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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)

PRELIMINARY ANNOUNCEMENT OF 2020 INTERIM RESULTS

RESULTS HIGHLIGHTS

Total operating revenue of the Group in the first half of 2020 amounted to RMB17,753 million, representing an increase of 12.07% compared with the same period of the previous year;

Net profit of the Group attributable to shareholders of the parent company in the first half of 2020 amounted to RMB954 million, representing an increase of 30.79% compared with the same period of the previous year;

Earnings per share of the Group in the first half of 2020 amounted to RMB0.31, as compared with RMB0.24 for the same period of the previous year;

New orders of the Group in the first half of 2020 amounted to RMB25,887 million; and

The Board does not recommend the payment of an interim dividend.

The board (the "**Board**") of directors (the "**Directors**") of Dongfang Electric Corporation Limited (the "**Company**") is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2020 (the "**Period**" or "**Reporting Period**") prepared in accordance with the China Accounting Standards for Business Enterprises. The unaudited interim consolidated results have been reviewed by the audit and review committee of the Company.

I. FINANCIAL INFORMATION

(Amounts are expressed in RMB unless otherwise stated)

Consolidated Statement of Financial Position

30 June 2020

Item	*Notes*	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
Current Assets:			
Cash and cash equivalents		**29,572,496,641.84**	30,479,728,679.02
Clearing provision		**–**	–
Funds for lending		**–**	469,762,000.00
Held-for-trading financial assets		**2,379,042,891.01**	1,606,664,199.35
Derivative financial assets		**–**	–
Notes receivable		**2,020,516,077.20**	1,518,715,778.12
Accounts receivable	3	**7,701,159,476.45**	6,215,286,948.87
Receivables financing		**1,005,202,251.96**	1,816,408,795.25
Prepayments		**2,725,962,363.96**	2,467,333,662.69
Premiums receivable		**–**	–
Amounts receivable under reinsurance contracts		**–**	–
Reinsurer's share of insurance contract reserves		**–**	–
Other receivables		**752,750,630.61**	989,033,924.05
Financial assets purchased under resale agreements		**2,540,000,000.00**	2,490,000,000.00
Inventories		**13,758,239,335.44**	13,142,022,679.41
Contract assets		**7,733,552,158.13**	7,290,368,005.89
Assets held for sale		**–**	–
Non-current assets due within one year		**–**	–
Other current assets		**982,415,342.07**	913,567,655.40
Total Current Assets		**71,171,337,168.67**	69,398,892,328.05

Item	*Notes*	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
Non-current Assets:			
Loans and advances		**1,227,511,850.50**	1,025,152,847.76
Debt investments		**4,923,102,491.00**	3,756,152,435.75
Other debt investments		**–**	–
Long-term receivables		**301,753,716.39**	390,738,271.80
Long-term equity investments	10	**1,775,202,520.72**	1,717,650,083.08
Other investments in equity instruments		**2,744,649.47**	4,889,859.48
Other non-current financial assets		**–**	–
Investment properties		**169,349,801.97**	175,495,834.49
Fixed assets		**5,007,042,108.49**	5,279,930,962.85
Constructions in process		**446,895,153.14**	382,771,135.73
Productive biological assets		**–**	–
Oil and gas assets		**–**	–
Right-of-use assets		**226,627,440.94**	291,388,386.25
Intangible assets		**1,600,216,271.59**	1,632,833,016.54
Development expenditure		**–**	–
Goodwill		**–**	–
Long-term deferred expenses		**40,328,894.83**	50,792,966.40
Deferred tax assets		**2,925,530,857.16**	2,892,961,105.86
Other non-current assets		**2,918,723,749.98**	2,619,316,321.68
Total Non-current Assets		**21,565,029,506.18**	20,220,073,227.67
TOTAL ASSETS		**92,736,366,674.85**	89,618,965,555.72

Item	*Notes*	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
Current Liabilities:			
Short-term Loans		**36,380,000.00**	13,850,000.00
Loans from the central bank		**67,036,458.15**	–
Taking from banks and other financial institutions		**424,770,000.00**	–
Held-for-trading financial liabilities		**–**	–
Derivative financial liabilities		**–**	–
Notes payable		**3,192,449,801.80**	3,650,947,932.56
Accounts payable	4	**13,999,434,472.05**	11,833,812,175.96
Receipts in advance		**–**	28,000,000.00
Contract liabilities		**26,427,359,402.90**	25,873,464,019.06
Financial assets sold under repurchase agreements		**–**	–
Customer deposits and deposits from banks and other financial institutions		**4,799,383,336.18**	4,999,411,987.90
Funds from securities trading agency		**–**	–
Funds from underwriting securities agency		**–**	–
Employee benefits payable		**668,751,061.69**	780,900,223.52
Taxes payable		**122,866,642.55**	261,045,191.58
Other payables		**2,336,783,565.21**	1,770,776,404.82
Fees and commissions payable		**–**	–
Amounts payable under insurance contracts		**–**	–
Liabilities as held for sale		**–**	–
Non-current liabilities due within one year		**123,967,481.10**	154,232,008.74
Other current liabilities		**73,988,323.36**	87,375,624.68
Total Current Liabilities		**52,273,170,544.99**	49,453,815,568.82

Item	*Notes*	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
Non-current Liabilities:			
Insurance contract reserves		**–**	–
Long-term borrowings		**622,717,903.80**	627,019,323.12
Bonds payable		**–**	–
Including: Preferred stock		**–**	–
Perpetual capital securities		**–**	–
Lease liabilities		**108,072,699.30**	156,664,637.27
Long-term payables		**9,473,942.42**	9,600,357.51
Long-term accrued payroll		**763,458,350.08**	784,413,550.52
Provisions liabilities		**6,164,426,273.28**	6,280,380,090.91
Deferred income		**444,176,838.78**	470,607,566.07
Deferred tax liabilities		**37,432,742.46**	38,031,490.91
Other non-current liabilities		**–**	–
Total Non-current Liabilities		**8,149,758,750.12**	8,366,717,016.31
TOTAL LIABILITIES		**60,422,929,295.11**	57,820,532,585.13

Item	*Notes*	**30 June 2020 (Unaudited)**	31 December 2019 (Audited)
OWNERS' EQUITY：			
Share capital		**3,118,792,130.00**	3,090,803,431.00
Other equity instruments		**–**	–
Including: Preferred stock		**–**	–
Perpetual capital securities		**–**	–
Capital reserves		**11,331,960,245.62**	11,345,339,174.91
Less: Treasury shares		**165,972,988.00**	165,972,988.00
Other comprehensive income		**(21,767,001.52)**	(24,418,047.58)
Special reserves		**91,599,565.07**	76,102,748.09
Surplus reserves		**907,174,974.45**	907,174,974.45
General risk reserves		**–**	–
Retained profits	5	**14,541,621,676.76**	14,225,616,456.64
Total owners' equity attributable to equity holders of the parent company		**29,803,408,602.38**	29,454,645,749.51
Non-controlling Shareholders' equity		**2,510,028,777.36**	2,343,787,221.08
Total owners' equity		**32,313,437,379.74**	31,798,432,970.59
TOTAL LIABILITIES AND OWNERS' EQUITY		**92,736,366,674.85**	89,618,965,555.72

