



东方电气
DONGFANG ELECTRIC

DONGFANG ELECTRIC CORPORATION LIMITED
(H Share Stock Code: 1072) (A Share Stock Code: 600875)

2025 ANNUAL REPORT



Important Notice

- I. The Board of Directors, the Directors and senior management of the Company warrant that the content of this annual report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility thereof.
- II. Details of absent directors

Position of director absent	Name of director	Reason for absence	Name of proxy
Director	Zhang Shaofeng	Business engagement	Sun Guojun
- III. BDO China Shu Lun Pan Certified Public Accountants LLP has issued the audit report with unqualified opinions to the Company.
- IV. Luo Qianyi, the person-in-charge of the Company, Lv Shuang the person-in-charge of accounting and Zheng Xingyi, the head of the accounting department (person-in-charge of accounting), warrant the truthfulness, accuracy and completeness of the financial report in this annual report.
- V. Profit Distribution Scheme or plan to convert surplus reserves into share capital approved by the Board during the Reporting Period
Profit Distribution Scheme for 2025: As audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the Company achieved net profit attributable to owners of the parent company of RMB3,831,301,222.13 for the year 2025, and the net profit of the parent company was RMB1,431,920,010.96. The Company proposes to base on the current total share capital of the Company of 3,458,360,326 shares to distribute a cash dividend of RMB5.30 for every 10 shares (tax inclusive), representing a total cash dividend of RMB1,832,930,972.78, accounting for 47.84% of the net profit attributable to owners of the parent company in the 2025 consolidated financial statements. The Company will not convert any capital reserve into share capital or make any bonus issue. The proposal is subject to the consideration and approval at the annual general meeting for 2025.
- VI. As at the end of the Reporting Period, there were no circumstances regarding accumulated uncompensated losses of the parent company and their impact on matters such as the Company's profit distribution
Nil
- VII. Risks disclaimer of the forward-looking statements
For the risks described in this report, please refer to the possible risks stated in the "Discussion and Analysis on Future Development" in the Report of the Board of Directors of this report.
- VIII. Any appropriation of fund by the controlling shareholder and its related parties for non-operating purpose
No
- IX. Any provision of external guarantee in violation of the stipulated decision making procedure
No
- X. Whether more than half of the Directors cannot guarantee the authenticity, accuracy and completeness of the annual report disclosed by the Company
No
- XI. Material risk alert
Nil
- XII. Others
Nil

Contents

I	Definitions	3
II	Company Profile and Major Financial Indices	5
III	Report of the Board of Directors	13
IV	Corporate Governance	50
V	Environment and Social Responsibility	93
VI	Significant Events	97
VII	Changes in Shares and Particulars of Shareholders	118
VIII	Directors, Senior Management and Employees	130
IX	Financial Report	144

Documents Available for Inspection	2025 Annual Report of the Company with signatures of the person-in-charge of the Company
	The financial statements signed and sealed by the person-in-charge of the Company, the person-in-charge of the accounting department and the person-in-charge of the accounting institution
	Original copy of the audit report with the seal of the certified public accountants firm and the signatures and seals of certified public accountants
	Original copies of all corporate documents and original copies of announcements publicly disclosed during the Reporting Period



I. DEFINITIONS

In this report, unless otherwise stated, the following expressions shall have meanings as follows:

Definitions of frequently-used terms

A Shares	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
Articles of Association	the articles of association of the Company as amended from time to time
Board of Directors or Board	the Board of Directors of the Company
China or the PRC	the People's Republic of China
Company Law	Company Law of the People's Republic of China 《中華人民共和國公司法》
Controlling Shareholder, Dongfang Electric Corporation	Dongfang Electric Corporation* (中國東方電氣集團有限公司), a wholly state-owned company established in the PRC with limited liability and the controlling shareholder of the Company
Corporate Governance Code	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
DEC, Company	Dongfang Electric Corporation Limited
DEC Finance	東方電氣集團財務有限公司(Dongfang Electric Finance Co., Ltd.), a non-bank finance company with limited liability established under the PRC law and a subsidiary of the Company
Director(s)	the director(s) of the Company
Dongfang Boiler	Dongfang Boiler Co., Ltd.* (東方電氣集團東方鍋爐股份有限公司), a subsidiary of the Company
Dongfang Electric Machinery	Dongfang Electric Machinery Co., Ltd.* (東方電氣集團東方電機有限公司), a subsidiary of the Company
Dongfang Heavy Machinery	Dongfang (Guangzhou) Heavy Machinery Co., Ltd.* (東方電氣(廣州)重型機器有限公司), a subsidiary of the Company
Dongfang Turbine	Dongfang Turbine Co., Ltd.* (東方電氣集團東方汽輪機有限公司), a subsidiary of the Company
EPC	Engineering Procurement Construction
Profit Forecast Compensation Agreement	the profit forecast compensation agreement dated 4 April 2023 entered into between the Company and DEC Group in relation to the performance guarantees and related compensation provided by DEC Group in respect of the Performance Compensation Assets

DEFINITIONS (CONTINUED)

H Shares	overseas listed foreign shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules
Reporting Period	From 1 January 2025 to 31 December 2025
RMB, RMB'0000, RMB100 million	Renminbi Yuan, Renminbi '0000, Renminbi 100 million
Securities Law	Securities Law of the People's Republic of China 《中華人民共和國證券法》
Share(s)	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
Shareholder(s)	holder(s) of the Share(s) of the Company
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
%	per cent

The English names of Chinese entities marked with “*” are translations of their Chinese names and are included in this annual report for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.

The English version of this annual report is a translation of the Chinese version. In case of any inconsistency, the Chinese version shall prevail.

COMPANY PROFILE AND MAJOR FINANCIAL INDICES

I. COMPANY INFORMATION

Chinese name of the Company	東方電氣股份有限公司
Abbreviation of the Chinese name of the Company	東方電氣
English name of the Company	Dongfang Electric Corporation Limited
Abbreviation of the English name of the Company	DEC. LTD
Legal representative of the Company	Luo Qianyi
Registered and business address	No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC
Postal code for registered and business address	611731
Company website	www.dec-ltd.cn
E-mail	dsb@dongfang.com
Registered capital of the Company	RMB3,458,360,326

COMPANY PROFILE AND MAJOR FINANCIAL INDICES (CONTINUED)

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board of Directors	Representative of securities affairs
Name	Feng Yong	Liu Zhi
Contact address	No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC	No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC
Telephone	028-87583666	028-87583666
Fax	028-87583551	028-87583551
E-mail	dsb@dongfang.com	dsb@dongfang.com

III. INFORMATION DISCLOSURE AND PLACES FOR INSPECTION FOR RELEVANT DOCUMENTS

Media designated for disclosure of the Company's annual report	China Securities Journal and Shanghai Securities News
Website of SSE website for publication of the Company's annual report	www.sse.com.cn
Website designated by the Stock Exchange for publication of the Company's annual report	www.hkexnews.hk
Place where the Company's annual report is available for inspection	Office of the Board of Directors

IV. SHARE INFORMATION

Class of share	Listing place	Abbreviation of the stock	Stock code	Stock name before the change
A Shares	SSE	東方電氣	600875	東方電機
H Shares	The Stock Exchange	Dongfang Elec	01072	Dongfang Electrical

V. OTHER INFORMATION

The accounting firm engaged by the Company	Name Business address	BDO China Shu Lun Pan Certified Public Accountants LLP Floor 4, No. 61 Nanjing East Road, Shanghai, the PRC
H Share registrar in Hong Kong	Name Business address	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

COMPANY PROFILE AND MAJOR FINANCIAL INDICES (CONTINUED)

VI. MAJOR ACCOUNTING DATA AND FINANCIAL INDICES FOR THE LAST 3 YEARS

(I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	2025	2024	Year-on-year increase/decrease (%)	2023
Total operating income	78,615,277,439.83	69,695,135,723.47	12.80	60,676,613,395.82
Operating income	77,582,624,563.59	68,592,735,741.35	13.11	59,566,526,583.78
Total profit	4,785,135,320.24	3,884,243,745.66	23.19	4,006,164,166.98
Net profit attributable to shareholders of the Company	3,831,301,222.13	2,922,100,908.48	31.11	3,550,393,576.32
Net profit after deducting non-recurring profit or loss attributable to shareholders of the Company	3,191,934,809.53	1,980,447,209.57	61.17	2,575,811,881.93
Net cash flow from operating activities	2,014,320,912.85	10,059,491,408.32	-79.98	-3,495,876,222.59

	At the end of 2025	At the end of 2024	Year-on-year increase/decrease (%)	At the end of 2023
Net asset attributable to shareholders of the Company	45,234,558,939.11	38,796,282,366.86	16.60	37,244,895,786.52
Total asset	162,674,195,217.33	142,009,284,851.87	14.55	121,108,373,341.62

The net profit of the Company attributable to shareholders of the Company increased by 31.11% year-on-year for the current year, mainly due to the steady progress in the Company's production and operation and continuous growth in revenue and efficiency.

The net profit after deducting non-recurring profit or loss attributable to shareholders of the Company increased by RMB1,211 million year-on-year for the current year, representing an increase of 61.17%. Firstly, the net profit attributable to shareholders of the Company increased by RMB909 million year-on-year. Secondly, non-recurring profit or loss decreased by RMB302 million year-on-year.

The net cash flow from operating activities of the Company for the current year decreased by 79.98% year-on-year. Firstly, construction-transfer projects are in the construction phase, resulting in an increase in cash outflows year-on-year. Secondly, the number of ongoing projects has increased, leading to higher project procurement.

COMPANY PROFILE AND MAJOR FINANCIAL INDICES (CONTINUED)

(II) Major financial index

Major financial index	2025	2024	Year-on-year increase/decrease (%)	2023
Basic earnings per share (RMB/share)	1.15	0.94	22.34	1.14
Diluted earnings per share (RMB/share)	1.15	0.94	22.34	1.14
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.96	0.64	50.00	0.83
Weighted average return on net assets (%)	9.00	7.71	Increased by 1.29 percentage points	9.82
Weighted average return on net assets after non-recurring profit or loss (%)	7.50	5.22	Increased by 2.28 percentage points	7.12

VII. MAJOR FINANCIAL DATA OF 2025 BY QUARTERS

Unit: Yuan Currency: RMB

	First quarter (January to March)	Second quarter (April to June)	Third quarter (July to September)	Fourth quarter (October to December)
Operating income	16,290,954,843.58	21,332,672,462.83	17,120,255,858.06	22,838,741,399.12
Net profit attributable to shareholders of the Company	1,153,823,686.96	755,972,159.10	1,056,654,945.80	864,850,430.27
Net profit after deducting non-recurring profit or loss attributable to shareholders of the Company	1,057,975,915.42	748,393,543.49	920,122,981.59	465,442,369.03
Net cash flow from operating activities	-3,292,867,654.62	2,736,401,225.68	-3,147,913,308.98	5,718,700,650.77

COMPANY PROFILE AND MAJOR FINANCIAL INDICES (CONTINUED)

VIII. ITEMS AND AMOUNT OF NON-RECURRING PROFIT OR LOSS

Unit: Yuan Currency: RMB

Items of Non-recurring Profit or Loss	Amount for 2025	Note (if applicable)	Amount for 2024	Amount for 2023
Profit or loss from disposal of non-current assets, including the offsetting portion of the provision for impairment of assets that has been provisioned for	9,644,198.93		494,718,824.49	2,675,897.90
Government grants charged to profit or loss for the current period (except for those closely related to the normal operation of the Company, gained according to a certain standard based on state policies and posing consistent impact on the profit or loss of the Company)	345,159,225.54		272,660,619.10	232,628,009.63
Gain or loss on change of fair value of financial assets and financial liabilities held by non-financial enterprises, and gain or loss arising from the disposal of financial assets and financial liabilities, other than the effective hedging business related to the Company's normal business	86,561,275.42		-222,815,806.67	-11,677,255.48
Fund occupation fee charged to non-financial enterprises through current profit or loss				
Gain or loss from entrusting others with investment or asset management				
Profit or loss from entrusted loans				
The provision for impairment of assets due to force majeure, such as natural disasters				
Reversal of impairment provision on receivable individually conducted impairment test	303,993,840.87		318,383,963.90	397,608,096.52

COMPANY PROFILE AND MAJOR FINANCIAL INDICES (CONTINUED)

Items of Non-recurring Profit or Loss	Amount for 2025	Note (if applicable)	Amount for 2024	Amount for 2023
Gains from the difference between the investment costs of acquisition of subsidiaries, associates and joint ventures and share in the net fair value of the identifiable assets of the investee when investing				
Net gain or loss of the subsidiaries arising from the merger of enterprises under the common control from the beginning of the period to the date of merger				248,791.62
Profit or loss of non-monetary asset swap				370,285,303.34
Gain or loss of debt reorganization	78,733,508.57		68,357,655.00	92,575,486.17
One-off expenses incurred by the enterprise due to the discontinuation of related business activities, such as employee resettlement costs, etc.				
One-off effect of the adjustment of tax and accounting laws and regulations on current profit or loss				
One-off recognition of share-based payment fees due to cancellation or modification of equity incentive plans				
Gain or loss arising from changes in fair value of employee compensation payable after the exercise date for share-based payment in cash				
Profit or loss arising from changes in fair value of investment property using fair value model for subsequent measurement				
Gain over fair value arising from a transaction in which the transaction price is obviously unfair				
Gain or loss arising from contingencies not related to the Company's ordinary operation				

COMPANY PROFILE AND MAJOR FINANCIAL INDICES (CONTINUED)

Items of Non-recurring Profit or Loss	Amount for 2025	Note (if applicable)	Amount for 2024	Amount for 2023
Custodian income from entrusted management				
Other non-operating income and expenses other than the above mentioned items	8,955,589.90		-3,209,015.10	36,102,113.03
Other profit and loss items falling within the definition of non-recurring profit or loss	4,211,685.08		461,218,546.04	-
Less: Impacted amount in income tax	130,056,385.26		165,952,796.68	67,879,733.33
Impacted amount in non-controlling shareholders' equity (after tax)	67,836,526.45		281,708,291.17	77,985,015.01
Total	639,366,412.60		941,653,698.91	974,581,694.39

COMPANY PROFILE AND MAJOR FINANCIAL INDICES (CONTINUED)

IX. ITEMS AT FAIR VALUE MEASUREMENT

Unit: Yuan Currency: RMB

Item	Opening Balance	Closing Balance	Changes during the periods	Impact amount of the current profit
Held for trading financial assets	1,697,971,178.52	1,832,489,719.73	134,518,541.21	84,520,941.21
Other equity instrument investments	544,594,360.32	668,320,905.39	123,726,545.07	5,044,815.11
Total	2,242,565,538.84	2,500,810,625.12	258,245,086.28	89,565,756.32

REPORT OF THE BOARD OF DIRECTORS

I. DISCUSSION AND ANALYSIS OF OPERATIONS

In 2025, the Company continued to enhance its core functions and improve its core competitiveness, focused on playing the “three roles” of technology innovation, industry control and safety support, and strived to be the “three pioneers”. In 2025, the Company achieved total operating income of RMB78.615 billion, representing an increase of 12.80% year on year; total profit of RMB4.785 billion, representing an increase of 23.19% year on year; net profit attributable to owners of the parent company of RMB3.831 billion, representing an increase of 31.11% year on year. As at the end of 2025, the Company’s orders on hand amounted to RMB140.31 billion.

(1) Active contribution to national strategies

Focusing on major national projects, the Company actively promoted the development of high-head, high-sediment and large-capacity impulse hydropower units. The world’s first plateau hydropower unit R&D and production base was completed and put into operation in Nyingchi, Tibet. Acceptance and delivery of key components such as hydraulic development and water distribution ring pipes for the Zhala 500 MW impulse hydropower unit were completed. Focusing on national strategic tasks, the Company steadily advanced various tasks under major national science and technology projects, the modern industrial chain chain-leader initiative and the power equipment innovation consortium. The construction of the original technology source site passed the mid-term evaluation. The Company actively participated in the high-quality joint construction of the “Belt and Road”, with newly effective contracts in the international market exceeding RMB14 billion. Overseas orders for million-kilowatt nuclear power units, 50 MW heavy-duty gas turbines and pumped storage units achieved a breakthrough from zero. The Clean Energy and Sustainable Development Summit Forum was successfully held in Uzbekistan. The Company supported the comprehensive revitalization of rural areas by conducting targeted assistance to Zhaojue in Sichuan and Jixian in Shanxi, and was rated “Excellent”, the highest grade in the performance evaluation of targeted assistance by central authorities for five consecutive years.

(2) Improved quality and efficiency in industrial development

In 2025, the Company’s newly effective orders reached RMB117.251 billion, representing a year-on-year increase of 15.93%, of which energy equipment manufacturing accounted for 67.33%, manufacturing services 22.15% and emerging industries 10.52%. The Company continued to consolidate its advantages in traditional industries, maintaining the industry’s top market share in nuclear power and gas power. A new generation of coal-fired power technology solutions was launched, and a breakthrough was achieved in the market for ultra-supercritical “W” flame boilers. The market share of hydropower increased year on year, with breakthroughs made in high-altitude, wide-load and variable-speed pumped storage sectors. The Company ranked sixth in the domestic wind power market share. Wind power equipment manufacturing bases in Ruoqiang and Bulungjin in Xinjiang were put into production. The integrated demonstration project for hydrogen production and refueling in Xizang was commissioned. An application and development model of the “hydrogen-oxygen-electric-heat” multi-cogeneration system was launched, and the application of “cultural tourism inns” in plateau areas was explored and promoted. Hydrogen energy buses delivered by the Company provided venue services for the 12th World Games, and orders were obtained for cold chain logistics vehicles under the Beijing “Open Competition Mechanism” project. The comprehensive platform for in-situ hydrogen production coupled with floating wind power without seawater desalination passed certification by China Classification Society. High-end canned pumps were exported to Europe for the first time. A breakthrough from zero was achieved in orders for independent excitation systems and large-capacity SFC in pumped storage projects.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

I. DISCUSSION AND ANALYSIS OF OPERATIONS (CONTINUED)

(3) Notable achievements in scientific and technological innovation

The Company attached great importance to R&D investment, with R&D expenditure reaching RMB3.881 billion in 2025. Focusing on breakthroughs in key core technologies, the world's first commercial supercritical carbon dioxide power generation unit was successfully put into commercial operation. The world's first 700 MW ultra-supercritical circulating fluidized bed boiler was selected as one of the "Top Ten Super Projects of Central Enterprises in 2025". Unit 2 of the "Guohe No. 1" demonstration project was put into commercial operation. Core main equipment such as the main helium fan and steam generator for the world's first 600 MW commercial high-temperature gas-cooled reactor demonstration project were developed and delivered. The 26 MW semi-direct drive offshore wind turbine was connected to the grid for power generation. The 17 MW direct-drive floating offshore wind turbine rolled off the production line. The 15 MW heavy-duty gas turbine achieved full-load operation and is capable of pure hydrogen combustion. The self-developed grid-forming PCS energy storage converter realized its first set application. Breakthroughs were made in the research on key technologies of biomass fluidized bed gasification. Seven pieces of equipment independently researched and developed or jointly researched by the Company were included in the fifth batch of major technical equipment lists in the energy sector (first set of its kind) by the National Energy Administration. The Company continued to deepen collaborative innovation by establishing a joint innovation institute with Tsinghua University and signing strategic cooperation agreements with Laoshan National Laboratory and other institutions. It innovated the "joint R&D + scenario-driven" cooperation model with China General Technology (Group) Holding Co., Ltd., realizing the successful roll-off of the first batch of four high-end five-axis linkage CNC machine tools. Platform construction advanced steadily. A branch of the State Key Laboratory of Strong Electromagnetic Technology for Energy and Power Equipment Technology was established. Four Sichuan provincial key laboratories, including those for clean and low-carbon thermal conversion and utilization of energy, were restructured. The Company took the lead in establishing the Sichuan Provincial Energy Equipment Digital and Intelligent Technology Innovation Center. The megawatt-scale chemical looping combustion pilot platform and the hydrogen industry technology pilot platform were selected into the first batch of key cultivation lists by the Ministry of Industry and Information Technology. DEC Hydrogen was selected into the first batch of key focus lists of national science and technology leading enterprises and the Ministry of Industry and Information Technology's "leading enterprises" in future energy. The Company won 15 provincial and ministerial-level science and technology awards throughout the year.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

I. DISCUSSION AND ANALYSIS OF OPERATIONS (CONTINUED)

(4) Continuous improvement in management standards

In 2025, the Company piloted the digital and intelligent construction of industry-finance integration, realizing financial data penetration centered on the full life cycle management and control of project costs, exploring a new path for the deep integration of intelligent manufacturing and financial management. A “full-staff, full-level, full-caliber” salary execution information system was built, realizing penetrating and precise supervision of salaries. A special action on lean management “strengthening foundation, upgrading and setting benchmarks” was carried out, extending lean management to non-manufacturing enterprises. The Company further promoted “intelligent transformation and digital transformation”, launching “Dongfang Zhiyuan”, a vertical large model for the energy equipment industry. One additional enterprise reached level four in intelligent manufacturing maturity, and more than 10 artificial intelligence pilot scenarios were initially built. The Company paid close attention to quality management, in-depth carrying out the “Quality Miles Tour” activity, organizing large-scale investigation and rectification of potential quality hazards, and innovatively carrying out special quality audits. The green transformation of production and manufacturing was promoted. The Company was rated “Excellent” in the 2024 annual green development evaluation by the State-owned Assets Supervision and Administration Commission of the State Council, and four affiliated enterprises were rated national-level green factories. The Company fulfilled its responsibilities for production safety and environmental protection, with no serious or above production safety liability accidents or unexpected environmental incidents occurring throughout the year.

(5) Further advancement of deepened reforms

The Company continuously improved its corporate governance system, dynamically optimized the systems for “Three Importance and One Significance” matters and “powers and responsibilities of parent and subsidiary companies”, and fully completed the revision of articles of association and the reform of supervisory committees for all levels of domestic enterprises. Internal reform pilots were carried out, with breakthroughs achieved in the reform of internal market-oriented operation mechanism and the industrialization of scientific and technological achievements. The special reform projects of “Science and Technology Reform Action” and “Double-Hundred Action” were refined and deepened, with a number of subsidiaries rated as benchmarks of “Science and Technology Reform Enterprises” and “Double-Hundred Enterprises” by the State-owned Assets Supervision and Administration Commission of the State Council. The enterprise management chain was streamlined, and the legal person hierarchy of the Company was compressed.

(6) Effective risk prevention and control

The Company built a full-level “four-in-one” smart rule of law platform, realizing penetrating supervision in legal risk prevention and control. High-quality completion of the pilot task of building a world-class rule of law enterprise was achieved. The special work of “promoting management through cases, improving quality and efficiency” was steadily advanced, realizing the full clearance of major historical legacy cases. A risk hidden danger management and control mechanism was established, promoting the upgrading of risk management to precision, scientization and quantification. The Company strengthened the tackling of risk disposal for key projects, with no major risk incidents occurring throughout the year.

II. INDUSTRY INFORMATION OF THE COMPANY DURING THE REPORTING PERIOD

The Company operates in the energy equipment manufacturing industry and mainly provides high-end equipment and related services for energy production and utilization, closely related to energy development.

In 2025, the international political and economic landscape underwent drastic turbulence, and the countercurrent of unilateralism and protectionism severely impacted the international economic and trade order, leading to a significant increase in instability and uncertainties facing global development. Against this backdrop, China's national economy forged ahead amid pressure and moved toward new drivers and higher quality, with its annual gross domestic product growing by 5.0% year-on-year. New achievements were made in high-quality development, and the major goals and tasks for economic and social development were successfully accomplished. For the full year of 2025, China's total social electricity consumption reached 1.04 billion kilowatt-hours, representing a year-on-year increase of 5%; power installed capacity maintained growth momentum, with the national cumulative installed power generation capacity reaching 3.89 billion kilowatts, up 16.1% year-on-year. Overall, domestic electricity demand maintained a high growth trend, which in turn supported a sound market outlook for the energy equipment industry.

At present, China's energy equipment manufacturing industry is in a period of strategic opportunity. On the technical front, digital technologies such as 5G, artificial intelligence and industrial internet are further deeply integrated with equipment manufacturing, driving the industry to transform toward high-end, intelligent and green development. The digital and intelligent level of energy equipment manufacturing has become a core competitiveness. On the policy front, focusing on the tasks of carbon peaking and requirements of carbon neutrality, China is accelerating the development of a new energy system and continuously improving top-level design. The Energy Law of the People's Republic of China has come into force, providing the supreme legal guarantee for the energy structure transition; the Notice on Deepening the Market-Oriented Reform of On-Grid Tariffs for New Energy and Promoting the High-Quality Development of New Energy (Document No. 136) was issued, advancing the market-oriented reform of electricity prices, facilitating the high-quality development of new energy and the construction of a new power system. On the whole, under the new situation, requirements for ensuring energy security have been further strengthened, and there is an urgent need for the clean, efficient and flexible transformation and upgrading of traditional energy. The status of new energy as the main driver of power growth has been further consolidated and enhanced. The cumulative installed capacity of wind power and photovoltaic power generation continues to expand, and requirements for equipment technical indicators, costs and grid-friendliness keep rising. Major development opportunities have emerged for technical equipment such as high-end hydropower, nuclear power, heavy-duty gas turbines, hydrogen energy and energy storage.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

III. THE COMPANY'S BUSINESS INFORMATION DURING THE REPORTING PERIOD

The Company is an enterprise group with energy equipment manufacturing as its core business. The Company has established a “one core, two wings” industrial layout with energy equipment manufacturing as the core and manufacturing services and emerging industries as growth engines. It engages in the development, design, manufacturing and sales of high-end energy equipment including thermal power, hydropower, nuclear power, gas power and wind power. It provides manufacturing services such as power station services, integrated energy, digital and intelligent manufacturing, supply chain and related services. It nurtures emerging industries including energy storage and hydrogen energy, energy conservation, environmental protection and chemical engineering, industrial drive, power electronics and control, and solar energy. The Company has cumulatively produced power generation equipment with a capacity exceeding 840 million kilowatts and provided equipment and services to nearly 90 countries and regions around the world. It has been listed among the ENR Top 250 Global Contractors since 1994. The Company boasts strong competitiveness and influence in the energy equipment sector and is one of the world's largest power generation equipment suppliers and general contractors for power station projects.

