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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)

ANNOUNCEMENT OF 2025 INTERIM RESULTS

RESULTS HIGHLIGHTS

Total operating revenue of the Group for the first half of 2025 amounted to RMB38,151 million, representing an increase of 14.03% 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 2025 amounted to RMB1,910 million, representing an increase of 12.91% as compared with the same period of the previous year;

Earnings per share of the Group in the first half of 2025 amounted to RMB0.60, as compared with RMB0.54 for the same period of the previous year;

New orders of the Group in the first half of 2025 amounted to RMB65,485 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 2025 (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 risk committee of the Company.

FINANCIAL INFORMATION

Consolidated Statement of Financial Position

30 June 2025

(Amounts are expressed in RMB unless otherwise stated)

| Item | Notes | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|--|-------|-----------------------------|-------------------------------|
| Current Assets: | | | |
| Cash and cash equivalents | | 31,258,747,496.38 | 26,855,949,069.93 |
| △ Clearing provision | | — | — |
| △ Funds for lending | | 1,460,597,736.03 | 836,529,745.30 |
| Held-for-trading financial assets | | 1,572,706,401.76 | 1,697,971,178.52 |
| Derivative financial assets | | — | — |
| Notes receivable | | 998,157,596.40 | 1,224,353,136.23 |
| Accounts receivable | 2 | 14,033,103,356.72 | 12,545,314,264.97 |
| Receivables financing | | 2,426,759,434.04 | 1,927,567,077.40 |
| Prepayments | | 6,664,490,992.53 | 5,876,898,026.02 |
| △ Premiums receivable | | — | — |
| △ Amounts receivable under reinsurance contracts | | — | — |
| △ Reinsurer's share of insurance contract reserves | | — | — |
| Other receivables | | 544,958,219.37 | 546,279,763.42 |
| Including: Interest receivable | | — | — |
| Dividends receivable | | 34,018,947.36 | 23,297,096.99 |
| △ Financial assets purchased under resale agreements | | 2,731,060,273.97 | 2,666,820,136.99 |
| Inventories | | 27,286,777,778.40 | 21,685,296,057.95 |
| Including: Raw materials | | 3,242,720,014.99 | 3,594,208,110.75 |
| Inventory commodities (finished products) | | 786,292,950.47 | 660,237,049.36 |
| Contract assets | | 17,287,432,592.98 | 14,258,321,922.49 |
| Assets held for sale | | — | — |
| Non-current assets due within one year | | 719,624,820.93 | 2,341,379,530.86 |
| Other current assets | | 2,248,590,487.71 | 1,317,102,354.65 |
| Total Current Assets | | 109,233,007,187.22 | 93,779,782,264.73 |

| Item | Notes | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|---|-------|-----------------------------|-------------------------------|
| Non-current Assets: | | | |
| △ Loans and advances | | 4,463,089,863.91 | 4,483,911,097.25 |
| Debt investments | | 17,564,832,813.33 | 19,785,285,247.24 |
| Other debt investments | | – | – |
| Long-term receivables | | 115,852,508.51 | 21,879,106.99 |
| Long-term equity investments | | 2,695,097,689.42 | 2,924,013,842.93 |
| Other investments in equity instruments | | 540,126,275.38 | 544,594,360.32 |
| Other non-current financial assets | | – | – |
| Investment properties | | 138,960,557.20 | 144,195,700.70 |
| Fixed assets | | 5,482,292,975.66 | 5,497,006,728.71 |
| Constructions in process | | 1,700,377,412.70 | 1,427,333,045.26 |
| Productive biological assets | | – | – |
| Oil and gas assets | | – | – |
| Right-of-use assets | | 492,984,406.24 | 554,692,874.36 |
| Intangible assets | | 1,916,436,238.51 | 1,924,688,544.38 |
| Development expenditure | | 5,197,196.32 | 5,027,241.19 |
| Goodwill | | – | – |
| Long-term deferred expenses | | 14,573,922.39 | 15,213,914.59 |
| Deferred tax assets | | 3,440,067,780.54 | 3,320,567,076.73 |
| Other non-current assets | | 8,562,620,125.02 | 7,581,093,806.49 |
| Total Non-current Assets | | 47,132,509,765.13 | 48,229,502,587.14 |
| TOTAL ASSETS | | 156,365,516,952.35 | 142,009,284,851.87 |

| Item | Notes | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|--|-------|-----------------------------|-------------------------------|
| Current Liabilities: | | | |
| Short-term loans | | 75,109,263.89 | 75,080,000.00 |
| △ Loans from the central bank | | – | – |
| △ Deposit taking and deposit in interbank market | | 4,767,478,788.41 | 2,260,595,201.96 |
| △ Taking from banks and other financial institutions | | – | – |
| Held-for-trading financial liabilities | | – | – |
| Derivative financial liabilities | | – | – |
| Notes payable | | 16,341,656,436.91 | 15,635,278,628.07 |
| Accounts payable | 3 | 30,488,928,676.84 | 24,833,045,021.46 |
| Receipts in advance | | – | – |
| Contract liabilities | | 42,078,274,477.02 | 40,665,996,771.34 |
| △ Financial assets sold under repurchase agreements | | – | – |
| △ Fees and commissions payable | | – | – |
| Employee benefits payable | | 776,131,509.37 | 959,633,957.64 |
| Taxes payable | | 542,820,096.49 | 782,649,173.71 |
| Including: Tax payable | | 526,101,130.26 | 765,687,449.56 |
| Other payables | | 2,969,389,239.35 | 1,614,378,867.21 |
| Including: Interest payable | | – | (0.00) |
| Dividends payable | | 1,371,192,193.78 | 4,568,944.33 |
| Liabilities held for sale | | – | – |
| Non-current liabilities due within one year | | 257,381,612.74 | 331,405,083.18 |
| Other current liabilities | | 1,248,522,114.44 | 1,754,906,399.30 |
| Total Current Liabilities | | 99,545,692,215.46 | 88,912,969,103.87 |