Consolidated Income Statement

For the six months ended January-June 2020
(Amounts are expressed in RMB unless otherwise stated)

Item	*Notes*	**January-June 2020 (Unaudited)**	January-June 2019 (Unaudited)
I. Total revenue	6	**17,752,970,500.73**	15,841,165,600.17
Including: Operating income		**17,220,493,375.80**	15,309,891,387.85
Interest income		**531,303,054.28**	531,274,212.32
Premium earned		**–**	–
Fee and commission income		**1,174,070.65**	–
II. Total operating costs		**16,342,701,521.47**	14,529,860,250.66
Including: Operating costs		**13,952,748,578.34**	11,993,909,056.13
Interest expenses		**47,110,050.60**	40,719,217.85
Fee and commission expenses		**538,467.32**	594,693.41
Surrenders		**–**	–
Net claims		**–**	–
Net provision for insurance contract		**–**	–
Insurance policyholder dividends		**–**	–
Expenses for reinsurance accepted		**–**	–
Tax and levies		**98,761,632.25**	133,237,744.74
Sales expenses		**365,245,712.90**	461,061,153.42
Administrative expenses		**1,032,305,007.66**	1,144,703,122.20
R&D expenses		**882,438,413.90**	785,932,757.27
Financial expenses		**(36,446,341.50)**	(30,297,494.36)
Including: Interest expenses		**14,328,027.89**	16,965,368.96
Interest income		**18,780,641.10**	41,526,780.39

Item	Notes	January-June 2020 (Unaudited)	January-June 2019 (Unaudited)
Add: Other gains		**52,270,749.46**	35,193,001.67
Investment income (Loss is indicated by "-")		**113,443,156.99**	150,623,380.79
Including: Income from investments in associates and joint ventures		**72,334,525.29**	101,336,724.54
Derecognition gains on financial assets measured at amortized cost		**–**	–
Foreign exchange gains (losses are indicated by ("–")		**413,609.59**	407,997.15
Gains from net exposure hedges (losses are indicated by "–")		**–**	–
Gains from changes in fair values (losses are indicated by "–")		**(110,146,758.23)**	(78,884,253.33)
Credit impairment loss (losses are indicated by "–")		**(74,067,558.00)**	(176,131,592.81)
Impairment loss of assets (losses are indicated by "–")		**(214,254,727.16)**	(347,801,337.28)
Gains from disposal of assets (losses are indicated by "–")		**4,914,531.35**	1,200,600.28
III. Operating profit (Loss is indicated by "-")		**1,182,841,983.26**	895,913,145.98
Add: Non-operating income		**23,303,528.84**	36,121,605.45
Less: Non-operating expenses		**56,519,445.40**	14,056,491.92
IV. Total profit (Total loss is indicated by "-")		**1,149,626,066.70**	917,978,259.51
Less: Income tax expenses	7	**130,091,593.13**	131,858,274.81

Item	*Notes*	**January-June 2020 (Unaudited)**	January-June 2019 (Unaudited)
V. Net profit (Net loss is indicated by "-"))		**1,019,534,473.57**	786,119,984.70
(I). Classified by continuing operations		**–**	–
1. Net profit from continuing operations (net loss indicated by "-")		**1,019,534,473.57**	786,119,984.70
2. Net profit from discontinued operations (net loss indicated by "-")		**–**	–
(II). Classified by ownership			
1. Net profit attributable to shareholders of parent company (net loss indicated by "-")		**954,371,842.93**	729,692,676.27
2. Profit or loss attributable to non-controlling interest (net loss indicated by "-")		**65,162,630.64**	56,427,308.43
VI. Other comprehensive income ("OCI") (net of tax)		**3,860,709.34**	2,630,247.87
OCI attributable to owners of the parent company (net of tax)		**3,636,809.90**	2,609,900.25
(I) OCI that will not be reclassified to profit and loss		**1,158,533.99**	–
1. Changes arising from re-measurement benefit plans recognized		**–**	–
2. OCI by equity method that will not be reclassified to profit and loss		**–**	–
3. Changes in fair value of investment in other equity instruments		**1,158,533.99**	–
4. Changes in fair value of the Company's own credit risks		**–**	–

Item	*Notes*	**January-June 2020 (Unaudited)**	January-June 2019 (Unaudited)
(II) OCI that will be reclassified to profit and loss		**2,478,275.91**	2,609,900.25
1. OCI by equity method that will be reclassified to profit and loss		**(10,413.15)**	–
2. Changes in fair value of other debt investment		**–**	–
3. The amount of financial assets reclassified into OCI		**–**	–
4. Credit impairment provisions for other debt investment		**–**	–
5. Reserve on cash flow hedges		**–**	–
6. Exchange differences from translation of financial statements		**2,488,689.06**	2,,609,900.25
7. Others		**–**	–
OCI attributable to non-controlling interest, (net of tax)		**223,899.44**	20,347.62
VII. Consolidated income		**1,023,395,182.91**	788,750,232.57
Consolidated income attributable to owners of parent company		**958,008,652.83**	732,302,576.52
Consolidated income attributable to non-controlling interests		**65,386,530.08**	56,447,656.05
VIII. Earnings per share:			
(1) Basic earnings per share *(RMB/share)*	8	**0.31**	0.24
(2) Diluted earnings per share *(RMB/share)*	8	**0.31**	0.24

NOTES TO THE FINANCIAL INFORMATION

For the six months ended 30 June 2020
(Amounts are expressed in RMB unless otherwise stated)

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(I) Basis of preparation

Based on the going-concern assumption and transactions and events actually incurred, the financial statements have been prepared by the Company in accordance with the Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards, the Accounting Standards for Business Enterprises – Application Guide, interpretations to the Accounting Standards for Business Enterprises and the other related provisions (hereafter collectively referred to as "**ASBEs**") by the Ministry of Finance, No. 15 Information Disclosures Regulations for Companies Offering Shares in Public – General Rules of Preparing Financial Reports issued by China Securities Regulatory Commission, and disclosure requirements under Rules Governing the Listing of Securities on The Stock Exchanges of Hong Kong Limited and Hong Kong Companies Ordinance.

2. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(I) Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated financial position of the Company as at 30 June 2020 and the consolidated operating results from January to June 2020.

