

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)

**ANNOUNCEMENT OF 2024 INTERIM RESULTS**

**RESULTS HIGHLIGHTS**

Total operating revenue of the Group for the first half of 2024 amounted to RMB33,457 million, representing an increase of 11.84% as compared with the same period of the previous year;

Net profit of the Group attributable to shareholders of the parent company for the first half of 2024 amounted to RMB1,691 million, representing a decrease of 15.52% as compared with the same period of the previous year;

Earnings per share of the Group in the first half of 2024 amounted to RMB0.54, as compared with RMB0.64 for the same period of the previous year;

New orders of the Group in the first half of 2024 amounted to RMB56,073 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 2024 (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.

## FINANCIAL INFORMATION

### Consolidated Statement of Financial Position

30 June 2024

(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>Current Assets:</b>			
Cash and cash equivalents		21,704,359,466.77	17,129,250,869.93
Clearing provision		–	–
Funds for lending		788,442,761.86	–
Held-for-trading financial assets		793,522,339.02	867,176,939.12
Derivative financial assets		–	–
Notes receivable		939,704,732.49	1,152,624,005.12
Accounts receivable	2	12,778,573,769.83	10,714,105,864.95
Receivables financing		1,758,352,618.51	1,997,629,532.50
Prepayments		7,656,988,366.32	7,919,037,467.33
Premiums receivable		–	–
Amounts receivable under reinsurance contracts		–	–
Reinsurer's share of insurance contract reserves		–	–
Other receivables		487,838,773.48	412,067,046.11
Including: Interest receivable		–	(0.00)
Dividends receivable		39,087,999.52	19,354,034.21
Financial assets purchased under resale agreements		2,896,157,739.74	2,959,861,095.88
Inventories		16,720,650,821.64	18,136,582,872.93
Contract assets		15,311,291,617.30	12,419,968,866.48
Assets held for sale		–	–
Non-current assets due within one year		452,253,456.34	530,902,406.26
Other current assets		1,377,686,434.88	1,450,120,565.18
<b>Total Current Assets</b>		<b>83,665,822,898.18</b>	<b>75,689,327,531.79</b>

<b>Item</b>	<i>Notes</i>	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
<b>Non-current Assets:</b>			
Loans and advances		<b>6,252,165,450.09</b>	5,618,011,791.46
Debt investments		<b>19,728,468,331.93</b>	19,072,837,013.51
Other debt investments		–	–
Long-term receivables		<b>181,253,678.78</b>	201,486,860.12
Long-term equity investments		<b>1,892,824,832.26</b>	1,783,080,682.00
Other investments in equity instruments		<b>1,453,654,429.05</b>	495,874,463.26
Other non-current financial assets		–	–
Investment properties		<b>264,618,259.01</b>	146,049,853.94
Fixed assets		<b>5,053,108,440.38</b>	5,034,900,621.59
Constructions in process		<b>820,931,124.28</b>	789,077,246.34
Productive biological assets		–	–
Oil and gas assets		–	–
Right-of-use assets		<b>479,152,530.61</b>	345,268,409.32
Intangible assets		<b>1,837,298,608.51</b>	1,847,810,552.21
Development expenditure		<b>4,852,227.40</b>	4,682,571.60
Goodwill		–	–
Long-term deferred expenses		<b>4,166,675.32</b>	2,116,601.80
Deferred tax assets		<b>3,409,291,143.81</b>	3,227,909,778.01
Other non-current assets		<b>6,522,799,104.77</b>	6,849,939,364.67
<b>Total Non-current Assets</b>		<b><u>47,904,584,836.20</u></b>	<b><u>45,419,045,809.83</u></b>
<b>TOTAL ASSETS</b>		<b><u>131,570,407,734.38</u></b>	<b><u>121,108,373,341.62</u></b>

Item	<i>Notes</i>	<b>30 June 2024</b> (Unaudited)	31 December 2023 (Audited)
<b>Current Liabilities:</b>			
Short-term loans		<b>33,323,326.01</b>	110,165,544.44
Loans from the central bank		-	-
Deposit taking and deposit in interbank market		<b>3,518,373,955.09</b>	592,069,004.07
Taking from banks and other financial institutions		-	-
Held-for-trading financial liabilities		-	-
Derivative financial liabilities		-	-
Notes payable		<b>13,782,144,982.91</b>	13,892,247,700.54
Accounts payable	3	<b>21,590,604,734.02</b>	19,306,103,748.81
Receipts in advance		-	-
Contract liabilities		<b>35,497,551,813.75</b>	32,171,926,049.36
Financial assets sold under repurchase agreements		-	-
Fees and commissions payable		-	-
Employee benefits payable		<b>715,701,188.54</b>	864,060,140.44
Taxes payable		<b>543,405,041.87</b>	439,788,690.24
Other payables		<b>3,096,304,054.54</b>	1,488,320,214.72
Including: Interest payable		-	(0.00)
Dividends payable		<b>1,485,168,086.90</b>	4,056,055.47
Liabilities held for sale		-	-
Non-current liabilities due within one year		<b>264,891,125.81</b>	316,029,312.52
Other current liabilities		<b>1,756,711,045.08</b>	2,068,383,806.37
<b>Total Current Liabilities</b>		<b><u>80,799,011,267.62</u></b>	<b><u>71,249,094,211.51</u></b>

<b>Item</b>	<i>Notes</i>	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
<b>Non-current Liabilities:</b>			
Long-term borrowings		<b>2,071,036,044.31</b>	1,383,426,409.20
Bonds payable		–	–
Lease liabilities		<b>432,671,007.36</b>	229,988,566.36
Long-term payables		<b>240,000.00</b>	240,000.00
Long-term accrued payroll		<b>1,071,403,834.55</b>	1,053,539,276.41
Provisions liabilities		<b>5,175,178,830.89</b>	5,426,724,118.48
Deferred income		<b>352,956,076.49</b>	365,329,892.74
Deferred tax liabilities		<b>206,800,111.86</b>	180,156,104.32
Other non-current liabilities		–	–
		<hr/>	<hr/>
<b>Total Non-current Liabilities</b>		<b><u>9,310,285,905.46</u></b>	<b><u>8,639,404,367.51</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>90,109,297,173.08</u></b>	<b><u>79,888,498,579.02</u></b>

