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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)

2022 FIRST QUARTERLY REPORT

This announcement is made pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Set out below is the 2022 first quarterly report of Dongfang Electric Corporation Limited (the “**Company**” or “**DEC**”) and its subsidiaries for the three months ended 31 March 2022 (the “**Reporting Period**”). The financial statements contained in the report have been prepared under the China Accounting Standards for Business Enterprise and have not been audited.

This announcement is prepared in both Chinese and English languages. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

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

Chengdu, Sichuan, the PRC
29 April 2022

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

Directors: Yu Peigen, Xu Peng and Zhang Yanjun

Independent non-executive directors: Liu Dengqing, Huang Feng and Ma Yongqiang

IMPORTANT NOTICE:

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, without any false representation, misleading statement or material omission, and jointly and severally accept legal responsibility.

The legal representative, the chief accountant, and the person-in-charge of accounting organization (head of accounting department) of the Company, have guaranteed the truthfulness, accuracy and completeness of the financial statements information contained in this quarterly report.

The first quarterly financial statements are unaudited.

I. MAJOR FINANCIAL DATA

(I) Key accounting figures and financial indicators

Unit: yuan Currency: RMB

Item	For the Reporting Period	Increase/decrease for the Reporting Period over the corresponding period of last year (%)
Total operating income	14,107,148,546.27	29.77
Operating income	13,818,651,935.10	30.10
Net profit attributable to shareholders of the Company	926,080,213.76	46.31
Net profit attributable to shareholders of the Company after deducting non-recurring gain or loss	663,052,086.79	4.02
Net cash flow generated from operating activities	-3,596,336,427.66	N/A
Basic earnings per share (RMB/share)	0.297	46.31
Diluted earnings per share (RMB/share)	0.297	46.31
Weighted average return on net assets (%)	2.81	Increased by 0.78 percentage point

	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	103,655,868,894.89	103,104,573,304.33	0.53
Owners' equity attributable to shareholders of the Company	33,542,717,982.94	32,497,661,980.41	3.22

Note: The "Reporting Period" refers to the three months from the beginning of this quarter to the end of this quarter.

(II) Non-recurring gain or loss items and amounts

Unit: yuan Currency: RMB

Item	Amount for the period	Explanation
Gain or loss from disposal of non-current assets	36,216,472.78	
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)	15,473,170.04	
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	135,649,171.95	
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	–	
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	–	

Item	Amount for the period	Explanation
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	-1,703,660.00	
Reversal of impairment provisions for receivables and contract assets subject to individual impairment test	147,342,642.62	
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	-13,675,822.73	
Other gain or loss items falling within the meaning of non-recurring gain or loss	19,964.78	Input value-added tax and additional deductions
Less: Impact on income tax	44,302,087.39	
Impact on minority interest (after tax)	11,991,725.08	
Total	<u>263,028,126.97</u>	

Explanation on defining any non-recurring items listed under the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Gains/Losses as recurring items

☐

Applicable

☒

Not applicable

(III) Change in key accounting figures and financial indicator and the reasons thereof

Item	Change ratio (%)	Main reason
Accounts receivable	31.70	Expansion of sales scale
Accounts receivable financing	-35.14	Increase in bill endorsement
Long-term receivables	36.32	Increase in installment collection of goods sold
Short-term borrowings	47.81	New loans of RMB20 million required for the operation of subsidiaries
Other current liabilities	-34.02	Notes that were endorsed but not expired in the previous period were derecognized when they expired in the current period
Operating income	30.10	Income from wind power segment increased by 39.88% year on year
Operating costs	32.90	Corresponding increase as a result of the increase in sales volume
Tax and levies	60.19	Year-on-year increase in value- added tax surcharges
Finance costs	N/A	Year-on-year increase in cash discount for the current period
Other gains	357.24	Gains from debt restructuring of RMB136 million
Gains from changes in fair values (Loss is indicated by “-”)	N/A	The impact of floating losses in funds and stocks
Impairment loss (Loss is indicated by “-”)	N/A	Received impairment from bankruptcy distribution and reversal of RMB109 million
Gains from disposal of assets (Loss is indicated by “-”)	-75.47	Gains from disposal of assets generated by the industrial mixed ownership reform of its subsidiaries in the same period last year