(II) Functional currency

The functional currency of the Company is Renminbi (RMB).

3. ACCOUNTS RECEIVABLE

Item	**30 June 2020** **(Unaudited)**	31 December 2019 (Audited)
Accounts receivable	**12,250,912,587.73**	10,477,791,761.13
Less: Provision for bad debts	**(4,549,753,111.28)**	(4,262,504,812.26)
Net accounts receivable	**7,701,159,476.45**	6,215,286,948.87

Aging analysis of accounts receivable

Aging	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Within 1 year	**5,085,659,289.21**	3,584,734,118.98
1 to 2 years	**1,588,681,717.37**	1,220,225,381.88
2 to 3 years	**834,279,457.50**	1,242,701,454.24
3 to 4 years	**1,147,710,652.61**	1,120,166,619.62
4 to 5 years	**837,970,428.60**	859,218,842.68
Over 5 years	**2,756,611,042.44**	2,450,745,343.73
Sub-total	**12,250,912,587.73**	10,477,791,761.13
Less: Provision for bad debts	**(4,549,753,111.28)**	(4,262,504,812.26)
Total	**7,701,159,476.45**	6,215,286,948.87

Note: The Group conducted the aging analysis for accounts receivable based on the dates of relevant invoices and settlement statements.

4. ACCOUNTS PAYABLE

Aging analysis of accounts payable

Aging	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Within 1 year (inclusive)	**11,911,024,870.91**	9,606,589,127.35
1 to 2 years (inclusive)	**683,037,559.38**	803,022,569.41
2 to 3 years (inclusive)	**538,330,022.88**	501,740,777.39
Over 3 years	**867,042,018.88**	922,459,701.81
Total	**13,999,434,472.05**	11,833,812,175.96

The Company conducted the aging analysis for accounts payable based on the dates of relevant invoices and settlement statements.

5. RETAINED PROFITS

Item	**30 June 2020 (Unaudited)**	31 December 2019 (Unaudited)
Retained profits at the beginning of the Period	**14,255,616,456.64**	13,324,105,405.23
Add: Net profits attributable to owners of parent company for the Period	**954,371,842.93**	729,692,676.27
Less: Withdrawal of statutory surplus reserves	**–**	–
Withdrawal of discretionary surplus reserve	**–**	–
Withdrawal of general risk reserve	**–**	–
Dividend payable on ordinary shares	**639,352,386.65**	339,988,377.41
Ordinary shares dividends transferred to share capital	**–**	–
Carry-forward of other comprehensive income for retained earnings	**(985,763.84)**	–
Retained profits at the end of the Period	**14,541,621,676.76**	13,713,809,704.09

6. OPERATING REVENUE AND OPERATING COST

	For the six months ended 30 June 2020 (Unaudited)		For the six months ended 30 June 2019 (Unaudited)	
Item	**Revenue**	**Cost/Interest expenses/Fee and commission expenses**	Revenue	Cost/Interest expenses/Fee and commission expenses
Principal operations	**16,971,221,005.09**	**13,815,417,335.42**	15,131,864,131.73	11,861,171,565.55
Other operations	**249,272,370.71**	**137,331,242.92**	178,027,256.12	132,737,490.58
Interest income	**531,303,054.28**	**47,110,050.60**	531,274,212.32	40,719,217.85
Fee and commission income	**1,174,070.65**	**538,467.32**	–	594,693.41
Total	**17,752,970,500.73**	**14,000,397,096.26**	15,841,165,600.17	12,035,222,967.39

7. INCOME TAX EXPENSES

Item	**For the six months ended 30 June 2020 (Unaudited)**	For the six months ended 30 June 2019 (Unaudited)
Income tax expenses for current period	**163,260,092.88**	173,152,950.72
Deferred income tax expenses	**(33,168,499.75)**	(41,294,675.91)
Total	**130,091,593.13**	131,858,274.81

Except for four overseas subsidiaries of the Company, namely Dongfang Electric (India) Private Limited (東方電氣(印度)有限公司), Dongfang Electric (Indonesia) Private Limited (東方電氣(印尼)有限公司), Dongfang Electric Machinery Venezuela Co., Ltd. (東方電機委內瑞拉有限責任公司) and Laos Nam Mang Power Company Limited (老撾南芒河電力有限公司), which are subject to corporate income tax as stipulated by their respective local laws, Dongfang Electric Wind Power (Fujian) Co., Ltd. (東方電氣風電(福建)有限公司) and Science and Technology Institute Co., Ltd. of Dongfang Electric Corporation (東方電氣集團科學技術研究院有限公司) is subject to corporate income rate applicable to small and low-profit enterprise and certain other subsidiaries which enjoy a preferential tax rate of 15%, the remaining subsidiaries are subject to corporate income tax at a rate of 25%.

8. EARNINGS PER SHARE

(1) Basic earnings per share

Basic earnings per share are computed by dividing the consolidated net profit attributable to the holders of ordinary shares of the Parent Company by the weighted average number of the Parent Company's outstanding ordinary shares.

Item	**For the six months ended 30 June 2020 (Unaudited)**	For the six months ended 30 June 2019 (Unaudited)
Combined net profit attributable to Parent Company's shareholders of ordinary shares	**954,371,842.93**	729,692,676.27
Combined net profit attributable to Parent Company's shareholders of ordinary shares (after deducting non–recurring profit or loss)	**982,498,415.86**	717,476,185.36
Weighted average number of outstanding ordinary shares of the Company	**3,090,803,431.00**	3,090,803,431.00
Basic earnings per share *(RMB per share)*	**0.31**	0.24
Basic earnings per share *(RMB per share)* (after deducting non–recurring profit or loss)	**0.32**	0.23

(2) Process for calculating the weighted average number of ordinary shares:

Item	**For the six months ended 30 June 2020 (Unaudited)**	For the six months ended 30 June 2019 (Unaudited)
Number of outstanding ordinary shares at the beginning of the year	**3,090,803,431.00**	3,090,803,431.00
Weighted average number of outstanding ordinary shares	**3,090,803,431.00**	3,090,803,431.00

Weighted average of the Company's outstanding ordinary shares

= Share capital at the beginning of the year + shares issued in the current period * months counted from the next month following share increase to the end of the Reporting Period/the number of months during the Reporting Period

=3,090,803,431.00

Basic earnings per share

= the consolidated net profit attributable to the holders of ordinary shares of the Parent Company/the weighted average number of the outstanding ordinary shares

=954,371,842.93/3,090,803,431.00=0.31

(3) Diluted earnings per share

Since there was no dilution effect on the share equity during the Period (no dilution effect during the same period of the previous year), the diluted earnings per share equals to the basic earnings per share.