Item	<i>Notes</i>	<b>30 June 2024</b> (Unaudited)	31 December 2023 (Audited)
<b>Owners' Equity:</b>			
Paid-in capital (share capital)		<b>3,117,499,457.00</b>	3,118,533,797.00
Other equity instruments		–	–
Including: Preferred shares		–	–
Perpetual capital securities		–	–
Capital reserves		<b>11,561,879,086.45</b>	11,566,006,626.86
Less: Treasury shares		<b>105,932,031.40</b>	111,093,911.81
Other comprehensive income		<b>(173,432,713.05)</b>	(129,954,183.72)
Special reserves		<b>142,687,736.21</b>	126,393,962.48
Surplus reserves		<b>1,337,132,818.92</b>	1,337,132,818.92
General risk reserves		–	–
Retained profits	4	<b><u>21,548,527,562.50</u></b>	<u>21,337,876,676.79</u>
<b>Total Owners' Equity Attributable to Equity Holders of the Parent Company</b>		<b><u>37,428,361,916.63</u></b>	<u>37,244,895,786.52</u>
<b>Non-controlling Shareholders' Equity</b>		<b><u>4,032,748,644.67</u></b>	<u>3,974,978,976.08</u>
<b>Total Owners' Equity</b>		<b><u>41,461,110,561.30</u></b>	<u>41,219,874,762.60</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b><u>131,570,407,734.38</u></b>	<u>121,108,373,341.62</u>

## Consolidated Income Statement

For the six months ended January-June 2024

(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
I. Total revenue	5	<b>33,457,011,207.05</b>	29,915,296,549.01
Including: Operating revenue		<b>32,928,476,029.89</b>	29,345,972,781.79
Interest income		<b>528,420,142.37</b>	568,157,152.70
Premium earned		–	–
Fee and commission income		<b>115,034.79</b>	1,166,614.52
II. Total operating costs		<b>31,496,571,965.14</b>	27,438,020,671.19
Including: Operating costs		<b>27,869,898,102.55</b>	24,230,760,861.78
Interest expenses		<b>11,751,753.19</b>	19,824,586.82
Fee and commission expenses		<b>700,738.73</b>	777,722.29
Surrenders		–	–
Net claims		–	–
Net provision for insurance contract		–	–
Insurance policyholder dividends		–	–
Expenses for reinsurance accepted		–	–
Tax and levies		<b>176,546,377.84</b>	164,017,934.21
Sales expenses		<b>705,077,434.45</b>	688,194,497.21
Administrative expenses		<b>1,339,624,220.93</b>	1,341,884,330.39
R&D expenses		<b>1,347,828,439.49</b>	1,070,700,313.76
Financial expenses		<b>45,144,897.96</b>	(78,139,575.27)
Including: Interest expenses		<b>28,941,296.45</b>	26,710,478.90
Interest income		<b>42,747,583.43</b>	24,015,239.52

Item	Notes	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
Add: Other gains		<b>403,016,183.28</b>	88,024,357.45
Investment income		<b>(39,626,483.54)</b>	177,601,878.67
Including: Income from investments in associates and joint ventures		<b>(110,906,108.17)</b>	189,024,034.56
Derecognition of gains on financial assets measured at amortized cost		-	-
Gains from net exposure hedges		-	-
Gains from changes in fair values		<b>28,344,053.76</b>	48,639,616.41
Credit impairment loss		<b>14,429,465.02</b>	(324,271,396.48)
Impairment loss of assets		<b>(259,118,589.34)</b>	(143,524,898.51)
Gains from disposal of assets		<b>116,255.14</b>	4,859,201.14
Foreign exchange gains		<b>2,726,885.20</b>	943,620.08
III. Operating profit		<b>2,110,327,011.43</b>	2,329,548,256.58
Add: Non-operating revenue		<b>21,737,808.75</b>	14,889,115.44
Less: Non-operating expenses		<b>25,384,336.71</b>	17,890,468.27
IV. Total profit		<b>2,106,680,483.47</b>	2,326,546,903.75
Less: Income tax expenses	6	<b>298,136,651.64</b>	230,333,499.86
V. Net profit (Net loss is indicated by "-")		<b>1,808,543,831.83</b>	2,096,213,403.89
Net profits attributable to owners of the parent company		<b>1,691,463,127.79</b>	2,002,157,742.84
Profit or loss attributable to non-controlling interest		<b>117,080,704.04</b>	94,055,661.05
Profit or loss from continuing operations		<b>1,808,543,831.83</b>	2,096,213,403.89
Profit or loss from discontinued operations		-	-



<b>Item</b>	<i>Notes</i>	<b>January-June 2024</b> <b>(Unaudited)</b>	January-June 2023 (Unaudited)
VI. Other comprehensive income (“OCI”) (net of tax)		<b>(44,761,013.57)</b>	(55,285,249.38)
OCI attributable to owners of the parent company (net of tax)		<b>(43,478,529.33)</b>	(54,247,168.43)
(I) OCI that will not be reclassified to profit and loss subsequently		<b>(44,001,974.98)</b>	(84,313,676.43)
Including:			
1. Changes in net liabilities or net assets arising from re- measurement of defined benefit plans		-	-
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		<b>(44,001,974.98)</b>	(84,313,676.43)
4. Other		-	-

Item	Notes	January-June 2024 (Unaudited)	January-June 2023 (Unaudited)
(II) OCI that will be reclassified to profit and loss subsequently		<b>523,445.65</b>	30,066,508.00
Including: 1. OCI by equity method that will be reclassified to profit and loss		<b>(247,804.03)</b>	(37,603.92)
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		-	(672,777.16)
5. Effective portion of gain or loss arising from cash flow hedging instruments		-	-
6. Exchange differences from translation of financial statements		<b>771,249.68</b>	30,776,889.08
7. Others		-	-
OCI attributable to non-controlling interest (net of tax)		<b>(1,282,484.24)</b>	(1,038,080.95)
VII. Consolidated income		<b>1,763,782,818.26</b>	2,040,928,154.51
Consolidated income attributable to owners of the parent company		<b>1,647,984,598.46</b>	1,947,910,574.41
Consolidated income attributable to non-controlling interests		<b>115,798,219.80</b>	93,017,580.10
VIII. Earnings per share:			
(1) Basic earnings per share ( <i>RMB/share</i> )	7	<b>0.54</b>	0.64
(2) Diluted earnings per share ( <i>RMB/share</i> )	7	<b>0.54</b>	0.64

## NOTES TO THE FINANCIAL INFORMATION

For the six months ended 30 June 2024

(Amounts are expressed in RMB unless otherwise stated)

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company's financial statements have been prepared on a going concern basis, recognized and measured based on the actual transactions and matters incurred, and in accordance with the "Accounting Standards for Business Enterprises – Basic Standards" issued by the Ministry of Finance and the relevant specific accounting standards, Application Guidance for Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other relevant requirements (collectively, the "Accounting Standards for Business Enterprises"), and taking into account the disclosure requirements under Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting (Revised in 2014) issued by the China Securities Regulatory Commission, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