The Company has a complete system for the R&D, design, manufacturing, testing and service of energy equipment, and is capable of developing various power-grade units including hydroelectric generating units, wind turbine generators, nuclear power units, gas turbine generators, thermal power units and solar power station equipment. Products such as 1,000MW-class air-cooled generating units, 1,000MW-class double reheat generating units, large-scale circulating fluidized bed boilers and heavy-duty gas turbines are industry leading; the overall technology of hydropower products ranks among the international advanced levels, and hydropower technologies for tubular, mixed-flow, axial-flow, pumped-storage and impulse units have reached industry leading standards; wind power technology is at the domestic advanced level, and 26MW-class offshore wind turbines have reached international leading levels. The Company has the manufacturing capacity for core equipment in the petrochemical sector such as chemical vessels, drive turbines, canned motor pumps and pipeline compressors; it possesses system solution capabilities for waste gas and wastewater treatment, solid waste disposal and resource utilization; it has the capability for R&D of equipment and system technologies relating to power electronics, industrial automation and intelligent manufacturing, as well as energy storage design and integration capability. It has established a core hydrogen equipment system with full independent intellectual property rights, formed a product portfolio focusing on water electrolysis hydrogen production and fuel cells, and delivered comprehensive solutions for integrated hydrogen applications. In response to changes in the business model of the new energy market, the Company obtains certain resources through the industrial deployment of equipment manufacturing and other means to drive equipment sales, effectively cope with fluctuations in the equipment manufacturing industry, promote the verification and application of new technologies and new products, and continuously optimize the regional industrial layout. There were no material changes in the principal businesses of the Company during the Reporting Period.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

As the important Research and Development (R&D) and manufacturing group of energy equipment and one of the mega enterprises for project contracting, the Company boasts strong core competitiveness, in terms of the following aspects:

1. Outstanding ability of science and technology innovation

The Company insists on “innovation as first motivation”, continuously optimizes the science and technology innovation system, vigorously promotes independent innovation, strengthens R&D investment and key technology research, and achieves remarkable improvement in scientific and technological innovation capabilities. In 2025, the Company invested RMB3,881 million in R&D, and was granted 698 new valid patents (including 358 invention patents). As of the end of 2025, the Company had 4,572 valid patents (including 2,140 invention patents). During the Reporting Period, the Company has made orderly progress in major scientific research tasks such as original technology source, modern industrial chain length, new industry revitalization, future industry take-off, and key manufacturing industry chain leaders. Fruitful achievements have been made in key core technology research, with the world’s first commercial supercritical carbon dioxide power generating unit successfully put into commercial operation, the world’s first 700MW ultra-supercritical circulating fluidized bed boiler selected as one of the “Top Ten Mega Projects of Central Enterprises in 2025” and “Top Ten Scientific and Technological Innovation Achievements in the Energy Industry in 2025”, and the world’s largest 26MW-class semi-direct drive offshore wind turbine connected to the grid for power generation. Through the R&D of these major projects and key programs, the cultivation of the Company’s scientific and technological innovation team, the construction of scientific and technological innovation platforms, and the improvement of scientific and technological innovation systems and mechanisms have all reached a new level.

2. Diversified and complete industrial structure

The Company has established an industrial development pattern with “energy equipment manufacturing” as the core and “manufacturing services” and “emerging industries” as the two wings. The supporting role of its traditional advantageous industries remains solid, and its strategic emerging industries boast strong development momentum. The Company’s supply chain has strong resilience and security, and the localization rate of parts for coal power, hydropower, wind power and nuclear power has reached 100%. The Company has research and development capabilities such as high-end petrochemical containers, petrochemical drive turbines and chemical shield pumps. It has a comprehensive solution for “ultra-clean emissions” energy supply from energy conversion and power generation to emissions back-end processing and comprehensive utilization. It is capable of mechanical and electrical products trading, exporting complete sets of equipment and engineering EPC business, and provision of “Internet+” power plant services such as efficiency improvement, remote diagnosis and smart power plants, as well as logistics solutions, raw material supply, professional financial management and financial services. It possesses industrial control system products and solutions, which can offer solutions to hydrogen generation, hydrogen refueling and energy storage systems.

IV. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

3. Advanced manufacturing and service capabilities

The Company vigorously promotes the transformation to intelligent manufacturing. As at the end of the Reporting Period, two of the Company's enterprises were successfully selected into the first batch of outstanding-level intelligent factories by the Ministry of Industry and Information Technology; three enterprises have reached Level 4 in intelligent manufacturing maturity (the highest level in the industry), and a total of 34 digital workshops have been built, achieving full digital coverage of core manufacturing workshops. Meanwhile, the Company has forward-looking deployed the integrated application of artificial intelligence technology and production scenarios, and initially established more than 10 artificial intelligence pilot scenarios. The Company has deepened internal professional integration, established Dongfang Design to build a full-chain solution for smart power plants, and continuously consolidated the foundation for digital and intelligent development. During the Reporting Period, the Company was awarded the title of Enterprise Technology Center of Sichuan Province and "Advanced Enterprise for High-Quality Development in the Power Planning and Design Industry" by the China Electric Power Planning and Design Association.

4. Strong market development ability

The Company has established a two-tier marketing system that is the headquarters and subsidiaries work together to form a domestic and international marketing network with a focus on customer proximity, a marketing team based on excellent professionals, and a marketing incentive mechanism driven by enhanced proactive development. In recent years, the Company has continuously promoted innovation in marketing models and planned and promoted marketing activities at all levels and in various industries to enhance industry influence and social recognition. The Company has deepened its presence in the domestic market, promoted regional layout, and expanded its domestic business. It has also actively expanded its international market, orderly expanded overseas marketing agencies and locations, and achieved stable development in overseas business.

5. Deep culture and branding

Over more than 60 years of development, the Company has persisted in the enterprise spirit of "pragmatism, innovation, people and strength", rooted in the basic character of "strictness, meticulousness, practicality and efficiency", and formed a culture of "Create Together" that is widely recognized by all employees. The Company is committed to the mission of "Green Power, Drive the Future" and the vision of "Rise to be a Global Electric Powerhouse". Upholding the core value of "Creating value together and sharing success", the Company mobilizes all employees to accelerate building of a high-quality enterprise group with core competitiveness. The Company actively fulfilled its social responsibilities as a state-owned enterprise, improved the brand management system, built the brand value system, optimized the brand communication system, continuously consolidated the brand image, promoted the coordinated development of the brand and culture, and created a first-class brand with unified and distinct image and user trust. The Company's awareness and recognition have been continuously improved. Trademarks including the "DEC", are well-known trademarks in China, registered and protected by local laws in 43 countries, including Germany, France and Russia.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD

(I) Analysis of Principal Business

1. Analysis of changes in certain items in the income statement and statement of cash flows

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the same period last year	Change (%)
Total operating revenue	78,615,277,439.83	69,695,135,723.47	12.80
Operating costs	65,215,256,838.90	58,876,109,012.73	10.77
Sales expenses	847,668,020.81	822,360,688.77	3.08
Administrative expenses	3,781,800,254.95	3,523,054,191.25	7.34
Finance costs	117,694,868.84	44,547,885.42	164.20
R&D expenditure	3,261,156,190.40	3,009,012,872.14	8.38
Investment income	867,118,249.46	1,577,063,838.88	-45.02
Gains from changes in fair values (Loss is indicated by "-")	84,520,941.21	-204,160,425.88	N/A
Credit impairment loss (Loss is indicated by "-")	-555,208,784.60	-146,035,139.19	N/A
Impairment loss of assets (Loss is indicated by "-")	-1,341,551,009.39	-1,148,012,197.65	N/A
Gains from disposal of assets (Loss is indicated by "-")	5,945,079.55	16,452,695.37	-63.87
Net cash flows from operating activities	2,014,320,912.85	10,059,491,408.32	-79.98
Net cash flows generated from investing activities	-10,587,324,054.32	-2,773,695,813.82	N/A
Net cash flows generated from financing activities	5,101,688,322.57	1,088,764,448.85	368.58

Reasons for change in total operating revenue: The total operating revenue for the year increased by 12.80% year on year, mainly due to the increase in revenue of product segments including coal-fired power, wind power, and hydropower.

Reasons for change in operating costs: The operating costs for the year increased by 10.77% year on year, mainly due to the corresponding increase as a result of the increase in revenue.

Reasons for change in finance costs: The finance costs for the year increased by RMB73 million year on year, mainly due to the increase in net exchange losses and handling fees.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

1. Analysis of changes in certain items in the income statement and statement of cash flows (Continued)

Reasons for change in net cash flow from operating activities: Mainly due to the year-on-year increase in outflow of procurement payments.

Reasons for change in net cash flow from investment activities: Mainly due to the increase in net outflow from financial business investments of finance company.

Reasons for change in net cash flow from financing activities: Mainly due to the proceeds received from share issuance and the increase in borrowings obtained during the year.

Reasons for change in investment income: The investment income for the year decreased by 45.02% year on year, mainly due to the year-on-year decrease in investment income generated from the disposal of equity interests in subsidiaries.

Reasons for change in gains from changes in fair value: The gains from changes in fair value for the year increased by RMB289 million year on year, mainly due to the rise in the share price of shares held during the year.

Reasons for change in credit impairment loss: The credit impairment loss for the year decreased profit by RMB409 million year on year, mainly due to the increase in impairment loss on receivables provided for on an ageing group basis, which was primarily driven by the growth in the balance of receivables and the roll-forward of receivables ageing.

Reasons for change in asset impairment loss: The asset impairment loss for the year decreased profit by RMB194 million year on year, mainly due to the increase in impairment loss on contract assets provided for on an ageing group basis, which was primarily driven by the growth in the balance of contract assets and the roll-forward of contract assets ageing.

Reasons for change in gains on disposal of assets: Gains on disposal of assets for the year decreased by 63.87% year on year, mainly due to the decrease in disposal of fixed assets.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost

(1) Major operations by industry, product, region and sales model

Unit: 0'000 yuan Currency: RMB

Industry	Operating revenue	Operating costs	Major operations by industry			
			Gross profit margin (%)	Year-on-year increase/decrease in operating revenue (%)	Year-on-year increase/decrease in operating costs margin (%)	Year-on-year increase/decrease in gross profit margin (%)
Power generation equipment manufacturing industry	7,861,527.74	6,524,116.87	17.01	12.80	10.76	Increased by 1.53 percentage points

Product	Operating revenue	Operating costs	Major operations by product			
			Gross profit margin (%)	Year-on-year increase/decrease in operating revenue (%)	Year-on-year increase/decrease in operating costs margin (%)	Year-on-year increase/decrease in gross profit margin (%)
Energy equipment manufacturing	5,800,544.42	4,989,711.73	13.98	22.00	17.94	Increased by 2.96 percentage points
Manufacturing services	1,290,106.91	878,787.59	31.88	-16.79	-19.24	2.07
Emerging industries	770,876.41	655,617.55	14.95	16.03	14.75	Increased by 0.95 percentage point

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost (Continued)

(1) Major operations by industry, product, region and sales model (Continued)

Major operations by region						
Region	Operating revenue	Operating costs	Gross profit margin (%)	Year-on-year increase/decrease in operating revenue (%)	Year-on-year increase/decrease in operating costs (%)	Year-on-year increase/decrease in gross profit margin (%)
Domestic	7,347,606.99	6,075,159.57	17.32	14.58	12.56	Increased by 1.49 percentage points
Overseas	513,920.75	448,957.30	12.64	-7.71	-8.89	Increased by 1.12 percentage points

Major operations by sales model						
Sales model	Operating revenue	Operating costs	Gross profit margin (%)	Year-on-year increase/decrease in operating revenue (%)	Year-on-year increase/decrease in operating costs (%)	Year-on-year increase/decrease in gross profit margin (%)
Customized sales	7,861,527.74	6,524,116.87	17.01	12.80	10.76	Increased by 1.53 percentage points

Description of major operations by industry, product, region and sales model

Energy equipment manufacturing mainly includes: coal-fired power, hydropower, nuclear power, gas power, wind power, etc. Except for gas power, revenue of other major products recorded a year-on-year increase during the year.

Manufacturing services mainly includes: power station services, integrated energy, other manufacturing services, etc. For the year, revenue from power station services and integrated energy business decreased year-on-year, while revenue from other manufacturing services recorded a slight year-on-year increase.

Emerging industries mainly includes: energy storage and hydrogen energy, industrial drive, energy conservation and environmental protection, power electronics and control, solar energy, etc. Except for a slight year-on-year decrease in revenue in energy conservation and environmental protection, revenue of other major products recorded a year-on-year increase during the year.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost (Continued)

(2) Capacity and sales analysis table

Major products	Unit	Capacity	Sales	Inventory	Capacity	Sales increase/	Inventory
					increase/ decrease from the previous year (%)	decrease from the previous year (%)	increase/ decrease from the previous year (%)
Hydro-generating unit	MW	8,056.6	4,230	5,181.6	111.96	-26.64	282.4
Wind power units	MW	14,026.1	12,656.6	3,332.7	39.81	41	69.76
Steam turbine generators	MW	57,852	51,089	29,420	30.72	27.55	29.85
Power station steam turbines	MW	48,330	49,069	14,202	25.28	102.38	-11.66
Power station boilers	MW	28,930	28,930	0	15.42	15.42	-

Description of capacity and sales volume

The calculation of the Company's production volume of major power generation equipment was based on the physical quantities produced by the enterprise during the Reporting Period and meeting the quality requirements of the products. The calculation of sales volume was mainly based on the inventory list issued during the month. For hydro turbine generator and steam turbine generator with core components, the sales volume for the month was calculated based on the out-of-stock rate of over 90%. The sales volume of wind power turbines was calculated based on the number of units shipped. The sales volume of power station steam turbines were calculated based on the complete shipment of the main engine module. Power station boilers were basically the same in terms of production and sales volume as it was no sets of units, and the products were directly delivered to customers or entered into the logistics process upon completion of production. The inventory of the products was rolling inventory, which was equal to the difference between the production and sales volume. The inventory of finished products was zero as the production and sales volumes of power station boilers were basically the same.

The production volume and inventory volume of hydro-generating units increased year on year, mainly due to the increased manufacture of hydropower equipment compared with 2024, leading to a rise in inventory.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost (Continued)

(3) Performance of Material Procurement Contracts and Material Sales Contracts

During the Reporting Period, the Company did not have any signed material sales contracts.

(4) Cost analysis

By industry

Unit: 0'000 yuan Currency: RMB

Industry	Cost composition	Amount for the period	Percentage in total costs for the period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)	Percentage change in the amount for the period as compared to the same period last year (%)	Remark
Power generation equipment manufacturing	Raw material costs (procurement cost)	5,508,832.14	84.44	4,904,511.23	83.27	12.32	
Power generation equipment manufacturing	Labour costs	183,574.86	2.81	183,860.79	3.12	-0.16	
Power generation equipment manufacturing	Other costs	831,709.87	12.75	801,853.59	13.61	3.72	

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost (Continued)

(4) Cost analysis (Continued)

By product

Unit: 0'000 yuan Currency: RMB

Industry	Cost composition	Amount for the period	Percentage in total costs for the period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)	Percentage change in the amount for the period as compared to the same period last year (%)	Remark
Energy equipment manufacturing	Raw material costs (procurement cost)	4,293,450.44	65.81	3,636,122.37	61.73	18.08	
Energy equipment manufacturing	Labour costs	148,325.11	2.27	148,406.71	2.52	-0.05	
Energy equipment manufacturing	Other costs	547,936.18	8.40	455,441.23	7.73	20.31	
Manufacturing services	Raw material costs (procurement cost)	650,663.73	9.97	786,403.17	13.35	-17.26	
Manufacturing services	Labour costs	20,909.93	0.32	21,175.42	0.36	-1.25	
Manufacturing services	Other costs	206,692.65	3.17	271,327.08	4.61	-23.82	
Emerging industries	Raw material costs (procurement cost)	564,717.97	8.66	481,985.69	8.18	17.16	
Emerging industries	Labour costs	14,339.82	0.22	14,278.66	0.24	0.43	
Emerging industries	Other costs	77,081.03	1.18	75,085.28	1.27	2.66	

Other explanations on cost composition

The year-on-year increase in the Company's costs was mainly results from the year-on-year revenue growth.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost (Continued)

(5) *Changes in equity of major subsidiaries during the Reporting Period resulting in changes in the scope of merger*

No.	Name	Reasons for changes
1	Dongfang Electric Petrochemical Hydrogen Energy (Zigong) Co., Ltd.* (東方電氣石化氫能(自貢)有限公司)	Establishment of investment
2	Guiding Dongneng New Energy Technology Co., Ltd.* (貴定東能新能源科技有限公司)	Establishment of investment
3	Guiding Dongsheng New Energy Technology Co., Ltd.* (貴定東晟新能源科技有限公司)	Establishment of investment
4	Aletai Dongxin New Energy Co., Ltd.* (阿勒泰東新新能源有限公司)	Establishment of investment
5	Hami Dongxin New Energy Co., Ltd.* (哈密東新新能源有限公司)	Establishment of investment
6	Changji Dongxing New Energy Co., Ltd.* (昌吉東興新能源有限公司)	Establishment of investment
7	Dongfang Electric Wind Power (Nimu) Co., Ltd.* (東方電氣風電(尼木)有限公司)	Establishment of investment
8	Mangkang Dongzang New Energy Co., Ltd.* (芒康東藏新能源有限公司)	Establishment of investment
9	Dongzang New Energy Co., Ltd., Karuo District, Changdu City* (昌都市卡若區東藏新能源有限公司)	Establishment of investment
10	Mengcheng Dongfang Wind Power New Energy Equipment Co., Ltd.* (蒙城東方風電新能源裝備有限公司)	Establishment of investment
11	Dongfang Wind Power (Qingdao) New Energy Co., Ltd.* (東方風電(青島)新能源有限公司)	Establishment of investment
12	Dongfang Electric Wind Power Equipment (Lincheng) Co., Ltd.* (東方電氣風電設備(臨城)有限公司)	Establishment of investment
13	Dongfang Electric Wind Power Equipment (Luanping) Co., Ltd.* (東方電氣風電設備(灤平)有限公司)	Establishment of investment
14	Dongfang Wind Power (Chengdu) New Energy Technology Research Co., Ltd.* (東方風電(成都)新能源技術研究有限公司)	Establishment of investment
15	Dongfang Wind Power (Qusum) New Energy Co., Ltd.* (東方風電(曲松)新能源有限公司)	Establishment of investment

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost (Continued)

(5) *Changes in equity of major subsidiaries during the Reporting Period resulting in changes in the scope of merger (Continued)*

No.	Name	Reasons for changes
16	Dongfang Wind Power (Anshun) New Energy Co., Ltd.* (東方風電(安順)新能源有限公司)	Establishment of investment
17	Rushan Dongfang Wind Power Equipment Manufacturing Co., Ltd.* (乳山東方風電設備製造有限公司)	Establishment of investment
18	Dongfang Electric Energy Equipment (Changji) Co., Ltd.* (東方電氣能源裝備(昌吉)有限公司)	Establishment of investment
19	Sichuan Tianxing Lvneng Electric Power Engineering Co., Ltd.* (四川天行綠能電力工程有限公司)	Establishment of investment
20	Dongnengsheng Wind Power (Heihe) Co., Ltd.* (東能晟風電(黑河)有限公司)	Deregistration
21	Dongqing (Golmud) New Energy Co., Ltd.* (東青(格爾木)新能源有限公司)	Deregistration
22	Yiyang Donghu New Energy Co., Ltd.* (益陽東湖新能源有限公司)	Deregistration
23	Dongfang Electric Hydrogen Energy (Guiyang) Co., Ltd.* (東方電氣氫能(貴陽)有限公司)	Deregistration
24	Wuchuan County Dongneng New Energy Technology Co., Ltd.* (務川縣東能新能源科技有限公司)	Deregistration
25	Dongfang Electric Petrochemical Hydrogen Energy (Liangshan) Co., Ltd.* (東方電氣石化氫能(涼山)有限公司)	Deregistration
26	Mulei Dongji New Energy Co., Ltd.* (木壘東吉新能源有限公司)	Foreign investment and equity participation

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

2. Analysis of Revenue and Cost (Continued)

(6) Major sales customers and major suppliers

The Company's sales to its top five customers amounted to RMB21,970.0360 million, accounting for 27.95% of the total sales for the year, among which, sales to related parties was RMB0 million, accounting for 0% of the total sales for the year.

The Company's procurement from its top five suppliers amounted to RMB11,525.5519 million, accounting for 17.67% of the total procurement for the year, among which, the procurement from related parties was RMB465.0320 million, representing 7.13% of the total procurement for the year.

3. Expenses

Unit: Yuan Currency: RMB

Item	Amount for current year	Amount for previous year	Change (%)
Selling expenses	847,668,020.81	822,360,688.77	3.08
Administrative expenses	3,781,800,254.95	3,523,054,191.25	7.34
R&D expenditure	3,261,156,190.40	3,009,012,872.14	8.38
Finance costs	117,694,868.84	44,547,885.42	164.20
Income tax expenses	819,157,357.06	596,717,889.35	37.28

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

4. R&D Expenditure

(1) Breakdowns of R&D Expenditure

Unit: Yuan Currency: RMB

Expensed R&D expenditure for the period	3,410,603,828.68
Capitalized R&D expenditure for the period	470,715,150.37
Total R&D expenditure	3,881,318,979.05
Percentage of total R&D expenditure over revenue (%)	4.94
Percentage of R&D expenditure capitalization (%)	12.13

(2) Information of R&D personnel

Number of R&D personnel of the Company	4,493
Percentage of R&D personnel in the total number of employees of the Company (%)	23.96

Educational structure of R&D personnel

Educational category

Doctoral graduate	180
Master's graduate	1,754
Undergraduate	2,440
Junior college and below	119

Age structure of R&D personnel

Age category	Number
Under 30 years old (excluding 30 years old)	1,875
30-40 years old (including 30 years old, excluding 40 years old)	1,420
40-50 years old (including 40 years old, excluding 50 years old)	848
50-60 years old (including 50 years old, excluding 60 years old)	348
60 years old and above	2

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(I) Analysis of Principal Business (Continued)

5. Cash flows

Unit: Yuan Currency: RMB

Item	Amount for current year	Amount for previous year	Change (%)
△Net increase in customer deposits and interbank deposits	712,966,507.45	1,805,594,490.68	-60.51
△Net increase in borrowings from other financial institutions	-149,784,849.85	-795,801,113.09	N/A
△ Net increase in funds from repurchase business	-598,665,626.10		
Tax refund received	340,943,741.53	24,819,326.87	1,273.70
Other cash received from operating activities	6,561,912,668.06	4,960,367,306.20	32.29
Cash paid for purchase of goods and receipt of services	78,710,675,811.83	56,209,490,945.61	40.03
△Net increase in loans and advances to customers	-4,251,524,251.34	-1,791,652,622.96	N/A
△Net increase in central bank and interbank payments	216,553,982.36	515,329,667.61	-57.98
△Cash paid for interest, surcharges and commission fee	1,947,810.80	1,300,888.47	49.73
Payments of taxes and surcharges	3,477,346,646.88	2,777,690,323.72	25.19
Cash received from return on investments	25,155,704,810.83	35,262,270,217.80	-28.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	808,221.78	1,147,462.33	-29.56
Net cash received from disposal of subsidiaries and other business units	-	492,572,075.62	N/A
Other cash received relating to investing activities	19,078,348.00	-	N/A
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	4,284,346,671.11	2,999,116,867.65	42.85
Other cash paid relating to investing activities	153,514,593.95	7,000.00	N/A
Cash received from investment activities	5,236,179,223.16	110,017,500.00	4,659.41
Cash received from borrowings obtained	5,569,616,084.31	2,511,723,871.40	121.74
Other cash received from financing activities		593,536,697.59	N/A
Cash paid for debt repayment	1,085,686,524.94	316,217,093.56	243.34
Other cash paid relating to financial activities	2,770,858,928.80	155,123,272.48	1,686.23

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of Assets and Liabilities

1. The status of assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Percentage of the amount at the end of the period in total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period in total assets (%)	Year-on-year change (%)	Explanation
△Funds for lending	1,016,528,514.62	0.62	836,529,745.30	0.59	21.52	See other explanations
Notes receivable	1,664,057,411.81	1.02	1,224,353,136.23	0.86	35.91	See other explanations
Accounts receivable	15,193,794,901.36	9.34	12,545,314,264.97	8.83	21.11	See other explanations
Receivables financing	2,885,613,858.43	1.77	1,927,567,077.40	1.36	49.70	See other explanations
Other receivables	381,686,005.06	0.23	546,279,763.42	0.38	-30.13	See other explanations
Inventories	26,171,153,034.44	16.09	21,685,296,057.95	15.27	20.69	See other explanations
Contract assets	17,158,279,769.81	10.55	14,258,321,922.49	10.04	20.34	See other explanations
Non-current assets due within one year	547,277,984.79	0.34	2,341,379,530.86	1.65	-76.63	See other explanations
Other current assets	2,156,070,817.67	1.33	1,317,102,354.65	0.93	63.70	See other explanations
△Loans and advances	6,320,594,750.28	3.89	4,483,911,097.25	3.16	40.96	See other explanations
Debt investments	26,277,752,083.33	16.15	19,785,285,247.24	13.93	32.81	See other explanations
Long-term receivables	79,867,096.24	0.05	21,879,106.99	0.02	265.04	See other explanations
Long-term equity investments	3,623,462,354.53	2.23	2,924,013,842.93	2.06	23.92	See other explanations
Other equity instrument investments	668,320,905.39	0.41	544,594,360.32	0.38	22.72	See other explanations
Investment properties	227,945,511.81	0.14	144,195,700.70	0.10	58.08	See other explanations
Development expenditure	1,718,130.51	0.00	5,027,241.19	0.00	-65.82	See other explanations
Long-term deferred expenditures	50,817,013.80	0.03	15,213,914.59	0.01	234.02	See other explanations
Other non-current assets	10,174,941,879.78	6.25	7,581,093,806.49	5.34	34.21	See other explanations
Short-term borrowings	141,302,980.52	0.09	75,080,000.00	0.05	88.20	See other explanations
△Customer deposits and deposits from banks and other financial institutions	5,695,108,815.54	3.49	2,260,595,201.96	1.59	151.93	See other explanations