| Item | <i>Notes</i> | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|--------------------------------------|--------------|---|---------------------------------|
| Non-current Liabilities: | | | |
| Long-term borrowings | | 3,434,875,573.97 | 2,167,176,895.80 |
| Bonds payable | | – | – |
| Lease liabilities | | 408,213,036.45 | 415,958,899.80 |
| Long-term payables | | 240,000.00 | 240,000.00 |
| Long-term accrued payroll | | 1,021,359,543.11 | 1,003,106,169.47 |
| Provisions liabilities | | 5,865,025,659.15 | 5,659,335,713.33 |
| Deferred income | | 462,535,573.03 | 478,399,531.50 |
| Deferred tax liabilities | | 223,910,958.33 | 229,850,405.47 |
| Other non-current liabilities | | – | – |
| Total Non-current Liabilities | | <u>11,416,160,344.04</u> | <u>9,954,067,615.37</u> |
| TOTAL LIABILITIES | | <u>110,961,852,559.50</u> | <u>98,867,036,719.24</u> |

| Item | Notes | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|--|-------|-----------------------------|-------------------------------|
| Owners' Equity (or Shareholders' Equity): | | | |
| Paid-in capital (or share capital) | | 3,390,360,326.00 | 3,117,499,457.00 |
| State-owned capital | | 1,772,966,194.00 | 1,739,215,126.00 |
| Including: State-owned legal person's capital | | 1,772,966,194.00 | 1,739,215,126.00 |
| Collective capital | | – | – |
| Private capital | | 1,277,394,132.00 | 1,038,284,331.00 |
| Including: Personal capital | | 1,277,394,132.00 | 1,038,284,331.00 |
| Foreign capital | | 340,000,000.00 | 340,000,000.00 |
| #Less: Investment returned | | – | – |
| Net paid-in capital (or share capital) | | 3,390,360,326.00 | 3,117,499,457.00 |
| Other equity instruments | | – | – |
| Including: Preferred shares | | – | – |
| Perpetual capital securities | | – | – |
| Capital reserves | | 14,355,747,032.29 | 11,559,826,521.38 |
| Less: Treasury shares | | – | 648,882.29 |
| Other comprehensive income | | (147,247,099.58) | (120,082,230.27) |
| Including: Foreign currency translation differences | | (50,180,427.93) | (34,982,948.19) |
| Special reserves | | 142,076,194.13 | 124,193,157.76 |
| Surplus reserves | | 1,424,889,201.23 | 1,424,889,201.23 |
| Including: Statutory reserves | | 1,424,889,201.23 | 1,424,889,201.23 |
| Discretionary reserve | | – | – |
| # Reserve funds | | – | – |
| # Enterprise development fund | | – | – |
| # Profit return for investment | | – | – |
| △ General risk reserves | | – | – |
| Retained profits | 4 | 23,234,085,776.73 | 22,690,605,142.05 |
| Total Owners' Equity Attributable to Equity Holders of the Parent Company | | 42,399,913,430.80 | 38,796,282,366.86 |
| * Non-controlling Shareholders' Equity | | 3,003,750,962.05 | 4,345,965,765.77 |
| Total Owners' Equity | | 45,403,664,392.85 | 43,142,248,132.63 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 156,365,516,952.35 | 142,009,284,851.87 |

Consolidated Income Statement

For the six months ended January-June 2025

(Amounts are expressed in RMB unless otherwise stated)

| Item | Notes | January-June 2025 (Unaudited) | January-June 2024 (Unaudited) |
|--|-------|----------------------------------|----------------------------------|
| I. Total revenue | 5 | 38,150,951,534.17 | 33,457,011,207.05 |
| Including: Operating revenue | | 37,623,627,306.41 | 32,928,476,029.89 |
| Including: Revenue from principal business | | 37,356,037,058.24 | 32,711,876,037.04 |
| Other business income | | 267,590,248.17 | 216,599,992.85 |
| △ Interest income | | 527,283,936.51 | 528,420,142.37 |
| △ Premium earned | | — | — |
| △ Fee and commission income | | 40,291.25 | 115,034.79 |
| II. Total operating costs | | 35,297,964,520.14 | 31,496,571,965.14 |
| Including: Operating costs | | 31,805,881,127.97 | 28,285,631,299.74 |
| Including: Cost of principal business | | 31,761,317,378.63 | 28,169,725,326.43 |
| Other business cost | | 44,563,749.34 | 115,905,973.31 |
| △ Interest expenses | | 13,609,163.85 | 11,751,753.19 |
| △ Fee and commission expenses | | 1,007,374.98 | 700,738.73 |
| △ Surrenders | | — | — |
| △ Net claims | | — | — |
| △ Net provision for insurance contract | | — | — |
| △ Insurance policyholder dividends | | — | — |
| △ Expenses for reinsurance accepted | | — | — |
| Tax and levies | | 217,510,346.38 | 176,546,377.84 |
| Sales expenses | | 317,891,455.51 | 289,344,237.26 |
| Administrative expenses | | 1,372,877,949.96 | 1,339,624,220.93 |
| R&D expenses | | 1,569,565,190.21 | 1,347,828,439.49 |
| Financial expenses | | (378,088.72) | 45,144,897.96 |
| Including: Interest expenses | | 35,320,648.54 | 28,941,296.45 |
| Interest income (expressed with positive value) | | 49,956,678.60 | 42,747,583.43 |
| Net exchange loss (net income is indicated by “-”) | | (31,787,201.86) | 22,473,061.35 |

