,599.04
	Net increase in customer and interbank deposits	**-53,122,095.42**	-25,494,530.50
	Net increase in borrowings from central bank	**-16,043,235.82**	–
	Net increase in borrowings from other financial institutions	**49,749.99**	173,319,201.72
	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	**107,770,189.48**	169,110,943.08
	Net increase in capital borrowed	**–**	–
	Net increase in repurchase business capital	**–**	–
	Net cash received from securities trading agency services		
	Tax rebates received	**19,643,335.86**	53,632,551.37
	Other cash received from operating activities	**370,298,113.25**	717,591,083.26
	Sub-total of cash inflows from operating activities	**7,135,678,758.54**	6,728,055,847.97

Item		First quarter of 2021	First quarter of 2020
	Cash paid for goods and services	**8,983,007,704.11**	5,725,297,570.47
	Net increase in customer loans and advance	**219,615,720.09**	93,271,102.41
	Net increase in deposits with central bank and interbank deposits	**-114,546,077.13**	56,999,234.83
	Cash paid for compensation payments under original insurance contract	**–**	–
	Net increase in funds for lending	**–**	–
	Cash paid for interest, fees and commissions	**452,054.19**	380,544.43
	Cash paid for policy dividend	**–**	–
	Cash paid to and on behalf of employees	**934,095,406.22**	785,171,444.92
	Various taxes paid	**346,481,696.89**	286,672,261.28
	Other cash payments relating to operating activities	**481,511,764.18**	519,561,611.07
	Sub-total of cash outflows from operating activities	**10,850,618,268.55**	7,467,353,769.41
	Net cash flow from operating activities	**-3,714,939,510.01**	-739,297,921.44
II.	**Cash flow generated from investing activities:**		
	Cash received from disposal of investments	**2,224,927,306.68**	1,102,785,343.65
	Cash received from gains in investment	**1,250,000.00**	11,456,602.60
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**9,528,649.28**	642,940.00
	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	**2,235,705,955.96**	1,114,884,886.25
	Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**99,443,096.82**	61,275,731.87
	Cash paid for investment	**540,104,091.53**	1,268,166,561.23
	Net increase in pledged loans	**–**	–
	Net cash paid for acquiring subsidiaries and other operating entities	**–**	–
	Other cash paid relating to investing activities	**–**	–
	Sub-total of cash outflows from investing activities	**639,547,188.35**	1,329,442,293.10
	Net cash flow generated from investing activities	**1,596,158,767.61**	-214,557,406.85

Item		First quarter of 2021	First quarter of 2020
III.	**Cash flow generated from financing activities:**		
	Cash received from financing activities	**36,502,500.00**	–
	Including: Cash received by subsidiaries from non-controlling shareholders' investment	**36,502,500.00**	–
	Cash received from borrowings	**6,220,000.00**	2,380,000.00
	Other cash received from financing-related activities	**–**	–
	Sub-total of cash inflows from financing activities	**42,722,500.00**	2,380,000.00
	Cash for repayments of borrowings	**12,183,910.00**	13,478,803.00
	Cash for dividend payment, profit distribution or interest payment	**8,209,165.64**	22,684,911.59
	Including: Dividend and profit paid by subsidiaries to non-controlling shareholders	**–**	–
	Other cash paid for financing-related activities	**–**	–
	Sub-total of cash outflows from financing activities	**20,393,075.64**	36,163,714.59
	Net cash flow generated from financing activities	**22,329,424.36**	-33,783,714.59
IV.	**Effects of exchange rate fluctuation on cash and cash equivalents**	**13,599,203.23**	81,934,237.36
V.	**Net increase in cash and cash equivalents**	**-2,082,852,114.81**	-905,704,805.52
	Add: Balance of cash and cash equivalents at the beginning of the period	**24,277,749,507.44**	28,472,369,654.85
VI.	**Balance of cash and cash equivalents at the end of the period**	**22,194,897,392.63**	27,566,664,849.33

Person-in-charge of the Company: **Yu Peigen**   *Chief accountant:* **Bai Yong**   *Head of the accounting department:* **Wang Chengmi**

Cash Flow Statement of the Parent Company
January to March 2021

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item		First quarter of 2021	First quarter of 2020
I.	**Cash flow generated from operating activities:**		
	Cash received from sale of goods and rendering of services	**1,300,977,816.48**	846,204,130.51
	Tax rebates received	**–**	–
	Other cash received from operating related activities	**54,594,541.96**	16,367,502.58
	Sub-total of cash inflows from operating activities	**1,355,572,358.44**	862,571,633.09
	Cash paid for goods and services	**2,070,714,064.52**	1,388,179,676.84
	Cash paid to and on behalf of employees	**33,817,176.09**	41,259,014.45
	Various taxes paid	**416,208.95**	8,739,073.01
	Other cash payments relating to operating activities	**44,838,859.81**	72,678,012.31
	Sub-total of cash outflows from operating activities	**2,149,786,309.37**	1,510,855,776.61
	Net cash flow from operating activities	**-794,213,950.93**	-648,284,143.52
II.	**Cash flow generated from investing activities:**		
	Cash received from disposal of investments	**–**	–
	Cash received from gains in investment	**1,677,500.00**	10,903,952.60
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	**115,850.00**	–
	Net cash received from disposal of subsidiaries and other operating entities	**–**	–
	Other cash received relating to investing activities	**–**	–
	Sub-total of cash inflows from investing activities	**1,793,350.00**	10,903,952.60
	Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	**4,203,891.00**	345,584.00
	Cash paid for investment	**150,000,000.00**	16,600,000.00
	Net cash paid for acquiring subsidiaries and other operating entities	**–**	–
	Other cash paid relating to investing activities	**–**	–
	Sub-total of cash outflows from investing activities	**154,203,891.00**	16,945,584.00
	Net cash flow generated from investing activities	**-152,410,541.00**	-6,041,631.40

Item	First quarter of 2021	First quarter of 2020
III. Cash flow generated from financing activities:		
Cash received from financing activities	**–**	–
Cash received from borrowings	**–**	–
Other cash received from financing-related activities	**–**	–
Sub-total of cash inflows from financing activities	**–**	–
Cash for repayments of borrowings	**–**	–
Cash for dividend payment, profit distribution or interest payment	**–**	–
Other cash paid for financing-related activities	**–**	–
Sub-total of cash outflows from financing activities	**–**	–
Net cash flow generated from financing activities	**–**	–
IV. Effects of exchange rate fluctuation on cash and cash equivalents	**646,025.68**	15,201,979.81
V. Net increase in cash and cash equivalents	**-945,978,466.25**	-639,123,795.11
Add: Balance of cash and cash equivalents at the beginning of the period	**5,164,577,904.92**	5,490,732,223.57
VI. Balance of cash and cash equivalents at the end of the period	**4,218,599,438.67**	4,851,608,428.46

Person-in-charge of the Company:	*Chief accountant:*	*Head of the accounting department:*
Yu Peigen	**Bai Yong**	**Wang Chengmi**

4.2 Adjustments to financial statements at the beginning of the year upon the first adoption of new lease standards since 2021

☐ Applicable ☑ Not applicable

4.3 Retrospective adjustments to comparative data of previous period by first adoption of new lease standards since 2021

☐ Applicable ☑ Not applicable

4.4 Auditor's report

☐ Applicable ☑ Not applicable

By Order of the Board
Dongfang Electric Corporation Limited
Yu Peigen
Chairman

Chengdu, Sichuan, the PRC
29 April 2021

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

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