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of Assets and Liabilities (Continued)

1. The status of assets and liabilities (Continued)

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Percentage of the amount at the end of the period in total assets (%)	Amount at the end of the previous period	Percentage of the amount at the end of the previous period in total assets (%)	Year-on-year change (%)	Explanation
Non-current liabilities due within one year	899,617,517.45	0.55	331,405,083.18	0.23	171.46	See other explanations
Other current liabilities	1,326,771,641.90	0.82	1,754,906,399.30	1.24	-24.40	See other explanations
Long-term borrowings	4,541,776,479.47	2.79	2,167,176,895.80	1.53	109.57	See other explanations
Deferred income tax liabilities	149,063,975.25	0.09	229,850,405.47	0.16	-35.15	See other explanations

Other explanations:

- (1) Reasons for change in funds for lending: the funds for lending at the end of the year increased by 21.52% as compared with the beginning of the year, mainly due to the increase in the funds for lending business of finance company.
- (2) Reasons for change in notes receivable: the notes receivable at the end of the year increased by 35.91% as compared with the beginning of the year, mainly due to the growth in revenue scale.
- (3) Reasons for change in accounts receivable: the accounts receivable at the end of the year increased by 21.11% as compared with the beginning of the year, mainly due to the growth in revenue scale.
- (4) Reasons for change in receivables financing: the receivables financing at the end of the year increased by 49.70% as compared with the beginning of the year, mainly due to the growth in notes receivable in line with the expansion of revenue scale.
- (5) Reasons for change in other receivables: the other receivables at the end of the year decreased by 30.13% as compared with the beginning of the year, mainly due to the decrease in the balance of guarantee deposits.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of Assets and Liabilities (Continued)

1. The status of assets and liabilities (Continued)

Other explanations: (Continued)

- (6) Reasons for change in inventories: the inventories at the end of the year increased by 20.69% as compared with the beginning of the year, mainly due to the increase in the balance of goods in progress.
- (7) Reasons for change in contract assets: the contract assets at the end of the year increased by 20.34% as compared with the beginning of the year, mainly due to the increase in outstanding warranty retention monies.
- (8) Reasons for change in non-current assets due within one year: the non-current assets due within one year at the end of the year decreased by 76.63% as compared with the beginning of the year, mainly due to the maturity and recovery of buyer credits due within one year of finance company.
- (9) Reasons for change in other current assets: the other current assets at the end of the year increased by 63.70% as compared with the beginning of the year, mainly due to the increase in short-term loans of finance company.
- (10) Δ Reasons for change in loans and advances: the loans and advances at the end of the year increased by 40.96% as compared with the beginning of the year, mainly due to the growth in the scale of buyer credits of finance company.
- (11) Reasons for change in debt investments: the debt investments at the end of the year increased by 32.81% as compared with the beginning of the year, mainly due to the increase in the balance of interbank deposit certificate business of finance company.
- (12) Reasons for change in long-term receivables: the long-term receivables at the end of the year increased by 265.04% as compared with the beginning of the year, mainly due to the increase in instalment sales of goods during the year.
- (13) Reasons for change in long-term equity investments: the long-term equity investments at the end of the year increased by 23.92% as compared with the beginning of the year, mainly due to the addition of associates such as Changji Wanxin Wind Power Co., Ltd.* (昌吉皖新風力發電有限公司) during the year.
- (14) Reasons for change in other equity instrument investments: the other equity instrument investments at the end of the year increased by 22.72% as compared with the beginning of the year, mainly due to the increase in the market value of the shares of Southern Power Grid Energy Storage held by the Company during the year.
- (15) Reasons for change in investment properties: the investment properties at the end of the year increased by 58.08% as compared with the beginning of the year, mainly due to the increase in property leasing during the year.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of Assets and Liabilities (Continued)

1. The status of assets and liabilities (Continued)

Other explanations: (Continued)

- (16) Reasons for change in development expenditure: the development expenditure at the end of the year decreased by 65.82% as compared with the beginning of the year, mainly due to the transfer of part of the capitalised development expenditure to intangible assets during the year.
- (17) Reasons for change in long-term deferred expenses: the long-term deferred expenses at the end of the year increased by 234.02% as compared with the beginning of the year, mainly due to the increase in renovation and alteration expenditure of industrial parks, office buildings and other properties during the year.
- (18) Reasons for change in other non-current assets: the other non-current assets at the end of the year increased by 34.21% as compared with the beginning of the year, mainly due to the increase in undated warranty retention monies with a maturity of over one year.
- (19) Reasons for change in short-term borrowings: the short-term borrowings at the end of the year increased by 88.20% as compared with the beginning of the year, mainly due to the newly drawn working capital loans during the year.
- (20) Reasons for change in customer deposits and deposits from banks and other financial institutions: the customer deposits and deposits from banks and other financial institutions at the end of the year increased by 151.93% as compared with the beginning of the year, mainly due to the year-on-year increase of the customer deposits and deposits from banks and other financial institutions taken by finance company.
- (21) Reasons for change in non-current liabilities due within one year: the non-current liabilities due within one year at the end of the year increased by 171.46% as compared with the beginning of the year, mainly due to the increase in estimated liabilities due within one year.
- (22) Reasons for change in other current liabilities: the other current liabilities at the end of the year decreased by 24.40% as compared with the beginning of the year, mainly due to the decrease in the balance of unendorsed and unexpired notes receivable not derecognised at the end of the period.
- (23) Reasons for change in long-term loans: the long-term loans at the end of the year increased by 109.57% as compared with the beginning of the year, mainly due to the increase in loans for construction and transfer projects and entrusted loans.
- (24) Reasons for change in deferred tax liabilities: the deferred tax liabilities at the end of the year decreased by 35.15% as compared with the beginning of the year, mainly due to the decrease in deferred income tax liabilities related to leases.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(II) Analysis of Assets and Liabilities (Continued)

2. Offshore assets

Assets scale

Among them: offshore assets of RMB1,375,072,019.87 (Unit: Yuan Currency: RMB), accounting for 0.85% of the total assets.

3. Restrictions on main assets as of the end of the Reporting Period

Item	Balance	Reason for restriction
Cash and bank balances	3,673,863,861.62	Deposits in the central bank, capital reserves and guarantee deposits
Notes	267,709,553.62	Endorsed without derecognition
Intangible assets	430,445,520.02	Security for loan
Fixed assets	68,736.39	Security for loan
Total	4,372,087,671.65	

4. The gearing ratio was 70.39% in 2025

Note: Gearing ratio = Total liabilities/Total assets X 100%.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(III) Analysis of investment

Overall analysis on external equity investment

No.	Name of investee	Explanation	Investment amount (RMB'000)
1	Changji Wanxin Wind Power Co., Ltd.* (昌吉皖新風力發電有限公司)	Dongfang Electric Wind Power Share Co., Ltd.* (東方電氣風電股份有限公司), the controlling subsidiary of the Company, established a joint venture company with Anhui Province Wanneng Energy Exchange Co., Ltd.* (安徽省皖能能源交易有限公司) by contributing the 100% equity interest in Mulei Dongji New Energy Co., Ltd.* (木壘東吉新能源有限公司) as the capital contribution.	90,985
2	Dongfang Electric Machinery Co., Ltd.* (東方電氣集團東方電機有限公司)	<ol style="list-style-type: none"> 1. The Company injected RMB450 million of state-owned capital from the State-owned Assets Supervision and Administration Commission of the State Council into the company by way of capital increase. 2. The Company injected RMB289 million raised from the issuance of A shares to specific investors in 2023 into the company by way of capital increase, which was earmarked for the construction of the pumped storage capacity improvement project. 	73,928
3	Dongfang Turbine Co., Ltd.* (東方電氣集團東方汽輪機有限公司)	<ol style="list-style-type: none"> 1. The Company injected RMB290 million of state-owned capital from the State-owned Assets Supervision and Administration Commission of the State Council into the company by way of capital increase. 2. The Company injected RMB318 million raised from the issuance of A shares to specific investors in 2023 into the company by way of capital increase, which was earmarked for the gas turbine rotor processing capacity improvement and digital workshop projects. 	60,820

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(III) Analysis of investment (Continued)

Overall analysis on external equity investment (Continued)

No.	Name of investee	Explanation	Investment amount (RMB'000)
4	Dongfang Boiler Co., Ltd.* (東方電氣集團東方鍋爐股份有限公司)	<p>1. The Company injected RMB120 million of state-owned capital from the State-owned Assets Supervision and Administration Commission of the State Council into the company by way of capital increase.</p> <p>2. The Company injected RMB161 million raised from the issuance of A shares to specific investors in 2023 into the company by way of capital increase, which was earmarked for the construction of the pumped storage capacity improvement project.</p>	28,071
5	Dongfang Electric (Guangzhou) Heavy Machine Co., Ltd.* (東方電氣(廣州)重型機器有限公司)	The Company injected RMB150 million of state-owned capital from the State-owned Assets Supervision and Administration Commission of the State Council into the company by way of capital increase.	15,000
6	Dongfang Electric Automatic Control Engineering Co., Ltd.* (東方電氣自動控制工程有限公司)	The Company injected RMB75 million of state-owned capital from the State-owned Assets Supervision and Administration Commission of the State Council into the company by way of capital increase.	7,500
7	Dongfang Electric (Wuhan) Nuclear Equipment Co., Ltd.* (東方電氣(武漢)核設備有限公司)	The Company injected RMB15 million of state-owned capital from the State-owned Assets Supervision and Administration Commission of the State Council into the company by way of capital increase.	1,500

1. Significant equity investment

During the Reporting Period, the Company and its subsidiaries had no significant equity investment.

2. Significant non-equity investment

During the Reporting Period, the Company and its subsidiaries had no significant non-equity investment.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(III) Analysis of investment (Continued)

Overall analysis on external equity investment (Continued)

3. Financial assets at fair value measurement

Unit: Yuan Currency: RMB

Asset type	Amount at the beginning of period	Profit or loss from change in fair value for the period	Cumulative change of fair value recorded in equity for the period	Provision impairment for the period	Amount purchased for the period	Amount sold/redeemed for the period	Other changes	Amount at the end of period
Shares	1,374,876,006.64	86,561,275.42	-5,106,382.92					1,565,692,600.01
Bonds	319,180,200.00	-5,886,900.00						313,293,300.00
Other 1	434,553,264.80	3,846,565.79			199,997,600.00	150,000,000.00		488,397,430.59
Other 2	113,956,067.40		-6,149,762.72		23,626,142.42			133,427,294.52
Total	2,242,565,538.84	84,520,941.21	-11,256,145.64		223,623,742.42	150,000,000.00		2,500,810,625.12

Note: Other items include fund investments in finance company and equity interests in non-listed companies measured under other equity instrument investments, in sequence.

Securities Investment

Unit: 0'000 yuan Currency: RMB

Type	Stock Code	Stock short name	Initial investment cost	Funding source	Carrying amount at the beginning of the period	Profit or loss from change in fair value for the period	Cumulative change of fair value recorded in equity for the period	Amount purchased for the period	Amount sold for the period	Investment profit or loss for the period	Carrying amount at the end of the period	Classification in accounting
Stock	601179	China XD Electric	1,010.77	Self-owned	1,098.27	218.50					1,316.77	Trading financial assets
Stock	600995	Southern Power Grid Energy Storage	54,000.00	Self-owned	43,063.83		-510.64			504.48	53,489.36	Other equity instrument investments
Stock	601005	Chongqing Iron & Steel	64.93	Self-owned	43.49	0.60					44.09	Trading financial assets
Stock	600917	Chongqing Gas	247.84	Self-owned	187.46	-18.19				2.99	169.27	Trading financial assets
Stock	000155	Sichuan Energy Power	115,845.19	Self-owned	93,094.56	8,455.21					101,549.77	Trading financial assets
Bonds			30,000.00	Self-owned	31,918.02	-588.69				2,108.22	31,329.33	Trading financial assets
Fund			47,598.48	Self-owned	43,455.33	384.65		19,999.76	15,000.00	665.34	48,839.74	Trading financial assets
Total	/	/	248,767.21	/	212,860.96	8,452.08	-510.64	19,999.76	15,000.00	3,281.03	236,738.33	/

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

V. KEY OPERATION INDICATORS DURING THE REPORTING PERIOD (CONTINUED)

(IV) Material Assets and Disposals of Equity Interests

During the Reporting Period, save as disclosed in this annual report, there were no disposals of material assets and equity interests.

(V) Analysis of Major Holdings and Participating Companies

Company name	Type of company	Principal business	Registered capital	Total assets	Net assets	Total operating revenue	Operating profit	Net profit
Dongfang Electric Finance Co., Ltd.* (東方電氣集團財務有限公司)	Subsidiary	Finance company services	209,500.11	5,997,590.96	399,652.50	107,173.69	39,733.18	30,216.24
Dongfang Turbine Co., Ltd.* (東方電氣集團東方汽輪機有限公司)	Subsidiary	Manufacture of steam turbines and auxiliary equipment	607,489.50	4,051,228.24	996,538.16	1,926,307.54	131,776.30	117,919.48
Dongfang Electric Wind Power Co., Ltd.* (東方電氣風電股份有限公司)	Subsidiary	Manufacture of wind power equipment	43,812.16	3,358,735.95	214,182.82	1,904,043.17	5,243.31	5,266.59
Dongfang Boiler Co., Ltd.* (東方電氣集團東方鍋爐股份有限公司)	Subsidiary	Manufacture of boilers and auxiliary equipment	193,747.86	3,171,701.97	1,084,031.66	1,797,277.85	134,912.20	105,955.94
Dongfang Electric Machinery Co., Ltd.* (東方電氣集團東方電機有限公司)	Subsidiary	Manufacture of generators and generator sets	375,232.94	2,862,020.72	888,400.11	1,400,778.63	120,495.72	103,723.04
Dongfang Electric Automatic Control Engineering Co., Ltd.* (東方電氣自動控制工程有限公司)	Subsidiary	Power electronics and control	104,106.75	516,456.75	178,979.24	559,780.74	25,935.48	22,902.31
Dongfang Electric (Guangzhou) Heavy Machine Co., Ltd.* (東方電氣(廣州)重型機器有限公司)	Subsidiary	Nuclear equipment manufacturing services	127,947.96	447,432.82	186,890.88	203,593.12	8,257.02	8,166.62

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

(I) Structure and trend of the industry

The “Proposal of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development” clearly puts forward the strategic goal of “building a strong energy country” and makes major strategic arrangements for “accelerating the construction of a new energy system”. At the United Nations Climate Change Summit, China announced a new round of nationally determined contributions, clarifying that the total installed capacity of wind power and solar power generation nationwide will reach more than six times that of 2020 by 2035, striving to reach 3.6 billion kilowatts. Against this background, the proportion of non-fossil energy in China will continue to increase, and new energy technologies will continue to make breakthroughs, promoting the transition of energy structure towards a cleaner and low-carbon direction. The energy and power industry will continue to increase its efforts in technological innovation and industrial upgrading. Combined with the development of artificial intelligence and a new generation of communication technology, areas such as new energy equipment, smart grid, and energy storage technology continue to progress, continuously enhancing the capacity to accommodate and regulate new energy, which will further improve the flexibility and resilience of the power system.

The 2026 National Energy Work Conference has clearly set out the main objectives for the initial establishment of a new energy system: by 2030, the share of non-fossil energy consumption will reach 25%, and the share of new energy power generation installed capacity will exceed 50%, becoming the main component of power installed capacity. The Conference stressed that in 2026, efforts will be made to achieve a higher level of energy security and enhance power supply capacity; the share of new energy supply will continue to increase, major hydropower projects will be advanced in an orderly manner, nuclear power will be developed actively, safely and in an orderly manner, the clean and efficient utilization of fossil energy will be strengthened, and forward-looking layout will be made in future energy industries such as hydrogen energy and nuclear energy.

According to the forecast of the China Electricity Council, in 2026, the total electricity consumption of the whole society is expected to reach 10.9 to 11 trillion kilowatt-hours, an increase of 5% to 6% year on year. The national power supply and demand will be generally balanced, with tight power supply and demand in some regions during peak hours. The newly added installed capacity of power generation nationwide is expected to exceed 400 million kilowatts, of which the newly added installed capacity of new energy power generation is expected to exceed 300 million kilowatts. By the end of 2026, the total installed capacity of power generation in China is expected to reach about 4.3 billion kilowatts, an increase of about 10.5% year on year. Among them, the proportion of coal-fired power generation will drop to around 31% by the end of 2026, the installed capacity of solar power will exceed that of coal-fired power for the first time, the combined installed capacity of wind power and solar power will account for half of the total installed capacity of power generation, and the installed capacity of non-fossil energy power generation will reach 2.7 billion kilowatts, with its proportion in the total installed capacity rising to around 63%.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(I) Structure and trend of the industry (Continued)

Overall, driven by the national “dual carbon” strategy, the construction of a new energy system is promoting a systematic transformation of the power equipment industry. The logic of industry development is shifting from the pursuit of scale expansion to meeting the dual demands of high-proportion renewable energy integration and the safe and flexible operation of the power system, bringing structural growth opportunities to equipment in all links of the “generation, grid, load and storage” power industry chain. Renewable energy has become the main component of China’s newly added power installed capacity, and the demand for wind power and photovoltaic equipment is iterating towards large capacity, high reliability and intelligence; nuclear power has entered a phase of steady development, with more than 10 units approved for four consecutive years; pumped storage, as the main form of hydropower and the dominant mode of energy storage, is under full-speed construction, driving the demand for large-scale hydropower equipment. The security guarantee and system regulation attributes of traditional energy have become increasingly prominent, and the basic guarantee and system regulation role of coal-fired power has been further deepened, driving the steady demand for newly added installed capacity and stock transformation. Gas turbines, as high-quality peaking power sources, have attracted increasing attention from all parties. Meanwhile, the new energy storage market is growing rapidly, the hydrogen energy industry has been included in the forward-looking layout of future industries, the application of energy conservation and environmental protection in industrial and other fields continues to deepen, and the chemical equipment sector still has broad market demand.

(II) Development Strategy of the Company

Overall, based on serving national strategies, the Company unswervingly pursues the path of high-quality development and builds a first-class group with exquisite technologies, sophisticated products, attentive services and lean management. Adhering to the theme of promoting high-quality development, the Company strengthens the leadership of scientific and technological innovation, focuses on the needs of major national projects and energy and power development to carry out innovation in major technical equipment, further implements the “Artificial Intelligence Plus” initiative, and continuously increases R&D investment and intelligent manufacturing upgrading, so as to ensure that its key core technologies, comprehensive manufacturing strength and value creation capabilities are first-class in the industry. Adhering to the main line of accelerating industrial transformation and upgrading, the Company has established a “one core, two wings” industrial layout with energy equipment manufacturing as the core and manufacturing services and emerging industries as growth drivers. The Company adheres to the dual-wheel drive of traditional industries and strategic emerging industries, promotes the transformation of advantageous fields such as coal, water, nuclear and gas towards high-end, intelligent, green and integrated development, and consolidates its leading market position; and accelerates the fostering of new growth drivers such as wind power, energy storage, hydrogen energy and power electronics. With customer value as the orientation, the Company focuses on the needs of clean, efficient, flexible, low-carbon and intelligent development, accelerates the development of manufacturing service business and provides systematic solutions. The Company deepens international operation and cooperation and promotes the global layout of the industrial chain. Adhering to reform and innovation as the fundamental driving force, the Company further promotes key reforms, drives the in-depth transformation of the operation mechanism, establishes a scientific performance evaluation system and a strategic support system for human resources, and elevates the Company’s governance standards to a new level. Meanwhile, the Company places greater emphasis on the development of management capabilities. By deepening lean management, the Company enhances its systematic management capabilities, making them an engine for and guarantee of high-quality development.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(III) Business Plan

In 2026, the Company will firmly grasp the primary task of high-quality development, and effectively enhance its core functions and core competitiveness. Focusing on the two basic focuses of the transformation and upgrading of traditional industries and the continuous supply of momentum from strategic emerging industries, the Company will adhere to the business philosophy of “business must have value, scale must be profitable, and profits must have cash flow”, realize the effective improvement of quality and reasonable growth of quantity, and ensure a good start for the “15th Five-Year Plan” period.

1. Serving national strategies. The Company will fully focus on the R&D and manufacturing of key hydropower project equipment, ensure the smooth commissioning of the units of the Zhala Hydropower Project, and steadily promote the R&D of 800 MW class high-head, high-sediment and large-capacity impulse hydropower units. Focusing on technical difficulties such as independent heavy-duty gas turbines, the Company will accelerate R&D and tackle key problems, enhance the capacity of domestic substitution, and improve the resilience and safety level of the industrial chain and supply chain. The Company will actively implement the national policies on the “Two Priorities” and the “Two New Initiatives”, strengthen the driving role of investment, focus on key areas such as resource development, production capacity improvement, industrial layout optimization and test platform construction, and plan and implement a number of key investment projects to accumulate momentum for high-quality development through effective investment.
2. Operating indicators. The Company will continuously improve profitability, optimize key indicators such as operating cash flow, asset-liability ratio, “three capitals and one payment”, and newly effective orders, so as to form more valuable businesses, profitable revenues and profits with cash flow. The Company will strengthen the special improvement of quality and efficiency, implement the requirements of the three-year action plan for cost management improvement, deepen full-value chain cost management, and establish a product identification and value evaluation system of “high quality, high price and survival of the fittest”; carry out a special action to improve the gross profit margin of the Company’s core products, and strive to improve the comprehensive gross profit margin. The Company will pay attention to structural analysis and classified management and control, strictly control the growth rate of “three capitals and one payment”, and improve the efficiency of fund turnover. It will strengthen the prevention and control of debt risks, and carry out in-depth special governance of subsidiaries with high risks and high liabilities. The Company will effectively improve its performance capacity, formulate accurate and detailed production scheduling plans, scientifically coordinate core raw materials, manufacturing resources, supporting subcontracting and outsourced resources, do a good job in the reserve of long-cycle and strategic materials, strengthen the node management and control of key projects, improve the project plan management and control and product output capacity, and make every effort to ensure delivery.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(III) Business Plan (Continued)

3. Industrial development. Focusing on improving gross profit margin and market share, the Company will make every effort to win more high-quality orders. It will maintain the existing market share in nuclear power and gas power; catch up in coal-fired power and hydropower. In wind power, focusing on characteristic scenarios such as offshore, plateau and low wind speed, the Company will systematically improve its capabilities and create differentiated advantages. The Company will accelerate the development of emerging industries with a “one industry, one policy” approach. In hydrogen energy, it will summarize the operation experience of the “hydrogen-oxygen-electric-heat” multi-cogeneration projects, increase promotion efforts on the plateau, promote more application practices, and explore and build a “wind-solar-hydrogen-ammonia-alcohol” demonstration. In energy storage, the Company will optimize technologies and control costs to create new competitive advantages. In power electronics, it will develop independent core technologies and products, and vigorously expand internal and external markets. In power station services, seizing the opportunity of the special action for the upgrading and transformation of the new generation of coal-fired power, the Company will further expand power station transformation businesses such as flexible comprehensive transformation, multi-energy heating and thermoelectric decoupling, comprehensive energy conservation and efficiency improvement, and energy storage integration. In solar thermal power, taking the opportunity of national support for large-scale development, relying on the advantages in system integration and core equipment R&D, the Company will continuously increase its market share. It will actively expand the international market and vigorously promote the “going global” of high-end energy equipment.
4. Scientific and technological innovation. The Company will accelerate the tackling of key core technologies, promote the implementation of major national science and technology projects with high quality, and do a good job in building the original technology source and the chain leader of the modern industrial chain of small and medium-sized gas turbines. It will strengthen the construction of innovation platforms, ensure the construction of basic scientific research infrastructure, and complete the construction of the wind power high-altitude scientific research and innovation demonstration base. The Company will improve the scientific and technological innovation system and mechanism, promote the in-depth integration of the two-level R&D system, and continuously improve the mechanism for the evaluation, transformation and industrialization of scientific and technological achievements. It will further promote “intelligent transformation and digital transformation”, accelerate the construction of digital factories, improve the quality and efficiency of digital workshops, and carry out the digital transformation and upgrading of traditional manufacturing processes. The Company will deepen the “Artificial Intelligence Plus” initiative and continuously explore systematic and high-value industrial scenarios. It will effectively guarantee R&D investment, continuously standardize the statistics of R&D investment, and increase the proportion of investment in strategic emerging industries, basic research and applied basic research.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(III) Business Plan (Continued)

5. Deepening reforms. The Company will continue to deepen the three-system reform, strengthen the evaluation and guidance on the reform of secondary enterprises, promote the improvement of weak links, and maintain the continuous improvement of reform effects. It will further promote internal reform pilot work, and achieve greater breakthroughs in key areas such as scientific and technological innovation, cultivation of strategic emerging industries, and market-oriented operation mechanisms. The Company will strengthen the construction of a leading and innovative headquarters, establish a capability system matching the “strategic + operational” type, and better give play to the overall functions of the headquarters in policy supply, decision support, resource integration and promotion of coordination. It will optimize the evaluation system and formulate assessment standards on a “one enterprise, one policy” basis. The Company will solidly summarize the experience of the reform deepening and upgrading action, refine and deepen the comprehensive reform demonstration project, and actively promote its application.
6. Management improvement. The Company will pay close attention to quality management, dynamically improve the quality management system, and strictly implement the requirements of the quality system. The Company will strengthen audit follow-up efforts, promote the rectification of key audit issues and the improvement of management standards, and continuously expand the scope of “in-process supervision” in audits. It will accelerate the digital and intelligent transformation of finance, and coordinate the in-depth application of the treasury system, financial budgeting and reporting system. The Company will upgrade the digital application of the intelligent rule of law system, and gradually realize penetrating supervision over key businesses and important risk points. It will deepen lean management, formulate a new three-year action plan for lean management, and optimize the lean operation indicator system. It will attach great importance to production safety, increase the intensity of hidden danger investigation and rectification, fully promote the successful conclusion of the key tasks of the three-year action plan for tackling the underlying problems of production safety, and effectively ensure the safety of personnel’s lives.