Item	Change ratio (%)	Main reason
Operating profit	53.06	The corresponding increase in gross profit as a result of the increase in revenue for the current period
Total profit	44.99	The corresponding increase in gross profit as a result of the increase in revenue for the current period
Income tax expenses	170.57	The corresponding increase in income tax expenses as a result of the increase in profit
Net profit	42.46	The corresponding increase in gross profit as a result of the increase in revenue for the current period
Net cash flow from operating activities	N/A	Year-on-year increase in cash inflows from sales of goods and provision of services
Net cash flows from investing activities	-115.68	Year-on-year increase in net investment outflows of DEC Finance
Net cash flow from financing activities	883.16	Absorption of external investment of RMB211 million by DEC Hydrogen, a subsidiary
Net profit attributable to shareholders of the Company	46.31	The corresponding increase in gross profit as a result of the increase in revenue for the current period
Basic earnings per share (RMB/share)	46.31	The corresponding increase in gross profit as a result of the increase in revenue for the current period
Diluted earnings per share (RMB/share)	46.31	The corresponding increase in gross profit as a result of the increase in revenue for the current period
Weighted average return on net assets (%)	Increased by 0.78 percentage point	The corresponding increase in gross profit as a result of the increase in revenue for the current period

Explanation:

- (1) Reasons for changes in accounts receivable: the balance of accounts receivable at the end of the period was RMB10.518 billion, representing an increase of 31.70% as compared with the beginning of the year, mainly due to the corresponding increase in accounts receivable as a result of the expansion of sales scale.
- (2) Reasons for changes in receivables financing: the balance of receivables financing at the end of the period was RMB871 million, representing a decrease of 35.14% as compared with the beginning of the year, mainly due to the increase in the bill endorsement for the current period.
- (3) Reasons for changes in long-term receivables: the balance of long-term receivables at the end of the period was RMB753 million, representing an increase of 36.32% as compared with the beginning of the year, mainly due to the increase in installment collections for goods sold for the current period.
- (4) Reasons for changes in short-term borrowings: the balance of short-term borrowings for the current period was RMB62 million, representing an increase of 47.81% as compared with the beginning of the year, mainly due to the new borrowings of RMB20 million required for the operation of subsidiaries.
- (5) Reasons for changes in other current liabilities: the balance of other current liabilities at the end of the period was RMB555 million, representing a decrease of 34.02% as compared with the beginning of the year, mainly due to the notes that were endorsed but not expired in the previous period were derecognized when they expired in the current period.
- (6) Reasons for changes in operating income: the operating income for the current period was RMB13.819 billion, representing a year-on-year increase of 30.10%, mainly due to the year-on-year increase of 39.88% in the income from the wind power segment for the current period.
- (7) Reasons for changes in operating costs: the operating costs for the current period were RMB11.517 billion, representing a year-on-year increase of 32.90%, mainly due to the corresponding increase as a result of the increase in sales volume.
- (8) Reasons for changes in tax and levies: the tax and levies for the current period was RMB84 million, representing a year-on-year increase of 60.19%, mainly due to the corresponding increase in value-added tax surcharges as a result of the increase in sales for the current period.
- (9) Reasons for changes in finance costs: finance costs for the current period were RMB-7 million, representing a year-on-year increase of RMB35 million, mainly due to the year-on-year increase in cash discounts for the current period.
- (10) Reasons for changes in other gains: other gains for the current period were RMB150 million, representing a year-on-year increase of 357.24%, mainly due to the gains from debt restructuring of RMB136 million for the current period.