9. SEGMENT INFORMATION

According to the Company's internal organization structure, management requirement and internal reporting system, the Company's operating business are divided into five reportable segments, which are determined on the basis of the internal organization structure, management requirement and internal reporting system. The Company's management regularly evaluates the operating results of these reportable segments to determine the allocation of resources and assess its performance. Main products and labor services provided by each reportable segment of the Company are respectively as follows: high-efficient clean energy equipment, renewable energy equipment, engineering and trade, modern manufacturing services, and emerging growth business.

Information on segment reporting are disclosed according to the accounting policies and measurement standards adopted by each segment to report to the management, which are consistent with the accounting and measurement basis adopted when the financial statements are prepared.

Reportable segments for the first half of 2020

Item	High-efficient clean energy equipment	Renewable energy equipment	Engineering and trade	Modern Manufacturing services business	Emerging growth business	Summary	Write-off	Total
Operating income	13,592,185,112.09	4,564,167,843.68	2,699,927,065.90	2,166,157,270.73	2,153,252,377.20	25,175,689,669.60	7,422,719,168.87	17,752,970,500.73
Including: External transaction income	8,455,535,717.65	3,200,435,990.79	2,209,839,088.11	1,972,341,354.37	1,914,818,349.81	17,752,970,500.73	–	17,752,970,500.73
Inter-segment transaction income	5,136,649,394.44	1,363,731,852.89	490,087,977.79	193,815,916.36	238,434,027.39	7,422,719,168.87	7,422,719,168.87	–
Operating cost	6,959,009,656.70	2,759,676,709.49	1,707,443,047.05	954,444,057.52	1,619,823,625.50	14,000,397,096.26	7,321,691,430.47	6,678,705,665.79
Cost written off	5,223,350,012.65	1,279,454,842.75	489,404,505.95	148,817,783.74	180,664,285.38	7,321,691,430.47	7,321,691,430.47	–
Expenses for the period	–	–	–	–	–	1,887,208,401.86	(356,334,391.10)	2,243,542,792.96
Operating profit (loss)	6,633,175,455.39	1,804,491,134.19	992,484,018.85	1,211,713,213.21	533,428,751.70	9,288,084,171.48	8,105,242,188.22	1,182,841,983.26
Total assets						165,447,668,703.87	72,711,302,029.02	92,736,366,674.85
Including: Amount of substantial impairment loss on a single asset								
Total liabilities						112,382,067,139.28	51,959,137,844.17	60,422,929,295.11
Supplemental information								
Capital expenditure						–	–	–
Recognized impairment loss of the current period						252,951,055.57	18,042,937.30	234,908,118.27
Including: Amortization of impairment of goodwill								
Depreciation and amortization expenses						503,092,476.30	–	503,092,476.30
Non-cash expenses other than impairment loss, depreciation and amortization						–	–	–

Reportable segments for the first half of 2019

Item	High-efficient clean energy equipment	Renewable energy equipment	Engineering and trade	Modern manufacturing services business	Emerging growth business	Summary	Write-off	Total
Operating income	14,744,369,809.50	3,135,231,820.71	1,186,441,080.25	2,186,149,761.57	1,880,662,411.24	23,132,854,883.27	7,291,689,283.10	15,841,165,600.17
Including: External transaction income	8,710,411,128.52	2,581,451,833.10	1,314,457,623.64	1,877,141,526.89	1,357,703,488.02	15,841,165,600.17	–	15,841,165,600.17
Inter-segment transaction income	6,033,958,680.98	553,779,987.61	(128,016,543.39)	309,008,234.68	522,958,923.22	7,291,689,283.10	7,291,689,283.10	–
Operating cost	12,926,678,413.06	2,771,937,804.43	952,961,354.78	1,558,443,931.70	1,420,391,152.83	19,630,412,656.80	7,595,189,689.41	12,035,222,967.39
Cost written off	6,184,935,179.51	543,816,982.22	(117,427,474.82)	620,506,544.67	363,358,457.83	7,595,189,689.41	7,595,189,689.41	–
Expenses for the period	–	–	–	–	–	2,170,891,314.37	(323,745,968.90)	2,494,637,283.27
Operating profit (loss)	1,817,691,396.44	363,294,016.28	233,479,725.47	627,705,829.87	460,271,258.41	1,331,550,912.10	435,637,766.12	895,913,145.98
Total assets						155,995,906,230.91	69,632,570,964.96	86,363,335,265.95
Including: Amount of substantial impairment loss on a single asset								
Total liabilities						104,307,857,816.37	49,428,761,531.73	54,879,096,284.64
Supplemental information								
Capital expenditure						–	–	–
Recognized impairment loss of the current period						451,465,825.81	(72,467,104.28)	523,932,930.09
Including: Amortization of impairment of goodwill								
Depreciation and amortization expenses						459,164,757.66	–	459,164,757.66
Non-cash expenses other than impairment loss, depreciation and amortization						–	–	–

10. LONG-TERM EQUITY INVESTMENTS

Unit: RMB

Invested companies	Balance at the beginning of the year	Increase/decrease for the Period: Follow-on investment	Decrease in investment	Recognized investment loss/gain by equity method	Adjustment to other comprehensive income	Other change in equity	Announcement of distribution of cash dividends or profit	Others	Balance at the end of the Period	Provision for impairment made in the Period	Balance of provision for impairment at the end of the Period
1. Joint ventures											
MHPS Dongfang Boiler Co., Ltd	201,740,045.96	–	–	703,513.23	–	–	–	–	202,443,559.19	–	–
Dongfang Framatome Nuclear Pump Co., Ltd	197,683,241.32	–	–	299,373.24	–	–	–	–	197,982,614.56	–	–
Dongfang Electric (Xichang) Hydrogen Energy Co., Ltd.	6,797,753.04	–	–	4,382.48	–	–	–	–	6,802,135.52	–	–
Sub-total	406,221,040.32	–	–	1,007,268.95	–	–	–	–	407,228,309.27	–	–
2. Associated companies											
Sichuan Wind Power Industry Investment Co., Ltd	377,037,984.14	16,600,000.00	–	54,217,940.02	–	–	–	–	447,855,924.16	–	–
Huadian Longkou Wind Power Co., Ltd	69,411,440.90	–	–	6,175,494.58	–	–	19,787,607.31	–	55,799,328.17	–	–
Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	24,089,758.61	–	–	1,718,798.05	–	–	7,017,408.83	–	18,791,147.83	–	–
CLP Combined Heavy Gas Turbine Technology Co., Ltd.	131,727,987.41	–	–	2,744.55	–	–	–	–	131,730,731.96	–	–
Inner Mongolia Mengneng Sanshengtai Wind Power Co., Ltd.	20,507,393.99	–	–	1,476,429.17	–	–	3,460,131.28	–	18,523,691.88	–	–
Inner Mongolia Mengneng Wulan New Energy Co., Ltd.	43,555,480.19	–	–	806,089.88	–	–	3,828,807.76	–	40,532,762.31	–	–
Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd	501,521,321.70	–	–	2,520,517.33	–	–	–	5,099,899.58	509,141,738.61	–	–
Sichuan Dongshu New Material Co., Ltd.	138,140,317.21	–	–	5,353,757.03	(11,032.05)	–	2,377,000.00	–	141,106,042.19	–	–
Leshan City Dongle Heavy Piece Handling Co., Ltd.	3,414,983.64	–	–	(944,514.27)	–	–	–	–	2,470,469.37	–	–
Liangshan Fengguang New Energy Operation and Maintenance Co., Ltd	2,022,374.97	–	–	–	–	–	–	–	2,022,374.97	–	–
Sub-total	1,311,429,042.76	16,600,000.00	–	71,327,256.34	(11,032.05)	–	36,470,955.18	5,099,899.58	1,367,974,211.45	–	–
Total	1,717,650,083.08	16,600,000.00	–	72,334,525.29	(11,032.05)	–	36,470,955.18	5,099,899.58	1,775,202,520.72	–	–