(IV) Possible Risks

1. Risks of international operations

Risk description: Currently, global geopolitical conflicts and major-power competition continue to intensify, and the momentum of global economic growth is weakening. Meanwhile, global competition in the green industry is becoming increasingly fierce, technological iteration is accelerating, and price competition in new energy sectors such as wind, solar and energy storage is intensifying. The Company is facing growing uncertainties and challenges in expanding its international market.

VI. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (CONTINUED)

(IV) Possible Risks (Continued)

1. Risks of international operations (Continued)

Risk control measures: (1) The Company will further advance regional operations and cross-border layout of the industrial chain, foster drivers for international operations, optimize the coordination mechanism for international business and overseas layout, promote industrial synergy, strengthen international brand promotion, and continuously enhance the Company's international market competitiveness. (2) The Company will dynamically sort out national policies, strengthen the identification, assessment and response to overseas compliance risks, take the initiative to apply international rules in foreign-related business activities such as overseas business marketing and transaction model design, and improve the ability to apply and shape international rules.

2. Policy risks

Risk description: At present, the scale of the Company's strategic emerging industries is continuously expanding. However, as strategic emerging industries are highly dependent on government industrial support policies, inaccurate tracking and judgment of policies and inadequate capacity for policy transformation and application may to a certain extent affect the Company's agile response to market changes.

Risk control measures: (1) The Company will strengthen communication with local governments to strive for more favorable policies, further deepen research on the development trends, technical paths and business models of strategic emerging industries, dynamically optimize and adjust development strategies and management methods in a targeted manner, quickly obtain bulk orders amid fierce market competition, and promote high-quality industrial development. (2) In light of changes in the industrial situation of new industries, the Company will implement the requirements of special action plans for specific industries in a targeted manner, highlight priorities and focus on shortcomings, and continuously support the market expansion, product promotion and industrial cultivation of affiliated enterprises in some key industries.

3. Business transformation risks

Risk description: The Company makes investments in the process of business transformation. Due to many unstable and uncertain factors in the external environment, intensified volatility in the capital market, coupled with the long transformation cycle of new technologies, uncertainties in commercialization and the transition period of cultivation, there is a possibility that investment targets and investment returns may fall short of expectations.

Risk control measures: (1) The Company will continuously strengthen investment risk prevention, strictly control the access of new projects, focus on supervising and guiding subsidiaries to carry out investments in a standardized and effective manner, conduct follow-up, supervision and guidance on investment businesses such as key enterprises and key (major) investment projects, and ensure risk prevention and control throughout the entire investment process. (2) For subsidiaries that fail to realize their industrial functions, the Company will timely conduct closure, liquidation or transfer and exit to control or reduce risks.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VII. OTHER EVENTS

Saved as disclosed above, description in relation to the following issues included in the sections headed “Directors, Senior Management and Employees” and “Significant Events” forms part of this report.

(I) Directors

Please refer to Section VIII headed “Directors, Senior Management and Employees” for list of members regarding the Board of Directors in 2025.

(II) Changes in information of the Directors

Save as disclosed in other chapters of this report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

(III) Share Incentive Scheme

The Restricted A Share Incentive Scheme for 2019 is formulated by the Company to further perfect the mid-and-long term incentive and restraint mechanism of the Company and achieve the incentive and restraint on the Directors, senior and middle management and frontline leaders of the Company to more tightly align their interests with the long-term development of the Company, and take on risks while share the interests together, and fully mobilize their enthusiasm and creativity.

The participants include the Company (including the branches and subsidiaries); the Directors (directors of the subsidiaries), senior management; middle management; the frontline leaders (including non-leadership core staffs in marketing, research and development, management, production).

For details of the Share Option Incentives Scheme of the Company during the year, please refer to Chapter VI “Significant Events IV. (I) Descriptions of the Incentive of the Company during the Reporting Period”.

(IV) Permitted Indemnity Provisions

During the Reporting Period, the Company has arranged appropriate liabilities insurance for Directors, so as to provide protection against claims arising from the lawful discharge of duties by the Directors.

(V) Directors’ and Supervisors’ Interests in Material Transactions, Arrangement or Contracts

None of Directors or Supervisors had material interests in the material contracts with the Company or any subsidiaries of the Company as a party (as defined in Appendix D2 to the Listing Rules) has or had material interest, either directly or indirectly, during or at the end of the year.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VII. OTHER EVENTS (CONTINUED)

(VI) Key Relationships with Persons with Significant Impact

The Company has been keeping stable and sound relationship with our customers and suppliers. The Company cherishes talents and carefully performs its corporate responsibilities. By providing training management, health protection, it aims to assist employees to make progress and become talents. The information on the employees and remuneration policy of the Group are set out in the section headed “V. EMPLOYEES OF THE COMPANY AND PRINCIPAL SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD” of section VIII “Directors, Senior Management and Employees” in this annual report.

(VII) Corporate Social Responsibility

For details, please refer to the 2025 Environment, Social and Governance Report of Dongfang Electric Corporation Limited (《東方電氣股份有限公司2025年度環境、社會及管治報告》) in the Company’s overseas regulatory announcement which is published on the website of the Stock Exchange.

(VIII) Share Capital and Issued Shares

For details of changes in the Company’s share capital during the Reporting Period and the issued shares during the year ended 31 December 2025, please refer to the “I (I) Table of total number of ordinary shares” of section VII Changes in Shares and Particulars of Shareholders.

(IX) Distributable Reserves

For details of distributable reserves of the Company, please refer to Note 5.50 “Undistributed Profit” to the financial statements.

(X) Major Acquisition or Disposal

Save as disclosed above, there were no major acquisition and disposal of subsidiaries and associates during the Reporting Period.

(XI) Compliance with Laws and Regulations

During the Reporting Period, the Company has complied with the relevant laws and regulations including the Company Law of the People’s Republic of China, the Securities Law, the Code of Corporate Governance for Listed Companies, the Corporate Governance Code and the Article of Association of the Company that have significant impact.

(XII) Donations

For the year ended 31 December 2025, the Group made charitable and donations of approximately RMB28.9888 million (2024: RMB 25.9037 million).

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

VII. OTHER EVENTS (CONTINUED)

(XIII) Change of External Auditor

Da Hua Certified Public Accountants LLP has provided audit services to the Company for three years since 2020. To maintain the independence of audit work, the Company's auditor was changed to BDO China Shu Lun Pan Certified Public Accountants LLP with effect from the conclusion of the fourth extraordinary general meeting of the Company held on 26 October 2023, for a term ending on the conclusion of the 2023 annual general meeting of the Company. Thereafter, the re-appointment shall be proposed by the audit and risk committee of the Board, approved by the Board, and tabled at the annual general meeting for shareholders' consideration and approval each year. For further details, please refer to the Company's announcements dated 30 August 2023 and 26 October 2023, and the Company's circular dated 6 October 2023.

Save as disclosed above, the Company did not change its auditor during the past three years.

(XIV) Events Subsequent to the Reporting Period

Save as disclosed in this report, there was no other material events or transactions affecting the Group and which is required to be disclosed by the Company to its shareholders from 1 January 2026 to the date of this report.

CORPORATE GOVERNANCE

I. EXPLANATION ON MATTERS REGARDING CORPORATE GOVERNANCE

The Company has been committed to improving its corporate governance structure and standardizing corporate operations in strict compliance with the Company Law, the Securities Law, relevant laws and regulations of the CSRC and requirements of the listing rules of the SSE and the Stock Exchange. An effective check and balance mechanism has been established with transparent segregation of duties and coordination among the general meeting, the Board of Directors, and managers of the Company.

In accordance with requirements of the regulatory bodies such as the Stock Exchange, the SSE and the CSRC, with the Articles of Association as its core, the Company has completed the reform of the Supervisory Committee, comprehensively improved the governance system, and revised important systems including the Rules for Procedure of the General Meeting, Rules for Procedure of the Board, Rules for the Work of the President, Regulations for the Work of Remuneration and Assessment Committee of the Board, Regulations for the Work of Nomination Committee of the Board, Regulations for the Work of Audit and Risk Committee of the Board, Regulations for the Work of Strategic Development Committee of the Board.

During the Reporting Period, major aspects of corporate governance are as follows:

1. In relation to shareholders and general meetings

The Company is able to treat all shareholders equally with due respect and protect their interests. In particular, non-controlling shareholders are entitled to their status and fully exercise their rights with their legal interests being protected. The Company ensures that shareholders are entitled to their right of access to information and right to make decisions in respect of material events of the Company as required by laws and administrative rules and regulations. By strictly following the relevant requirements for convening and holding general meetings set out in the Articles of Association and the Rules for Procedure of the General Meeting, the Company decides on matters such as amendment to the articles of association, profit distribution and changes of directors. During the Reporting Period, the Company held three general meetings, one A shares class meeting and one H shares class meeting, with a total of 15 proposals considered and reviewed.

2. In relation to Directors and the Board of Directors

As at the date of this annual report, the Board of Directors of the Company consists of 7 Directors, of which 3 are independent non-executive Directors. The Board has the following committees including the Audit and Risk Committee, the Strategic Development Committee, the Nomination Committee and the Remuneration and Assessment Committee. All Directors of the Company are familiar with relevant laws and regulations, understand their responsibilities, rights and obligations, fully express opinions on matters discussed, and perform their duties faithfully, honestly and diligently from the interests of the Company and all shareholders. The Company organizes and holds Board meetings in strict accordance with legal procedures. During the Reporting Period, the Company held 11 Board meetings, during which a total of 64 proposals were discussed and studied, including 58 deliberative proposals and 6 reporting proposals.

I. EXPLANATION ON MATTERS REGARDING CORPORATE GOVERNANCE (CONTINUED)

3. In relation to Supervisors and the Supervisory Committee

In accordance with the work plan for the reform of the Supervisory Committee, and driven by the amendments to the Articles of Association, the Company dissolved the Supervisory Committee and Supervisors of the Company, established the Audit and Risk Committee of the Board of Directors in accordance with the law, and fully assumed and implemented the supervision functions.

Pursuant to the Company Law of the People's Republic of China (revised in 2023) 《中華人民共和國公司法(2023修訂)》 (the "Company Law"), the Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law 《關於新<公司法>配套制度規則實施相關過渡期安排》, the Guidelines on the Articles of Association of Listed Companies (revised in 2025) 《上市公司章程指引(2025修訂)》, the Rules for General Meetings of Listed Companies (revised in 2025) 《上市公司股東會規則(2025修訂)》 and the Guidelines for the Governance of Listed Companies (revised in 2025) 《上市公司治理準則(2025修正)》 issued by China Securities Regulatory Commission, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange (revised in April 2025) 《上海證券交易所股票上市規則(2025年4月修訂)》, the Self-Regulatory Guideline No. 1 – Standardized Operation of Listed Companies on the Shanghai Stock Exchange (revised in May 2025) 《上海證券交易所上市公司自律監管指引第1號—規範運作(2025年5月修訂)》, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations and normative documents, as well as the requirements of the State-owned Assets Supervision and Administration Commission of the State Council regarding the reform of the Supervisory Committee and taking into account of the actual situation of the Company, the Company has ceased to have a Supervisory Committee as from 28 November 2025, and the powers and functions of the Supervisory Committee stipulated under the Company Law will be exercised by the Audit and Risk Committee under the Board.

4. In relation to stakeholders

The Company fully respects and protects the legal interests of stakeholders and also places high emphasis on social responsibility, with a view to achieve a balance among the interests of various parties including shareholders, staff and the society; and to promote the continuous and healthy development of the Company.

CORPORATE GOVERNANCE (CONTINUED)

II. APPRAISAL MECHANISM FOR SENIOR MANAGEMENT AND ESTABLISHMENT AND IMPLEMENTATION OF INCENTIVE MECHANISM DURING THE REPORTING PERIOD

The Company adopts annual salary system for senior management whose annual remuneration is determined based on the operating performance, job responsibilities and the results of annual performance. During the Reporting Period, the senior management of the Company has been diligent in their duties and responsibilities and fulfilled the annual appraisal targets in a relatively good manner.

III. DISCLOSURE OF SELF-ASSESSMENT REPORT ON INTERNAL CONTROL

For details, please refer to the overseas regulatory announcement on the 2025 Assessment Report on Internal Control of the Company disclosed on the website of the Stock Exchange.

IV. EXPLANATION OF AUDIT REPORT ON INTERNAL CONTROL

For details, please refer to the overseas regulatory announcement on the 2025 Audit Report on Internal Control of the Company disclosed on the website of the Stock Exchange.

V. CORPORATE GOVERNANCE REPORT

Corporate governance practices

The Company has been committed to the standardized operation of the Company and enhanced the accountability and transparency of the Company through strict implementation of corporate governance, so as to bring greater returns to the shareholders. The Board firmly believes that maintaining a good corporate governance mechanism and adopting an internationally advanced corporate governance model is one of the conditions for the Company to safeguard the interests of the shareholders, enhance corporate value, formulate business strategies and policies, and make the Company an internationally competitive enterprise.

The Company has adopted the provisions of the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the Listing Rules as its own corporate governance code. The Company has complied with all applicable code provisions of the CG Code throughout the year ended 31 December 2025.

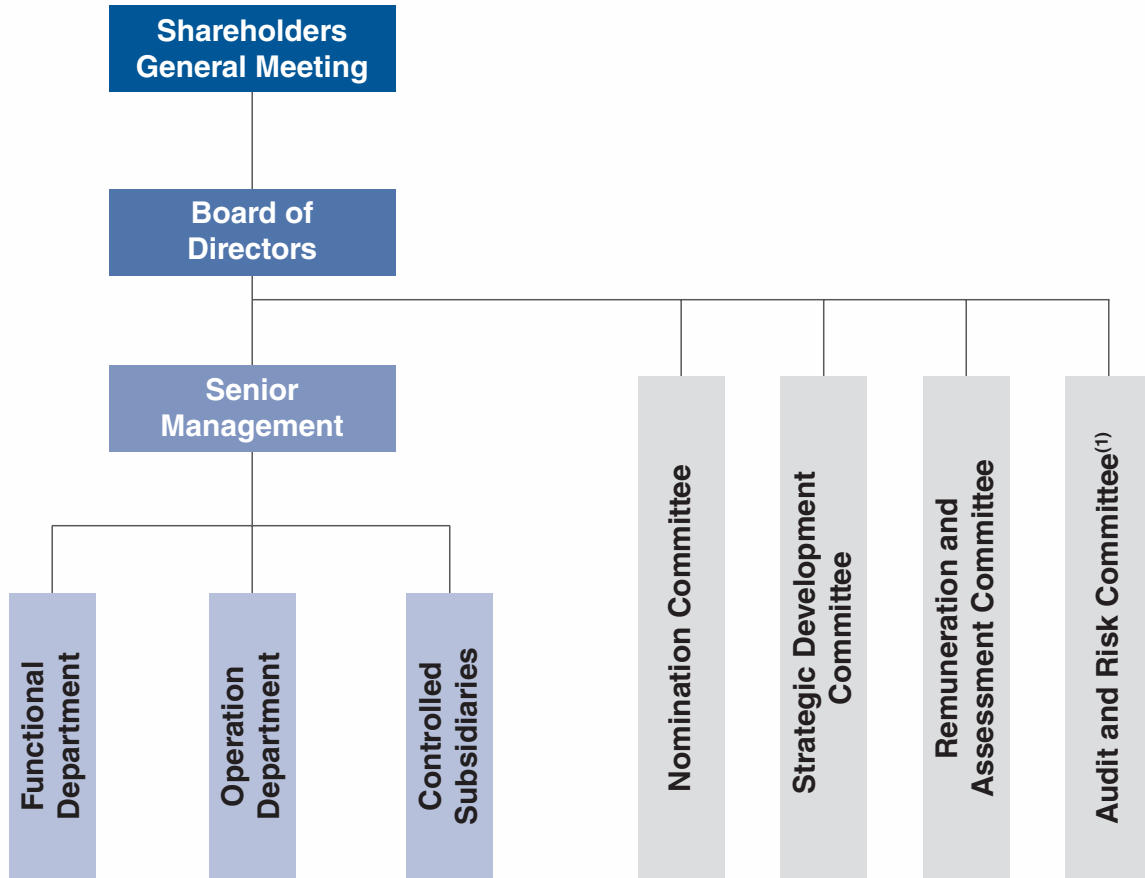
The documents related to corporate governance of the Company include the Articles of Association, Rules for Procedure of the General Meeting, Rules for Procedure of the Board and Regulations for the Work of the President, etc. To achieve the highest level of corporate governance, the Board of Directors of the Company has set up four special committees, namely the Nomination Committee, the Strategic Development Committee, the Remuneration and Assessment Committee and the Audit and Risk Committee.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

As at the date of this annual report, the chart for corporate governance structure of the Company is as follows:



Note:

- (1) A resolution to amend the Rules for Procedure of the Board was approved at the annual general meeting held on 24 June 2025. The merger of the Risk and Compliance Management Committee into the Audit and Review Committee, and the renaming of the Audit and Review Committee as the Audit and Risk Committee, were approved by the Board and became effective on 24 June 2025. For details, please refer to the Company's circular dated 4 June 2025 and announcement dated 24 June 2025.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

1. General Meeting

As the highest authority of the Company, the general meeting performs its functions and power in determining the material events of the Company under the laws. The AGM or EGM provides a direct communication channel for the Board and the shareholders. Hence, the Company regards highly of the shareholders' general meetings. Notice of meetings will be delivered before convening. All Directors and members of senior management are requested to attend as far as possible. The Company encourages all shareholders to attend the shareholders' meeting and welcomes shareholders to express their opinions in the meeting. The details of the shareholders' general meeting of the Company in 2025 are as follows:

Session of Meeting	Date	Resolutions	Voting results	Designated website for publication of resolutions	Publication date of resolutions
2025 first Extraordinary General Meeting	14 March 2025	The following resolution was considered at the meeting by way of special resolution:		www.sse.com.cn www.hkexnews.hk	15 March 2025
		1. To consider and approve the resolution on the renewal of the General Mandate to issue Shares granted to the Board by the general meeting	Approved		14 March 2025
		The following resolution was considered at the meeting by way of ordinary resolution:			
		1. To consider and approve the resolution on the Company's Shareholders' return plan for the next three years (2025-2027)	Approved		
2024 Annual General Meeting	24 June 2025	The following resolutions were considered at the meeting by way of ordinary resolution:		www.sse.com.cn www.hkexnews.hk	25 June 2025
		1. To consider and approve the resolution on the 2024 work report of the Board of the Company	Approved		24 June 2025
		2. To consider and approve the resolution on the 2024 work report of the Supervisory Committee of the Company	Approved		
		3. To consider and approve the resolution on the 2024 annual report of the Company	Approved		

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

1. General Meeting (Continued)

Session of Meeting	Date	Resolutions	Voting results	Designated website for publication of resolutions	Publication date of resolutions
		4. To consider and approve the resolution on the 2024 profit distribution plan of the Company	Approved		
		5. To consider and approve the resolution on the 2024 audited financial statements of the Company	Approved		
		6. To consider and approve the resolution on the 2025 financial budget and investment plan of the Company	Approved		
		7. To consider and approve the resolution on the re-appointment of the auditor of the Company for 2025	Approved		
		The following resolutions were considered at the meeting by way of special resolution:			
		8. To consider and approve the resolution on the amendments to the Articles of Association	Approved		
		9. To consider and approve the resolution on the amendments to the Rules of Procedure for General Meeting	Approved		
		10. To consider and approve the resolution on the amendments to the Rules of Procedure for the Board	Approved		
		The following resolutions were considered at the meeting by way of ordinary resolution:			
		11. To consider and approve the resolution on the removal a non-independent Director	Approved		
		12. To consider and approve the resolution on the election of a non-independent Director	Approved		

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

1. General Meeting (Continued)

Session of Meeting	Date	Resolutions	Voting results	Designated website for publication of resolutions	Publication date of resolutions
2025 First A Shares Class Meeting	24 June 2025	The following resolutions were considered at the meeting by way of special resolution:		www.sse.com.cn www.hkexnews.hk	25 June 2025 24 June 2025
		1. To consider and approve the resolution on the amendments to the Articles of Association	Approved		
		2. To consider and approve the resolution on the amendments to the Rules of Procedure for General Meeting	Approved		
2025 First H Shares Class Meeting	24 June 2025	The following resolutions were considered at the meeting by way of special resolution:		www.sse.com.cn www.hkexnews.hk	25 June 2025 24 June 2025
		1. To consider and approve the resolution on the amendments to the Articles of Association	Not approved		
		2. To consider and approve the resolution on the amendments to the Rules of Procedure for General Meeting	Not approved		
2025 Second Extraordinary General Meeting	28 November 2025	The following resolutions were considered at the meeting by way of special resolution:		www.sse.com.cn www.hkexnews.hk	29 November 2025 28 November 2025
		1. To consider and approve the resolution on the amendments to the Articles of Association	Approved		
		2. To consider and approve the resolution on the amendments to the Rules of Procedure for General Meeting	Approved		

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors

(1) *Division of Responsibilities*

The main responsibility of the Board is to exercise the power to make management decisions on the Company's development strategy, management structure, investment and finance, planning and financial supervision as authorized at the shareholders' meeting. During the Reporting Period, the Company's Chairman and President are served by different persons respectively, and the Company has a clear division of responsibilities. The Chairman of the Board presides over the meetings of the Board, and reviews the implementation of the resolutions made by the Board. The responsibility of the President is to manage, operate and coordinate the business of the Company, execute the strategies formulated by the Board and make decisions in respect of daily matters. As at the date of this annual report, Mr. Luo Qianyi is the chairman of the Company, and Mr. Zhang Yanjun is the president of the Company.

(2) *Composition*

As at the date of this annual report, the Board of the Company currently consists of 7 Directors, including 2 executive Directors, Mr. Zhang Yanjun and Mr. Sun Guojun, 2 non-executive Directors, Mr. Luo Qianyi (Chairman) and Mr. Zhang Shaofeng, and 3 independent non-executive Directors, Mr. Huang Feng, Mr. Zeng Daorong and Ms. Chen Yu. This session of the Board is the eleventh session of the Board since the establishment of the Company, the terms of office of which are for a period of three years commencing from 28 June 2024 and ending upon the expiry of the term of the eleventh session of the Board, save that the terms of office of Mr. Zhang Shaofeng and Mr. Luo Qianyi shall commence from 14 March 2025 and 24 June 2025 respectively and end upon the expiry of the term of the eleventh session of the Board. During the Reporting Period, the number of independent non-executive Directors on the Board exceeded the requirement of not less than one-third of the number of Directors under the Listing Rules.

The Company confirms that it has received annual confirmations of independence from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors meet the requirements of the independence guidelines set out in the Listing Rules and are independent persons under the provisions of such guidelines.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(2) *Composition (Continued)*

During the Reporting Period and as at the date of this annual report, changes in the composition of the Board were as follows:

- (1) Mr. Song Zhiyuan ceased to serve as a Director of the Company due to reaching the statutory retirement age, with effect from 14 March 2025;
- (2) Mr. Zhang Shaofeng was appointed as a non-executive Director of the Company, with effect following the conclusion of the 2025 first extraordinary general meeting of the Company held on 14 March 2025;
- (3) Mr. Yu Peigen ceases to act as Non-executive Director and Chairman of the Company, with effect from 24 June 2025; and
- (4) Mr. Luo Qianyi was appointed as a non-executive Director and chairman of the Company, with effect following the conclusion of the 2024 annual general meeting of the Company held on 24 June 2025.

Members of the Board have different industry background. They all have professional knowledge in different areas, such as enterprise management, technical development, financial accounting, investment strategy, human resources etc. Their personal profiles are set out in the section headed “Directors, Senior Management and Employees” in this annual report. For the biographical details of the Directors of the Company, please refer to the section headed “Directors, Senior Management and Employees” in this annual report.

Saved as disclosed in the section, there is no other material relationship between the members of the Board (including financial, business, family or other material or relevant relationships).

In order to comply with the provisions under the CG Code, the Company has arranged appropriate liability insurance for Directors to provide insurance by way of indemnity for their liability arising from the activities of the Company.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(2) Composition (Continued)

Independent non-executive Directors of the Company understood the rights and obligations as a director and an independent non-executive director of a listed company. During the Reporting Period, the independent non-executive Directors attended the Board meetings in a prudent, responsible and serious attitude, fully using their experience and expertise, did a lot of work for improvement of corporate governance and major decision-makings, voiced their pertinent and objective opinions about the important matters of the Company and connected transactions, promoted the scientific decision-making and decision-making procedures of the Board, and safeguarded the interests of the Company and all shareholders. The three independent non-executive Directors of the Company also served in the Board's special committees.