- (11) Reasons for changes in gains from changes in fair values: the loss from changes in fair values for the current period was RMB40 million, representing a year-on-year increase of RMB28 million (the loss from changes in fair values for the same period last year was RMB12 million), mainly due to the impact of floating losses in funds and stocks for the current period.
- (12) Reasons for changes in impairment losses: the impairment losses for the current period were RMB64 million, representing a year-on-year decrease of RMB139 million (the impairment losses for the same period last year were RMB203 million), mainly due to the impairment from bankruptcy distribution and reversal of RMB109 million in the current period.
- (13) Reasons for changes in gains from disposal of assets: the gains from disposal of assets in the current period was RMB37 million, representing a year-on-year decrease of 75.47%, mainly due to there is no gains in the current period from disposal of assets generated by the industrial mixed ownership reform of its subsidiaries in the same period last year.
- (14) Reasons for the change in operating profit: the operating profit for the current period was RMB1.105 billion, representing a year-on-year increase of 53.06%, mainly due to the corresponding increase in gross profit as a result of the increase in revenue for the current period.
- (15) Reasons for the changes in total profit: the total profit for the current period was RMB1.091 billion, representing a year-on-year increase of 49.99%, which was mainly due to the corresponding increase in gross profit as a result of the increase in revenue for the current period.
- (16) Reasons for changes in income tax expenses: income tax expenses for the current period were RMB116 million, representing a year-on-year increase of 170.57%, mainly due to the corresponding increase in income tax expenses as a result of the increase in profits.
- (17) Reasons for the changes in net profit: the net profit for the current period was RMB975 million, representing a year-on-year increase of 42.46%, mainly due to the corresponding increase in gross profit as a result of the increase in revenue for the current period.
- (18) Net cash flow from operating activities: the net cash outflows from operating activities for the current period was RMB3.596 billion, representing a year-on-year decrease of RMB119 million (net outflows for the same period last year were RMB3.715 billion), mainly due to a year-on-year increase of 16.62% in cash inflows received from sales of goods and provision of services for the current period.
- (19) Net cash flow from investment activities: the net cash outflows from investment activities for the current period were RMB250 million, and the net inflows for the same period last year were RMB1.596 billion, mainly due to the year-on-year increase in the net outflows of investment from DEC Finance.
- (20) Net cash flow from financing activities: the net inflow of cash flow from financing activities for the current period was RMB220 million, representing a year-on-year increase of 883.16% (the net inflows in the same period last year were RMB22 million), mainly due to the absorption of external investment of RMB211 million by DEC Hydrogen, a subsidiary.

- (21) Net profit attributable to shareholders of the Company: the net profit attributable to shareholders of the Company for the current period was RMB926 million, representing a year-on-year increase of 46.31%, mainly due to the corresponding increase in gross profit as a result of the increase in revenue for the current period.
- (22) Basic earnings per share and diluted earnings per share: the basic earnings per share and diluted earnings per share for the current period were 0.297, representing a year-on-year increase of 46.31%, mainly due to the corresponding increase in gross profit as a result of the increase in revenue for the current period.
- (23) Weighted average return on net assets: the weighted average return on net assets for the current period was 2.81%, representing a year-on-year increase of 0.78 percentage point, mainly due to the corresponding increase in gross profit as a result of the increase in revenue for the current period.

II. INFORMATION ON SHAREHOLDERS

(I) Total number of ordinary shareholders, number of preference shareholders with voting rights restored and shareholdings of the top ten shareholders

Unit: shares

Total number of ordinary shareholders as at the end of the Reporting Period	Total number of preference shareholders with restored voting rights as at the end of Reporting Period (if any)					
	128,375					
0						
Shareholdings of the top ten shareholders						
Name of shareholder	Nature of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held	Pledged, tagged or frozen	
				subject to trading moratorium	Share status	Number
Dongfang Electric Corporation	State-owned legal person	1,727,919,826	55.40	753,903,063	Nil	
Hong Kong Securities Clearing Company Limited	Overseas legal person	305,564,017	9.80	0	Unknown	
Industrial and Commercial Bank of China Limited – GF Multi-factor Flexible Distribution Hybrid Securities Investment Funds (中國工商銀行股份有限公司－廣發多因子靈活配置混合型證券投資基金)	Other	18,950,289	0.61	0	Unknown	
Citigroup Inc.	Overseas legal person	16,996,266	0.54	0	Unknown	
Brown Brothers Harriman & Co.	Overseas legal person	15,323,886	0.49	0	Unknown	