### 2. ACCOUNTS RECEIVABLE

#### Aging analysis of accounts receivable

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Within 1 year	10,036,951,778.56	7,589,131,840.54
1 to 2 years	2,396,022,566.29	2,748,735,765.12
2 to 3 years	1,235,932,819.69	1,291,984,555.61
3 to 4 years	759,145,685.49	811,849,095.90
4 to 5 years	424,140,479.02	430,473,801.26
Over 5 years	1,992,718,547.99	2,069,177,565.93
Sub-total	16,844,911,877.04	14,941,352,624.36
Less: Provision for bad debts	4,066,338,107.21	4,227,246,759.41
<b>Total</b>	<b>12,778,573,769.83</b>	<b>10,714,105,864.95</b>

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

### 3. ACCOUNTS PAYABLE

#### Aging analysis of accounts payable

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Within 1 year (inclusive)	<b>17,772,522,423.29</b>	16,063,262,831.18
1 to 2 years (inclusive)	<b>1,704,750,863.29</b>	1,601,235,241.60
2 to 3 years (inclusive)	<b>1,055,236,356.84</b>	697,079,766.93
Over 3 years	<b>1,058,095,090.60</b>	944,525,909.10
<b>Total</b>	<b><u>21,590,604,734.02</u></b>	<b><u>19,306,103,748.81</u></b>

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

### 4. RETAINED PROFITS

<b>Item</b>	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 <b>(Audited)</b>
Retained profits at the beginning of the year	<b>21,337,876,676.79</b>	19,003,660,394.74
Add: Net profits attributable to owners of the parent company for the Period	<b>1,691,463,127.79</b>	3,550,393,576.32
Less: Withdrawal of statutory surplus reserves	–	135,629,278.06
Withdrawal of discretionary surplus reserve	–	–
Withdrawal of general risk reserve	–	–
Dividend payable on ordinary shares	<b>1,480,812,242.08</b>	1,080,548,016.21
Ordinary shares dividends transferred to share capital	–	–
Others	–	–
Retained profits at the end of the Period	<b><u>21,548,527,562.50</u></b>	<b><u>21,337,876,676.79</u></b>

## 5. OPERATING REVENUE AND OPERATING COST

Item	For the six months ended 30 June 2024 (Unaudited)		For the six months ended 30 June 2023 (Unaudited)	
	Revenue	Cost/Interest expenses/Fee and commission expenses	Revenue	Cost/Interest expenses/Fee and commission expenses
Principal operations	32,711,876,037.04	27,753,992,129.24	29,164,647,042.65	24,140,303,632.51
Other operations	216,599,992.85	115,905,973.31	181,325,739.14	90,457,229.27
Interest income	528,420,142.37	11,751,753.19	568,157,152.70	19,824,586.82
Fee and commission income	115,034.79	700,738.73	1,166,614.52	777,722.29
<b>Total</b>	<b>33,457,011,207.05</b>	<b>27,882,350,594.47</b>	<b>29,915,296,549.01</b>	<b>24,251,363,170.89</b>

## 6. INCOME TAX EXPENSES

Item	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Income tax expenses for current period	452,874,009.90	271,493,563.83
Deferred income tax expenses	(154,737,358.26)	(41,160,063.97)
<b>Total</b>	<b>298,136,651.64</b>	<b>230,333,499.86</b>

Except for five 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), Uzi Solar Energy Project Co., Ltd. (烏茲太陽能項目有限公司), Laos Nam Mang Power Company Limited (老撾南芒河電力有限公司) and Dongfang Electric Azerbaijan Private Limited (東方電氣阿塞拜疆有限公司), which are subject to corporate income tax as stipulated by their respective local laws, and certain other subsidiaries which enjoy a preferential tax rate of 15% and Dongfang Electric Zhongneng Industrial Control Network Security Technology (Chengdu) Company Limited (東方電氣中能工控網絡安全技術(成都)有限責任公司), Dongfang Three Gorges (Jiangsu) Smart Energy Co., Ltd. (東方三峽(江蘇)智慧能源有限公司), Mulei East New Energy Co., Ltd. (木壘東新新能源有限公司) and Yumen Dongyu New Energy Co., Ltd. (玉門東玉新能源有限公司) which enjoys a preferential tax rate for small and micro businesses, the remaining subsidiaries are subject to corporate income tax at a rate of 25%.

## 7. EARNINGS PER SHARE

Basic earnings per share are computed by dividing the combined net profit attributable to the holders of ordinary shares of the parent company by the weighted average number of outstanding ordinary shares of the parent company.

Basic earnings per share are calculated as follows:

Item	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Combined net profit attributable to the holders of ordinary shares of the parent company	1,691,463,127.79	2,002,157,742.84
Weighted average number of outstanding ordinary shares of the Company (Note)	3,118,016,627	3,118,807,797
Basic earnings per share (RMB per share) (Note)	0.54	0.64
Including: Basic earnings per share from continuing operations (RMB per share)	<u>0.54</u>	<u>0.64</u>

Notes:

(1) Weighted average number of outstanding ordinary shares of the Company

= Share capital at the beginning of the year + Change in the number of shares in the period  
\* months counted from the next month following the change to the end of the Reporting Period/the number of months during the Reporting Period

= 3,118,016,627

(2) Basic earnings per share

= Combined net profit attributable to the holders of ordinary shares of the parent company/  
weighted average number of outstanding ordinary shares

(3) The Company repurchased and cancelled 1,034,340 restricted A shares during the Period, which did not affect the calculation of basic earnings per share and did not had dilution effect on earnings per share.

## 8. SEGMENT REPORTING

The Company determines operation reportable segments on the basis of the internal organizational structure, management requirements and internal report system, and disclose such segment information.

The Company's management regularly evaluates the operating results of each reportable segment to make decisions about resources to be allocated to them and to assess their performance.