11. DIVIDENDS

The Company paid 2019 final dividend of RMB2.05 for every 10 shares (before tax) totalling a cash distribution of RMB639,352,386.65 (before tax) to its shareholders on 24 August 2020, with the approval at the 2019 annual general meeting held on 24 June 2020.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2020 (30 June 2019: Nil).

II. MANAGEMENT DISCUSSION AND ANALYSIS

Industry Information

In the first half of 2020, China's economy faced severe challenges such as the impact of COVID-19 epidemic. Under the implementation of a series of policies, China's economic operation first fell and then rose and recovered steadily. The main indicators have gradually picked up. The gross domestic product (GDP) for the second quarter of 2020 increased by 3.2% as compared with the same period of the previous year, turning negative to positive from the decrease of 6.8% in the first quarter of 2020, and the overall electricity consumption situation in the whole community continued to improve. From January to June of 2020, the national total electricity consumption was 3,354.7 billion kWh, representing a year-on-year decrease of 1.3%, of which, the national total electricity consumption in June of 2020 was 635 billion kWh, representing a year-on-year increase of 6.1%. The investment in power engineering of major power generation enterprises in the PRC increased by 51.5% as compared with the same period of the previous year, of which the investment in hydropower and wind power increased by 25.3% and 152.2% as compared with the same period of the previous year, respectively, while the investment in nuclear power was slightly lower than that of the previous year, and the investment in thermal power decreased by 31.9% as compared with the same period of the previous year.

Overall Business Review

The Company engages in the power equipment industry, adhering to the objective of "to create value and to enjoy fruits together (共創價值、共享成功)", committed to becoming a world leading manufacturer of energy and equipment and service provider with international competitiveness. The Company's main products include 50,000–1 million kilowatt-class thermal power generating units, 50,000–1 million kilowatt-class hydro-electric turbine generator units, 1–1.75 million kilowatt-class nuclear power units, heavy-duty gas turbine equipment, 1.5–10 megawatt-class wind power equipment and high-efficiency solar power plants equipment, hydrogen energy and fuel cell automotive power system, large environmental protection and water treatment equipment, power electronics and control system, new energy batteries and energy storage system and intelligent equipment. The Company has created a product structure where six power generations, namely "hydropower, thermal power, nuclear power, wind power, steam power, and solar power generation" are simultaneously developed in a coordinated way.

The Company is mainly engaged in developing, designing, manufacturing and selling large, advanced sets of equipment for high-efficiency and clean generation of hydropower, thermal power, nuclear power, wind power, steam power and solar thermal. The Group is also engaged in such related business as providing global electricity operators with construction contracting and services. As one of the largest R&D and manufacturing bases of power generation equipment and one of the mega enterprises for power-plant project contracting in globe, the Company has ranked top globally for successive years in terms of production volume of power generation equipment. With its power generation equipment and service business covering nearly 80 countries and regions, the Company is highly competitive and influential in the field of power generation equipment. In the first half of 2020, there was no material change to the principal business of the Company.

Discussion and Analysis of Operations

In the first half of 2020, facing with the impact of the COVID-19 epidemic, the Company adhered to scientific epidemic prevention and control according to the deployment of the Party and the state, implemented the resumption of work and production, continued to promote the high-quality development of the Company, and achieved "Double Victories" in epidemic prevention and control as well as in production and operation.

Growth in Production and Operation Against the Trend

In the first half of 2020, the Company overcame the adverse effects of the pandemic, made unremitting efforts to manage well in all aspects of production and operation, and consolidated and enhanced the good momentum of high-quality development. During the Reporting Period, the Company recorded a total operating revenue of RMB17.753 billion, representing an increase of 12.07% over the same period of the previous year; net profit attributable to shareholders of the Company was RMB954 million, representing an increase of 30.79% over the same period of the previous year; and earnings per share of RMB0.31. Consolidated gross profit margin was 21.14%.

Capacity of Power Generation Equipment

During the Reporting Period, the Company produced power generation equipment with total capacity of 12,494.7 MW, representing an increase of 33.86% as compared with the same period of the previous year. The equipment included 4,530.4 MW hydro-electric turbine generator units (17 units), up by 115.61% as compared with the same period of the previous year; 7,068 MW steam turbine generators (68 generators), up by 2.66% as compared with the same period of the previous year; 896.3 MW wind turbine generator sets (342 sets), up by 157.56% as compared with the same period of the previous year; 6,091.4 MW power station boilers (22 boilers), down by 18.77% as compared with the same period of the previous year; and 4,122.5 MW power station steam turbines (51 turbines), down by 55.76% as compared with the same period of the previous year.

Orders Fulfillment

Under the impact of COVID-19 pandemic and the economic downturn, the Company overcame difficulties and actively explored the market. In the first half of 2020, the Company obtained new orders in the amount of RMB25.887 billion, representing a year-on-year increase of 34.4%. In the wind power segment, the Company continued to strengthen market development efforts and seize orders. In the first half of 2020, the Company obtained new orders in the amount of RMB8 billion, launched high-power offshore wind turbines, and won the bid for batch orders for 10MW units-Fujian Changle Offshore 100 MW offshore wind power project; Batch orders for 7MW units were placed in two cities consecutively, and won the bid for the offshore wind power projects of 300 MW in Yangjiang, Guangdong and 300 MW in Laizhou, Shandong. In respect of the international business in the first half of 2020, it has overcome the adverse impact of the COVID-19 pandemic and the rapid changes in the international environment. It has successfully signed a contract for the equipment supply of the Julino Hydropower Station in Tanzania, which is a unit contract for China's overseas hydropower project with the largest capacity; a new breakthrough was made in the overseas gas turbine market, and the Saidepu Gas Turbine Project in Bangladesh has taken effect successfully.