As at the date of this annual report, the composition of the Board is as follows:

Designation	Directors (4)		Independent non-executive Directors (3)
Gender	Male (6)	Female (1)	
Ethnicity	Han (7)		
Age	51-55 (2)		56-60 (2) 61 or above (3)
Directorship with the Company (Years)	3 years or under 3 years (5)	4-6 years (2)	7 years or above (0)
Skills, knowledge and profession	Engineers (3), Accounting professionals (2) and Business administration management (2)		
Education background	Doctor (3), Master (3) and Bachelor (1)		

Note: The numbers in parentheses are the number of directors included in the relevant category.

(3) Policy concerning diversity of Board members

The Board has authorized the Nomination Committee to formulate a series of diversified standards including, but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and term of office, and to review and supervise the effects of diversity of Board members. The Board has adopted the policy concerning diversity of Board members.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(3) Policy concerning diversity of Board members (Continued)

For the purpose of implementation of the Board Diversity Policy, the Company has adopted the following measurable objectives:

- at least one of the members of the Board shall be female;
- at least one third of the members of the Board shall be independent non-executive Directors; and
- at least one of the members of the Board shall have obtained accounting or other professional qualifications.

In accordance with the Board Diversity Policy, the Company aims to appoint at least one female Director. The Board is committed to increasing diversity on the Board and achieved the objectives by during the Reporting Period.

The Company values gender diversity at all levels of the Group. As at the date of this annual report, the Board comprises seven members with diverse ages, genders, terms of office, as well as different professional and business experience. The Board currently consists of six male Directors and one female Director (85.7% male; 14.3% female), which meets the requirements under the Listing Rules. The Group has a total of six senior management members, of whom five are male (representing 83.3%) and one is female (representing 16.7%).

The Company aims to at least maintain the current proportion of female members on the Board and will review this target from time to time. The Company firmly believes in the benefits of Board diversity and takes into account its business model, specific needs from time to time, as well as the availability of suitable candidates in the market. The implementation and effectiveness of the Board diversity policy will be reviewed annually. The Company will seek suitable Director candidates through all appropriate channels, including recommendations by Directors and internal promotion.

The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board diversity policy and considered it to be effective for the year ended 31 December 2025.

Further details of the Group's gender ratio and related data, please refer to the 2025 Environmental, Social and Governance Report of the Company.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(4) *Corporate governance functions*

The Board of Directors shall perform the corporate governance functions as set out below:

To develop and review the Company's policies and practices on corporate governance;

To review and monitor the training and continuous professional development of Directors and senior management;

To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; and to develop, review and monitor the code of conduct and compliance code applicable to employees and Directors; and

To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

(5) *Directors*

The election of Directors

The Directors are elected or replaced at general meetings. Director elections adopt the cumulative voting system. Director candidates may be nominated by the Board, or by shareholders individually or jointly holding at least 1% issued shares of the Company. The term of office of Directors is 3 years, eligible for re-election upon expiry of terms. The independent non-executive Directors shall be persons with no connected relationship with the management staff in the Company and major shareholders.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(5) *Directors (Continued)*

Directors' responsibilities and independence

Through the secretary of the Board, all the Directors can obtain the related information and latest trends about statutory, regulatory and other continuous responsibility, which the directors of a listed company must comply with. In this way, they can ensure the responsibility to be understood, implementation of the procedures of the Board and appropriate compliance with applicable laws and regulations. The Company possesses an enforceable and effective mechanism to ensure that the Board is provided with independent views and opinions. The Board maintains a balanced composition of non-executive Directors and independent non-executive Directors, with the majority of members being non-executive Directors and independent non-executive Directors constituting at least one-third of the Board, ensuring independent supervision and fair judgment. The Audit and Risk Committee, Nomination Committee and Remuneration and Assessment Committee are each chaired by an independent non-executive Director with the majority of members being non-executive Directors, while the Remuneration and Assessment Committee consists solely of independent non-executive Directors. Non-executive Directors and independent non-executive Directors bring diversified professional knowledge and experience to the Group. Through their views and participation in meetings of the Board and Board committees, they provide independent judgment and advice to the Group on matters including strategy, performance, conflicts of interest and management processes, and ensure that the interests of shareholders are taken into account. Independent non-executive Directors meet with the chairman once a year in the absence of other Directors. The Directors and special committees shall be entitled to appoint an independent professional organization for its service, in accordance with needs to exercise powers, fulfill duties and run its business. Reasonable fees arising here from shall be borne by the Company. During the Reporting Period, the Board has reviewed the Board Independence Assessment Mechanism and its implementation in 2025, and considered the implementation of the mechanism to be effective.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(5) Directors (Continued)

Directors' responsibilities and independence (Continued)

The Company strictly abides by the relevant binding clauses applied to the securities transactions conducted by the Directors as provided by the domestic and Hong Kong regulatory bodies and sticks to the principle of strict compliance.

Model code for securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules as the standard code governing securities transactions by directors. Having made specific enquiries to all directors, the Company confirms that all Directors had complied with the Model Code throughout the year ended 31 December 2025.

There were no instances of non-compliance with the Model Code by employees of the Company. The Board will from time to time review the corporate governance and operations of the Company to ensure compliance with the relevant requirements under the Hong Kong Listing Rules and to safeguard the interests of shareholders.

Director's service contract

According to the Articles of Association of the Company, Directors are elected at the general meeting for a term of three years. The Company has entered into separate service contracts with each Director of the eleventh session of the Board. None of the Directors has a service contract with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation). The terms of appointments of Directors (including non-executive Directors) should refer to the section headed "Directors, Senior Management and Employees" of this annual report.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(6) Meeting of the Board of Directors

During the Reporting Period, 11 Board meetings were convened by the Company. Matters considered at the Board meetings include, among others:

- Financial results announcement;
- Appointment of senior management of the Company;
- Matters concerning the adjustment of the structure of internal organizations of the Company;
- Matters concerning the repurchase and cancellation of certain restricted shares;
- Corporate governance related systems; and
- Matters concerning equity investment.

Attendance of Directors to the Board meetings and shareholders' general meetings

Director	Independent Director or not	Required attendance during the year	Attendance at the Board meetings				Attendance at general meetings			
			Attendance in person	Attendance by communication equipment	Attendance by proxy	Absence	Absence in person for twice consecutively	Attendance at the 2024 annual general meeting/eligible attendance	Attendance at other extraordinary general meetings/eligible attendance	
Mr. Luo Qianyi ⁽⁴⁾	No	6	4	2	0	0	No	0/0	1/1	
Mr. Zhang Yanjun	No	11	4	5	2	0	No	1/1	1/2	
Mr. Zhang Shaofeng ⁽²⁾	No	10	4	4	2	0	No	0/1	0/1	
Mr. Sun Guojun	No	11	5	5	1	0	No	0/1	0/2	
Mr. Huang Feng	Yes	11	6	5	0	0	No	1/1	0/2	
Mr. Zeng Daorong	Yes	11	5	5	1	0	No	1/1	2/2	
Ms. Chen Yu	Yes	11	6	5	0	0	No	1/1	0/2	
Former Directors										
Mr. Song Zhiyuan ⁽¹⁾	No	1	1	1	0	0	No	0/0	0/1	
Mr. Yu Peigen ⁽³⁾	No	4	0	0	0	4	Yes	0/1	0/1	

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

2. Board of Directors (Continued)

(6) Meeting of the Board of Directors (Continued)

Notes:

- (1) Mr. Song Zhiyuan ceased to be a Director of the Company on 14 March 2025 upon reaching the statutory retirement age.
- (2) Mr. Zhang Shaofeng was appointed as a Director of the Company on 14 March 2025.
- (3) Mr. Yu Peigen ceased to be a non-executive Director and chairman of the Company with effect from 24 June 2025.
- (4) Mr. Luo Qianyi was appointed as a non-executive Director and chairman of the Company with effect from 24 June 2025.

Number of Board meetings convened during the year	11
Among which: number of meetings convened on-site	6
Number of meetings convened by communication equipment	5
Number of meetings convened by a combination of the above two means	0

Directors who could not attend the Board meetings in person appointed other Directors to attend and vote at the meetings on their behalves.

Independent non-executive Directors did not raise objection to proposals of the Board meetings or other proposals during the Reporting Period.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board

The Board has established four special committees, each of which has the defined terms of reference to oversee the affairs of the Company's specific aspects.

(1) *Audit and Risk Committee*

On 24 June 2025, the 11th meeting of the 11th session of the Board of the Company considered and approved a resolution on the proposal for adjustment to the membership of the special committees of the Board of the Company for 2025. Having regard to the actual operation of the Company, the Audit and Review Committee of the Board and the Risk and Compliance Management Committee of the Board were merged and renamed as the Audit and Risk Committee of the Board. For further details, please refer to the Company's circular dated 4 June 2025 and the announcement dated 24 June 2025.

During the Reporting Period, prior to the Risk and Compliance Management Committee was merged into the Audit and Risk Committee (i.e. for the period from 1 January 2025 to 24 June 2025), it held two meetings, at which the "Report on the Internal Control System Construction of the Company for 2024" and the "Internal Control Evaluation Report and Internal Control Audit Report of the Company for 2024" were primarily considered and approved. During this period, the list of members and attendance records of the Risk and Compliance Management Committee are as follows:

Name	Position	Required Attendance	Actual Attendance
Non-executive Director Yu Peigen	Chairman of the committee and convener	2	2
Independent Non-executive Director Huang Feng	Member of the committee	2	2
Independent Non-executive Director Zeng Daorong	Member of the committee	2	2
Independent Non-executive Director Chen Yu	Member of the committee	2	2

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(1) *Audit and Risk Committee (Continued)*

The main duties of the Audit and Risk Committee are:

- ① to supervise and assess the work of the external audit institutions, and propose to appoint or change external audit institutions;
- ② to guide the internal audit work and supervise the internal audit system of the Company and its implementation;
- ③ to review the financial information of the Company and its disclosure, and review the interim and annual financial statements before submitting to the Board;
- ④ to coordinate the communication between the management, internal audit department and relevant departments and external audit institutions;
- ⑤ to examine the internal control system of the Company and assess its effectiveness;
- ⑥ to examine the major connected transactions of the Company;
- ⑦ to review the letter from the external auditor to the management and the feedback of the management;
- ⑧ to review risks, compliance and internal control systems of the Company;
- ⑨ other matters authorised by the Board of the Company and other matters mentioned in the relevant laws, regulations, and normative documents.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(1) Audit and Risk Committee (Continued)

As at the date of this report, the Audit and Risk Committee comprises four Directors, chaired by Mr. Zeng Daorong, a non-executive Director, with members including Mr. Zhang Shaofeng, a non-executive Director (appointed on 24 June 2025), Mr. Huang Feng and Ms. Chen Yu, both independent non-executive Directors.

In 2025, the Audit and Risk Committee held a total of seven meetings, at which the Resolution on the Overall Budget for 2025, the Resolution on the Financial Final Account Report for 2024, the Resolution on the First Quarterly Financial Report of the Company for 2025 (Unaudited), the Resolution on the Half-Year Financial Report of the Company for 2025 (Unaudited), the Resolution on the Third Quarterly Financial Report of the Company for 2025 (Unaudited), the Report on the Construction of the Internal Control System of the Company for 2025, the Special Report on the Deposit and Actual Use of Raised Funds for the Half-Year of 2025, and other resolutions were considered and approved.

Members of the Audit and Risk Committee and attendance at its meetings

Name	Position	Required attendance in 2025	Actual Attendance
Independent non-executive Director Zeng Daorong	Chairman of the committee and convener	7	7
Non-executive Director Zhang Shaofeng (appointed on 24 June 2025)	Member of the committee	2	2
Independent non-executive Director Huang Feng	Member of the committee	7	7
Independent non-executive Director Chen Yu	Member of the committee	7	7

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(2) *Strategic Development Committee*

The main duties of the Strategic Development Committee are:

- ① to research and advise on the mid- and long-term development strategic planning of the Company;
- ② to research and advise on the material investment and financing proposals which are subject to approval by the Board as required under the Articles of Incorporation;
- ③ to research and advise on material capital operation and asset restructuring projects which are subject to approval of the Board as required under the Articles of Association;
- ④ to research and advise on significant issues that have effects on the development of the Company;
- ⑤ to review and assess the implementation of the above issues, and advise on the results of the review and assessment in writing;
- ⑥ other matters as authorized by the Board.

As at the date of this report, the Strategic Development Committee comprises six Directors, chaired by Mr. Luo Qianyi, a non-executive Director (appointed on 24 June 2025), with members including Mr. Zhang Yanjun, an executive Director, Mr. Sun Guojun, an executive Director, Mr. Huang Feng, Mr. Zeng Daorong (appointed on 24 June 2025) and Ms. Chen Yu (appointed on 24 June 2025), all independent non-executive Directors.

In 2025, the Strategic Development Committee held a total of three meetings, at which the 2024 Environmental, Social and Governance Report of the Company, the Resolution on Capital Increase and Conversion of Capital Reserve into Registered Capital of DEC International, the Resolution on Dongfang Wind Power Participating in the Investment and Establishment of a Joint Venture with 100% Equity of Mulei Dongji New Energy Co., Ltd. as Contribution, and other resolutions were considered and approved.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(2) *Strategic Development Committee (Continued)*

Members of the Strategic Development Committee and attendance at its meetings

Name	Position	Required attendance in 2025	Actual Attendance
Chairman Mr. Luo Qianyi (appointed on 24 June 2025)	Chairman of the committee and convener	2	2
Chairman Mr. Yu Peigen (resigned on 24 June 2025)	Chairman of the committee and convener	1	0
Director Mr. Sun Guojun	Member of the committee	3	3
Director Mr. Zhang Yanjun	Member of the committee	3	3
Independent Non-executive Director Mr. Huang Feng	Member of the committee	3	3
Independent Non-executive Director Mr. Zeng Daorong (appointed on 24 June 2025)	Member of the committee	2	2
Independent Non-executive Director Ms. Chen Yu (appointed on 24 June 2025)	Member of the committee	2	2

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(3) *Remuneration and Assessment Committee*

The main duties of the Remuneration and Assessment Committee are:

- ① to formulate remuneration plan or scheme for Directors and senior management based on their work scope, duties and importance and the remuneration level of related positions in other related enterprises;
- ② to make recommendations to the Board on the Company's policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing such remuneration policy;
- ③ to review and approve the management's remuneration proposals by reference to the corporate goals and objectives set by the Board;
- ④ to make recommendations to the Board on the remuneration of independent non-executive Directors;
- ⑤ to consider the remuneration paid by similar companies, the time commitment, job duties and the employment conditions for other positions in the Group;
- ⑥ to examine the duty performance of Directors and senior management, and conduct annual performance appraisal;
- ⑦ to review and approve compensation payable to non-independent Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair, reasonable and not excessive;
- ⑧ to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- ⑨ to be responsible for supervising the implementation of the remuneration system of the Company;
- ⑩ other matters authorized by the Board.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(3) Remuneration and Assessment Committee (Continued)

As at the date of this report, the Remuneration and Assessment Committee consists of three independent non-executive Directors, chaired by Mr. Huang Feng, with members Mr. Zeng Daorong and Ms. Chen Yu.

During the year of 2025, the Remuneration and Assessment Committee convened 2 meetings to mainly consider the Proposed Plan for 2024 Performance Assessment Results for the Company's Senior Executives, the Proposed Plan for 2025 Performance Assessment Target Values for the Company's Senior Executives, the Resolution on the Appraisal and Fulfillment of Remuneration of the Company's Senior Executives in 2024, and other matters.

Members of the Remuneration and Assessment Committee and attendance at its meetings

Name	Position	Required attendance in 2025	Actual Attendance
Independent Non-executive Director Huang Feng	Chairman of the committee and convener	2	2
Independent Non-executive Director Zeng Daorong	Member of the committee	2	2
Independent Non-executive Director Chen Yu	Member of the committee	2	2

For details of remuneration of Directors and senior management during the Reporting Period, please refer to "I (I) Particulars about changes in the shareholding and remuneration of existing Directors and senior management during the Reporting Period" of section VIII Directors, Senior Management and Employees.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(4) *Nomination Committee*

The main duties of the Nomination Committee are:

- ① to review the structure, composition and diversification (including but not limited to gender, age, cultural and educational background, ethnics, skills, knowledge, term of service and experience) of the Board and senior management at least once a year according to the operating activities, asset scale and shareholding structure of the Company, and make recommendations in respect of any proposed changes on the Board to be in line with the corporate strategies;
- ② to study the criteria and procedures for selection of Director and senior management and make recommendations to the Board;
- ③ to review the qualification of candidates for Directors and senior management and make recommendations on this regard;
- ④ to formulate policy for nomination of Directors to identify individuals suitably qualified to become members of the Board, and select and nominate such individuals to serve as Directors or make recommendations to the Board on this regard. When the committee identifies suitable individuals, it shall take into account the strength of such individuals and objective criteria with due regard to the benefits of diversity on the Board;
- ⑤ to assess the independence of independent non-executive Directors;
- ⑥ to review the implementation of the Board diversity policy, review the diversity policy as and when appropriate, and review the measurable target set by the Board for the implementation of the Board diversity policy and its progress and make recommendations to the Board;
- ⑦ to make recommendation to the Board on the appointment and re-appointment of Directors and the succession plan of Directors (in particular the Chairman and the president of the Company) in accordance with the corporate strategy of the Company, the techniques, knowledge and experience that meet future need and the diversification of the Board;
- ⑧ to handle other matters as authorised by the Board.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(4) *Nomination Committee (Continued)*

In identifying suitable individuals, the Nomination Committee makes recommendation to the Board after considering (i) individuals on merit (ii) the objective criteria, with due regard for the benefits of diversity on the Board; and (iii) the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future.

The procedures for nominating Directors and senior managers of the Company:

1. A list of proposed candidates shall be first put forward by persons or organizations having the right to nominate Directors of the Company to the Nomination Committee for review before being presented to the Board for consideration. The list, if approved by the Board, shall be submitted to the general meeting of the Company for consideration.
2. A list of proposed candidates for the president of the Company, secretary to the Board and other senior managers shall be first put forward by persons or organizations having the right to nominate such executives to the Nomination Committee for review before being presented to the Board for consideration.

The procedures for examining the qualifications of candidates for Directors and senior managers:

1. The Nomination Committee may request the relevant department of the Company to provide or may collect by itself all relevant information about the occupation, academic qualifications, professional titles, detailed working experience and concurrent posts of the candidates and compile written reports.
2. The Nomination Committee shall convene a meeting to conduct a qualification review on the candidate(s) according to the employment requirements of Directors and senior managers, and specify its opinions and recommendations on selection in the form of proposals.
3. The Nomination Committee shall carry out other relevant work according to the decisions and feedback of the Board.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

3. Special Committees of the Board (Continued)

(4) Nomination Committee (Continued)

As at the date of this report, the Nomination Committee comprises four Directors, chaired by Ms. Chen Yu, an independent non-executive Director, with members including Mr. Zhang Shaofeng, a non-executive Director (appointed on 24 June 2025), Mr. Huang Feng and Mr. Zeng Daorong, both independent non-executive Directors.

During the year of 2025, the Nomination Committee held a total of two meetings, at which the Nomination of Zhang Shaofeng as a Director Candidate by the Controlling Shareholder, the Resolution on the Consideration of the Appointment of the Chief Accountant of the Company, and other resolutions were considered and approved.

Members of the Nomination Committee and attendance at its meeting

Name	Position	Required attendance in 2025	Actual Attendance
Independent Non-executive Director Chen Yu	Chairman of the committee and convener	2	2
Non-executive Director Zhang Shaofeng (appointed on 24 June 2025)	Member of the committee	0	0
Independent Non-executive Director Huang Feng	Member of the committee	2	2
Independent Non-executive Director Zeng Daorong	Member of the committee	2	2

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

4. Duties of the Management Team

Pursuant to the terms of reference under the Articles of Association, the management of the Company mainly discharges the following duties:

- (1) to take charge of the management of the production and business operations of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report the work to the Board of Directors;
- (2) to organize the implementation of the annual business plans and investments plans of the Company;
- (3) to propose development programs, annual production and operation plans, annual plan for financial budget and final accounts, plans for after-tax profit distributions and plans for making up losses of the Company;
- (4) to formulate plans for the establishment of the internal management organization of the Company;
- (5) to formulate the basic management system of the Company;
- (6) to formulate basic rules and regulations of the Company;
- (7) to propose to appoint or dismiss the Senior Vice President, Vice President, chief accountant and other senior management members;
- (8) to appoint or dismiss and deploy management personnel and staff other than those required to be appointed or dismissed by the Board, unless otherwise provided in the Articles of Association;
- (9) to decide on the reward and punishment, promotion and demotion, salary increment and reduction, appointment, dismissal and firing of the Company's employees;
- (10) to represent the Company externally in handling important business matters within the scope of authorization by the Board of Directors.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

5. Secretary to the Board and Company Secretary

The Company has a secretary to the Board who shall be appointed by the Board and acts as a senior management member of the Company with following duties:

- (1) to be responsible for releasing the Company's information to the external, coordinating the Company's information disclosure, organising the formulation of Information Disclosure Management System of the Company, and urging the Company and relevant information disclosure obligors to comply with the regulations on information disclosure;
- (2) to be responsible for managing investor relations, and coordinating the information communication among the Company, securities regulatory authorities, investors, securities service institutions and media;
- (3) to organise the preparation of the Board meetings and general meetings, attend the general meetings, the Board meetings and senior management, and be responsible for record work of the Board meetings and sign;
- (4) to be responsible for confidentiality work of information disclosure, timely report and disclose to the stock exchange in the event of divulgence of undisclosed significant information;
- (5) to keep close eyes on media reports and actively seek to prove their truthness, and to urge the Board to timely respond to the stock exchange's enquiry;
- (6) to organise trainings on laws and administrative regulations for the Company's Directors and senior management members and assist them in understanding their respective duties in information disclosure;
- (7) to inform the Company's directors and senior management members should they in violation of laws, administrative regulations and other regulatory documents, regulations on stock exchange and articles of association, or to remind relevant persons and timely report to the CSRC and the stock exchange in the event of any or potential decision against the relevant regulations by the Company;
- (8) to be responsible for the Company's equity interest management and keep information on the shareholding of the Company's Directors, senior management members and controlling shareholder and its Directors, and senior management members, and to be responsible for disclosing changes in the shareholdings of the Company's Directors, senior management members;
- (9) other duties as prescribed by the Company Law, CSRC and the stock exchange.

During the Reporting Period and as of the date of this annual report, Mr. Feng Yong and Ms. Tsang Wing Man were joint company secretaries of the Company. The joint company secretaries are responsible for making recommendations to the Board on corporate governance matters and ensuring compliance with the Board's policies and procedures and applicable laws, rules and regulations. The principal contact of Ms. Tsang Wing Man in the Company is Mr. Feng Yong, the joint company secretary of the Company.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

5. Secretary to the Board and Company Secretary (Continued)

During the Reporting Period, Mr. Feng Yong and Ms. Tsang Wing Man have confirmed that they have received relevant professional trainings for not less than 15 hours.

6. Participation of Directors and Senior Management in Training and Continuous Professional Development

As at the date of this report, the members of the 11th session of the Board of the Company are non-executive Directors Mr. Luo Qianyi (chairman) and Mr. Zhang Shaofeng, Directors Mr. Zhang Yanjun and Mr. Sun Guojun, and independent non-executive Directors Mr. Huang Feng, Mr. Zeng Daorong and Ms. Chen Yu. During the Reporting Period, Mr. Yu Peigen ceased to be chairman and non-executive Director of the Company with effect from 24 June 2025, and Mr. Song Zhiyuan ceased to be non-executive Director of the Company with effect from 14 March 2025.

Mr. Zhang Shaofeng and Mr. Luo Qianyi were appointed as non-executive Directors of the Company on 14 March 2025 and 24 June 2025 respectively. They obtained legal opinions as referred to in Rule 3.09D of the Listing Rules on 7 March 2025 and 23 June 2025 respectively, and confirmed that they understand their obligations as Directors.

During the Reporting Period, the Company provided timely and comprehensive training to all Directors and senior management. Through lectures by professional institutions, online learning, seminars and other forms, the Company arranged advanced training covering interpretation of directors' duties under the new Company Law, interpretation of the HKEX Guide for Board and Directors on Corporate Governance, interpretation of new ESG rules, training on continuing obligations and transaction compliance under the Listing Rules, industrial development seminars, internal control system construction seminars and other topics. This helped Directors and senior management update their knowledge and skills, strengthen their professional expertise, align with the development needs of the Board, and deliver more targeted and effective professional support.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

7. Information Disclosure and Investor Relation

The company secretary and representatives for securities affairs, as the specific executors of the Company's information disclosure and investor relations management, have always adhered to their duties and actively promoted the standardized and professional development of relevant work.

In terms of information disclosure, to ensure that investors can timely, accurately and fully understand the Company's operational developments, the Company has strengthened internal coordination mechanisms, in-depth identified and assessed key and difficult issues in information disclosure, continuously optimized the disclosure process, and proactively enhanced pre-communication with regulatory authorities, so as to ensure that disclosure work is carried out in a compliant and orderly manner. For the year 2025, in accordance with domestic and overseas regulatory requirements, the Company completed a total of approximately 264 various information disclosure documents in both the Shanghai and Hong Kong markets, covering periodic reports and ad hoc announcements, which fully reflected the Company's operating results and major events.