### Reportable segments for the first half of 2024

Item	Renewable energy equipment	High-efficient clean energy equipment	Engineering and trade	Modern manufacturing services business	Emerging growth business	Summary	Write-off	Total
Operating revenue	8,755,979,475.28	18,939,576,301.49	4,610,500,672.14	3,891,908,902.12	6,217,269,242.03	42,415,234,593.06	8,958,223,386.01	33,457,011,207.05
Including: External transaction income	8,215,031,855.67	14,065,199,678.85	3,538,128,054.60	3,521,052,496.82	4,117,599,121.11	33,457,011,207.05	-	33,457,011,207.05
Inter-segment transaction income	540,947,619.61	4,874,376,622.64	1,072,372,617.54	370,856,405.30	2,099,670,120.92	8,958,223,386.01	8,958,223,386.01	-
Operating cost	8,002,229,164.51	16,887,025,025.41	4,283,235,017.70	2,365,979,397.08	5,390,257,415.61	36,928,726,020.31	9,046,375,425.84	27,882,350,594.47
Cost written off	513,053,306.22	5,097,081,054.78	1,052,416,445.19	524,951,229.80	1,858,873,389.85	9,046,375,425.84	-	9,046,375,425.84
Expenses for the period	-	-	-	-	-	3,295,907,008.23	-141,767,984.60	3,437,674,992.83
Operating profit (loss)	<u>725,855,997.38</u>	<u>2,275,255,708.22</u>	<u>307,309,482.09</u>	<u>1,680,024,329.54</u>	<u>586,215,095.35</u>	<u>5,574,660,612.58</u>	<u>3,464,333,601.15</u>	<u>2,110,327,011.43</u>
<b>Total assets</b>						<u>220,274,787,623.87</u>	<u>88,704,379,889.49</u>	<u>131,570,407,734.38</u>
Including: Amount of substantial impairment loss on a single asset						-	-	-
<b>Total liabilities</b>						<u>157,196,320,561.63</u>	<u>67,087,023,388.55</u>	<u>90,109,297,173.08</u>
Supplemental information						-	-	-
Capital expenditure						-	-	-
Recognized impairment loss of the current period						<u>-304,527,093.41</u>	<u>-59,837,969.09</u>	<u>-244,689,124.32</u>
Including: Amortization of impairment of goodwill								
Depreciation and amortization expenses						<u>504,992,425.97</u>	-	<u>504,992,425.97</u>
Non-cash expenses other than impairment loss, depreciation and amortization						<u>-</u>	<u>-</u>	<u>-</u>

## Reportable segments for the first half of 2023

Item	Renewable energy equipment	High-efficient clean energy equipment	Engineering and trade	Modern manufacturing services business	Emerging growth business	Summary	Write-off	Total
Operating revenue	8,110,730,345.74	18,334,502,178.99	6,762,030,647.05	2,784,413,334.15	6,182,985,116.81	42,174,661,622.74	12,259,365,073.73	29,915,296,549.01
Including: External transaction income	6,926,996,917.36	9,972,933,051.45	6,098,999,637.62	2,410,724,064.21	4,505,642,878.37	29,915,296,549.01	-	29,915,296,549.01
Inter-segment transaction income	1,183,733,428.38	8,361,569,127.54	663,031,009.43	373,689,269.94	1,677,342,238.44	12,259,365,073.73	12,259,365,073.73	-
Operating cost	7,243,940,968.63	16,895,767,418.76	6,059,385,987.57	1,698,720,715.41	5,184,384,876.28	37,082,199,966.65	12,830,836,795.76	24,251,363,170.89
Cost written off	1,181,778,540.27	8,678,804,703.66	1,015,042,076.99	575,458,143.26	1,379,753,331.58	12,830,836,795.76	-	12,830,836,795.76
Expenses for the period	-	-	-	-	-	2,836,023,670.98	(186,615,895.11)	3,022,639,566.09
Operating profit (loss)	864,834,489.00	1,755,970,336.35	1,054,655,727.04	1,287,461,492.06	701,011,333.67	5,663,933,378.12	3,334,385,121.54	2,329,548,256.58
<b>Total assets</b>						<b>209,264,595,092.54</b>	<b>82,791,536,801.39</b>	<b>126,473,058,291.15</b>
Including: Amount of substantial impairment loss on a single asset						-	-	-
<b>Total liabilities</b>						<b>147,395,658,533.85</b>	<b>60,720,053,098.65</b>	<b>86,675,605,435.20</b>
Supplemental information						-	-	-
Capital expenditure						-	-	-
Recognized impairment loss of the current period						(446,369,429.73)	21,426,865.26	(467,796,294.99)
Including: Amortization of impairment of goodwill								
Depreciation and amortization expenses						440,592,262.50	-	440,592,262.50
Non-cash expenses other than impairment loss, depreciation and amortization						-	-	-

## 9. DIVIDENDS

The Company paid 2023 final dividend of RMB4.75 for every 10 shares (tax inclusive) totalling a cash distribution of RMB1,480,812,242.08 to its shareholders on 26 July 2024, with the approval of the 2023 annual general meeting held on 28 June 2024.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (30 June 2023: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

### I. Information of the Industry in which the Company Operates and the Company's Principal Business during the Reporting Period

Operating in high-end energy equipment industry, the Company provides various energy, environmental protection, chemical and other products and systems packages, logistics and other services to global energy operators and other users. There were no material changes in the principal business of the Company during the Reporting Period.

The main business model of the Company is to develop, design, manufacture and sell advanced wind power, solar power, hydropower, nuclear power, gas power and coal power, and high-end equipment such as chemical containers, energy saving and environmental protection, power electronics and control, hydrogen energy and to provide engineering contracting and services to global energy operators. As one of the world's largest suppliers of power generation equipment and general contractors for power station projects, the Company operated its production and service business covered nearly 80 countries and regions around the world, and has strong competitiveness and influence in the field of energy equipment.

The Company has a completed energy equipment manufacturing and service system, and is capable of mass production of 1 million kilowatt-class hydropower units, 1.35 million kilowatt-class ultra-supercritical thermal power generating units, 1 million-1.75 million kilowatt-class nuclear power generating units, heavy-duty gas turbine equipment, direct-drive and double-fed semi-direct-drive full-series wind power units and high-efficiency solar power station equipment, hydrogen-powered bus power system, large-scale environmental protection and water treatment equipment, power electronics and control systems, new energy batteries and energy storage systems, intelligent equipment and other products. 1 million kilowatt-class air-cooled units, large circulating fluidized bed boilers, gas turbines, pumped storage and other products are industry-leading. The Company has the ability to manufacture core equipment in the petrochemical field such as chemical containers, drive turbines, shield pumps, long-haul pipeline compressors, etc., the system solution capability for waste gas and water treatment, solid waste disposal and resource utilization, the equipment and system technology capability for power electronics and control and intelligent manufacturing, and the energy storage design and integration capability. The Company has built a fuel cell product system with full independent intellectual property rights, and has also established an overall solution for the entire process for hydrogen acquisition, hydrogen storage, hydrogen filling and hydrogen use. In response to the changing business models in the new energy market, the Company acquires certain resources through methods such as localizing equipment manufacturing industries to drive equipment sales, mitigate the impact of fluctuations in the equipment manufacturing sector, promote the validation and application of new technologies and products, and continuously optimize industrial regional layout.

In the first half of 2024, global economic growth momentum was relatively weak, with frequent occurrences of geopolitical conflicts and international trade frictions. Despite these challenges, the country's economy continued its recovery trend, operating steadily with progress within a stable overall framework. From January to June 2024, the electricity consumption in the PRC totaled 4,657.5 billion kWh, representing a year-on-year increase of 8.1%; the power installation maintained a growth momentum, with a cumulative installed capacity of approximately 3.07 billion kW as of the end of June, representing a year-on-year increase of 14.1%; and major power generation enterprises in the PRC completed investment in power supply projects amounting to RMB344.1 billion, representing a year-on-year increase of 2.5%. In general, the energy equipment industry maintained a good market prospect.