Shareholdings of the top ten shareholders

Name of shareholder	Nature of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen Share status	Number
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)	Other	8,480,400	0.27	0	Unknown	
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets Management Program (易方達基金－農業銀行－易方達中證金融資產管理計劃)	Other	8,480,400	0.27	0	Unknown	
Dacheng Fund – Agricultural Bank–Dacheng 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)	Other	8,480,400	0.27	0	Unknown	
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)	Other	8,480,400	0.27	0	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)	Other	8,480,400	0.27	0	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)	Other	8,480,400	0.27	0	Unknown	

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 of shares	Number
Dongfang Electric Corporation	974,016,763	RMB ordinary shares	974,016,763
Hong Kong Securities Clearing Company Limited		Overseas-listed	
	305,564,017	foreign shares	305,564,017
Industrial and Commercial Bank of China Limited – GF Multi-factor Flexible Distribution Hybrid Securities Investment Funds (中國工商銀行股份有限公司－ 廣發多因子靈活配置混合型證券投資基金)	18,950,289	RMB ordinary shares	18,950,289
Citigroup Inc.	16,996,266	Overseas-listed foreign shares	16,996,266
Brown Brothers Harriman & Co.	15,323,886	Overseas-listed foreign shares	15,323,886
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 ordinary shares	8,480,400
E Fund – Agricultural Bank – E Fund China Securities and Financial Assets 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 ordinary shares	8,480,400
Dacheng Fund – Agricultural Bank–Dacheng 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 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 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 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 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 involvement in securities margin financing, short selling and refinancing (if any) by top ten shareholders and top ten holders of shares not subject to trading moratorium	Nil		

III. OTHER REMINDERS

Other important information about the Company's operations during the Reporting Period that should be brought to the attention of investors

☒ Applicable ☐ Not applicable

In the first quarter of 2022, the Company's new orders amounted to RMB17.94 billion, representing an increase of 14.7% as compared with the corresponding period of last year.

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

☐ Applicable ☒ Not applicable

(II) Financial statements

Consolidated Balance Sheet

31 March 2022

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	31 March 2022	31 December 2021
Current assets:		
Monetary fund	15,229,578,711.13	18,721,874,434.15
Balances with clearing companies	–	–
Lendings to banks and other financial institutions	2,488,811,400.00	2,331,536,400.00
Held-for-trading financial assets	1,419,191,321.93	1,466,444,004.12
Derivative financial assets	–	–
Notes receivable	2,753,179,720.30	2,994,627,532.41
Accounts receivable	10,518,417,662.52	7,986,787,322.58
Receivables financing	870,731,793.76	1,342,379,048.57
Prepayments	3,584,401,240.90	3,636,005,219.95
Premiums receivable	–	–
Reinsurance accounts receivable	–	–
Deposits receivable from reinsurance treaty	–	–
Other receivables	608,650,530.48	607,440,479.81
Including: Interest receivable	213,488,911.26	215,623,964.55
Dividends receivable	23,887,783.12	29,522,398.50
Financial assets purchased under resale agreements	2,762,696,400.00	2,827,514,000.00
Inventories	19,418,938,370.87	19,062,432,842.88
Contract assets	9,395,684,008.36	7,979,898,927.87
Assets held-for-sale	–	–
Non-current assets due within one year	43,053,650.46	57,404,867.28
Other current assets	826,568,177.03	840,264,379.42
Total current assets	69,919,902,987.74	69,854,609,459.04

Item	31 March 2022	31 December 2021
Non-current assets:		
Loans and advances granted	3,473,126,732.41	3,240,998,518.16
Debt investment	12,917,460,433.76	12,660,183,476.06
Other debt investment	–	–
Long-term receivables	752,842,423.41	552,276,661.97
Long-term equity investments	2,363,458,564.94	2,289,593,722.69
Investment in other equity instruments	57,300,000.00	52,300,000.00
Other non-current financial assets	–	–
Investment properties	156,469,591.39	157,660,075.01
Fixed assets	4,861,431,715.64	4,965,866,715.89
Construction in progress	313,750,917.81	286,478,771.81
Biological assets for production	–	–
Oil and gas assets	–	–
Right-of-use assets	201,071,293.42	231,326,102.07
Intangible assets	1,625,340,534.59	1,648,133,848.18
Development expenses	5,252,541.31	4,270,168.76
Goodwill	–	–
Long-term deferred expenditures	2,201,839.14	2,267,046.54
Deferred tax assets	3,140,642,883.24	3,140,003,311.70
Other non-current assets	3,865,616,436.09	4,018,605,426.45
Total non-current assets	<u>33,735,965,907.15</u>	<u>33,249,963,845.29</u>
Total assets	<u>103,655,868,894.89</u>	<u>103,104,573,304.33</u>