In terms of investor relations management, the Company has actively organized regular special seminars focusing on core topics of market concern, conducted in-depth analysis of capital market trends and the Company's operating status, accurately grasped investors' perceptions and expectations of the Company, and targeted optimization of communication strategies to improve the effectiveness of interactions. Meanwhile, the Company has continuously improved its investor reception procedures and promoted the standardized and professional development of relevant work. At present, the Company has established diversified communication channels, mainly including: general meetings, results briefings, roadshows, on-site research receptions, the SSE e-Interaction platform, conference calls, the Company's official website, dedicated email addresses and investor hotlines. These channels fully ensure that shareholders can express their views and exercise their rights in a smooth and convenient manner.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

8. Responsibilities of the Directors and Auditor for Preparing the Accounts and Auditors' Remuneration

All Directors have acknowledged their responsibilities for preparing the accounts of the Group for the year ended 31 December 2025.

BDO China Shu Lun Pan Certified Public Accountants LLP, the auditor of the Company, has acknowledged its reporting responsibilities in the Auditor's Report of the financial statements prepared under the PRC accounting standards for the year ended 31 December 2025.

For details of audit fees and non-audit service fees payable by the Group to the external auditors for the year ended 31 December 2025, please refer to "I. APPOINTMENT OR DISMISSAL OF THE AUDITOR" of section VI Significant Events.

9. Material Changes in the Constitutional Documents of the Company

The special resolution regarding amendments to the Articles of Association was approved at the second extraordinary general meeting held on 28 November 2025. The current version of the Articles of Association is available for inspection on the Company's website and the website of the Hong Kong Stock Exchange.

10. Internal Control

The Company has established effective risk management and internal control systems, which are designed to manage rather than eliminate the risk of failure to achieve business objectives. The Risk and Compliance Management Committee of the Board of the Company is mainly responsible for the deliberation of risk management strategies and major risk management plans of the Company, and the assessment of decisions on major risks, and report to the Board.

The Board is responsible for implementing the risk management and internal control systems of the Company and its subsidiaries and reviewing the effectiveness of such systems. The Board assesses and reviews the effectiveness of the risk management and internal control systems and procedures based on the information derived from discussions with the senior management, internal audit team and external auditor and the reports from the internal audit team. Our internal audit team regularly reviews the effectiveness of our Company's material internal controls, including financial, operational and compliance controls and risk management functions according to the audit plans and reports to the Board with its findings and makes recommendations to improve the internal controls of our Company. The audit and review committee has reviewed the comments of external auditors provided at the audit and review committee meetings. BDO China Shu Lun Pan Certified Public Accountants LLP was engaged by the Company to review the effectiveness of internal control on the financial report as of 31 December 2025, and issued the audit report on internal control with unqualified opinion.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

10. Internal Control (Continued)

During the year, the Board reviewed the effectiveness of the risk management (including environmental, social and governance risks) and internal control systems of the Company and its subsidiaries, and was not aware of any breach of laws, regulations and rules or any material mistake in respect of compliance monitor and risk management. The Board considered that such systems are effective and adequate. With reference to assessment opinions from the Audit and Risk Committee, the management, the internal audit team and external auditor, the Board makes its assessment on the efficiency of the internal control. The annual review also includes consideration of the adequacy of resources, qualifications and experience of staff in terms of accounting and financial reporting functions, including their training programme and training budget.

For the year ended 31 December 2025, based on the assessment made by the Audit and Risk Committee, the senior management and the internal audit team, the Board reviewed the risk management and internal control systems of the Company and its subsidiaries.

Building and implementation of internal control systems during the Reporting Period

During the Reporting Period, the Company strictly implemented the Basic Standards for Internal Control of Companies, the Guidelines on Application of Enterprise Internal Control and the relevant provisions of the CSRC on the internal control of listed companies, continuously strengthened the “three lines of defense” for risk prevention and control, and focused on building a comprehensive, strongly constrained, and strictly supervised internal control system. The Company completed the evaluation of the effectiveness of the internal control system, and based on the review conclusions and management practices, promoted the reconstruction of the system and regular revisions. It newly formulated 6 systems including the Environmental, Social and Governance (ESG) Management Rules, effectively guiding and constraining specific businesses or operational activities. Throughout the year, the Company revised 15 operational rules and regulations in total to ensure that the systems are compatible with business activities, and continuously improved and perfected the “1+N” internal control system. At the same time, the Company organized special inspections on the effectiveness of system processes and key area controls across various enterprises, investigated the implementation of systems, supervised the construction of key systems, guided each enterprise in completing system revisions, and boosted the continuous improvement of the corporate governance system. The Company continuously optimized the functions of the system process management platform, improved the accuracy of job and authority matching, standardized the project initiation and release processes of systems, achieved effective full-lifecycle online management of systems, and gradually enhanced the informatization level of system management.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

10. Internal Control (Continued)

Management of and control over subsidiaries during the Reporting Period

To strengthen the effective management and standardized operation of subsidiaries, the Company, in accordance with the Management Provisions on the Division of Powers and Responsibilities for Major Decision-Making Matters of Parent and Subsidiary Companies and other internal control systems, continuously improved and strengthened the control mechanism, effectively safeguarded the legitimate rights and interests of the Company and all investors, and promoted the sound development of the Company as a whole. Specific control measures include:

Firstly, strengthening overall coordination of operation and management. Through comprehensive budget management, annual operation plan management, organization and personnel management, as well as tenure-based and contractual assessment of members of the management, the Company implemented systematic operation control over subsidiaries to ensure their business activities are in line with the Company's overall strategic direction.

Secondly, unifying financial supervision and guidance. The Company adopted unified accounting policies and accounting standards, and implemented a mode of unified coordination and hierarchical management for the financial management of subsidiaries. The Finance Department of the Company is responsible for guiding and supervising the accounting and financial management of subsidiaries, so as to ensure the authenticity, completeness and standardization of financial information.

Thirdly, improving the governance-oriented control system. The Company continued to promote the development of a modern enterprise system with Chinese characteristics, guided and urged subsidiaries to strengthen the construction of their boards of directors, build a strong team of full-time directors, and achieve a majority of external directors. By appointing shareholder representatives and full-time directors to participate in the decision-making of subsidiaries, the Company duly implemented the functions and powers of the board of directors and realized effective control at the governance level.

Fourthly, implementing the significant event reporting mechanism. The Company improved the internal reporting system for significant events, requiring subsidiaries to promptly report to the Company major business matters, major financial matters and other information that may have a material impact on the trading prices of the Company's shares and their derivatives, so as to ensure timely, accurate and effective information transmission.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

11. Dividend Policy

(1) *Dividend policy*

The Company has made clear the cash dividend policy in its Articles of Association, which stipulates that when the net profit attributable to the shareholders of the Company of the year is positive and the accumulated distributable profit at the end of the year is positive, the dividend can be distributed in cash. Under the condition that the undistributed profit is positive, the accumulated payment of dividend by way of cash for the last three years may not be less than 30% of the Company's average distributable profit for the last three years.

(2) *The ordinary share dividend allocation scheme or plan and those for converting capital reserve into share capital for the Company in the past three years (including the Reporting Period)*

Profit Distribution Scheme for 2023: Audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the net profit attributable to shareholders of the parent company is RMB3,550,393,576.32 in 2023; the parent company has procured a net profit of RMB1,308,482,494.47. The Company proposed to distribute a cash dividend of RMB4.75 (tax inclusive) per 10 shares on the basis of 3,117,499,457 shares as at the publication date of the annual report, totaling payment of a cash dividend of RMB1,480,812,242.08, accounting for 41.71% of the net profit attributable to the parent company in the 2023 consolidated financial statements. The Company did not convert any capital reserve into share capital nor make any bonus issue.

Profit Distribution Scheme for 2024: The Board proposed the payment of a cash dividend of RMB4.03 for every 10 shares (tax inclusive) for the year 2024 (2023: cash dividend of RMB4.75 for every 10 shares (tax inclusive)) to all shareholders based on the total share capital registered on the registration date for the implementation of the equity distribution. The Company will not convert any capital reserve into share capital or make any bonus issue. Based on the total share capital of the Company of 3,390,360,326 shares as at the Board meeting held on 29 April 2025, the total cash dividend distribution is estimated to be RMB1,366,315,211.38. If there is any change in the total share capital of the Company on the registration date for the implementation of the equity distribution, the Company intends to keep the total amount of the distribution unchanged and adjust the amount of the distribution per share accordingly.

Profit Distribution Scheme for 2025: Audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the net profit attributable to shareholders of the parent company is RMB3,831,301,222.13 in 2025; the parent company has achieved a net profit of RMB1,431,920,010.96. The Company proposes to distribute a cash dividend of RMB5.30 (tax inclusive) per 10 shares based on the current total share capital of the Company of 3,458,360,326 shares, totaling a cash dividend of RMB1,832,930,972.78, accounting for 47.84% of the net profit attributable to the parent company in the 2025 consolidated financial statements. The Company did not convert any capital reserve into share capital nor make any bonus issue. This proposal is subject to consideration and approval at the 2025 annual general meeting.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

11. Dividend Policy (Continued)

- (2) *The ordinary share dividend allocation scheme or plan and those for converting capital reserve into share capital for the Company in the past three years (including the Reporting Period) (Continued)*

The dividend payment proposal shall be approved by the shareholders at the annual general meeting for the year of 2025 (the “AGM”). If approved, the final dividend is expected to be paid to the shareholders listed on the register of members by 31 August 2026. Dividends payable to H shareholders of the Company will be paid in Hong Kong dollars. The amount payable in Hong Kong dollars will be calculated on the basis of the average value of the central parity rate between RMB and Hong Kong dollar published by the People’s Bank of China in a week preceding the announcement of the payment of final dividend (if approved) at the AGM.

Unit: Yuan Currency: RMB

Year of distribution	Number of bonus shares for every 10 shares (share(s))	Dividend for every 10 shares (Tax inclusive) (Yuan)	Number of scrip shares for every 10 shares (share(s))	Total amount of cash dividend (Tax inclusive)	Percentage of dividend to the net profits attributable to the shareholders of the Company in the consolidated financial statements	
					Net profits attributable to shareholders of the Company in the consolidated financial statements for the year	of the net profits attributable to shareholders of the Company in the consolidated financial statements (%)
2025	0	5.30	0	1,431,920,010.96	3,831,301,222.13	47.84
2024	0	4.03	0	1,366,315,211.38	2,922,100,908.48	46.76
2023	0	4.75	0	1,480,812,242.08	3,550,393,576.32	41.71

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

11. Dividend Policy (Continued)

(3) *Enterprise Income Tax or Individual Income Tax on Withholding and Payment of Dividend*

Withholding and Payment of Income Tax

Enterprise Income Tax Withholding of Overseas Non-Resident Enterprises

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), the Implementation Rules of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) and the Notice on Issues Regarding Withholding Enterprise Income Taxes when Chinese Resident Enterprises Distribute Dividends to H-share Holders which are Foreign Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation, a PRC resident enterprise shall withhold and pay enterprise income tax at the uniform tax rate of 10% on behalf of its shareholders when distributing the dividends to foreign non-resident enterprise holders of H Share for the year 2008 and subsequent years.

Pursuant to the provisions in the Notice on Tax Policies Regarding the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC, for dividend and bonus incomes obtained by mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, such H-share companies shall not withhold and pay any income taxes on such dividends and bonuses, as the income taxes shall be reported and paid by the investing enterprises on their own. Meanwhile, for dividends and bonuses obtained by mainland resident enterprises from holding relevant H shares for 12 months consecutively, enterprise income taxes shall be exempted according to laws.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

11. Dividend Policy (Continued)

- (3) *Enterprise Income Tax or Individual Income Tax on Withholding and Payment of Dividend (Continued)*

Withholding and Payment of Income Tax (Continued)

Individual Income Tax Withholding of Overseas Individual Shareholders

Pursuant to provisions in the Notice by the State Administration of Taxation on Issues Regarding the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) 《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), for dividend and bonus incomes received by individual shareholders as foreign residents from shares of domestic non-foreign-invested enterprises listed in Hong Kong, the individual income taxes thereof shall be withheld and lawfully paid by a withholding agent. When a domestic non-foreign-invested enterprise lists its shares in Hong Kong, its individual shareholders, as foreign residents, can claim relevant preferential tax treatment pursuant to the provisions in the tax treaty entered into between the country where their residential identity belongs and the PRC and in the tax arrangements between Mainland China and Hong Kong (Macau). Pursuant to the relevant tax treaties and tax arrangements, the tax rate for dividends is normally 10%. To simplify the administration of tax collection, when dividends and bonuses are distributed by a domestic non-foreign-invested enterprise for shares listed in Hong Kong, individual income taxes thereof are generally withheld and paid at the tax rate of 10% with no need to file any application. If the dividend tax rate is not 10%, the following provisions shall be followed: (1) for residents subject to tax rates below 10%, pursuant to relevant treaties, withholding agents may handle the application for relevant treatments under such treaties on their behalf, and extra tax payments shall be refunded upon the approval of the governing tax authority; (2) for residents subject to tax rates over 10% but lower than 20%, pursuant to relevant treaties, withholding agents shall withhold and pay the individual income taxes at the effective rate when the dividends and bonuses are distributed, with no need to apply for review and approval; (3) for residents whose countries have not entered into any tax treaty with the PRC, withholding agents shall withhold and pay the individual income taxes at the tax rate of 20% when the dividends and bonuses are distributed.

Pursuant to the provisions in the Notice on Tax Policies Regarding the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC for dividends and bonuses obtained by mainland individual investors from investing in H-shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, such H-share companies shall withhold individual income tax at the rate of 20%. For dividend and bonus incomes obtained by mainland securities investment funds by investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the individual income tax will be levied pursuant to the provisions mentioned above.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

11. Dividend Policy (Continued)

- (3) *Enterprise Income Tax or Individual Income Tax on Withholding and Payment of Dividend (Continued)*

Withholding and Payment of Income Tax (Continued)

Profit Distribution to Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares listed on the SSE (the “Investors of Northbound Trading”), their dividends and bonuses will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominees holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For Investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend and bonus tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date, the date of distribution of Final Dividend and other arrangements for the Investors of Northbound Trading will be the same as those for the holders of A Shares of the Company. Profit Distribution to Investors of Southbound Trading for investors of the SSE and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “Investors of Southbound Trading”), the Company has arranged for the China Securities Depository and Clearing Corporation Limited or its branches, as the nominee of the holders of H Shares for Southbound Trading, to receive all Final Dividend distributed by the Company and distribute the Final Dividend to the relevant investors of H Shares of Southbound Trading through its depository and clearing system.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

11. Dividend Policy (Continued)

- (3) *Enterprise Income Tax or Individual Income Tax on Withholding and Payment of Dividend (Continued)*

Withholding and Payment of Income Tax (Continued)

Profit Distribution to Investors of Southbound Trading

The Final Dividend for the investors of H Shares of Southbound Trading will be paid in RMB. In accordance with relevant requirements of the Notice on Tax Policies Regarding the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) and the Notice on Tax Policies Regarding the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No.127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》, for Final Dividend received by mainland individual investors from investing in H Shares of the Company listed on the Hong Kong Stock Exchange through Shanghai/Shenzhen-Hong Kong Stock Connect, the Company will withhold and pay individual income tax at the rate of 20% on their behalf. For Final Dividend received by mainland securities investment funds from investing in H Shares of the Company listed on the Hong Kong Stock Exchange through Shanghai/Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The Company will not withhold and pay the income tax of dividends and bonuses for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The record date, the date of distribution of Final Dividend and other arrangements for the Investors of Southbound Trading will be the same as those for the holders of H Shares of the Company.

Anyone has the intention to change their identity as a shareholder in the register of members, please inquire about relevant procedures from nominees and trustees. The Company will strictly abide by relevant laws and regulations of relevant government departments, and strictly adhere to data set out in the register of members of the Company on the record date to withhold enterprise income tax of non-resident enterprise shareholders.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

12. Shareholder's Rights

(1) *Shareholder's rights*

Procedures for shareholders convening an extraordinary general meeting ("EGM")

Shareholders requesting to convene an EGM shall follow the procedures below:

1. Shareholders who individually or jointly hold 10% or more of the total issued shares of the Company requesting to convene an EGM or a class meeting shall sign one or more written requests in the same form and substance and submit the same to the Board, and shall put forward the agenda of the meeting and complete proposals. The Board shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give a written feedback on its approval or disapproval of the convening of the EGM or class meeting within 10 days upon receipt of the request. The aforesaid shareholding shall be calculated as at the date on which the shareholders submit the written request.
2. If the Board approves the convening of an EGM, it shall issue a notice of convening the general meeting within 5 days after the adoption of the Board resolution. Any amendment to the original request in the notice shall be subject to the consent of the relevant shareholders.
3. If the Board does not agree to convene an EGM, or fails to give feedback within 10 days upon receipt of the request, shareholders who individually or jointly hold 10% or more of the Company's shares shall have the right to propose to the Audit and Risk Committee the convening of an EGM, and shall submit a written request to the Audit and Risk Committee. If the Audit and Risk Committee approves the convening of an EGM, it shall issue a notice of convening the general meeting within 5 days upon receipt of the request. Any amendment to the original request in the notice shall be subject to the consent of the relevant shareholders.
4. If the Audit and Risk Committee fails to issue a notice of the general meeting within the prescribed time limit, it shall be deemed that the Audit and Risk Committee will not convene or preside over the general meeting, and shareholders who individually or jointly hold 10% or more of the Company's shares for a consecutive period of 90 days or more may convene and preside over the meeting by themselves. The procedures for convening the meeting shall, as far as possible, be the same as those for convening a general meeting by the Board, and the venue of the meeting shall be the place of domicile of the Company.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

12. Shareholder's Rights (Continued)

(1) *Shareholder's rights (Continued)*

Procedures for shareholders convening an extraordinary general meeting ("EGM") (Continued)

5. If the Audit and Risk Committee or shareholders decide to convene a general meeting by themselves, they shall notify the Board in writing and file a record with the stock exchange at the same time. Prior to the announcement of the resolution of the general meeting, the shareholding ratio of the convening shareholders shall not be less than 10%.

The Audit and Risk Committee or the convening shareholders shall submit relevant supporting documents to the stock exchange when issuing the notice of the general meeting and announcing the resolution of the general meeting.

6. The Board and the secretary to the Board shall render cooperation in respect of a general meeting convened by the Audit and Risk Committee or shareholders on their own. The Board shall provide the register of members as at the record date.
7. All necessary expenses incurred in respect of a general meeting convened by the Audit and Risk Committee or shareholders on their own shall be borne by the Company.

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

12. Shareholder's Rights (Continued)

(1) *Shareholder's rights (Continued)*

Procedures for putting forward proposals to the general meeting

When the Company convenes a shareholders' general meeting, the Board, the Audit and Risk Committee, and shareholders individually or jointly holding 1% or more shares of the Company are entitled to make proposals to the Company. The shareholders who individually or jointly hold 1% or more of the shares of the Company may put forward a temporary proposal and submit it to the convener in writing within 10 days before the general meeting.

The convener shall issue a supplementary notice of the general meeting within 2 days upon receipt of the proposal, announce the contents of the interim proposal, and submit such interim proposal to the general meeting for consideration, unless the interim proposal violates the provisions of laws, administrative regulations or the Articles of Association, or does not fall within the scope of the functions and powers of the general meeting.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals already set out in the notice of the general meeting or add new proposals after issuing the announcement of the notice of the general meeting.

Procedures for shareholders to propose a Director candidate

For the procedures for proposing a Director candidate, please refer to the procedures published on 21 June 2012 under the Investor Relation section at the Company's website www.dec-ltd.cn.

Procedures for shareholders to make enquiries to the board

Shareholders may send any enquiries and questions in writing to the Board secretary who will forward the same to the Board. The contact details of the Board secretary are set out as follows:

Secretarial office of the Board of Dongfang Electric Corporation Limited at No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC
Fax No.: 028-8758 3551
Email: dsb@dongfang.com

Shareholders may also put forward enquiries to the Board at the general meeting of the Company.

CORPORATE GOVERNANCE (CONTINUED)

V. CORPORATE GOVERNANCE REPORT (CONTINUED)

Corporate governance practices (Continued)

13. Policies Relating to Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that shareholders' views and concerns are appropriately addressed. During the year ended 31 December 2025, the Company has reviewed the Shareholders' Communication Policy and considered that the policy was effectively implemented with the measures as disclosed under the paragraphs headed "Information Disclosure and Investor Relation" and "Shareholder's Rights".

ENVIRONMENT AND SOCIAL RESPONSIBILITY

I. ENVIRONMENTAL INFORMATION

Information on Environmental Data of Listed Companies and their Major Subsidiaries Included in the List of Enterprises Required to Disclose Environmental Information in Accordance with Law

Number of enterprises included in the list of enterprises required to disclose environmental information in accordance with law

4

No.	Name of enterprise	Query index for legally-required environmental information disclosure reports
1	Dongfang Electric Machinery Co., Ltd.* (東方電氣集團東方電機有限公司)	https://permit.mee.gov.cn/ (National Emission Authorization Management Information Platform) – License Information Disclosure – Search for “91510600671415848H001R” to view the execution report
2	Dongfang Turbine Co., Ltd.* (東方電氣集團東方汽輪機有限公司)	https://permit.mee.gov.cn/ (National Emission Authorization Management Information Platform) – License Information Disclosure – Search for “91510600205250521B003R” to view the execution report
3	Dongfang Boiler Co., Ltd.* (東方電氣集團東方鍋爐股份有限公司)	https://permit.mee.gov.cn/ (National Emission Authorization Management Information Platform) – License Information Disclosure – Search for “915103006207291851001V” to view the execution report
4	Chengdu Dongfang KWH Environmental Protection Catalysts Co., Ltd.* (東方凱特瑞(成都)環保科技有限公司)	https://permit.mee.gov.cn/ (National Emission Authorization Management Information Platform) – License Information Disclosure – Search for “915101007653850291001U” to view the execution report

ENVIRONMENT AND SOCIAL RESPONSIBILITY (CONTINUED)

II. SOCIAL RESPONSIBILITY WORK

(I) Whether to separately disclose social responsibility report, sustainable development report or ESG report

For a detailed discussion and analysis of the Group's environmental policies and performance, as well as related work during the year, please refer to the overseas regulatory announcement titled the 2025 Environmental, Social and Governance Report of Dongfang Electric Corporation Limited dated 31 March 2026, and 2025 Environment, Social and Governance Report of Dongfang Electric Corporation Limited published on the same day as this annual report, disclosed by the Company on the website of the Stock Exchange.

(II) Particulars of social responsibility work

Currency: RMB

External donations and public welfare projects	Quantity/ Content	Explanation
Total investment (RMB10,000) Including: Fund (RMB10,000)	2,898.88 2,837.37	Donated and provided free support funds of RMB25,556,700 to Zhaojue County and Ji County, and donated RMB2,817,000 to Cangshan Town in Zhongjiang County of Sichuan Province, Xigaze in Xizang, Bulingjin County in Xinjiang, and Akesai in Jiuquan of Gansu Province.
Equivalent material (RMB10,000)	61.51	Donated funds and materials equivalent to RMB403,900 to Zhaojue County and Ji County; donated funds and materials equivalent to RMB211,200 to Luolong County in Changdu City of Xizang, Jinhe Community in Jiuquan City of Gansu Province, and Xinzhou District in Wuhan City of Hubei Province.
Number of beneficiaries (person)	70,497	By implementing the "Five Revitalizations" projects covering industry, talent, culture, ecology and organization, the Company benefited local communities through industrial layout in border areas, assistance in the sales of agricultural products, donations of funds and materials, and other means.

ENVIRONMENT AND SOCIAL RESPONSIBILITY (CONTINUED)

III. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION WORK

Currency: RMB

Poverty alleviation and rural revitalization projects	Quantity/Content	Explanation
Total investment (RMB10,000)	2,596.06	
Including: Fund (RMB10,000)	2,555.67	Provided free support funds to Zhaojue County and Ji County
Equivalent material (RMB10,000)	40.39	Donated funds and materials to Zhaojue County and Ji County
Number of beneficiaries (person)	66,797	Benefited local people by implementing the “Five Revitalizations” projects covering industry, talent, culture, ecology and organization, assisting in the sales of agricultural products, and donating funds and materials
Assistance forms (such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Industrial revitalization, talent revitalization, cultural revitalization and ecological revitalization	See detailed explanation

Detailed explanations

Focusing on industrial revitalization to consolidate the foundation for sustainable income growth. Adhering to both “blood transfusion” and “blood generation”, the Company promoted the upgrading of industrial assistance. In Zhaojue County, the first village-level rooftop photovoltaic power station was built and connected to the grid stably, generating an average annual income of over RMB300,000 for the village collective. Meanwhile, a rock painting integrated agriculture, culture and tourism project was developed with supporting facilities improved and ethnic cultural resources activated. In Ji County, the Company supported the construction of modern seedling facilities and introduced advanced technologies to improve seedling quality, directly creating nearby jobs for more than 60 workers. The “Oriental Time (東方時光)” children’s playground was expanded and upgraded, driving the development of catering, retail and other industries and helping the collective economy of Shangdong Village exceed RMB1 million in annual income. In Zhaojue, four wind power projects with a total investment of RMB2.15 billion were actively promoted, which are expected to bring an annual additional tax revenue of RMB35 million and create over 100 jobs. Among them, the 48.5MW distributed wind power project will soon be put into operation, injecting sustained impetus into local development.

Striving to improve people’s livelihood and enhance public well-being. The Company always takes benefiting the people as the starting point and goal of its work, with a focus on education and employment. In terms of education, teaching and study grants were issued in Zhaojue County, benefiting more than 1,000 teachers and students, and helping the number of local students admitted to undergraduate programs rise by 8.6% year-on-year. An innovative “enterprise + institution + local government” collaborative talent training model was adopted to cultivate more than 100 skilled workers such as electricians and welders, providing them with pathways for further study and employment. In terms of employment, the “Golden Autumn Student Aid (金秋助學)” brand was deepened in Ji County, supporting more than 200 students from disadvantaged families. Digital marketing training was provided for the apple industry to foster e-commerce backbones, helping the industry expand sales channels.

III. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION WORK (CONTINUED)

Detailed explanations (Continued)

Building distinctive brands to demonstrate the responsibility and commitment of a central state-owned enterprise. We thoroughly explored local distinctive resources and promoted the integration of cultural inheritance and industry development. We assisted the supported counties in building a Yi costume museum and tourist stations. Through holding Yi embroidery exhibitions and developing cultural and creative products, we helped more than 400 embroidery artisans increase their monthly per capita income by over RMB1,000 and attracted more than 350,000 visits for featured consumption. The Company's assistance achievements have been widely recognized by society. The Zhaojue case was selected into the 2025 Blue Book of Social Responsibility of Central State-Owned Enterprises, and the Company was also awarded as one of the "Top 10 Enterprises in 2025 Rural Revitalization Index".

Adhering to systematic assistance and expanding diversified approaches. Firstly, we promoted the integration of ecology and industry. In Ergu Village, Zhaojue, we introduced a mountain spring water company, increasing the village collective's annual income by RMB50,000. In Linyu Village, Ji County, we fostered red-feathered broiler breeding with an annual sales volume of approximately RMB220,000, helping 12 rural households increase their income. Meanwhile, we supported the improvement of living environments, created "one iconic landscape for each village", and built harmonious, livable rural areas. Secondly, we gathered strength under Party building leadership, gave play to the "leading goose" role of village cadres stationed in rural areas, carried out branch co-construction, and organized Party members to jointly advance key projects. We set up assistance platforms for youth and women and carried out teaching support, skills exchange and other activities. Thirdly, we boosted efficiency through production-marketing linkage. We established a product traceability and quality supervision mechanism to improve product quality; innovatively held blueberry picking festivals and cooperated with Sinopec to expand supermarket channels; fostered digital marketing and trained live-streaming influencers to deliver agricultural products directly to the market, effectively solving the difficulty of selling agricultural products.

SIGNIFICANT EVENTS

I. APPOINTMENT OR DISMISSAL OF THE AUDITOR

Unit: Yuan Currency: RMB

Now engaging

Name of the domestic auditor	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration of the domestic auditor	2,310,000
Term of audit of the domestic auditor	3
Name of the certified public accountant of the domestic auditor	Zhang Junshu, Zhang Jiahui
Cumulative term of audit of the certified public accountant of the domestic auditor	3

	Name	Remuneration
Internal control auditor	BDO China Shu Lun Pan Certified Public Accountants LLP	420,000

SIGNIFICANT EVENTS (CONTINUED)

II. BANKRUPTCY REORGANIZATION

On 27 September 2020, the People's Court of Xiaoshan District, Hangzhou City ruled the bankruptcy of Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd* (東方電氣新能源設備(杭州)有限公司). At present, the legal procedures in relation to such bankruptcy matter have been completed.

On 22 January 2026, the People's Court of Xiaoshan District, Hangzhou City, Zhejiang Province issued a public notice ruling to terminate the bankruptcy proceedings of Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd* (東方電氣新能源設備(杭州)有限公司).

III. SIGNIFICANT LITIGATION OR ARBITRATION EVENTS

During the year, the Company was not involved in any material litigation and arbitration.

IV. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF

(I) Descriptions of the Restricted A Share Incentive Scheme for 2019 of the Company during the Reporting Period

On 23 January 2025, the Company repurchased and cancelled 17,334 A shares in total, which were granted but not yet vested restricted shares held by one participant who no longer met the eligibility criteria for the incentive scheme. For further details, please refer to the Company's announcement on the implementation of the repurchase and cancellation of certain restricted shares dated 20 January 2025.

IV. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF (CONTINUED)

(II) Overview of the Restricted A Share Incentive Scheme for 2019

(1) Purpose of the Scheme

The purpose is to further perfect the corporate governance structure of the Company and improve the mid-and-long term incentive and restraint mechanism of the Company and achieve the incentive and restraint on Senior and Middle Management and frontline leaders of the Company to more tightly align their interests with the long-term development of the Company, and take on risks while share the interests together, and fully mobilize their enthusiasm and creativity to form a long-term behavior of decision-makers and operators, and improve the motivation force of the growth of the Company as well as cohesion and competitiveness of the Company to promote the sustainable and high quality development of the Company so that the value of the Company and shareholders will be maximized. On the basis of fully safeguarding Shareholders' interests, the Restricted A Share Incentive Scheme for 2019 has been formulated on the principle of aligning return with contribution to the Company and in accordance with relevant laws, regulations and regulatory documents such as the Company Law, the Securities Law, the Administrative Measures, the Trial Measures and the Notice, as well as the relevant requirements of the Articles of Association.

(2) Participants under the Scheme

The Participants under the Restricted A Share Incentive Scheme for 2019 are the Directors, senior management, mid-level management and frontline leaders of the Company, excluding independent Directors and supervisors of the Company, as well as shareholders individually or in aggregate holding 5% or more of the shares of the Company or the de facto controllers and their spouses, parents or children.

(3) Total Number of Shares Available for Issuance under the Scheme

30,000,000 Restricted Shares shall be granted under the Restricted A Share Incentive Scheme for 2019, accounting for approximately 0.97% of the Company's total share capital of 3,090,803,431 shares as at the date of the announcement of the draft of the Restricted A Share Incentive Scheme for 2019. Specifically, 29,000,000 shares shall be granted at the initial grant (the "First Grant"), accounting for approximately 0.94% of the Company's total share capital of 3,090,803,431 shares as at the date of the announcement of the draft of the Restricted A Share Incentive Scheme for 2019, and accounting for approximately 96.67% of the total Restricted Shares available under the Restricted A Share Incentive Scheme for 2019; and 1,000,000 shares shall be granted at the reserved grant (the "Reserved Grant"), accounting for approximately 0.03% of the Company's total share capital of 3,090,803,431 shares as at the date of the announcement of the draft of the Restricted A Share Incentive Scheme for 2019, and accounting for approximately 3.33% of the total Restricted Shares available under the Restricted A Share Incentive Scheme for 2019.

SIGNIFICANT EVENTS (CONTINUED)

IV. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF (CONTINUED)

(II) Overview of the Restricted A Share Incentive Scheme for 2019 (Continued)

(4) Maximum Entitlement of each Participant under the Scheme

The total number of Restricted Shares to be granted under the Restricted A Share Incentive Scheme for 2019 to any one of the Participants during the Validity Period will not exceed 1% of the total share capital of the Company.

(5) Lock-Up Periods and Unlocking Arrangement of the Scheme

Unlocking Period	Unlocking Time	Ratio unlocking
The First Unlocking Period under the First Grant and Reserved Grant	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of certain corresponding Restricted Shares and ending on the last trading day of the 36-month period from the date of completion of registration of certain corresponding Restricted Shares	1/3
The Second Unlocking Period under the First Grant and Reserved Grant	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of certain corresponding Restricted Shares and ending on the last trading day of the 48-month period from the date of completion of registration of certain corresponding Restricted Shares	1/3
The Third Unlocking Period under the First Grant and Reserved Grant	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of certain corresponding Restricted Shares and ending on the last trading day of the 60-month period from the date of completion of registration of certain corresponding Restricted Shares	1/3

IV. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF (CONTINUED)

(II) Overview of the Restricted A Share Incentive Scheme for 2019 (Continued)

(6) Grant Price and Basis of Determination of the Grant Price of Restricted Shares

1. *Basis for determination of the Grant Price of the Restricted Shares under the First Grant*

The Grant Price of the restricted shares granted by the Company via means of issuing additional shares shall be determined according to principle of fair market price, and shall not be lower than the higher of the following prices:

- (1) 60% of the average trading price of the underlying shares of the Company on the last trading day immediately preceding the date of announcement of the draft of the Restricted A Share Incentive Scheme for 2019;
- (2) 60% of one of the average trading price of the underlying shares of the Company for the last 20 trading days, 60 trading days and 120 trading days immediately preceding the date of announcement of the draft of the Restricted A Share Incentive Scheme for 2019.

Based on the above pricing principles, the Grant Price of the Restricted Shares under the First Grant shall be RMB5.93 per share.

2. *Basis for determination of the Grant Price of the reserved Restricted Shares*

Before each grant of the reserved Restricted Shares under the Restricted A Share Incentive Scheme for 2019, the Company shall hold a Board meeting to pass the relevant resolution, and shall disclose the information on such grant. The Grant Price of the restricted shares granted by the Company via means of issuing additional shares shall be determined according to principle of fair market price, and shall not be lower than the higher of the following prices:

- (1) 60% of the average trading price of the underlying shares of the Company on the last trading day immediately preceding the date of announcement of the Board resolution on the grant of the reserved Restricted Shares;
- (2) 60% of one of the average trading price of the underlying shares of the Company for the last 20 trading days, 60 trading days and 120 trading days immediately preceding the date of announcement of the Board resolution on the grant of the reserved Restricted Shares.

SIGNIFICANT EVENTS (CONTINUED)

IV. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF (CONTINUED)

(II) Overview of the Restricted A Share Incentive Scheme for 2019 (Continued)

(7) Remaining Validity Period of the Scheme

The Validity Period of the Restricted A Share Incentive Scheme for 2019 at the initial grant shall commence on the date of the registration of the Restricted Shares and end on the date when all the Restricted Shares which have been granted to the Participants are unlocked or repurchased and cancelled, and shall not exceed 72 months. The validity period shall be from 7 January 2020 to 6 January 2026.

(8) Accounting Treatment on Restrictive Shares

In accordance with the requirements of the Accounting Standards for Business Enterprises No. 11-Share-based Payments, at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

The fair value of the Restricted Shares was determined by the market price on the Grant Date or the subscription price paid by the Participants. On the estimation date, the fair value of share payment per Restricted Shares is equal to the market price of Shares of the Company less the Grant Price, being RMB3.83 per share.

Under the requirements of China accounting standards, assuming the Grant Date will be late November 2019, the estimated effects of the Restricted Shares to be granted for the first time under the Scheme on the accounting costs incurred in each accounting period are as follows:

Number of Restricted Shares to be granted for the first time (0'000)	Total costs (RMB0'000)	2019	2020	2021	2022	2023	2024	2025
		(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)
2,900	11,107.00	334.24	4,010.86	3,856.6	2,056.85	848.45	230	-

Note: The above result does not represent the final accounting cost. The accounting cost is related not only to the Grant Date, Grant Price and number of Restricted Shares granted, but also to the actual number of the Restricted Shares that are valid and invalid. The final result of the above effects on the operating performance of the Company is subject to the annual audited report issued by the accounting firm.

SIGNIFICANT EVENTS (CONTINUED)

IV. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVES AND EFFECTS THEREOF (CONTINUED)

(II) Overview of the Restricted A Share Incentive Scheme for 2019 (Continued)

(8) Accounting Treatment on Restrictive Shares (Continued)

Status for 2025 of the Restricted A Share Incentive Scheme for 2019 – Reserved Grant of Restricted Shares

Name	Position	Number of the Restricted Shares granted (share(s))	Shares unvested at the beginning of the Reporting Period (share(s))	Shares vested during the Reporting Period (share(s))	Shares cancelled during the Reporting Period (share(s))	Shares lapsed during the Reporting Period (share(s))	Shares not yet vested at the end of the Reporting Period (share(s))
Mid-level management and frontline leaders (1 person)		17,334	17,334	0	17,334	0	0
Total		17,334	17,334	0	17,334	0	0

Notes: In accordance with the Company's Restricted A Share Incentive Scheme for 2019 (Revised Draft) and relevant laws and regulations, one of the participants under the Reserved Grant is no longer eligible as a participant due to a transfer from the Company as part of an organisational restructuring. On 30 October 2024, the Board considered and decided to repurchase and cancel 17,334 shares of the restricted shares under the Reserved Grant, and the cancellation were completed on 23 January 2025.

During the Reporting Period, there was no restricted shares granted under the Restricted A Share Incentive Scheme for 2019.

No restricted shares were available for grant under the Restricted A Share Incentive Scheme for 2019 as at 1 January 2025 and 31 December 2025.

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS

During the Reporting Period, details of the continuing connected transactions between the Company and Dongfang Electric Corporation are as follows:

(I) Connected/Continuing connected transactions

1. Continuing Connected Transaction Agreements

On 30 October 2024, as approved by the Board, and on 27 December 2024, as approved by voting at the third extraordinary general meeting of 2024, the Company entered into the 2025–2027 Purchase and Production Service Framework Agreement (《2025–2027採購及生產服務框架協議》), the 2025–2027 Marketing and Production Service Framework Agreement (《2025–2027銷售及生產服務框架協議》), the 2025–2027 Combined Ancillary Service Framework Agreement (《2025–2027綜合配套服務框架協議》), the 2025–2027 Property and Equipment Lessee Framework Agreement (《2025–2027物業及設備租賃承租人框架協議》) and the 2025–2027 Property and Equipment Lessor Framework Agreement (《2025–2027物業及設備租賃出租人框架協議》) with Dongfang Electric Corporation. DEC Finance entered into the 2025–2027 Financial Services Framework Agreement (《2025–2027財務服務框架協議》) with Dongfang Electric Corporation. The Company also entered into the 2025–2027 Finance Lease Framework Agreement (《2025–2027融資租賃框架協議》) with Honghua Financial Leasing (Shanghai) Co., Ltd.* (宏華融資租賃(上海)有限公司, ("Honghua Financial Leasing"). The agreements in respect of such continuing connected transactions have become formally effective upon obtaining the approval of the independent Directors of the Board of the Company and/or the independent shareholders of the Company at the general meeting, and shall be valid for the period from 1 January 2025 to 31 December 2027.

Dongfang Electric Corporation is the controlling shareholder of the Company, and Honghua Financial Leasing is a wholly-owned subsidiary of DEC Investment Management Co., Ltd.* (東方電氣投資管理有限公司), a wholly-owned subsidiary of Dongfang Electric Corporation. Therefore, the agreements entered into by the Company with Dongfang Electric Corporation and Honghua Financial Leasing, and the daily continuing connected transactions thereunder constituted the continuing connected transactions of the Company pursuant to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

1. Continuing Connected Transaction Agreements (Continued)

The basic content of these agreements are:

(1) 2025-2027 Purchase and Production Service Framework Agreement

Dongfang Electric Corporation and its subsidiaries shall supply products and provide production services to the Company and its affiliated enterprises. The products include but are not limited to raw materials, semi-finished products, accessories, auxiliary materials, components, production tools and equipment, processing tools, employee necessities, and other related products and materials (such as resin, fan casings, wind power, offshore engineering products, etc.). The production services include but are not limited to processing services, import agency services, technical services, inspection and testing services, after-sales services, transportation services, maintenance, repair and management services of relevant tools and equipment, vehicle maintenance and other related services.

(2) 2025-2027 Marketing and Production Service Framework Agreement

The Company and its subsidiaries shall supply products and provide production services to Dongfang Electric Corporation and its affiliated enterprises. The products include but are not limited to raw materials, semi-finished products, finished products, turbine products, boiler products, nuclear products, gas turbines, power generation equipment, production equipment, components, spare parts, supporting materials, employee necessities and other related products and materials, such as photovoltaic equipment, etc. The production services include but are not limited to processing services, technical services, transportation services, import agency services, and other related production services.

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

1. Continuing Connected Transaction Agreements (Continued)

(3) 2025–2027 Combined Ancillary Service Framework Agreement

Dongfang Electric Corporation and its affiliated enterprises shall provide combined ancillary services to the Company and its subsidiaries, including but not limited to employee management services, management services for retired employees, training services, accounting services (including accounting calculation, fund calculation, etc.), entrusted property operation services, legal services, news and publicity services, comprehensive management services and other ancillary services.

(4) 2025–2027 Financial Services Framework Agreement

DEC Finance shall provide deposit-taking services, loans services and other services (including bill discounting and acceptance, non-financing guarantees and other investment and financial services approved by the financial regulatory bureau) to Dongfang Electric Corporation and its affiliated enterprises in accordance with financial permit and business license it currently holds.

(5) 2025–2027 Property and Equipment Lessee Framework Agreement

Dongfang Electric Corporation and its affiliated enterprises shall lease out the real estate properties, workshops, warehouses, land and equipment relating to the business of the Group to the Company or its subsidiaries, and guarantee that the Company and its subsidiaries, as lessees, have the exclusive right to use the leased property continuously and legally during the lease term.

(6) 2025–2027 Property and Equipment Lessor Framework Agreement

The Company and its subsidiaries shall lease out the real estate properties (such as office premises), workshops, warehouses, land use rights (including lawfully occupied land) and equipment (such as cold and heat island facilities and moulds for solar energy engineering technologies), vehicles and intangible assets (such as software and information systems) relating to the business of Dongfang Electric Corporation to Dongfang Electric Corporation or its affiliated enterprises, and guarantee that Dongfang Electric Corporation and its affiliated enterprises, as lessees, have the exclusive right to use the leased property continuously and legally during the lease term.

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

1. Continuing Connected Transaction Agreements (Continued)

(7) 2025-2027 Finance Lease Framework Agreement

Honghua Financial Leasing shall provide finance lease services for production equipment, including but not limited to direct leasing and sale-and-leaseback services, to Dongfang Electric Corporation and its affiliated enterprises.

The above-mentioned daily continuing connected transactions between the Company and Dongfang Electric Corporation and other related parties are necessary for the Company's production and operation, and are in accordance with the normal commercial terms, at arm's length and on the basis of Framework Agreement and relevant specific transaction agreements. The trading conditions and pricing are fair, and the approval procedures have been fulfilled in accordance with relevant regulations, and there is no harm to the interests of the Company and shareholders. The continuing connected transactions are beneficial to the sustainable and stable development of the Company's production and operation.

For details of such connected transactions, please refer to the Company's announcement entitled "Announcement on Daily Connected Transactions of Dongfang Electric Corporation Limited" (Announcement No.: 2024-060) published on the website of the Shanghai Stock Exchange on 31 October 2024, as well as the announcement and circular published by the Company on the website of the Stock Exchange on 30 October 2024 and 12 December 2024 respectively.

These connected transactions have been formally effective with the approval of the independent Directors of the Board of the Company and/or the independent shareholders of the general meeting of the Company. The specific amounts of these major continuing connected transactions as at 31 December 2025 did not exceed the annual caps approved by the Board or the general meeting.

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

2. Details of the continuing connected transactions as at 31 December 2025

Actual amount of the connected transaction as at 31 December 2025 and the annual cap amount in 2025

Unit: 0'000 Yuan Currency: RMB

Name of framework agreement	Subject of transactions	Maximum annual cap	Amount for the year
2025-2027 Purchase and Production Service Framework Agreement	The Company and its subsidiaries purchase products and production services from Dongfang Electric Corporation and its affiliated enterprises	180,000	107,286
2025-2027 Marketing and Production Service Framework Agreement	The Company and its subsidiaries sell products and provide production services to Dongfang Electric Corporation and its affiliated enterprises	250,000	67,507
2025-2027 Combined Ancillary Service Framework Agreement	Dongfang Electric Corporation and its affiliated enterprises provide combined ancillary services to the Company and its subsidiaries	13,000	5,993
2025-2027 Financial Services Framework Agreement	Maximum daily deposit balance and interest DEC Finance provides deposit services to Dongfang Electric Corporation and its affiliated enterprises.	1,000,000	565,037
	Maximum daily loan balance and interest DEC Finance provides loan services to Dongfang Electric Corporation and its affiliated enterprises.	500,000	239,646
	Maximum daily balance and handling fees for discounting, acceptance, guarantees and other financial services DEC Finance provides discounting, acceptance, guarantees and other financial services to Dongfang Electric Corporation and its affiliated enterprises.	30,000	29,829
2025-2027 Property and Equipment Lessee Framework Agreement	The Company and its subsidiaries lease properties (housing, workshops, warehouses, land use rights, etc.) and equipment from Dongfang Electric Corporation and its affiliated enterprises.	50,000	11,500
2025-2027 Property and Equipment Lessor Framework Agreement	The Company and its subsidiaries lease properties (housing, workshops, warehouses, land use rights, etc.) and equipment to Dongfang Electric Corporation and its affiliated enterprises.	1,000	46
2025-2027 Finance Lease Framework Agreement	Honghua Financial Leasing provides finance lease services to the Company and its subsidiaries.	50,000	0

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

3. Review and confirmation for continuing connected transactions

- (i) Pursuant to Rule 14A.56 of the Listing Rules, the auditors of the Company engaged by the Company has reported and confirmed these continuing connected transactions for 2025:
 - (1) have been approved by the Board of the Company;
 - (2) have been conducted in accordance with the company's pricing policy (if applicable);
 - (3) have been conducted in accordance with the terms of the agreements governing the transactions; and
 - (4) did not exceed the caps disclosed in the previous announcement.
- (ii) The independent non-executive Directors of the Company reviewed the continuing connected transactions and confirmed that:
 - (1) these transactions are the daily business of the Company;
 - (2) these transactions are conducted in accordance with the normal commercial terms, or the terms of the transactions are no less favourable than those obtained from or provided by the independent third parties (as the case may be) the terms if the comparable transactions are insufficient to determine whether the terms of the transactions are the normal commercial terms; and
 - (3) these transactions are conducted in accordance with the terms of the agreement in relation to the transaction, and the terms of the transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

4. Related-party transactions

The connected transactions entered into by the Group for the year ended 31 December 2025 are set out in Note XII (5) of the financial statements, of which, certain connected transactions/related party transactions also constitute continuing connected transactions. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of such connected transactions.

At the 26th meeting of the tenth session of the Board, the 15th meeting of the tenth session of the Supervisory Committee and the 2023 third extraordinary general meeting, the Resolution on Issue of A Shares to Specific Targets has been considered and approved, agreeing that the Company would privately issue no more than 272,878,203 shares (inclusive) to no more than 35 specific targets including Dongfang Electric Corporation to raise funds up to RMB5,000 million (inclusive), of which Dongfang Electric Corporation participated in the subscription with cash of RMB500 million. The application for the targeted private offering was approved and registered by the China Securities Regulatory Commission in November 2024. After deducting the issuance expenses from the proceeds raised from the issue of A shares to specific targets, part of such proceeds will be used for the acquisition of 8.14% equity interests in Dongfang Electric Machinery Co., Ltd.* (東方電氣集團東方電機有限公司), a subsidiary of the Company ("Dongfang Electric Machinery"), 8.70% equity interests in Dongfang Turbine Co., Ltd.* (東方電氣集團東方汽輪機有限公司) ("Dongfang Turbine"), 4.55% equity interests in Dongfang Boiler Co., Ltd.* (東方電氣集團東方鍋爐股份有限公司) ("Dongfang Boiler") and 5.63% equity interests in Dongfang (Guangzhou) Heavy Machinery Co., Ltd.* (東方電氣(廣州)重型機器有限公司) ("Dongfang Heavy Machinery"), for upgrading construction projects, as well as for supplementing working capital. Dongfang Electric Corporation is the controlling shareholder of the Company and a connected person of the Company as defined under the Hong Kong Listing Rules. Therefore, the subscription by Dongfang Electric Corporation (which forms part of the issue of A shares to specific targets) and the acquisition of the target assets held by it constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

On 14 April 2025, pursuant to the general mandate granted at the 2025 first extraordinary general meeting, the Company issued 272,878,203 A shares to the following specific investors who met the eligibility criteria prescribed by the China Securities Regulatory Commission at an issue price of RMB15.11 per share. Such equity interest was completed on 30 April 2025:

Name of Specific Investor	Number of Shares Subscribed <i>(Shares)</i>	Amount of Subscription <i>(RMB)</i>
Dongfang Electric Corporation	33,090,668	499,999,993.48
Well Kent International Enterprises (Shenzhen) Company Limited* (華建國際實業(深圳)有限公司)	111,131,700	1,679,199,987.00
China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd.* (中國國有企業混合所有制改革基金有限公司)	128,655,835	1,943,989,666.85
Total	272,878,203	4,123,189,647.33

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

4. Related-party transactions (Continued)

The issue price of new A shares issued to specific targets is determined through a competitive bidding process. The issue price shall not be lower than 80% of the average trading price of A shares for the 20 trading days preceding the first day of the issuance period (27 March 2025), i.e., RMB12.18 per A share. The Company and the sponsor (lead underwriter) have determined the issue price at RMB15.11 per A share based on the subscription quotations from investors and in strict accordance with the relevant procedures and principles set out in the issuance plan regarding the issue price, issuance targets and the number of A shares to be issued. The total proceeds from the issuance of A shares to specific targets amounted to RMB4,123,189,647.33. After deducting the related issuance expenses of RMB6,624,284.32 (excluding tax), the net proceeds were RMB4,116,565,363.01.

For other details such as the key terms of the issue of A shares to specific targets, please refer to the Company's announcements dated 4 April 2023, 20 April 2023, 28 July 2023, 28 March 2024, 19 April 2024 and 25 November 2024, as well as the Company's circulars dated 5 April 2023 and 3 April 2024.