## **II. Analysis of Core Competitiveness during the Reporting Period**

As one of the significant R&D manufacturers of high-end energy equipment and the mega enterprises for project contracting in the world, the Company proactively linked up and served national strategies, based on the development, design, manufacture, sales and services of high-end energy equipment, by continuously improving the industrial pattern of “Simultaneous Development of Six Types of Power” including wind power, solar power, hydropower, nuclear power, gas power and clean coal power as well as “Six Industries Synergy” including high-end petrochemical equipment, energy conservation and environmental protection, engineering and international trade, modern manufacturing services, power electronics and control, and emerging industries. The Company has the advantages of outstanding technological innovation capability with diverse and completed industrial layout, advanced manufacturing and service capability, remarkable market expansion capability, and deep cultural and brand accumulation.

### **III. Discussion and Analysis of Operations**

In the first half of 2024, the Company's various tasks were solid and effective, with core functions showing continuous growth and core competitiveness steadily improving, presenting a stable and positive trend.

#### ***1. Deepening Advancement in Industrial Development***

From January to June 2024, the Company achieved new effective orders amounting to RMB56.073 billion, representing a year-on-year increase of 14.77%. In terms of traditional industries, breakthroughs were achieved in the nuclear power sector with the storage and transportation containers for spent fuel, and the civil nuclear safety equipment manufacturing license was re-approved; in the gas power sector, the domestic market share remained leading, and the independently developed gas turbines secured the first commercial order; the coal power sector achieved dual breakthroughs in the market for tower-type furnaces of 600MW and 1,000MW capacity; the power plant service industry secured new effective orders totaling RMB4.69 billion, reaching a historical high for the same period. In terms of strategic emerging industries, the wind power sector achieved a capacity of more than 7 million kilowatts of new orders in the first half of the year, with mass production achieved for 10MW onshore wind turbine units; the entire hydrogen energy industry chain's technological innovation and application practices were selected as a typical case for the National Energy Administration's energy green and low-carbon transformation; simultaneously, the Company vigorously promoted the integrated development of industry chains and successfully hosted the Small and Medium-sized Gas Turbine Modern Industrial Chain Collaboration Conference and the 2024 Gas Turbine Industry Development Conference. The Company signed a memorandum on strengthening cooperation with Mitsubishi Heavy Industries, Ltd. (三菱重工業株式會社). Among the new orders, 45.19% were for clean and efficient energy equipment, 25.07% were for renewable energy equipment, 10.22% were for engineering and trading, 8.70% were for modern manufacturing services, and 10.83% were for emerging growth industries.

## **2. Remarkable Results in Technological Innovation**

The Company has continuously optimized the selection mechanism for major technology projects, implemented classified management of significant technological research, key product development, and major engineering applications. The Company has deepened mutually beneficial cooperation, established the Chengdu Innovation Research Institute, and the Japan Energy Research Institute. The Company was selected by the Ministry of Industry and Information Technology as one of the main enterprises in the three key industrial chains of wind power, nuclear power, and hydrogen energy. In the first half of 2024, the Company achieved a series of significant innovative accomplishments. The “Complete Technology, Equipment, and Industrialization for Safe and Efficient Offshore Wind Power Development” project was awarded the first prize in the 2023 National Science and Technology Progress Award; an 18-megawatt offshore wind turbine was connected to the grid, setting a new world record for the largest single-machine-capacity of grid-connected wind turbines; the assembly of a 15-megawatt heavy-duty gas turbine was completed independently; the hydraulic research and development of the world’s largest 500-megawatt impact hydropower generator unit was completed; significant breakthroughs have been made in hedge combustion tower boiler technology; the world’s first 300-megawatt class compressed air energy storage turbine generator set was connected to the grid. Additionally, the first domestic megawatt-level natural gas differential pressure power generation unit was successfully put into operation.

## **3. Comprehensive Deepening in Various Reforms**

The Company has been continuously advancing actions to deepen and enhance reforms. The Company has innovatively launched internal reform pilot projects, focusing on key and challenging areas, organizing all secondary enterprises to conduct “excellence ranking”. Significant progress has been made in areas such as empowering technology innovation, establishing a new operational responsibility system. Policies supporting and encouraging “scientific reform enterprises”, “double-hundred enterprises” and “professional leading enterprises” have been issued, intensifying efforts in reform and innovation. Continuous policy support has been provided to pilot demonstration enterprises in areas such as equity investment, board construction, and medium-to-long-term incentives. The Company has been continuously strengthening the principle of “one enterprise, one policy” and improving the performance evaluation system for subsidiaries.

#### **4. *Continuous Enhancement in Risk Prevention and Control***

The Company has carried out the annual special project to enhance compliance, issued compliance guidelines for foreign intellectual property and Chinese export control risks. The Company has deepened online audit supervision, further expanded intelligent audit pathways, and optimized the functions of the fund business supervision platform; strengthened the grassroots basic quality management capabilities, and innovatively constructed a leading quality evaluation model and indicator system. The safety level of supply chain management has been systematically improved, and the “Dongfang e-Procurement (東方e採)” e-commerce platform has been successfully launched. Steady progress has been made in the three-year action plan to address the root causes of production safety, with enhanced supervision and inspection of the implementation of safety systems, and a tightening of safety production responsibilities. In the first half of the year, there have been no significant safety, quality, or environmental incidents.

#### **IV. Principal Business during the Reporting Period**

During the Reporting Period, the Company recorded a total operating revenue of RMB33,457 million, representing an increase of 11.84% as compared with the same period of the previous year; net profit attributable to the shareholders of the Company of RMB1,691 million, representing a decrease of 15.52% as compared with the same period of the previous year; net profit attributable to the shareholders of the Company after non-recurring profit or loss of RMB1,634 million, representing a decrease of 10.16% as compared with the same period of the previous year; and earnings per share of RMB0.54.