Item	31 March 2022	31 December 2021
Current liabilities:		
Short-term borrowings	61,830,000.00	41,830,000.00
Borrowings from central bank	–	–
Borrowings from banks and other financial institutions	–	–
Held-for-trading financial liabilities	–	–
Derivative financial liabilities	–	–
Notes payable	6,323,138,188.94	6,254,798,141.80
Accounts payable	15,956,984,812.32	13,959,367,074.05
Receipt in advance	–	–
Contract liabilities	27,687,962,837.65	30,404,986,962.19
Disposal of repurchased financial assets	–	–
Deposit taking and deposit in interbank market	3,609,853,395.26	3,739,754,238.51
Customer deposits for trading in securities	–	–
Amounts due to issuers for securities underwriting	–	–
Staff remuneration payable	787,051,946.56	785,747,202.80
Taxes payable	496,397,114.09	440,915,873.31
Other payables	1,478,856,245.66	1,406,088,437.27
Including: Interest payable	6,933,952.10	6,950,944.06
Dividends payable	3,706,331.08	3,740,681.09
Handling charges and commissions payable	–	–
Reinsurance accounts payable	–	–
Liabilities held-for-sale	–	–
Non-current liabilities due within one year	93,957,230.21	102,152,874.33
Other current liabilities	554,502,543.52	840,444,121.90
Total current liabilities	<u>57,050,534,314.21</u>	<u>57,976,084,926.16</u>

Item	31 March 2022	31 December 2021
Non-current liabilities:		
Insurance contract reserves	–	–
Long-term borrowings	1,553,961,791.12	1,565,091,967.96
Bonds payable	–	–
Including: Preferred shares	–	–
Perpetual capital securities	–	–
Lease liabilities	131,315,975.21	126,932,623.70
Long-term payables	240,000.00	240,000.00
Long-term staff remuneration payable	1,111,531,797.44	978,695,570.03
Estimated liabilities	6,903,232,066.14	6,668,286,020.12
Deferred income	365,572,549.22	359,404,573.56
Deferred tax liabilities	48,532,040.43	45,960,397.43
Other non-current liabilities	–	–
Total non-current liabilities	10,114,386,219.56	9,744,611,152.80
Total liabilities	67,164,920,533.77	67,720,696,078.96

Item	31 March 2022	31 December 2021
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	3,119,151,130.00	3,119,151,130.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual capital securities	–	–
Capital reserves	11,541,008,492.91	11,443,491,813.08
Less: Treasury shares	168,591,278.00	168,649,028.00
Other comprehensive income	-68,937,384.95	-68,955,596.96
Special reserves	130,758,260.21	109,375,113.28
Surplus reserves	1,086,931,884.63	1,086,931,884.63
General risk reserves	–	–
Retained profit	17,902,396,878.14	16,976,316,664.38
Total owners' equity (or shareholders' equity) attributable to owners of the parent company	33,542,717,982.94	32,497,661,980.41
Non-controlling interests	2,948,230,378.18	2,886,215,244.96
Total owners' equity (or shareholders' equity)	<u>36,490,948,361.12</u>	<u>35,383,877,225.37</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>103,655,868,894.89</u>	<u>103,104,573,304.33</u>
<i>Legal representative:</i> Yu Peigen	<i>Chief accountant:</i> Liu Zhiquan	<i>Head of the accounting department:</i> Zheng Xingyi