| Item | Notes | January-June 2025 (Unaudited) | January-June 2024 (Unaudited) |
|---|-------|----------------------------------|----------------------------------|
| Add: Other gains | | 249,603,044.12 | 403,016,183.28 |
| Investment income (loss is indicated by “-”) | | 141,074,666.85 | (39,626,483.54) |
| Including: Income from investments in associates and joint ventures | | 66,300,239.79 | (110,906,108.17) |
| Derecognition of gains on financial assets measured at amortized cost (loss is indicated by “-”) | | — | — |
| Gains from net exposure hedges (loss is indicated by “-”) | | — | — |
| Gains from changes in fair values (loss is indicated by “-”) | | (75,264,776.76) | 28,344,053.76 |
| Credit impairment loss (loss is indicated by “-”) | | (209,707,686.94) | 14,429,465.02 |
| Impairment loss of assets (loss is indicated by “-”) | | (456,796,895.04) | (259,118,589.34) |
| Gains from disposal of assets (loss is indicated by “-”) | | 3,496,944.88 | 116,255.14 |
| △ Foreign exchange gains (loss is indicated by “-”) | | 993,753.02 | 2,726,885.20 |
| III. Operating profit (loss is indicated by “-”) | | 2,506,386,064.16 | 2,110,327,011.43 |
| Add: Non-operating revenue | | 36,676,349.66 | 21,737,808.75 |
| Including: Government subsidy | | 298,092.41 | 1,556,000.00 |
| Less: Non-operating expenses | | 49,091,527.20 | 25,384,336.71 |
| IV. Total profit (total loss is indicated by “-”) | | 2,493,970,886.62 | 2,106,680,483.47 |
| Less: Income tax expenses | 6 | 433,127,075.60 | 298,136,651.64 |
| V. Net profit (net loss is indicated by “-”) | | 2,060,843,811.02 | 1,808,543,831.83 |
| Net profits attributable to owners of the parent company | | 1,909,795,846.06 | 1,691,463,127.79 |
| *Profit or loss attributable to non-controlling interest | | 151,047,964.96 | 117,080,704.04 |
| Profit or loss from continuing operations | | 2,060,843,811.02 | 1,808,543,831.83 |
| Profit or loss from discontinued operations | | — | — |

| Item | Notes | January-June 2025 (Unaudited) | January-June 2024 (Unaudited) |
|--|-------|----------------------------------|----------------------------------|
| VI. Other comprehensive income (“OCI”) (net of tax) | | (30,623,626.98) | (44,761,013.57) |
| OCI attributable to owners of the parent company (net of tax) | | (27,164,869.31) | (43,478,529.33) |
| (I) OCI that will not be reclassified to profit and loss subsequently | | (10,619,646.69) | (44,001,974.98) |
| 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 | | (10,619,646.69) | (44,001,974.98) |
| 4. Others | | – | – |
| (II) OCI that will be reclassified to profit and loss subsequently | | (16,545,222.62) | 523,445.65 |
| Including: | | | |
| 1. OCI by equity method that will be reclassified to profit and loss | | – | (247,804.03) |
| 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 | | (1,347,742.88) | – |
| 5. Effective portion of gain or loss arising from cash flow hedging instruments | | – | – |
| 6. Exchange differences from translation of financial statements | | (15,197,479.74) | 771,249.68 |
| 7. Others | | – | – |
| *OCI attributable to non-controlling interest (net of tax) | | (3,458,757.67) | (1,282,484.24) |

| Item | Notes | January-June 2025 (Unaudited) | January-June 2024 (Unaudited) |
|--|-------|----------------------------------|----------------------------------|
| VII. Consolidated income | | 2,030,220,184.04 | 1,763,782,818.26 |
| Consolidated income attributable to owners of the parent company | | 1,882,630,976.75 | 1,647,984,598.46 |
| *Consolidated income attributable to non-controlling interest | | 147,589,207.29 | 115,798,219.80 |
| VIII. Earnings per share: | | | |
| (1) Basic earnings per share (<i>RMB/share</i>) | 7 | 0.60 | 0.54 |
| (2) Diluted earnings per share (<i>RMB/share</i>) | 7 | 0.60 | 0.54 |

NOTES TO THE FINANCIAL INFORMATION

For the six months ended 30 June 2025

(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 2025 (Unaudited) | 31 December 2024 (Audited) |
|-------------------------------|-----------------------------|-------------------------------|
| Within 1 year | 10,200,421,873.10 | 9,166,698,541.03 |
| 1 to 2 years | 2,661,670,703.81 | 2,912,482,204.67 |
| 2 to 3 years | 2,229,504,238.98 | 1,573,780,667.10 |
| 3 to 4 years | 913,146,125.86 | 709,985,357.44 |
| 4 to 5 years | 501,544,472.18 | 454,092,052.84 |
| Over 5 years | 1,322,948,541.31 | 1,349,940,684.20 |
| Sub-total | 17,829,235,955.24 | 16,166,979,507.28 |
| Less: Provision for bad debts | 3,796,132,598.52 | 3,621,665,242.31 |
| Total | 14,033,103,356.72 | 12,545,314,264.97 |

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

| | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|---------------------------|-----------------------------|-------------------------------|
| Within 1 year (inclusive) | 26,789,569,066.29 | 21,233,568,378.41 |
| 1 to 2 years (inclusive) | 1,600,932,313.61 | 1,598,639,709.95 |
| 2 to 3 years (inclusive) | 907,965,838.73 | 897,115,396.62 |
| Over 3 years | 1,190,461,458.21 | 1,103,721,536.48 |
| Total | 30,488,928,676.84 | 24,833,045,021.46 |

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

4. RETAINED PROFITS

| Item | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
|--|-----------------------------|-------------------------------|
| Retained profits at the beginning of the year | 22,690,605,142.05 | 21,337,876,676.79 |
| Add: Net profits attributable to owners of the parent company for the Period | 1,909,795,846.06 | 2,922,100,908.48 |
| Less: Withdrawal of statutory surplus reserves | – | 87,756,382.31 |
| Withdrawal of discretionary surplus reserve | – | – |
| Withdrawal of general risk reserve | – | – |
| Dividend payable on ordinary shares | 1,366,315,211.38 | 1,480,812,259.51 |
| Ordinary shares dividends transferred to share capital | – | – |
| Others | – | 803,801.40 |
| Retained profits at the end of the Period | 23,234,085,776.73 | 22,690,605,142.05 |

5. OPERATING REVENUE AND OPERATING COST

| Item | For the six months ended 30 June 2025 (Unaudited) | | For the six months ended 30 June 2024 (Unaudited) | |
|---------------------------|--|---|--|---|
| | Revenue | Cost/Interest expenses/Fee and commission expenses | Revenue | Cost/Interest expenses/Fee and commission expenses |
| Principal operations | 37,356,037,058.24 | 31,761,317,378.63 | 32,711,876,037.04 | 28,169,725,326.43 |
| Other operations | 267,590,248.17 | 44,563,749.34 | 216,599,992.85 | 115,905,973.31 |
| Interest income | 527,283,936.51 | 13,609,163.85 | 528,420,142.37 | 11,751,753.19 |
| Fee and commission income | 40,291.25 | 1,007,374.98 | 115,034.79 | 700,738.73 |
| Total | 38,150,951,534.17 | 31,820,497,666.80 | 33,457,011,207.05 | 28,298,083,791.66 |