**(I) Analysis of Principal Business**

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

<b>Item</b>	<b>For the six months ended 30 June 2024 (Unaudited)</b>	<b>For the six months ended 30 June 2023 (Unaudited)</b>	<b>Change (%)</b>
Operating revenue	<b>32,928,476,029.89</b>	29,345,972,781.79	12.21
Cost of sales	<b>27,869,898,102.55</b>	24,230,760,861.78	15.02
Selling expenses	<b>705,077,434.45</b>	688,194,497.21	2.45
Administrative expenses	<b>1,339,624,220.93</b>	1,341,884,330.39	-0.17
Finance costs	<b>45,144,897.96</b>	(78,139,575.27)	N/A
R&D expenditure	<b>1,347,828,439.49</b>	1,070,700,313.76	25.88
Other income	<b>403,016,183.28</b>	88,024,357.45	357.85
Investment income	<b>(39,626,483.54)</b>	177,601,878.67	-122.31
Gains from changes in fair values	<b>28,344,053.76</b>	48,639,616.41	-41.73
Credit impairment loss	<b>14,429,465.02</b>	(324,271,396.48)	N/A
Impairment loss of assets	<b>(259,118,589.34)</b>	(143,524,898.51)	N/A
Gains from disposal of assets	<b>116,255.14</b>	4,859,201.14	-97.61
Net cash flow from operating activities	<b>4,064,695,241.25</b>	(2,211,996,945.61)	N/A
Net cash flows from investing activities	<b>(910,348,448.48)</b>	4,587,865,727.41	-119.84
Net cash flows from financing activities	<b>952,099,163.96</b>	237,037,680.05	301.67

(1) Reasons for change in operating revenue: The operating revenue for the period increased by 12.21% year on year, mainly due to a 41.03% year-on-year increase in revenue from the clean and efficient energy equipment segment.

(2) Reasons for change in cost of sales: The cost of sales for the period increased by 15.02% year on year, mainly due to increased costs resulting from the increase in sales volume.

- (3) Reasons for change in selling expenses: The selling expenses increased slightly by 2.45% year on year in the current period.
- (4) Reasons for change in administrative expenses: The administrative expenses for the period decreased by 0.17% year on year, a relatively small change.
- (5) Reasons for change in finance costs: The finance costs for the period increased by RMB123 million year on year, mainly due to the impact of exchange rate changes, exchange losses of RMB22 million for the period, compared with exchange gains of RMB76 million for the same period last year.
- (6) Reasons for change in R&D expenditure: The R&D expenditure for the period increased by 25.88% year on year, mainly due to the Company's continuous increase in R&D investment.
- (7) Reasons for change in other income: The other income for the current period increased by 357.85% year on year, mainly attributed to the Company benefiting from the policy of additional deduction of value-added tax for advanced manufacturing industries.
- (8) Reasons for change in investment income: The investment income for the period decreased by 122.31% year on year, mainly due to a RMB181 million investment loss recognized as a result of the influence of Sichuan Energy Power.
- (9) Reasons for change in gains from changes in fair values: The gains from changes in fair values for the period decreased by 41.73% year on year, mainly due to changes in the fair values of funds.

- (10) Reasons for change in credit impairment loss: The credit impairment loss for the current period increased by RMB339 million year on year, mainly due to a relatively large amount of reversal of impairment loss resulting from recovery of long-aged accounts receivable in the current period, while impairment loss was provided for in the previous year.
- (11) Reasons for change in impairment loss of assets: The impairment loss of assets decreased by RMB116 million year on year, mainly due to an increase in contract warranty deposits in the current period, leading to an increase in the provision for impairment loss.
- (12) Reasons for change in gains from disposal of assets: The gains from disposal of assets for the period decreased by 97.61% year-on-year, mainly due to fewer amount of assets being disposed of during the period.
- (13) Reasons for change in the net cash flow from operating activities: The net cash flow from operating activities for the current period increased by RMB6,277 million year on year, mainly due to better collections and an increase in advance payments received.
- (14) Reasons for change in net cash flow from investing activities: The net cash flow from investing activities decreased by 119.84% year on year during the period, mainly due to the increase in the outflow of investment in interbank certificates of deposit and other businesses by DEC Finance of the Company.
- (15) Reasons for change in net cash flows from financing activities: The net cash flows from financing activities for the period increased by 301.67% year on year, mainly due to the increase in the borrowings of the Company.



## 2. 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-on-	Year-on-
				year increase/ decrease in revenue (%)	year increase/ decrease in cost (%)	year increase/ decrease in gross profit margin (%)
<b>Operations by industry</b>						
Renewable energy equipment	8,215,031,855.67	7,489,175,858.29	8.84	18.59	23.54	-3.65
High-efficient clean energy equipment	14,065,199,678.85	11,789,943,970.63	16.18	41.03	43.48	-1.43
Engineering and trade	3,538,128,054.60	3,230,818,572.51	8.69	-41.99	-35.95	-8.61
Modern manufacturing services business	3,521,052,496.82	1,841,028,167.28	47.71	46.06	63.90	-5.69
Emerging growth business	4,117,599,121.11	3,531,384,025.76	14.24	-8.61	-7.18	-1.32

1. Revenue from renewable energy equipment business increased by 18.59% year-on-year during the Period, mainly due to the growth in wind turbine deliveries and the increase in the scale of wind power generation. Gross profit margin decreased by 3.65 percentage points year-on-year, mainly due to the intensified competition in the wind power industry and the continued downward trend in the price of complete turbines, which resulted in continued pressure on the gross profit margin of the wind power business.
2. Revenue from high-efficient clean energy equipment business increased by 41.03% year-on-year during the Period, mainly due to the growth in the nuclear, coal and gas power businesses as the Company seized market opportunities. Revenue from modern manufacturing services business increased by 46.06% year-on-year, mainly due to the growth of the power station services business, but the gross profit margin declined due to competition in the market.

3. Revenue from engineering and trade business decreased by 41.99% year-on-year during the Period, mainly due to the decrease in the Company's trade business. Gross profit margin from engineering and trade business decreased by 8.61 percentage points year-on-year, mainly due to the fierce market competition of the engineering contracting business, and the relatively low level of gross profit margin of the new energy engineering contracting business.

2. Total operating revenue by region

*Unit: RMB*

<b>Region</b>	<b>Total operating revenue</b>	<b>Year-on-year increase/decrease in total operating revenue</b>
Domestic	<b>30,518,204,033.82</b>	13.15
Overseas	<b>2,938,807,173.23</b>	-0.19
Total	<b><u>33,457,011,207.05</u></b>	<b><u>11.84</u></b>

## (II) Analysis on Assets and Liabilities

### 1. Assets and liabilities

Item	30 June 2024	Percentage of the amount in total assets (%)	31 December 2023	Percentage of the amount year in total assets (%)	Change in balance as at the end of the current period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Cash and cash equivalents	21,704,359,466.77	16.50	17,129,250,869.93	14.14	26.71	Mainly due to the net inflow of cash flows from operating activities.
Funds for lending	788,442,761.86	0.60	–	–	–	Mainly due to DEC Finance engaging in interbank lending and borrowing to enhance the Company's fund operation income while strictly controlling risks.
Notes receivable	939,704,732.49	0.71	1,152,624,005.12	0.95	-18.47	Mainly due to the collection of bills upon maturity.
Accounts receivable	12,778,573,769.83	9.71	10,714,105,864.95	8.85	19.27	Mainly due to the increase in receivables due within one year resulting from the increase in sales.
Other receivables	487,838,773.48	0.37	412,067,046.11	0.34	18.39	Mainly due to the increase in security deposits and dividends receivable compared with the beginning of the year.
Non-current assets due within one year	452,253,456.34	0.34	530,902,406.26	0.44	-14.81	Mainly due to the recovery of long-term receivables due within one year.
Other investments in equity instruments	1,453,654,429.05	1.10	495,874,463.26	0.41	193.15	Mainly due to the designation of Sichuan Energy Power shares as investments in other equity instruments during the year