Consolidated Income Statement

January to March 2022

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
I. Total operating income	14,107,148,546.27	10,871,234,392.61
Including: Operating income	13,818,651,935.10	10,621,877,187.26
Interest income	287,914,199.60	248,774,793.80
Premium earned	–	–
Fee and commission income	582,411.57	582,411.55
II. Total operating costs	13,180,477,745.91	10,219,963,294.83
Including: Operating costs	11,516,563,259.42	8,665,270,520.68
Interest expenses	24,192,113.15	23,156,849.54
Fee and commission expenses	427,318.75	420,448.02
Surrenders	–	–
Net claims	–	–
Net provision for insurance contract	–	–
Insurance policy holder dividends	–	–
Expenses for reinsurance accepted	–	–
Tax and levies	84,225,547.06	52,580,089.32
Sales expenses	363,105,134.34	306,430,213.69
General and administrative expenses	744,893,497.23	663,765,574.21
Research and development costs	454,694,464.23	550,948,164.38
Finance costs	-7,623,588.27	-42,608,565.01
Including: Interest expenses	6,282,679.12	5,464,781.69
Interest income	3,494,603.78	4,956,394.98

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
Add: Other gains	150,263,705.14	32,863,155.56
Investment income (Loss is indicated by “-”)	93,675,957.76	100,781,555.90
Including: Income from investments in associates and joint ventures	76,952,339.21	69,447,258.33
Gains on derecognition of financial assets measured at amortised cost	–	–
Foreign exchange gains (Loss is indicated by “-”)	853,561.45	81,602.43
Gains from net exposure hedges (Loss is indicated by “-”)	–	–
Gains from changes in fair values (Loss is indicated by “-”)	-40,240,734.53	-11,864,007.40
Credit impairment loss (Loss is indicated by “-”)	47,206,725.12	-169,679,478.34
Impairment loss of assets (Loss is indicated by “-”)	-111,065,012.48	-33,460,048.82
Gains from disposal of assets (Loss is indicated by “-”)	37,211,337.73	151,689,975.51
III. Operating profit (Loss is indicated by “-”)	1,104,576,340.55	721,683,852.62
Add: Non-operating income	5,007,164.49	7,118,359.50
Less: Non-operating expenses	18,559,382.17	1,381,883.53
IV. Total profit (Total loss is indicated by “-”)	1,091,024,122.87	727,420,328.59
Less: Income tax expenses	115,677,360.12	42,753,067.57

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
V. Net profit (Net loss is indicated by “-”)	975,346,762.75	684,667,261.02
(I) Classified by continuity of operations		
1. Net profit from continuing operations	975,346,762.75	684,667,261.02
2. Net profit from discontinued operations	–	–
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company	926,080,213.76	632,953,003.56
2. Profit or loss attributable to non-controlling interests	49,266,548.99	51,714,257.46
VI. Other comprehensive income (net of tax)	-51,417.41	4,433,741.40
(I) Other comprehensive income attributable to owners of the parent company (net of tax)	18,212.01	4,339,991.03
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 2022 (January to March)	First quarter of 2021 (January to March)
2. Other comprehensive income that will be reclassified to profit or loss	18,212.01	4,339,991.03
(1) Other comprehensive income that can be reclassified to 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) Provisions for credit impairment of other debt investments	-564,769.74	–
(5) Reserves for cash flows hedges	0.00	–
(6) Exchange differences from translation of financial statements	582,981.75	4,433,906.83
(7) Others	–	–
(II) Other comprehensive income attributable to non-controlling interests (net of tax)	-69,629.42	93,750.37
VII. Total comprehensive income	975,295,345.34	689,101,002.42
(I) Total comprehensive income attributable to the owners of the parent company	926,098,425.77	637,292,994.59
(II) Total comprehensive income attributable to non-controlling interests	49,196,919.57	51,808,007.83

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.297	0.203
(II) Diluted earnings per share (RMB/share)	0.297	0.203

For the merger of enterprises under common control during the period, there was no net profit recorded by the merged party before the merger and for the previous period.