6. INCOME TAX EXPENSES

| Item | For the six months ended 30 June 2025 (Unaudited) | For the six months ended 30 June 2024 (Unaudited) |
|--|--|--|
| Income tax expenses for current period | 558,567,226.55 | 452,874,009.90 |
| Deferred income tax expenses | (125,440,150.95) | (154,737,358.26) |
| Total | 433,127,075.60 | 298,136,651.64 |

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 enjoy a preferential tax rate of 15% and 10 companies such as Mulei Dongji New Energy Co., Ltd. (木壘東吉新能源有限公司) enjoy 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 2025 (Unaudited) | For the six months ended 30 June 2024 (Unaudited) |
|--|--|--|
| Combined net profit attributable to the holders of ordinary shares of the parent company | 1,909,795,846.06 | 1,691,463,127.79 |
| Weighted average number of outstanding ordinary shares of the Company (Note) | 3,208,453,080.00 | 3,118,016,627.00 |
| Basic earnings per share (RMB per share) (Note) | 0.60 | 0.54 |
| Including: Basic earnings per share from continuing operations (RMB per share) | <u>0.60</u> | <u>0.54</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

= 3,208,453,080.00

(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 17,334 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 2025

| Item | Renewable energy equipment | High-efficient clean energy equipment | Engineering and supply chain business | Modern manufacturing services business | Emerging growth business | Summary | Write-off | Total |
|---|----------------------------------|---|---|--|-----------------------------|---------------------------|--------------------------|---------------------------|
| Operating revenue | 11,586,066,450.35 | 21,509,586,514.79 | 4,127,676,462.02 | 3,994,895,452.40 | 6,263,638,892.26 | 47,481,863,771.82 | 9,330,912,237.65 | 38,150,951,534.17 |
| Including: External transaction income | 10,424,515,008.11 | 16,767,014,023.55 | 3,138,302,302.66 | 3,426,318,160.59 | 4,394,802,039.26 | 38,150,951,534.17 | - | 38,150,951,534.17 |
| Inter-segment transaction income | 1,161,551,442.24 | 4,742,572,491.24 | 989,374,159.36 | 568,577,291.81 | 1,868,836,853.00 | 9,330,912,237.65 | 9,330,912,237.65 | - |
| Operating cost | 10,550,811,929.29 | 18,860,043,605.47 | 3,882,987,898.49 | 2,644,010,815.03 | 5,294,550,155.21 | 41,232,404,403.49 | 9,411,906,736.69 | 31,820,497,666.80 |
| Cost written off | 1,180,942,562.41 | 4,990,744,391.50 | 957,490,831.77 | 716,064,523.20 | 1,566,664,427.81 | 9,411,906,736.69 | - | 9,411,906,736.69 |
| Expenses for the period | - | - | - | - | - | 2,981,203,120.29 | -278,753,386.67 | 3,259,956,506.96 |
| Operating profit (loss) | 1,054,645,641.23 | 2,897,714,809.58 | 212,805,235.94 | 1,498,371,868.76 | 666,916,311.86 | 6,330,453,867.37 | 3,824,067,803.21 | 2,506,386,064.16 |
| Total assets | | | | | | 251,694,470,385.77 | 95,328,953,433.42 | 156,365,516,952.35 |
| Including: Amount of substantial impairment loss on a single asset | | | | | | - | - | - |
| Total liabilities | | | | | | 181,258,849,642.90 | 70,296,997,083.40 | 110,961,852,559.50 |
| Supplemental information | | | | | | - | - | - |
| Capital expenditure | | | | | | - | - | - |
| Recognized impairment loss of the current period | | | | | | -809,222,176.28 | -142,717,594.30 | -666,504,581.98 |
| Including: Amortization of impairment of goodwill | | | | | | | | |
| Depreciation and amortization expenses | | | | | | 550,717,218.51 | - | 550,717,218.51 |
| Non-cash expenses other than impairment loss, depreciation and amortization | | | | | | - | - | - |

Reportable segments for the first half of 2024

| Item | Renewable energy equipment | High-efficient clean energy equipment | Engineering and supply chain business | 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 | 0.00 |
| Operating cost | 8,293,208,203.94 | 16,989,477,325.26 | 4,283,235,017.70 | 2,371,636,505.21 | 5,406,902,165.39 | 37,344,459,217.50 | 9,046,375,425.84 | 28,298,083,791.66 |
| 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 | – | – | – | – | – | 2,880,173,811.04 | -141,767,984.60 | 3,021,941,795.64 |
| Operating profit (loss) | 434,876,957.95 | 2,172,803,408.37 | 307,309,482.09 | 1,674,367,221.41 | 569,570,345.57 | 5,158,927,415.39 | 3,048,600,403.96 | 2,110,327,011.43 |
| Total assets | | | | | | <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 | | | | | | – | – | – |
| Total liabilities | | | | | | <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>–</u> | <u>504,992,425.97</u> |
| Non-cash expenses other than impairment loss, depreciation and amortization | | | | | | <u>–</u> | <u>–</u> | <u>–</u> |

9. DIVIDENDS

The Company paid 2024 final dividend of RMB4.03 for every 10 shares (tax inclusive) totalling a cash distribution of RMB1,366,315,211.38 to its shareholders on 22 August 2025, with the approval of the 2024 annual general meeting held on 24 June 2025.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: 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 thermal 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 90 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 50,000-1,000,000 kilowatt-class hydropower units, 0.135-1.35 million kilowatt-class ultra-supercritical thermal power generating units, 50,000-1,750,000 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. 1 million kilowatt-class air-cooled units, large circulating fluidized bed boilers, and heavy-duty gas turbines are at the leading level in China; the overall technology of hydropower products ranks among the top in China, with technologies such as through flow and mixed flow hydropower reaching industry-leading levels, and impact hydropower technology reaching advanced levels in the industry; 26 MW offshore wind turbines are at the leading level in China. 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 2025, amid slowing global economic growth and escalating geopolitical conflicts, the international trade order suffered severe disruption, heightening instability and uncertainty. Despite these pressures, China's national economy forged ahead steadily, with key indicators outperforming expectations. High-quality development gained solid momentum, maintaining an economic trajectory characterized by stable progress and positive trends. From January to June 2025, the electricity consumption in the PRC totaled 4,841.8 billion kWh, representing a year-on-year increase of 3.7%; the power installation maintained a growth momentum, with a cumulative installed capacity of approximately 3.65 billion kW as of the end of June, representing a year-on-year increase of 18.7%; and major power generation enterprises in the PRC completed investment in power supply projects amounting to RMB363.5 billion, representing a year-on-year increase of 5.9%; the investment in the power grid project was RMB291.1 billion, representing a year-on-year increase of 14.6%. In general, the energy equipment industry maintained a good market prospect.