Deepening Reform

During the Reporting Period, the Company mainly promoted the reform of the "three systems" and the reform of its subordinate secondary enterprises with mixed ownership. As for the reform of the "three systems", the Company established the assessment and evaluation mechanisms of the reform of the "three systems", implemented the professional manager system in Dongfang Electric Wind Power Co., Ltd. ("**Dongfang Electric Wind Power**") and Dongfang Electric (Chengdu) Hydrogen Fuel Cell Technology Co., Ltd. and generally conducted a tenure system and the contractual management of the managers in other secondary enterprises. Dongfang Electric Wind Power and DEC Dongfang Boiler Group Co., Ltd., the subsidiaries of the Company, have been included in the pilot enterprises of "Double Hundred Actions" plan. Dongfang Wind Power has been undergoing the shareholding listing of the mixed ownership reform, etc.

Scientific and Technological Innovation

The Company strengthened top-level design, insisted on system innovation, and fully promoted three major innovation projects: key and core technology research, product innovation and optimization, and intelligent manufacturing transformation. Major development projects such as the million-kilowatt hydropower unit in Baihetan and the 50MW gas turbine rotor have overcome the adverse impact of the pandemic and have continued to advance with orderly progress under control. The 10MW offshore wind power unit with the largest single-unit capacity in the Asia-Pacific region have been successfully connected to the grid for power generation. "Digital workshop construction project for intelligent manufacturing of the large-scale clean and efficient power generation equipment" of Dongfang Electric passed the national inspection and acceptance.

Improvement in Business Management

The Company insisted on seeking benefits from management, continuously enhancing the management ability and improving management level. Moreover, it accelerated the management informatization and formulated and implemented the overall planning scheme for the construction of financial shared service system. In addition, it vigorously promoted the target cost management and strengthened the rigid constraint of budget. Furthermore, it effectively intensified the quality management and formulated the Management Measures for Quality and Safety Status Report. No material quality accident occurred in the first half of 2020.

(I) Analysis of Principal Business

1. Analysis of changes in certain items in the financial statements

Item	**For the six months ended 30 June 2020 (Unaudited)**	For the six months ended 30 June 2019 (Unaudited)	**Change** *(%)*
Operating revenue	**17,220,493,375.80**	15,309,891,387.85	12.48
Operating cost	**13,952,748,578.34**	11,993,909,056.13	16.33
Selling expenses	**365,245,712.90**	461,061,153.42	(20.78)
Administrative expenses	**1,032,305,007.66**	1,144,703,122.20	(9.82)
Finance costs	**(36,446,341.50)**	(30,297,494.36)	N/A
R&D expenses	**882,438,413.90**	785,932,757.27	12.28
Net cash flows from operating activities	**972,054,379.41**	(3,249,813,611.86)	N/A
Net cash flows from investing activities	**(2,105,228,811.78)**	(1,306,576,124.09)	N/A
Net cash flows from financing activities	**(38,488,150.78)**	95,418,061.99	(140.34)

1. The operating revenue for the current period increased by 12.48% from the same period of the previous year, mainly due to the year-on-year increase of 68.12% in engineering and trade, the increase of 23.98% in renewable energy equipment and the increase of 41.03% in emerging growth business.

2. The operating costs for the current period increased by 16.33% from the same period of the previous year, mainly due to the corresponding increase in operating costs as a result of the increase in operating income.

3. The selling expenses for the current period decreased by 20.78% from the same period of the previous year, mainly due to the decrease of 24.10% in sales and service fees, 9.50% in employees remuneration and 48.71% in travel expense.

4. The administrative expenses for the current period decreased by 9.82% from the same period of the previous year, mainly due to the decrease of 4.41% in employees remuneration, 41.01% in insurance expense and 46.73% in travel expense, etc.

5. The finance costs for the current period decreased RMB6,148,800 from the same period of the previous year, mainly due to the increase in foreign exchange gains.

6. The R&D expenses increased year-on-year by 12.28%, which was mainly due to the continued increase in the research and development investment of the Company during the Period.

7. The net cash flows from operating activities for the current period increased RMB4,222 million from the same period of the previous year, which was due to: first, the receivable for the Period represented the year-on year increase; second, the cash inflow for the investment in the financial service by DEC Finance of the Company for the Period represented the year-on-year increase.

8. The cash flows from investing activities for the current period decreased RMB799 million from the same period of the previous year, mainly due to the year-on-year increase in the investment outflow of the bank's wealth management products of DEC Finance of the Company during the Period.

9. The cash flows from financing activities for the current period decreased RMB134 million from the same period of the previous year, mainly due to the year-on-year decrease in cash received from capital injection during the Period.

(II) Analysis on Assets and Liabilities

1. Assets and liabilities

Item	30 June 2020	Percentage in total assets (%)	30 June 2019	Percentage in total assets (%)	Change in proportion of balance at the end of the current period compared with the same period of the end of the prior year (%)	*Note (See note below)*
Notes receivable	**2,020,516,077.20**	2.18	3,523,209,806.01	4.08	-42.65	(1)
Non-current assets due within one year	**-**	–	8,500,000.00	0.01	-100.00	(2)
Other current assets	**982,415,342.07**	1.06	441,751,481.47	0.51	122.39	(3)
Other investments in equity instruments	**2,744,649.47**	0.00	5,989,859.48	0.01	-54.18	(4)
Constructions in process	**446,895,153.14**	0.48	287,095,704.88	0.33	55.66	(5)
Right-of-use assets	**226,627,440.94**	0.24	36,192,597.79	0.04	526.17	(6)
Short-term borrowings	**36,380,000.00**	0.04	232,417,000.00	0.27	-84.35	(7)
Notes payable	**3,192,449,801.80**	3.44	2,046,294,554.01	2.37	56.01	(8)
Non-current liabilities due within one year	**123,967,481.10**	0.13	16,320,000.00	0.02	659.60	(9)
Long-term borrowings	**622,717,903.80**	0.67	453,222,718.36	0.52	37.40	(10)
Lease liabilities	**108,072,699.30**	0.12	35,731,374.49	0.04	202.46	(11)
Long-term payables	**9,473,942.42**	0.01	26,445,460.52	0.03	-64.18	(12)
Deferred tax liabilities	**37,432,742.46**	0.04	21,337,057.58	0.02	75.44	(13)

1. Notes receivable for the Period is the classification of notes receivable managed under the business model for the collection of contractual cash flow and held both for sale and transfer into financial assets measured at fair value through other comprehensive income.