<i>Legal representative:</i>	<i>Chief accountant:</i>	<i>Head of the accounting department:</i>
Yu Peigen	Liu Zhiquan	Zheng Xingyi

Consolidated Cash Flow Statement
January to March 2022

Prepared by: Dongfang Electric Corporation Limited

Unit: yuan Currency: RMB Audit type: Unaudited

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
I. Cash flows generated from operating activities:		
Cash received from sale of goods and rendering of services	7,821,682,586.32	6,707,082,701.20
Net increase in customer and interbank deposits	-217,082,672.16	-53,122,095.42
Net increase in borrowings from central bank	–	-16,043,235.82
Net increase in borrowings from other financial institutions	-148,145,072.85	49,749.99
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 interest, fee and commission income	126,465,578.38	107,770,189.48
Net increase in borrowings from banks and other financial institutions	–	–
Net increase in repurchase business capital	–	–
Net cash received from securities trading agency services	–	–
Tax rebates received	161,460,131.43	19,643,335.86
Other cash received from operating activities	369,391,865.53	370,298,113.25
Sub-total of cash inflows from operating activities	8,113,772,416.65	7,135,678,758.54
Cash paid for purchasing of goods and receiving services	9,145,465,804.63	8,983,007,704.11
Net increase in customer loans and advances	459,802,394.71	219,615,720.09

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
Net increase in deposits with central bank and interbank deposits	-92,998,734.52	-114,546,077.13
Cash paid for compensation payments under original insurance contract	–	–
Net increase in lendings to banks and other financial institutions	–	–
Cash paid for interest expenses, fees and commissions	435,348.22	452,054.19
Cash paid for policy dividends	–	–
Cash paid to and for employees	978,450,072.89	934,095,406.22
Various taxes paid	427,915,766.70	346,481,696.89
Other cash payments relating to operating activities	791,038,191.68	481,511,764.18
Sub-total of cash outflows from operating activities	11,710,108,844.31	10,850,618,268.55
Net cash flows from operating activities	-3,596,336,427.66	-3,714,939,510.01
II. Cash flows generated from investing activities:		
Cash received from disposal of investments	7,715,767,299.57	2,224,927,306.68
Cash received from investment gains	5,634,615.38	1,250,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	58,640.00	9,528,649.28
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	7,721,460,554.95	2,235,705,955.96
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	70,554,792.59	99,443,096.82
Cash paid for investment	7,901,226,145.90	540,104,091.53
Net increase in pledged loans	–	–
Net cash paid for acquiring subsidiaries and other operating entities	–	–

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
Other cash paid relating to investing activities	–	–
Sub-total of cash outflows from investing activities	7,971,780,938.49	639,547,188.35
Net cash flows generated from investing activities	-250,320,383.54	1,596,158,767.61
III. Cash flows generated from financing activities:		
Cash received from investment activities	221,256,227.50	36,502,500.00
Including: Cash received by subsidiaries from contribution of non-controlling interests	221,256,227.50	36,502,500.00
Cash received from borrowings	20,000,000.00	6,220,000.00
Other cash received from financing-related activities	–	–
Sub-total of cash inflows from financing activities	241,256,227.50	42,722,500.00
Cash for repayment of borrowings	9,597,026.72	12,183,910.00
Cash for dividend payment, profit distribution or interest payment	4,739,987.80	8,209,165.64
Including: Dividend and profit paid by subsidiaries to non-controlling interests	–	–
Other cash paid for financing-related activities	7,383,989.30	
Sub-total of cash outflows from financing activities	21,721,003.82	20,393,075.64
Net cash flows generated from financing activities	219,535,223.68	22,329,424.36
IV. Effects of exchange rate fluctuation on cash and cash equivalents	-9,479,936.89	13,599,203.23

Item	First quarter of 2022 (January to March)	First quarter of 2021 (January to March)
V. Net increase in cash and cash equivalents	-3,636,601,524.41	-2,082,852,114.81
Add: Cash and cash equivalents at the beginning of the period	16,324,077,597.44	24,277,749,507.44
VI. Cash and cash equivalents at the end of the period	12,687,476,073.03	22,194,897,392.63

<i>Legal representative:</i>	<i>Chief accountant:</i>	<i>Head of the accounting department:</i>
Yu Peigen	Liu Zhiquan	Zheng Xingyi

Adjustments to relevant items in the financial statements at the beginning of the year as a result of initial application of the new accounting standard from 2022

☐ Applicable ☒ Not applicable

**The board of directors of
Dongfang Electric Corporation Limited**
29 April 2022