II. Discussion and Analysis of Operations

In the first half of 2025, adhering to the general principle of pursuing progress while ensuring stability, the Company fully implemented the new development philosophy in all respects, consistently strengthened core functions, and enhanced core competitiveness, striving to fulfill the “Three Roles” and emerge as the “Three Frontrunners”.

1. Industrial development. From the perspective of advantageous industries, the quality of hydropower orders has significantly improved, and the market share of nuclear power and gas power remained the industry's first. The overseas orders for 50 MW heavy-duty gas turbines have achieved a breakthrough of “zero”. From the perspective of the new industry, bulk orders for 20 MW level offshore wind power have been received, and the Ruqiang and Burqin new energy equipment manufacturing bases have been put into operation successively. As for hydrogen energy, we won the bid for 30 heavy trucks demonstration project in Panzhihua, achieved a breakthrough in the order of 1,000 standard cubic meters of alkaline electrolyzed water system, and put the Tibet integrated hydrogen production and hydrogenation demonstration project into operation. The main structure of the main building of the world's largest carbon dioxide energy storage project has been capped. From January to June 2025, the Company achieved a new effective order of RMB65.485 billion, a year-on-year increase of 16.78%. Among them, clean and efficient energy equipment accounted for 37.59%, renewable energy equipment accounted for 30.82%, engineering and international supply chain accounted for 11.51%, modern manufacturing services accounted for 8.80%, and emerging growth industries accounted for 11.27%.

2. Technological innovation. Innovative achievements have emerged in a concentrated manner. The stator frame and rotor bracket of the Zhala 500 MW impact hydropower unit have passed the round assembly acceptance, the 15 MW heavy-duty gas turbine has stably operated to the design condition, the 26 MW semi direct drive offshore wind turbine blades have passed the static load test, the 17 MW direct drive floating offshore wind turbine has been completed, the key technology research pilot of biomass fluidized bed gasification has been successful, and the megawatt level chemical chain combustion pilot platform and hydrogen industry technology pilot platform have been selected for the first batch of key program list by the Ministry of Industry and Information Technology. Technological innovation and industrial innovation are integrated for development, and independently developed marine anti-corrosion materials are applied to 20 MW offshore wind turbines.
3. Deepened reforms. We comprehensively deepened the reform of the three systems, formulated 13 specific measures, and implemented the requirements of the reform of cadres, personnel, and distribution systems more widely and deeply. We carried out the second batch of internal reform pilot projects around key and difficult tasks such as improving the mechanism for industrial incubation and cultivation. We actively promoted the rights-granting reform for job-related scientific achievements, established employee stock ownership and pilot project management systems. We continuously optimized the corporate governance system and completed the revision of the articles of association of all domestic secondary enterprise subsidiaries. In the 2024 special assessment of the “Science and Technology Reform Action” and “Double Hundred Action” of central enterprises announced by the State-owned Assets Supervision and Administration Commission of the State Council, Dongfang Electric Machinery, Dongfang Turbine, Dongfang Boiler, and Dongfang Wind Power were all rated as benchmark enterprises.
4. Business management. We solidly carried out the action of creating value for world-class enterprises, and the case of Dongfang Boiler has been selected as an excellent case of value creation for state-owned enterprises. We promoted the integration of business and finance with digitalization, implemented and built bidding budget BOM, and established 9 major modules including procurement finance linkage and optimizing manufacturing cost allocation, laying the foundation for the integration of finance and business data. We promoted the action of “strengthening the foundation, improving, and setting standards” in lean management to enhance its quality and expand its scope. We continuously promoted key tasks such as lean marketing, lean R&D design, and lean inventory management. We deepened the promotion of “smart and digital transformation”. The first vertical large-scale model in the energy equipment industry in China, “Dongfang Zhiyuan”, has been successfully developed, and the intelligent technology intelligence system has been launched and put into operation. The mask pump digitization workshop has been completed and put into operation.

5. Risk prevention and control. We strengthened the construction of a comprehensive and transparent regulatory system, established compliance and trademark management systems, and achieved real-time monitoring and full process control of contract risks. We organized and carried out a special programme for risk disposal of key projects, formulated payment targets and control plans based on the principle of “one project, one policy”. We strengthened the overall compliance management of all employees, carried out pilot enterprise competition and unveiling, and established a basic work system for the construction of business supervision defense lines at all levels. We strengthened the responsibility for safety production, established guidelines for management inspections, and promoted the dynamic elimination of major accident hazards. There were no major safety or environmental incidents in the first half of the year.

III. 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.

IV. Principal Business during the Reporting Period

During the Reporting Period, the Company recorded a total operating revenue of RMB38,151 million, representing an increase of 14.03% as compared with the same period of the previous year; net profit attributable to the shareholders of the Company of RMB1,910 million, representing an increase of 12.91% 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 RMB1,806 million, representing an increase of 10.52% as compared with the same period of the previous year; and earnings per share of RMB0.60.