2. The decrease in non-current assets due within one year is mainly due to the decrease in loans and advances due within one year.

3. The increase in other current assets is mainly due to the increase in prepaid taxes and tax credits, short-term loans and discounted assets.

4. The decrease in other investments in equity instruments is mainly due to the disposal of some other equity instrument investments.

5. The increase in construction in progress is mainly due to the increase in wind power production base.

6. The increase in right-of-use assets is mainly due to the increase in the leasing of buildings and structures.

7. The decrease in short-term borrowings is mainly due to the repayment of short-term borrowings when due.

8. The increase in notes payable is mainly due to the increase in the settlement of bills.

9. The increase in non-current liabilities due within one year is mainly due to the increase in lease liabilities due within one year.

10. The increase in long-term borrowings is mainly due to the increase in credit borrowings.

11. The increase in lease liabilities is mainly due to the increase in the leasing of buildings and structures.

12. The decrease in long-term payables is mainly due to the decrease in special payables.

13. The increase in deferred tax liabilities is mainly due to temporary differences in tax payable.

2. Gearing ratio

Item	**Amount at the end of the Period**	Amount at the beginning of the year	**Year-on-year increase** *(percentage point)*
Gearing ratio *(%)*	**65.16**	64.52	0.64

Note: Gearing ratio = total liabilities/total assets × 100%

The gearing ratio of the Group was 65.16% at the end of the Period, representing an increase of 0.64 percentage point as compared with the beginning of the year. The risk relating to the asset structure of the Company is in a controllable state.

3. *Bank borrowings*

As at 30 June 2020, the Group had financial institution (bank) borrowings of RMB36 million due within one year and financial institution (bank) borrowings of RMB623 million due beyond one year. The Company's borrowings are mainly denominated in RMB. In particular, RMB659 million were fixed-rate loans. The Group has maintained a favorable credit rating with banks and a sound financing capacity.

4. *Cash and cash equivalents*

As at 30 June 2020, the cash and cash equivalents in RMB and US dollars held by the Group accounted for 88.31% and 10.93% of the Group's cash and cash equivalents respectively.

5. *Exchange risk management*

With the increasing scale of the international operations of the Group, foreign exchange rate risk has become a more important element that affects the Company's operating results. With a view to effectively reduce the impact of fluctuations in foreign currency exchange rates on the Company's financial position and operating results, the Company prudently adopts exchange rate hedging instruments including forward exchange settlement for hedging purpose to limit the risks arising from exchange rate fluctuations.

6. *Pledge of assets*

As at 30 June 2020, the Company had pledged bank borrowings of RMB428 million (31 December 2019: RMB432 million), which were related to borrowings from financial institutions secured by concession. As at 30 June 2020, net concession value amounted to RMB580 million (31 December 2019: RMB585 million). As at the end of the Period, this part of borrowings was not due and repayable.

(III) Analysis of Operations by Industry, Product or Region

1. Total operating revenue by industry and product

By product	Revenue	Cost	Gross profit margin (%)	Year-on-year increase/ decrease in revenue (%)	Year-on-year increase/ decrease in cost (%)	Year-on-year increase/ decrease in gross profit margin (percentage point)
Operations by industry						
High-efficient clean energy equipment	8,455,535,717.65	6,959,009,656.70	17.70	(2.93)	3.22	(4.90)
Renewable energy equipment	3,200,435,990.79	2,759,676,709.49	13.77	23.98	23.86	0.08
Engineering and trade	2,209,839,088.11	1,707,443,047.05	22.73	68.12	59.52	4.16
Modern manufacturing services business	1,972,341,354.37	954,444,057.52	51.61	5.07	1.76	1.58
Emerging growth business	1,914,818,349.81	1,619,823,625.50	15.41	41.03	53.24	(6.74)

(1) The Company sought for restructuring and upgrading proactively during the Period. While focusing on the objectives of the “refining the main business operations and developing new business operations”, it optimized the allocation of resources and improved its quality control continuously, realizing varying level of income growth in other main products except for thermal power, nuclear power and engineering, which recorded a decrease in revenue. Total operating revenue increased year-on-year by 12.07% during the Period.

(2) The operating revenue from high-efficiency clean energy equipment decreased year-on-year by 2.93%, mainly due to a decrease in the scale of sales of thermal power and nuclear power products during the Period. The gross profit margin of high-efficiency clean energy equipment decreased year-on-year by 4.90 percentage points, mainly due to the change in project mix during the Period.

(3) The revenue from renewable energy equipment increased year-on-year by 23.98%, mainly due to the year-on-year increase of 41.05% in revenue from hydropower products. The gross profit margin of renewable energy equipment for the Period remained basically flat as compared with the corresponding period of last year.

(4) The operating revenue from engineering and trade increased year-on-year by 68.12%, mainly due to the year-on-year increase in revenue from trade. The gross profit margin of engineering and trade increased year-on-year by 4.16 percentage points during the Period, mainly due to the increase in the gross profit margin of engineering business.

(5) The operating revenue from modern manufacturing services business increased year-on-year by 5.07%, mainly due to the year-on-year growth in logistics services. The gross profit margin of modern manufacturing services increased year-on-year by 1.58 percentage points, mainly due to the year-on-year increase in the gross profit margin of power plant services.

(6) The operating revenue from emerging growth business increased year-on-year by 41.03%, mainly due to the year-on-year growth in revenue from electronic power and intelligent control products and environmental protection products. The gross profit margin of emerging growth business for the Period decreased by 6.74 percentage points as compared with the corresponding period of last year, mainly due to the low gross profit of some environmental products.

2. *Total operating revenue by region*

Unit: RMB

Region	**Total operating revenue**	**Year-on-year increase/ decrease in total operating revenue**
Mainland China	15,436,164,544.32	8.08%
Overseas	2,316,805,956.41	48.59%
Total	17,752,970,500.73	12.07%

(IV) Material Events

There are no material events that have significant impacts on the Company and its subsidiaries since the end of the Period.

(V) Prospect for the Second Half of 2020

The Company will continue to carry out the COVID-19 epidemic prevention and control work, enhance market development, optimize enterprise internal management, strengthen technological innovation and control internal and external risks, so as to ensure steady growth in operating income and continued increase in total profit, and promote high-quality development of the Company.