Item	30 June 2024	Percentage of the amount in total assets (%)	31 December 2023	Percentage of the amount year in total assets (%)	Change in balance as at the end of the current period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Investment properties	264,618,259.01	0.20	146,049,853.94	0.12	81.18	Mainly due to the lent of partial hydrogen energy industrial park.
Right-of-use assets	479,152,530.61	0.36	345,268,409.32	0.29	38.78	Mainly due to the increase in renting new houses, buildings, plant and equipment.
Long-term deferred expenses	4,166,675.32	0.003	2,116,601.80	0.002	96.86	Mainly due to expenditure on renovation of leased office buildings.
Inventories	16,720,650,821.64	12.71	18,136,582,872.93	14.98	-7.81	Mainly due to the costs carried forward in the unfinished products along with the fulfillment of projects, leading to the decrease in inventory compared with the beginning of the year.
Contract assets	15,311,291,617.30	11.64	12,419,968,866.48	10.26	23.28	Mainly due to an increase in contract assets as a result of expanding sales volume.
Short-term loans	33,323,326.01	0.03	110,165,544.44	0.09	-69.75	Mainly due to the repayment of borrowings from financial institutions when due, leading to the decrease in the balance.
Contract liabilities	35,497,551,813.75	26.98	32,171,926,049.36	26.56	10.34	Mainly due to an increase in advance payments for contract income due to the increase of newly effective contracts.
Employee benefits payable	715,701,188.54	0.54	864,060,140.44	0.71	-17.17	Mainly due to a decrease in severance benefits compared with the beginning of the year.

Item	30 June 2024	Percentage of the amount in total assets (%)	31 December 2023	Percentage of the amount year in total assets (%)	Change in balance as at the end of the current period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Taxes payable	543,405,041.87	0.41	439,788,690.24	0.36	23.56	Mainly due to the increase in value added tax payable and corporate income tax payable resulting from the increase in sales.
Long-term borrowings	2,071,036,044.31	1.57	1,383,426,409.20	1.14	49.70	Mainly due to the loans obtained by subsidiaries
Lease liabilities	432,671,007.36	0.33	229,988,566.36	0.19	88.13	Mainly due to the increase in renting houses, buildings, plant and equipment.
Other payables	3,096,304,054.54	2.35	1,488,320,214.72	1.23	108.04	Mainly due to an increase in the balance of dividend payable resulting from the declaration of payment of dividend on ordinary shares.
Non-current liabilities due within one year	264,891,125.81	0.20	316,029,312.52	0.26	-16.18	Mainly due to the repayment of long-term borrowings when due, leading to the decrease in the balance.
Other current liabilities	1,756,711,045.08	1.34	2,068,383,806.37	1.71	-15.07	Mainly due to a decrease in tax pending for written off.
Customer deposits and deposits from banks and other financial institutions	3,518,373,955.09	2.67	592,069,004.07	0.49	494.25	Mainly due to an increase in deposits in DEC Finance of the Company.
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	

## 2. *Gearing ratio*

<b>Item</b>	<b>Amount at the end of the Period</b>	Amount at the beginning of the year	<b>Year-on- year increase/ decrease (percentage point)</b>
Gearing ratio (%)	<b>68.49</b>	65.96	<b>2.53</b>

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

The gearing ratio of the Group was 68.49% at the end of the Period, representing an increase of 2.53 percentage points 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 of 30 June 2024, the Group had financial institution (bank) borrowings of RMB33 million due within one year and financial institution (bank) borrowings of RMB1,054 million due beyond one year. The Company's borrowings are mainly denominated in RMB. In particular, financial institution (bank) borrowings of RMB760 million were fixed-rate borrowings. The Group has maintained a favorable credit rating with banks and a sound financing capacity.

## 4. *Cash and cash equivalents*

As at 30 June 2023, the cash and cash equivalents in RMB and US dollars held by the Group accounted for 90.31% and 7.05% 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 2024, the Group had pledged bank borrowings of approximately RMB327 million (31 December 2023: RMB336 million), which were related to borrowings from financial institutions by franchise rights of the Company. As at 30 June 2024, net franchise rights values amounted to RMB478 million (31 December 2023: RMB488 million). As at the end of the Period, this part of borrowings was not yet due and repayable.

### ***(III) Possible Risks***

#### *1. Risk of international operation*

Risk description: currently, there are multiple international political disputes and military conflicts erupting, leading to a significant rise in geopolitical risks. The global economic growth momentum is insufficient, and the situation faced by international businesses is becoming increasingly severe and complex. The international energy market is undergoing transformation and upgrading, with a deep restructuring of the global energy structure. Traditional thermal power projects are decreasing, and international operations still face numerous challenges.

Risk management measures: (1) the Company will strengthen research on the international situation and energy transformation, specify key regional markets and key products, to provide effective support for expanding overseas markets and carrying out overseas projects; (2) develop an international market development plan, international market marketing plans and strategies, enhance international exhibition planning, coordinate the deployment and participation of enterprises in exhibitions by industry, continuously enhance the international brand influence of Dongfang Electric, and promote high-quality development of international business; (3) review the layout of overseas operating institutions, explore functional classification and performance evaluation of overseas institutions, and optimize and improve the international layout and deployment.

## 2. *Business transformation risk*

Risk description: the strategic emerging industries are greatly affected by industrial support policies, and the external environment and basic conditions required for rapid development are not yet perfect. Meanwhile, if the Company fails to improve the foresight of scientific research topics and accurately anticipate key technologies, it may result in missing the window of opportunity to exploit the market with technological innovations, impacting the speed of the Company's development in new industries.

Risk management measures: (1) the Company will continue to closely follow the national dual-carbon goals and green low-carbon orientation, strengthen research on emerging industry policies, analyse development trends, and fully mobilize the enthusiasm of subsidiaries and functional companies in new industries and new tracks to enhance the development momentum and quality of these entities; (2) play the role of the enterprise as the main body, enhance the hematopoietic function of emerging industries, innovate business models, and reduce dependence on new industry policies; (3) establish the Company's scientific and technological achievements incubation pool, and form a list of innovation achievements with clear prospects and market value through expert review, and provide policy support to accelerate the transformation and incubation of achievements.

## 3. *Price risk*

Risk description: the current increase in the prices of bulk raw materials and key materials has led to an increase in product costs, while at the same time, due to more intense competition in the market, the prices of wind power equipment and other products are still at a low level and the gross profit margin is relatively low, which may affect the overall profitability of the Company.