(I) Analysis of Principal Business

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

| Item | For the six months ended 30 June 2025 (Unaudited) | For the six months ended 30 June 2024 (Unaudited) | Change (%) |
|--|--|--|---------------|
| Operating revenue | 37,623,627,306.41 | 32,928,476,029.89 | 14.26 |
| Cost of sales | 31,805,881,127.97 | 28,285,631,299.74 | 12.45 |
| Sales expenses | 317,891,455.51 | 289,344,237.26 | 9.87 |
| Administrative expenses | 1,372,877,949.96 | 1,339,624,220.93 | 2.48 |
| Financial expenses | (378,088.72) | 45,144,897.96 | -100.84 |
| R&D expenses | 1,569,565,190.21 | 1,347,828,439.49 | 16.45 |
| Other income | 249,603,044.12 | 403,016,183.28 | -38.07 |
| Investment income | 141,074,666.85 | (39,626,483.54) | N/A |
| Gains from changes in fair values | (75,264,776.76) | 28,344,053.76 | -365.54 |
| Credit impairment loss | (209,697,186.94) | 14,429,465.02 | -1,553.33 |
| Impairment loss of assets | (456,796,895.04) | (259,118,589.34) | N/A |
| Net cash flow from operating activities | (556,466,428.94) | 4,064,695,241.25 | -113.69 |
| Net cash flows from investing activities | (876,502,843.53) | (910,348,448.48) | N/A |
| Net cash flows from financing activities | 5,221,093,225.62 | 952,099,163.96 | 448.38 |

- (1) Reasons for change in operating revenue: The operating revenue for the period increased by 14.26% year on year, mainly due to the 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 12.45% year on year, mainly due to increased costs resulting from the increase in sales volume.
- (3) Reasons for change in sales expenses: The sales expenses increased by 9.87% year on year in the current period, mainly due to the year-on-year increase in accrued payroll.
- (4) Reasons for change in administrative expenses: The administrative expenses for the period increased by 2.48% year on year, a relatively small change.
- (5) Reasons for change in financial expenses: The financial expenses for the period decreased by 100.84% year on year, mainly due to the year-on-year increase in exchange gains.
- (6) Reasons for change in R&D expenses: The R&D expenses for the period increased by 16.45% 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 decreased by 38.07% year on year, mainly attributed to the decrease in additional deduction of value-added tax for advanced manufacturing industries.
- (8) Reasons for change in investment income: The investment income for the period increased by RMB181 million year on year, mainly due to the year-on-year increase in the profit of equity investments.
- (9) Reasons for change in gains from changes in fair values: The gains from changes in fair values for the period decreased by RMB104 million year on year, mainly due to a decrease in the fair value of the stocks held.

- (10) Reasons for change in credit impairment loss: The provision for credit impairment loss for the current period increased by RMB224 million year on year, mainly due to an increase in bad debt provisions for accounts receivable based on aging analysis.
- (11) Reasons for change in impairment loss of assets: The provision for impairment loss of assets increased by RMB198 million year on year, mainly due to an increase in bad debt provisions for contract assets based on aging analysis.
- (12) Reasons for change in the net cash flow from operating activities: It was mainly due to the year-on-year increase in cash outflow from operating activities paid for procurement.
- (13) Reasons for change in net cash flow from investing activities: There was a relatively small year-on-year change.
- (14) Reasons for change in net cash flows from financing activities: It was mainly due to an increase in funds raised and borrowings of the Company this year.

Note: On 6 December 2024, the Ministry of Finance announced the “Interpretation No. 18 of the Enterprise Accounting Standards” (Finance and Accounting [2024] No. 24), which adjusted the estimated liability account for assurance-type warranty related to contingencies, and indicated to include the debit in “operating costs” or “other costs”, instead of “sales expenses”. The Company applied this regulation from 1 January 2024, and made adjustments to the financial statement items and amounts for comparable periods. Such adjustment has no significant impact on the Company’s financial condition, operating results, and cash flows. Due to the above adjustments, the Company’s operating costs increased and sales expenses decreased by RMB416 million, respectively, in the same period last year (January – June 2024).

2. Analysis of operations by industry, product or region

1. Total operating revenue by industry and product

| By product | Revenue RMB | Cost RMB | 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 (%) |
|---|-------------------|-------------------|----------------------------------|---|--|---|
| Operations by industry | | | | | | |
| Renewable energy equipment | 10,424,515,008.11 | 9,369,869,366.88 | 10.12 | 26.90 | 20.43 | Increased by 4.83 percentage points |
| High-efficient clean energy equipment | 16,767,014,023.55 | 13,869,299,213.97 | 17.28 | 19.21 | 16.62 | Increased by 1.83 percentage points |
| Engineering and supply chain business | 3,138,302,302.66 | 2,925,497,066.72 | 6.78 | -11.30 | -9.45 | Decreased by 1.91 percentage points |
| Modern manufacturing services business | 3,426,318,160.59 | 1,927,946,291.83 | 43.73 | -2.69 | 4.40 | Decreased by 3.82 percentage points |
| Emerging growth business | 4,394,802,039.26 | 3,727,885,727.40 | 15.18 | 6.73 | 5.07 | Increased by 1.35 percentage points |

1. Revenue from renewable energy equipment business increased by 26.90% 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 increased by 4.83 percentage points year-on-year, mainly due to the wind turbine sales from the wind resource project of Mulei East New Energy this year and sales of high-margin offshore wind power projects.
2. Revenue from high-efficient clean energy equipment business increased by 19.21% year-on-year during the Period, mainly due to the growth in the nuclear and coal power businesses as the Company seized market opportunities.
3. Revenue from modern manufacturing services business decreased by 2.69% year-on-year, mainly due to the intensified market competition which resulted in a decline in gross profit margin.
4. Revenue from engineering and supply chain business decreased by 11.30% year-on-year during the Period, mainly due to the decrease in the Company's trade business.