III. OTHER EVENTS

(I) Capital Structure

On 22 November 2019, the Company considered and approved the Resolution regarding the Restricted A Share Incentive Scheme for 2019 (Draft Amendment) and its Summary at the Company's 2019 first extraordinary general meeting, the 2019 first A Shares class meeting and the 2019 first H Shares class meeting. On the same day, the Company held the 21st meeting of the 9th session of the Board and 14th meeting of the 9th session of Supervisory Committee, at which, the Resolution regarding the First Grant of the Restricted Shares to Participants under the Restricted A Share Incentive Scheme for 2019 was considered and approved. On 7 January 2020, 27,988,699 ordinary A Shares were directly issued to 780 participants under the Restricted A Share Incentive Scheme, and were registered at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited and listed. All of the proceeds generated from the issuance of restricted shares were used for supplementing the Company's working capital.

As of 30 June 2020, the total share capital of the Company amounted to RMB3,118,792,130, divided into 2,778,792,130 A shares of RMB1.00 per share and 340,000,000 H shares of RMB1.00 per share. The capital structure of the Company is as follows:

	As at 30 June 2020		As at 30 June 2019	
Class of shares	**Number of shares**	**% of total number of share capital issued**	Number of shares	% of total number of share capital issued
A share	**2,778,792,130**	**89.10%**	2,750,803,431	89.00%
H share	**340,000,000**	**10.90%**	340,000,000	11.00%
Total	**3,118,792,130**	**100%**	3,090,803,431	100%

(II) Purchase, Sales or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the Reporting Period.

(III) Major Acquisition and Disposal of Subsidiaries and Associates

There were no other major acquisition and disposal of subsidiaries and associates during the six months ended 30 June 2020.

(IV) Capital expenditure commitments and utilization

Significant commitment events as at the balance sheet date

The Company had significant external investment commitments on capital construction and equipment contracted but not yet paid, details of which are set out as follows:

Unit: RMB'0,000

Item	**30 June 2020** ***(Unaudited)***	31 December 2019 *(Audited)*
Capital construction	**9,502.36**	12,416.57
Equipment	**11,267.67**	12,559.94
Total	**20,770.03**	24,976.51

As of 30 June 2020, the Company had significant external investment commitments of RMB207,700,300 on capital construction and equipment contracted but not yet paid, details of which are set out as follows:

Unit: RMB'0,000

Commitment companies	**Name of investment project**	**Contracted investment amount**	**Investment amount paid**	**Investment amount unpaid**	**Expected investment period**
The Company and its subsidiaries	capital construction	47,195.19	37,692.83	9,502.36	2020-2023
The Company and its subsidiaries	equipment	26,268.35	15,000.68	11,267.67	2020-2022
Total		73,463.54	52,693.51	20,770.03	

(2) Signed lease contracts being performed or to be performed and their financial effects

As at 30 June 2020, the total payment for future minimum rents payable required for irrevocable operating leases of the Company as a lessee are listed in the following periods:

Period	**Six months as of 30 June 2020** ***(Unaudited)***	**As of 31 December 2019** *(Audited)*
Within 1 year	**123,803,445.10**	160,655,855.87
1-2 years	**175,168,573.58**	175,168,573.58
2-3 years	**6,678,365.93**	6,678,365.93
Over 3 years	**5,490,030.00**	5,490,030.00
Total	**311,140,414.61**	347,992,825.38

(V) Guarantee to external parties and performance thereof

As of 30 June 2020, the Company provided financing guarantees for Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd., Inner Mongolia Mengneng Sanshengtai Wind Power Co., Ltd. and Inner Mongolia Mengneng Wulan New Energy Co., Ltd. with its 20% equity interests in each of above three companies. The guarantees shall be valid from the effective date of the equity pledge agreement until all debts under the financial leasing contract being repaid. The guarantee provided by DEC Dongfang Steam Turbine Co., Ltd. for Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd. constitutes a continuous security of payment and performance of obligations. The guarantor's obligations under the guarantee should not exceed and should be limited to the scope of obligations and liabilities to be assumed by the vendor pursuant to the contract. At the end of the Reporting Period, the aggregate guarantee of the Company amounted to RMB92.5 million, representing 0.29% of the net assets of the Company.

For details on the above guarantees, please refer to the announcements on financial leasing guarantee issued by the Company on the website of the Shanghai Stock Exchange on 9 January 2016, 28 June 2016 and 26 August 2016, respectively.

(VI) Material Litigation, Arbitration and Matters Commonly Questioned by the Media

During the Period, the Company was not involved in any material litigation, arbitration or matters commonly questioned by the media.

(VII) Employees and Remuneration Policy

As at 30 June 2020, the total number of employees of the Company was 18,256. The total amount of remuneration paid to the employees during the Reporting Period was RMB1,049,500,000.

The Company has formulated management systems including total wages, performance assessment, employee remuneration distribution, medium and long-term incentives, etc., and established an internal remuneration distribution system adapting to market competition based on the position value, and with performance contribution as orientation. Employee remuneration is paid with reference to enterprise economic efficiency and individual performance.

During the Reporting Period, guided by the development strategy, the Company formulated the annual unified training plan of the Company and the annual training plan of each enterprise, so as to improve the professional ability of employees and boost their career development. The Company implemented hierarchical and classified trainings, and planned that the number of trainings per employee in the year should be not less than 7 times. The Company's unified training plan focuses on improving the management ability of leaders and the professional skills of employees, highlighting the unified training of management talents, core technical talents, excellent skilled talents and backbone young talents; the annual training plan of each enterprise affiliated to the Company highlights the improvement of professional skills and comprehensive abilities of all employees. Through the combination of online and offline trainings, independent trainings and superior trainings, the Company made full use of the Company's "learning cloud" platform, effectively coordinated the training resources inside and outside the Group, promoted the implementation of training plans, and continuously improved the position performance capacity and development potential of talents in various fields and at all levels to promote the mutual development of employees and the Company.

(VIII) Corporate Governance Code

The Company has fully complied with all applicable code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the Period.

(IX) Model Code for Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by Directors and supervisors of the Company on the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Having made specific enquiry to all directors and supervisors of the Company, the Company confirms that as of 30 June 2020, the directors and supervisors of the Company had complied with the provisions regarding the securities transactions by directors and supervisors as set out in the Model Code.

(X) Audit Committee

The Board has set up an audit committee comprising three independent non-executive directors, Mr. Gu Dake, Mr. Xu Haihe, and Mr. Liu Dengqing. Mr. Xu Haihe, the independent non-executive director, holds the position of the Chairman. The audit committee has reviewed the interim results of the Company for the Period, and agreed with the accounting treatment method adopted by the Company.

(XI) Information Disclosure

The results announcement is published on the websites of Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://dfem.wsfg.hk). The interim report of the Company for the period ended 30 June 2020, which contains all information as proposed in the Disclosure of Financial Information set out in Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, will be dispatched to shareholders of the Company and published on the websites of Hong Kong Stock Exchange and the Company's website in due course.

This announcement is prepared in both Chinese and English by the Company. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

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

Chengdu, Sichuan, the People's Republic of China
27 August 2020

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