Risk management measures: the Company will strengthen the management of bid approval and pricing, strictly control loss-making orders, strengthen the target cost control of pre-loss and low-profit projects, and set reasonable targets and ensure that they are under control. Additionally, the Company will reinforce cost control for design and procurement, intensify efforts to increase efficiency and reduce costs, and implement targeted measures to enhance profitability.



#### ***(IV) Material Events***

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

#### ***(V) Prospect for the Second Half of 2024***

In the second half of 2024, the Company will grasp opportunities such as large-scale equipment renewal and reconstruction and high-quality development of key industrial chains in the manufacturing industry, focus on enhancing its market expansion capability, technological innovation capability, risk prevention and control capability, and resource integration capability, and promote the orderly commencement of various tasks, so as to ensure the successful completion of objectives and tasks for the whole year.

### **V. OTHER EVENTS**

#### ***1. Capital Structure***

As of 30 June 2024, the total share capital of the Company amounted to RMB3,117,499,457, divided into 2,777,499,457 A shares with a nominal value of RMB1.00 per share and 340,000,000 H shares with a nominal value of RMB1.00 per share. The capital structure of the Company is as follows:

Class of shares	As at 30 June 2024		As at 30 June 2023	
	Number of shares	% of total number of share capital issued	Number of shares	% of total number of share capital issued
A share	2,777,499,457	89.09%	2,778,533,797	89.10%
H share	340,000,000	10.91%	340,000,000	10.90%
Total	<u>3,117,499,457</u>	<u>100%</u>	<u>3,118,533,797</u>	<u>100%</u>

## **2. *Purchase, Sales or Redemption of Listed Securities of the Company***

During the Reporting Period, pursuant to the Resolution on the Repurchase and Cancellation of Certain Restricted Shares approved at the Company's 2024 first extraordinary general meeting, 2024 first A Shares class meeting and 2024 first H Shares class meeting held on 5 February 2024, the Restricted Shares totalling 1,034,340 A shares that have been granted to 76 participants yet still locked up were repurchased and cancelled. Please refer to the announcement of the Company dated 11 March 2024 for details.

Save for the aforementioned matters, none of the Company or its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sales of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)). As of the end of the Reporting Period, the Company did not hold any treasury shares.

## **3. *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 2024.

## **4. *Guarantee to External Parties and Performance thereof***

As at 30 June 2024, the Company provided 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 amounting to RMB68 million. The guarantees shall be valid from the effective date of the equity pledge agreement until all debts under the financial leasing contract being repaid.

DEC Dongfang Steam Turbine Co., Ltd., a controlling subsidiary of the Company, provided guarantee in an amount of RMB24.5 million for its associated company Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd., which constituted a continuous guarantee 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 0.22% of the net assets of the Company.

## **5. *Material Litigation and Arbitration***

During the six months ended 30 June 2024 and up to the date of this announcement, the Company has not been involved in any material litigation and arbitration. As far as the Directors are aware, the Company does not have any material litigation or claims pending or threatening to the Company.

## **6. *Employees and Remuneration Policy***

### *1. Number of employees*

As of 30 June 2024, the total number of employees of the Company was 18,104.

### *2. Remuneration of employees*

As of 30 June 2024, the total amount of remuneration paid to the employees during the Reporting Period was RMB1,363.91 million.

### *3. Remuneration policy*

During the Reporting Period, the Company continued to enhance the mechanism for determining the total wage amount and differentiated the setting of wage total linkage indicators and weights based on the nature of enterprise functions and industry characteristics. The Company persistently optimized and adjusted the income distribution structure, scientifically adjusted the evaluation indicators for differentiated salary distribution, and guided income distribution towards key core technical positions, urgently needed high-level talents and highly skilled personnel. The Company improved various special incentive policies, continuously increased incentives for strategic emerging industries and key areas, steadily promoted the implementation of mid- to long-term incentives, gradually increased the coverage of mid- to long-term incentives, and focused particularly on technology and highly skilled talents. The Company further enhanced the quality of the tenure system and contractual management of its management team members, expanded the application of the tenure system and contractual management to more key positions, strengthened the management responsibilities of management personnel at all levels, and facilitated the decomposition and implementation of the Company's development strategies and key tasks in a wider scope. The company continued to promote all-employee performance management, established a performance management system, realized the whole process of employee performance management under control, and effectively enhanced the management effectiveness and level.

#### *4. Training plan*

During the Reporting Period, the Company actively implemented the requirements of its leadership strategy, strengthened the construction of a professional training service platform, focused on the development of strategic emerging industries, scientific and technological innovation, and the enhancement of its international business capacity, etc., compiled and released annual training plans for its employees, formulated teaching and implementation plans, and pushed forward the orderly commencement of various types of training projects. With the focus on the implementation of “Six Talent Training Projects”, the Company increased efforts in the training of innovative, applied and skilled talents, orderly promoted ten talent training projects such as scientific and technological innovation talents, internationalization talents, financial management talents, legal and risk control talents, quality management and so on, so as to effectively enhance the innovative thinking and comprehensive ability of complex management talents; together with Tsinghua University, Sichuan University, Tianjin University, and other universities, the Company has organized training courses for leading youths in science and technology, training program targeting middle-aged and young management, and training courses for mature and internationalized talents, etc., which effectively enhanced the effectiveness of training and cultivation of various types of talents, and provided a guarantee for the high-quality development of the Company. Each enterprise under the Company constantly enriched training forms, strengthened training base construction, created high-quality training projects, and continued to promote the scientific, institutionalized and standardized training work by closely focusing on talent training needs.

#### *7. Corporate Governance Code*

The Company has fully complied with all applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the Period.

## **8. Model Code for Securities Transactions by Directors**

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 C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Having made specific enquiries to all Directors and supervisors, the Company confirms that, for the period ended 30 June 2024, 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.

## **9. Audit Committee**

The Board has set up an audit and review committee comprising three independent non-executive directors, being Mr. Huang Feng, Mr. Zeng Daorong and Ms. Chen Yu. The audit and review committee has reviewed and passed the interim results of the Group for the six months ended 30 June 2024, and agreed with the accounting treatment method adopted by the Company.

## **10. Information Disclosure**

This announcement will be available on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://dfem.wsfg.hk>). The interim report of the Company for the period ended 30 June 2024, which contains all information as proposed in the Disclosure of Financial Information set out in Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, will be dispatched to shareholders of the Company (if necessary) and published on the above websites 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**  
**Feng Yong**  
*Joint Company Secretary*

Chengdu, Sichuan Province, the PRC  
29 August 2024

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

*Directors:* *Yu Peigen, Zhang Yanjun, Song Zhiyuan and Sun Guojun*

*Independent non-executive Directors:* *Huang Feng, Zeng Daorong and Chen Yu*