2. Total operating revenue by region

Unit: RMB

| Region | Total operating revenue | Year-on-year increase/decrease in total operating revenue |
|----------|-------------------------|---|
| Domestic | 35,923,133,595.79 | 17.71 |
| Overseas | 2,227,817,938.38 | -24.19 |
| Total | 38,150,951,534.17 | 14.03 |

(II) Analysis on Assets and Liabilities

1. Assets and liabilities

Unit: Yuan

| Item | Amount at the end of the period | Percentage of the amount in total assets (%) | Amount at the end of last year | Percentage of the amount in total assets (%) | Change in balance as at the end of the current period as compared with balance as at the end of last year (%) | Explanation |
|-------------------------------|---------------------------------|--|--------------------------------|--|---|---|
| Funds for lending | 1,460,597,736.03 | 0.93 | 836,529,745.30 | 0.59 | 74.60 | Mainly due to the increase in interbank lending and borrowing business of Dongfang Electric Finance Co., Ltd. |
| Accounts receivable financing | 2,426,759,434.04 | 1.55 | 1,927,567,077.40 | 1.36 | 25.90 | Mainly due to the increase in bank acceptance bills received by the Company. |
| Inventories | 27,286,777,778.40 | 17.45 | 21,685,296,057.95 | 15.27 | 25.83 | Mainly due to the increase in unfinished products. |
| Contract assets | 17,287,432,592.98 | 11.06 | 14,258,321,922.49 | 10.04 | 21.24 | Mainly due to the increase in completed but unsettled payments and warranty deposits. |

| Item | Amount at the end of the period | Percentage of the amount in total assets (%) | Amount at the end of last year | Percentage of the amount in total assets (%) | Change in balance as at the end of the current period as compared with balance as at the end of last year (%) | Explanation |
|--|---------------------------------------|--|--------------------------------------|--|---|---|
| Non-current assets due within one year | 719,624,820.93 | 0.46 | 2,341,379,530.86 | 1.65 | -69.26 | Mainly due to the repayment of loans due within one year of Dongfang Electric Finance Co., Ltd. |
| Other current assets | 2,248,590,487.71 | 1.44 | 1,317,102,354.65 | 0.93 | 70.72 | Mainly due to the increase in deductible input tax. |
| Long-term receivables | 115,852,508.51 | 0.07 | 21,879,106.99 | 0.02 | 429.51 | Mainly due to the increase in installment sales of goods. |
| Construction in progress | 1,700,377,412.70 | 1.09 | 1,427,333,045.26 | 1.01 | 19.13 | Mainly due to the increase in the projects such as Dongfang Electric innovation and overseas business center. |
| Deposit taking and deposit in interbank market | 4,767,478,788.41 | 3.05 | 2,260,595,201.96 | 1.59 | 110.89 | Mainly due to the increase in deposits absorbed by Dongfang Electric Finance Co., Ltd. |
| Taxes payable | 542,820,096.49 | 0.35 | 782,649,173.71 | 0.55 | -30.64 | Mainly due to the decrease in payable corporate income tax as compared to the beginning of the year. |
| Other payables | 2,969,389,239.35 | 1.90 | 1,614,378,867.21 | 1.14 | 83.93 | Mainly due to the increase in payable dividends with the declaration of dividends distribution. |
| Non-current liabilities due within one year | 257,381,612.74 | 0.16 | 331,405,083.18 | 0.23 | -22.34 | Mainly due to the decrease in lease liabilities due within one year. |
| Other current liabilities | 1,248,522,114.44 | 0.80 | 1,754,906,399.30 | 1.24 | -28.86 | Mainly due to the decrease in the output tax amount of contract liabilities. |
| Long-term borrowings | 3,434,875,573.97 | 2.20 | 2,167,176,895.80 | 1.53 | 58.50 | Mainly due to the increase in project borrowings. |

2. *Gearing ratio*

| Item | Amount at the end of the Period | Amount at the beginning of the year | Year-on- year increase/ decrease (percentage point) |
|-------------------|---------------------------------------|---|--|
| Gearing ratio (%) | 70.96 | 69.62 | 1.34 |

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

The gearing ratio of the Group was 70.96% at the end of the Period, representing an increase of 1.34 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 2025, the Group had financial institution (bank) borrowings of RMB102 million due within one year and financial institution (bank) borrowings of RMB2,153 million due beyond one year. The Company's borrowings are mainly denominated in RMB. In particular, financial institution (bank) borrowings of RMB1,948 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 2025, the cash and cash equivalents in RMB and US dollars held by the Group accounted for 94.63% and 3.59% 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 2025, the Group had pledged bank borrowings of approximately RMB307 million (31 December 2024: RMB319 million), which were related to borrowings from financial institutions by franchise rights of the Company. As at 30 June 2025, net franchise rights values amounted to RMB452 million (31 December 2024: RMB468 million). As at the end of the Period, this part of borrowings was not yet due and repayable. Additionally, there existed a pledged loan of RMB1,582 million which was secured by the Company's electricity collection rights. Furthermore, certain plant, machinery and equipment and land use rights, have been registered as collateral to secure borrowings. As at 30 June 2025, the borrowing process is still ongoing.

(III) Possible Risks

1. *Price risk*

Risk description: The market for strategic emerging industries is vast with promising market prospects. However, the sales prices of some products fluctuate periodically with market conditions, and the cyclical fluctuations in raw material prices may also bring uncertainty factors to product costs.

Risk management measures: The Company will guide various enterprises to conduct price analysis and trend prediction of major materials, prepare procurement planning and reserve plans for major procurement items, strengthen procurement cost control, and at the same time, enhance project target cost management, strengthen rigid constraints on product budgets, and improve project marginal contributions.

2. *New emerging industries transformation risk*

Risk description: In recent years, the Company has actively increased its investment in strategic emerging industries, and the scale of new industries has grown rapidly. However, due to the uncertainty of technological routes and market applications in new industries, the incubation period of industries is relatively long, and the initial return rate is relatively low.

Risk management measures: (1) By continuously strengthening investment in technological innovation, actively connecting with the government to expand application scenarios, and enhancing the resilience of the industrial and supply chains, we will vigorously expand the domestic market, reduce production and operation costs, and enhance the Company's competitiveness in new industries. (2) We will further deepen research on the development trends, technological paths, business models, and other aspects of new industries, learn from the experience and practices of leading enterprises in the industry, dynamically optimize and adjust development strategies in a targeted manner, and use new industries, new models, and new driving forces to facilitate the Company to acquire a large number of orders in the fiercely competitive market, and promote the scale development of the industry.

3. *Risk of international operation*

Risk description: In recent years, international geopolitical risks have become prominent, major power games have become profound and complex, global industrial chains have accelerated restructuring, and world economic growth has been weak. This has brought great uncertainty to the Company in respect of its "going global" strategy, exploring international markets, and executing overseas projects, and international operations are facing more risks and challenges.

Risk management measures: (1) The Company will strengthen its attention, analysis, and judgment of the international situation, as well as conduct research and risk analysis on the international market, accelerate technological innovation in clean energy such as wind and solar storage, actively explore international markets, implement overseas marketing and planning, and continuously enhance the international brand influence of Dongfang Electric. (2) It will strengthen the research and response to rules of multilateral institutions such as the World Bank, conduct risk identification, prevention, and response to sensitive countries and regions, implement two-way compliance, actively apply international rules in foreign-related business activities such as overseas business marketing and transaction model design, and enhance accurate compliance capabilities.

(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 2025

In the second half of 2025, the Company will firmly grasp the new mission and positioning of state-owned central enterprises, fully utilize the current development opportunities, actively cultivate sustainable development capabilities, take high-quality development as its fundamental pursuit, emphasise prudent operations, optimize investment structures, and promote coordinated development, striving to achieve a successful conclusion to the “14th Five-Year Plan” and lay a solid foundation for the “15th Five-Year Plan”.

V. OTHER EVENTS

1. Capital Structure

As of 30 June 2025, the total share capital of the Company amounted to RMB3,390,360,326, divided into 3,050,360,326 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 2025 | | As at 30 June 2024 | |
|-----------------|----------------------|---|----------------------|---|
| | Number of shares | % of total number of share capital issued | Number of shares | % of total number of share capital issued |
| A share | 3,050,360,326 | 89.97% | 2,777,499,457 | 89.09% |
| H share | 340,000,000 | 10.03% | 340,000,000 | 10.91% |
| Total | <u>3,390,360,326</u> | <u>100%</u> | <u>3,117,499,457</u> | <u>100%</u> |

Issuance of A shares to specific targets

On 14 April 2025, pursuant to the general mandate to issue shares granted at the 2025 first extraordinary general meeting, the Company issued 272,878,203 A shares at an issue price of RMB15.11 per share to specific investors including Dongfang Electric Corporation, who meet the conditions prescribed by the China Securities Regulatory Commission. The Company's total number of issued shares increased from 3,117,482,123 shares to 3,390,360,326 shares.

The gross proceeds from the issuance of A shares to specific targets amounted to RMB4,123,189,647.33 and the net proceeds amounted to RMB4,116,565,363.01 after deduction of relevant issuance expenses of RMB6,624,284.32 (tax exclusive). The proceeds from the issuance of A shares to specific targets will be used for the acquisition of 4.55% equity interests in Dongfang Boiler Co., Ltd., 8.70% equity interests in Dongfang Turbine Co., Ltd., 8.14% equity interests in Dongfang Electric Machinery Co., Ltd. and 5.63% equity interests in Dongfang (Guangzhou) Heavy Machinery Co., Ltd., enhancement of construction-related projects and replenishment of working capital.

For details, please refer to the circular and notice of the 2025 first extraordinary general meeting dated 26 February 2025, poll results announcement of the 2025 first extraordinary general meeting held on 14 March 2025 and clarification, and the announcement in relation to the completion of the issuance of A shares to specific targets dated 17 April 2025.

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 third extraordinary general meeting, 2024 second A Shares class meeting and 2024 second H Shares class meeting held on 27 December 2024, the Restricted Shares totalling 17,334 A shares that have been granted to 1 participant yet still locked up were repurchased and cancelled. Please refer to the announcement of the Company dated 20 January 2025 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 2025.

4. *Guarantee to External Parties and Performance thereof*

As at 30 June 2025, 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 RMB68.00 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 Turbine Co., Ltd., a controlling subsidiary of the Company, provided guarantee in an amount of RMB24.50 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 RMB92.50 million, representing 0.20% of the net assets of the Company.

5. *Material Litigation and Arbitration*

During the six months ended 30 June 2025 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 2025, the total number of employees of the Company was 18,511.

2. *Remuneration of employees*

As of 30 June 2025, the total amount of remuneration paid to the employees during the Reporting Period was RMB1,407.4802 million.

3. *Remuneration policy*

During the Reporting Period, the Company continued to enhance the mechanism for determining the total wage amount and coordinated operational performance evaluation targets, growth rates, and contribution to profitability to reasonably regulate the wage levels. The Company persistently optimized and adjusted the income distribution structure, scientifically adjusted the salary strategies, and guided income distribution towards core technical positions and frontline positions involving arduous, dirty, dangerous, and strenuous work. The Company further strengthened performance management for all employees, expanded the application of the performance management system on a larger scale, and achieved the hierarchical breakdown of the Company's strategic and organizational performance objectives, thereby enhancing its management efficiency and standards. 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.

4. *Training plan*

During the Reporting Period, the Company continued to focus on talent team building, the development of strategic emerging industries, scientific and technological innovation, and the enhancement of its international business capacity, etc., compiled and released annual unified training plans, formulated teaching and implementation plans, and pushed forward the orderly commencement of various types of training projects. Training projects were centred on enhancing the development of innovative, applied, and skilled talents, systematically advancing training in areas such as managerial capabilities, mass organization and cultural development, technological innovation, lean management, international operations, human resources, and legal risk control, thereby effectively enhancing the innovative thinking and comprehensive ability of complex management talents; together with Tsinghua University, Sichuan 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 special training courses for enterprise mentors of engineering master's and doctoral students, 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. Additionally, the Company continued to promote the construction of an online training platform and strengthen the development of online training courses. Based on the training needs of leaders at all levels and various types of professional talent, the Company continuously updated and supplemented online topical courses, purchased online courses from national high-end think tanks, well-known universities, and authoritative training institutions such as the "One Leading University with Four Key Academies" across China. 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 2025, 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 and Risk Committee*

The Board has set up an audit and risk committee comprising one non-executive director, being Mr. Zhang Shaofeng, and three independent non-executive directors, being Mr. Huang Feng, Mr. Zeng Daorong and Ms. Chen Yu. The audit and risk committee has reviewed and passed the interim results of the Group for the six months ended 30 June 2025, 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 for the six months ended 30 June 2025, which contains all information required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, will be published on the above websites and will be dispatched to the shareholders of the Company 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
28 August 2025

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

Non-executive Directors: *Luo Qianyi (Chairman) and Zhang Shaofeng*

Directors: *Zhang Yanjun and Sun Guojun*

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