As of 31 December 2025, the utilisation of the net proceeds is set out in the table below:

Use of proceeds	Total investment amount (RMB0,000)	Amount utilised as of 31 December 2025 (RMB0,000)	Unutilised amount as of 31 December 2025 (RMB0,000)	Expected timeline for utilisation of net proceeds ^{Note 2} (Note)
Acquire 8.14% of the equity of Dongfang Electric Machinery held by Dongfang Electric Corporation	73,541.53	73,541.53	0	Note 1
Acquire 8.70% of the equity of Dongfang Turbine held by Dongfang Electric Corporation	113,340.78	113,340.78	0	Note 1
Acquire 4.55% of the equity of Dongfang Boiler held by Dongfang Electric Corporation	48,646.05	48,646.05	0	Note 1
Acquire 5.63% of the equity of Dongfang Heavy Machinery held by Dongfang Electric Corporation	17,122.89	17,122.89	0	Note 1
Pumped Storage Energy Technology R&D Capability Enhancement Project of Dongfang Electric Machinery	28,927.73	25,039.01	3,888.72	March 2026

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

4. Related-party transactions (Continued)

Use of proceeds	Total investment amount (RMB0,000)	Amount utilised as of 31 December 2025 (RMB0,000)	Unutilised amount as of 31 December 2025 (RMB0,000)	Expected timeline for utilisation of net proceeds ^{Note 2} (Note)
Gas Turbine Rotor Machining and Manufacturing Capability Upgrade Project of Dongfang Turbine	5,464.13	5,464.13	0	December 2025
Digital Workshop Construction Project of Dongfang Turbine	26,356.38	26,356.38	0	December 2025
Digital Construction Project of Dongfang Boiler	16,070.96	16,070.96	0	December 2025
Supplement working capital	82,186.09	42,769.52	39,416.57	N/A
Total	411,656.54	368,351.25	43,305.29	

Notes:

- (1) The funds raised for the four investment projects involving the acquisition of 8.14% equity interest in Dongfang Electric Machinery, 8.70% equity interest in Dongfang Turbine, 4.55% equity interest in Dongfang Boiler and 5.63% equity interest in Dongfang Heavy Machinery, all held by Dongfang Electric Corporation, have been fully paid. Relevant formalities for the registration of the equity transfers are currently being processed.
- (2) The proceeds are expected to be used during the corresponding construction period of the relevant projects. The actual time will depend on the overall progress and actual situation of the relevant projects.

SIGNIFICANT EVENTS (CONTINUED)

V. MATERIAL CONNECTED TRANSACTIONS (CONTINUED)

(I) Connected/Continuing connected transactions (Continued)

4. Related-party transactions (Continued)

To enhance the efficiency of the use of the proceeds, and on the premise of ensuring that the construction and use of the fundraising projects are not affected and the safety of the proceeds is safeguarded, a portion of the temporarily idle proceeds will be utilised for cash management in a reasonable manner to better leverage the efficiency of the proceeds and increase the Company's returns. On 29 April 2025, the Company held the ninth meeting of the eleventh session of the Board, at which a proposal on the use of a portion of the temporarily idle proceeds for cash management was considered and approved. The Company is permitted to utilise idle proceeds of up to RMB930 million for cash management, on the condition that such use does not affect the normal implementation of the projects funded by the proceeds and the safety of the proceeds is ensured. The validity period shall be no more than 12 months from the date of the Board's approval. The independent directors of the Company expressed their explicit consent, and the sponsor provided no-objection verification opinions. For details, please refer to the overseas regulatory announcement titled "Adjustment of the Amount of Proceeds to be Invested in the Fundraising Projects" published by the Company on 30 April 2025.

SIGNIFICANT EVENTS (CONTINUED)

VI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF

(I) Guarantee

External guarantees provided by the Company (excluding guarantees provided for subsidiaries)

Unit: Yuan Currency: RMB

Guarantor	Relationship between guarantor and listed company	Guaranteed parties	Guaranteed amount	Date of agreement	Commencement date of guarantee (execution date of agreement)		Expiry date of guarantee	Type of guarantee	Is the guarantee fully fulfilled (if any)	Is the guarantee overdue	Overdue amount	Any counter guarantee	Is the guarantee provided to related party	Related party relationship
					Date of agreement	Expiry date of guarantee								
Dongfang Electric Corporation Limited* (東方電氣股份有限公司)	Headquarters of the Company	Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd. (內蒙古能源發電紅泥井風電有限公司)	16,000,000	19 January 2016	19 January 2016	19 January 2026	General guarantee	Yes	No	0	No	Yes	Associate	
Dongfang Electric Corporation Limited* (東方電氣股份有限公司)	Headquarters of the Company	Inner Mongolia Mengneng Sanshengtai Wind Power Co., Ltd. (內蒙古蒙能三聖太風力發電有限公司)	16,000,000	29 June 2016	29 June 2016	29 June 2026	General guarantee	No	No	0	No	Yes	Associate	
Dongfang Electric Corporation Limited* (東方電氣股份有限公司)	Headquarters of the Company	Inner Mongolia Mengneng Wulan New Energy Co., Ltd. (內蒙古蒙能烏蘭新能源有限公司)	36,000,000	26 August 2016	26 August 2016	26 August 2026	General guarantee	No	No	0	No	Yes	Associate	
Dongfang Turbine (東方電氣集團東方汽輪機有限公司)	Wholly-owned subsidiary	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd. (三菱重工東方燃氣輪機(廣州)有限公司)	24,500,000	22 September 2016	22 September 2016	22 September 2026	General guarantee	No	No	0	No	Yes	Joint venture	

Total guarantee incurred during the Reporting Period (excluding those provided for subsidiaries)

Total balance of guarantee as at the end of the Reporting Period (A) (excluding those provided for subsidiaries)

92,500,000.00

Guarantees provided by the Company and its subsidiaries to their subsidiaries

Total guarantee for subsidiaries incurred during the Reporting Period

Total balance of guarantee for subsidiaries as at the end of the Reporting Period (B)

0

0

SIGNIFICANT EVENTS (CONTINUED)

VI. MATERIAL CONTRACTS AND IMPLEMENTATION THEREOF (CONTINUED)

(I) Guarantee (Continued)

Total guarantee provided by the Company (including the guarantee to its subsidiaries)

Aggregate guarantee (A+B)	92,500,000.00
Total guarantee as a percentage of the net assets of the Company (%)	0.19
Representing:	
Amount of guarantee provided for shareholders, de facto controller and their related parties (C)	0
Balance of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	0
Excess amount of aggregate guarantee over 50% of net assets (E)	0
Aggregate amount of the above three items (C+D+E)	

Statement on the contingent joint and several liability in connection with unexpired guarantee

The Company provided guarantees for Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.* (內蒙古能源發電紅泥井風電有限公司), Inner Mongolia Mengneng Sanshengtai Wind Power Co., Ltd.* (內蒙古蒙能三聖太風力發電有限公司) and Inner Mongolia Mengneng Wulan New Energy Co., Ltd.* (內蒙古蒙能烏蘭新能源有限公司) with its 20% equity interests in each of above three companies and their derivative equity. The guarantees shall be valid from the effective date of the Equity Pledge Agreement until all debts under the Financial Leasing Contract are being repaid. The guarantee provided by Dongfang Turbine (東方電氣集團東方汽輪機有限公司), a controlling subsidiary of the Company, for Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.* (三菱重工東方燃氣輪機(廣州)有限公司), 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.

Details of the guarantees

For details on the above guarantees, please refer to the announcements issued by the Company on the website of SSE on 9 January 2016, 28 June 2016 and 26 August 2016, respectively.

SIGNIFICANT EVENTS (CONTINUED)

VII. PROPOSAL ON ORDINARY SHARE PROFIT DISTRIBUTION OR CONVERSION OF CAPITAL RESERVE INTO SHARE CAPITAL

(I) Formulation, Execution or Adjustment of Cash Dividend Policy

The Company has made clear the cash dividend policy in its Articles of Association, which stipulates that when the net profit attributable to the shareholders of the Company of the year is positive and the accumulated distributable profit at the end of the year is positive, the dividend can be distributed in cash. Under the condition that the undistributed profit is positive, the accumulated payment of dividend by way of cash for the last three years may not be less than 30% of the Company's average distributable profit for the last three years. For information regarding the Company's profit distribution schemes for the last three financial years, please refer to the Corporate Governance Report in this report.

VIII. DISCLOSURE OF OTHER EVENTS

(I) Public Float

Based on the public information available to the Company and its Directors as at the end of the Reporting Period and the date of this annual report, the Company has maintained sufficient public float in compliance with the Listing Rules.

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

During the Reporting Period, in accordance with the Resolution on Repurchase and Cancellation of Certain Restricted Shares approved at the 2024 third extraordinary general meeting, the 2024 second A shares class meeting and the 2024 second H shares class meeting held by the Company on 27 December 2024, the Company repurchased and canceled all the restricted shares (17,334 A shares in total) that have been granted to 1 participant yet still locked up. For details, please refer to the Company's announcement dated 20 January 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or repurchased any of the Company's listed securities (including the sale of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)). Neither the Company held any treasury shares during the year ended 31 December 2025 nor as at the date of this announcement.

SIGNIFICANT EVENTS (CONTINUED)

VIII. DISCLOSURE OF OTHER EVENTS (CONTINUED)

(III) Audit and Risk Committee

The Audit and Risk Committee of the Board of the Company currently comprises Mr. Zhang Shaofeng, a non-executive Director, and three independent non-executive Directors, namely Mr. Huang Feng, Mr. Zeng Daorong (chairman) and Ms. Chen Yu. The Audit and Risk Committee has reviewed the annual report of the Company for the Reporting Period and agreed with the accounting treatment method adopted by the Company.

(IV) Five-year Financial Summary

Unit: Yuan Currency: RMB

Item	2025 (31 December 2025)	2024 (31 December 2024)	2023 (31 December 2023)	2022 (31 December 2022)	2021 (31 December 2021)
Total assets	162,674,195,217.33	142,009,284,851.87	121,108,373,341.62	115,344,350,441.40	103,104,573,304.33
Total liabilities	114,505,939,883.61	98,867,036,719.24	79,888,498,579.02	76,708,775,713.68	67,720,696,078.96
Total shareholders' equity	48,168,255,333.72	43,142,248,132.63	41,219,874,762.60	38,635,574,727.72	35,383,877,225.37
Including: Equity attributable to shareholders of the parent company	45,234,558,939.11	38,796,282,366.86	37,244,895,786.52	34,992,066,981.24	32,497,661,980.41
Non-controlling shareholders' equity	2,933,696,394.61	4,345,965,765.77	3,974,978,976.08	3,643,507,746.48	2,886,215,244.96
Operating income	78,615,277,439.83	69,695,135,723.47	60,676,613,395.82	55,363,782,450.06	47,819,166,940.47
Total profit	4,785,135,320.24	3,884,243,745.66	4,006,164,166.98	3,327,359,675.84	2,667,047,594.90
Income tax expenses	819,157,357.06	596,717,889.35	362,454,836.22	313,620,616.00	237,824,064.64
Net profit	3,965,977,963.18	3,287,525,856.31	3,643,709,330.76	3,013,739,059.84	2,429,223,530.26
Including: Net profit attributable to the parent company	3,831,301,222.13	2,922,100,908.48	3,550,393,576.32	2,857,898,505.21	2,289,036,817.45
Non-controlling shareholders profit or loss	134,676,741.05	365,424,947.83	93,315,754.44	155,840,554.63	140,186,712.81

(V) Pre-emptive Rights

There are no provisions regarding pre-emptive rights under the Company Law of the People's Republic of China and the Articles of Association, which require the Company to issue new shares to the existing shareholders in proportion to their existing shareholdings.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. CHANGES IN ORDINARY SHARES CAPITAL

(I) Table of total number of ordinary shares

Total number of ordinary shares of the Company and changes in the shareholder structure of the Company

1. Table of changes in shares

Unit: share

	Prior to the current movements		Increase/(decrease) of current movements (+, -)					After current movements	
	Number of shares	Percentage (%)	Issue of new shares	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	Number of shares	Percentage (%)
I. Shares subject to trading moratorium	753,920,397	24.18	33,090,668	0	0	-17,334	33,073,334	786,993,731	22.76
1. State-owned share	0	0	0	0	0	0	0	0	0.00
2. State-owned legal person shares	753,903,063	24.18	33,090,668	0	0	0	33,090,668	786,993,731	22.76
3. Other domestic shares	17,334	0.00056	0	0	0	-17,334	-17,334	0	0
Including: shares owned by domestic non-state-owned legal persons	0	0	0	0	0	0	0	0	0
Shares owned by domestic natural persons	17,334	0.00056	0	0	0	-17,334	-17,334	0	0
4. Foreign owned shares	0	0	0	0	0	0	0	0	0
Including: shares owned by overseas legal persons	0	0	0	0	0	0	0	0	0
Shares owned by overseas natural persons	0	0	0	0	0	0	0	0	0
II. Tradable shares not subject to trading moratorium	2,363,579,060	75.82	307,787,535	0	0	0	307,787,535	2,671,366,595	77.24
1. RMB-denominated ordinary shares	2,023,579,060	64.91	239,787,535	0	0	0	239,787,535	2,263,366,595	65.45
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	340,000,000	10.91	68,000,000	0	0	0	68,000,000	408,000,000	11.80
4. Others	0	0	0	0	0	0	0	0	0.00%
III. Total number of shares	3,117,499,457	100	340,878,203	0	0	-17,334	340,860,869	3,458,360,326	100

Notes:

- Pursuant to the Restricted A Share Incentive Scheme for 2019 of the Company (Amended Draft) (hereinafter referred to as the “**Incentive Scheme (Amended Draft)**”) and relevant laws and regulations, one of the participant under the reserved grant no longer qualifies as an incentive participant due to reassignment and departure from the Company pursuant to organizational arrangement. The 17,334 restricted A shares involved in the aforesaid circumstances, which had been granted but not yet unlocked, were repurchased and cancelled by the Company on 23 January 2025.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

I. CHANGES IN ORDINARY SHARES CAPITAL (CONTINUED)

(I) Table of total number of ordinary shares (Continued)

Total number of ordinary shares of the Company and changes in the shareholder structure of the Company (Continued)

1. Table of changes in shares (Continued)

Notes: (Continued)

2. As the Company completed the issuance of 272,878,203 A shares to specific targets in April 2025, among which Dongfang Electric Corporation, the controlling shareholder, subscribed for 33,090,668 shares, the number of restricted shares held by state-owned legal persons increased by 33,090,668 shares. Well Kent International Enterprises (Shenzhen) Company Limited (華建國際實業(深圳)有限公司) and China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司) subscribed for 239,787,535 shares, which were listed and became tradable on 15 October 2025, resulting in an increase of 239,787,535 unrestricted RMB ordinary shares. Pursuant to the general mandate, the Company completed the placing of H shares in September 2025, adding 68,000,000 new unrestricted overseas listed foreign shares. The total share capital of the Company increased by 340,878,203 shares to 3,458,360,326 shares.

2. Explanation on changes in shares

1. During the Reporting Period, due to changes in the individual circumstances of the participants under the Restricted Share Scheme of the Company, the Company repurchased and cancelled a total of 17,334 restricted shares which were granted to certain participants but not yet unlocked on 23 January 2025. For details, please refer to the announcement published on the website of the Stock Exchange on 20 January 2025 and the relevant announcements published on the website of Shanghai Stock Exchange (www.sse.com.cn).

2. During the Reporting Period, as the Company completed the issuance of 272,878,203 A shares to specific targets in April 2025, the total share capital of the Company changed from 3,117,482,123 shares to 3,390,360,326 shares. Pursuant to the general mandate, the Company completed the placing of 68,000,000 H shares in September 2025, and the total share capital of the Company changed from 3,390,360,326 shares to 3,458,360,326 shares. For details, please refer to the announcement published on the website of the Stock Exchange on 17 April 2025 and the relevant announcements published on the website of Shanghai Stock Exchange (www.sse.com.cn).

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

I. CHANGES IN ORDINARY SHARES CAPITAL (CONTINUED)

(I) Table of total number of ordinary shares (Continued)

Total number of ordinary shares of the Company and changes in the shareholder structure of the Company (Continued)

3. *The impact of share changes on financial indicators such as earnings per share and net assets per share for the most recent year and period (if any)*
 1. During the Reporting Period, due to the repurchase of Restricted Shares that have been granted to some participants yet still locked up, the Company cancelled 17,334 ordinary shares in total, accounting for 0.0005% of the total shares of the Company, which has little impact on the main financial indicators of the Company.
 2. During the Reporting Period, the Company completed the issuance of 272,878,203 A shares to specific targets in April 2025, and completed the placing of 68,000,000 H shares in September 2025 pursuant to the general mandate, representing an increase of 340,878,203 shares in the total share capital of the Company. Upon completion of the issuances, the net assets and share capital of the Company will increase accordingly. As the investment projects funded by the proceeds and the working capital supplement will require a certain period of time to generate benefits, the earnings per share, net assets per share and other indicators of the Company will be diluted in the short term following the issuance to specific targets. However, in the medium to long term, the issuance will be conducive to expanding the Company's business scale, optimizing its capital structure and enhancing its competitiveness, and will play a positive role in promoting the sustainable development capability and profitability of the Company.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

I. CHANGES IN ORDINARY SHARES CAPITAL (CONTINUED)

(II) Changes in shares subject to trading moratorium

Unit: share

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the year	Number of shares released from selling restrictions during the year	Increased number of shares subject to selling restrictions during the year	Number of shares subject to selling restrictions at the end of the year	Reason for selling restrictions	Date of release from selling restrictions
Dongfang Electric Corporation	753,903,063	0	33,090,668	786,993,731	Non-public issuance of shares	Notes 1 and 2
China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	0	128,655,835	128,655,835	0	Non-public issuance of shares	Note 2
Well Kent International Enterprises (Shenzhen) Company Limited (華建國際實業(深圳)有限公司)	0	111,131,700	111,131,700	0	Non-public issuance of shares	Note 2
Participants under the Restricted A Share Incentive Scheme	17,334	0	-17,334	0	Incentive schemes with restricted stock as an incentive method	The lock-up periods shall be 24 months, 36 months and 48 months from the relevant completion date of registration of the restricted shares under the grant, the proportion of unlocking shares in the equity granted is 1/3
Total	753,920,397	239,787,535	272,860,869	786,993,731	-	

Notes:

- The shares of the Company which were subscribed for with the target assets owned by Dongfang Electric Corporation shall not be transferred in any way within 36 months from their listing date, i.e. 12 June 2018. If the closing price of the Company shares for 20 consecutive trading days is lower than the issue price of this transaction within 6 months from the listing of new shares in this transaction, or if the closing price as at the end of the six-month period after the completion of this transaction is lower than the issue price of this transaction, the lock-up period of the Company shares obtained by Dongfang Electric Corporation in this transaction will be automatically extended for 6 months from the original lock-up period.
- The Company's issuance of A shares to specific targets in 2023 involved three targets. The Company has completed the procedures for registration, custody and restrictions on sale in respect of the corresponding 272,878,203 shares with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) on 14 April 2025. Following the completion of the issuance of A shares to specific targets, the shares subscribed for by the controlling shareholder, Dongfang Electric Corporation, shall not be transferred for eighteen months from the date of issuance, while the shares subscribed for by other targets shall not be transferred for six months from the date of issuance.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER

(I) Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period (shareholder)	138,587
Total number of ordinary shareholders as of the end of the month prior to the date of disclosure of the Annual Report (shareholder)	150,000
Total number of preferred shareholders with restored voting rights as of the end of the Reporting Period (shareholder)	0
Total number of preferred shareholders with restored voting rights as of the end of the month prior to the date of disclosure of the Annual Report (shareholder)	0

Note: This report was considered and approved by the Board on 31 March 2026. The figure for “Total number of ordinary shareholders as of the end of the month prior to the date of disclosure of the Annual Report (shareholder)” in the table above refers to the total number of ordinary shareholders as at the end of February 2026.

(II) Shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders that were not subject to trading moratorium) as of the end of the Reporting Period

Unit: share

Shareholdings of top 10 shareholders (Excluding shares lent through refinancing)

Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged, marked or frozen		Type of shareholder
					Status of shares	Number of shares	
Dongfang Electric Corporation	+37,461,068	1,776,676,194	51.37	786,993,731	Nil	–	State-owned legal person
HKSCC Nominees Limited	+68,109,000	405,956,369	11.74	0	Unknown	–	Overseas legal person
China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基 金有限公司)	+103,655,835	103,655,835	3	0	Unknown	–	State-owned legal person
Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 Trading Open Index Securities Investment Fund (中國工商銀行股 份有限公司–華泰柏瑞滬深300交 易型開放式指數證券投資基金)	+1,000,099	20,171,032	0.58	0	Unknown	–	Others

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER (CONTINUED)

(II) Shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders that were not subject to trading moratorium) as of the end of the Reporting Period (Continued)

Shareholdings of top 10 shareholders (Excluding shares lent through refinancing)							
Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged, marked or frozen		Type of shareholder
					Status of shares	Number of shares	
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-end Index Seed Securities Investment Fund (中國建設銀行股份有限公司—易方達滬深300交易型開放式指數發起式證券投資基金)	+1,146,031	14,375,456	0.42	0	Unknown	–	Others
China CITIC Bank Co., Ltd. – China Europe Information Technology Hybrid Initiated Securities Investment Fund (中信銀行股份有限公司—中歐資訊科技混合型發起式證券投資基金)	+13,732,635	13,732,635	0.40	0	Unknown	–	Others
Gong Youhua (龔佑華)	+4,565,700	11,340,900	0.33	0	Unknown	–	Domestic natural person
Industrial and Commercial Bank of China Limited – China AMC CSI300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司—華夏滬深300交易型開放式指數證券投資基金)	+2,175,200	10,969,500	0.32	0	Unknown	–	Others
Bank of Beijing Co., Ltd. – Invesco Great Wall Jingyi Dual Return Bond Securities Investment Fund (北京銀行股份有限公司—景順長城景頤雙利債券型證券投資基金)	+9,713,900	9,713,900	0.28	0	Unknown	–	Others
Bank of China Limited - Harvest CSI 300 Trading Open-ended Index Securities Investment Fund (中國銀行股份有限公司—嘉實滬深300交易型開放式指數證券投資基金)	+1,125,800	9,458,500	0.27	0	Unknown	–	Others

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER (CONTINUED)

(II) Shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders that were not subject to trading moratorium) as of the end of the Reporting Period (Continued)

Particulars of shareholdings of top ten holders of shares not subject to trading moratorium (Excluding shares lent through refinancing)

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class of shares	Number
Dongfang Electric Corporation	989,682,463	RMB ordinary shares	989,682,463
HKSCC Nominees Limited	405,956,369	Overseas-listed foreign shares	405,956,369
China State-owned Enterprise Mixed Ownership Reform Fund Co., Ltd. (中國國有企業混合所有制改革基金有限公司)	103,655,835	RMB ordinary shares	103,655,835
Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 Trading Open Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	20,171,032	RMB ordinary shares	20,171,032
China Construction Bank Corporation – E Fund CSI 300 Exchange Traded Open-end Index Seed Securities Investment Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	14,375,456	RMB ordinary shares	14,375,456
China CITIC Bank Co., Ltd. – China Europe Information Technology Hybrid Initiated Securities Investment Fund (中信銀行股份有限公司－中歐資訊科技混合型發起式證券投資基金)	13,732,635	RMB ordinary shares	13,732,635
Gong Youhua (龔佑華)	11,340,900	RMB ordinary shares	11,340,900
Industrial and Commercial Bank of China Limited – China AMC CSI 300 Exchange Traded Open-End Index Securities Investment Fund (中國工商銀行股份有限公司－華夏滬深300交易型開放式指數證券投資基金)	10,969,500	RMB ordinary shares	10,969,500
Bank of Beijing Co., Ltd. – Invesco Great Wall Jingyi Dual Return Bond Securities Investment Fund (北京銀行股份有限公司－景順長城景頤雙利債券型證券投資基金)	9,713,900	RMB ordinary shares	9,713,900
Bank of China Limited – Harvest CSI 300 Trading Open-ended Index Securities Investment Fund (中國銀行股份有限公司－嘉實滬深300交易型開放式指數證券投資基金)	9,458,500	RMB ordinary shares	9,458,500

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER (CONTINUED)

- (II) Shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders that were not subject to trading moratorium) as of the end of the Reporting Period (Continued)

Particulars of shareholdings of top ten holders of shares not subject to trading moratorium (Excluding shares lent through refinancing) (Continued)

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class of shares	Number
Explanation on the special repurchase accounts under the top ten shareholders	Nil		
Explanation on the voting rights entrusted by or to, or waived by the above shareholders	Nil		
Explanation on the connected relationship or concerted actions among the aforesaid shareholders	The Company is not aware of any connected relationship or concerted actions among the top ten shareholders and top ten holders of tradable shares		
Explanation on holders of preference shares with restored voting rights and number of shares held	Nil		

Shareholders holding more than 5% of shares, shareholdings of top 10 shareholders and top 10 holders of tradable shares held not subject to trading moratorium participating in the lending of shares through refinancing business

Nil

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLER (CONTINUED)

(II) Shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders that were not subject to trading moratorium) as of the end of the Reporting Period (Continued)

Shareholdings of the top ten shareholders subject to trading moratorium and trading moratorium

Unit: Share

No.	Name of holders of shares subject to trading moratorium	Number of shares held subject to trading moratorium	Listing status of shares which are subject to trading moratorium Eligible listing time	Number of new listed shares	Conditions of trading moratorium
1	Dongfang Electric Corporation Description of connected relationship or concert party relationship among the above shareholders	786,993,731	See Explanation The Company is not aware of any connected relationship and concert party relationship among the above-mentioned shareholders	0	See Explanation 1

- Notes:
- The shares of the Company which were subscribed for with the target assets owned by Dongfang Electric Corporation shall not be transferred in any way within 36 months from their listing date, i.e. 12 June 2018. If the closing price of the shares of the Company for 20 consecutive trading days is lower than the issue price of this transaction within 6 months from the listing of new shares in this transaction, or if the closing price as at the end of the six-month period after the completion of this transaction is lower than the issue price of this transaction, the lockup period of the shares of the Company obtained by Dongfang Electric Corporation in this transaction will be automatically extended for 6 months from the original lockup period.
 - The Company's issuance of A shares to specific targets in 2023 involved three targets. The Company has completed the procedures for registration, custody and restrictions on sale in respect of the corresponding 272,878,203 shares with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公) on 14 April 2025. Following the completion of the issuance of A shares to specific targets, the shares subscribed for by the controlling shareholder, Dongfang Electric Corporation, shall not be transferred for eighteen months from the date of issuance, while the shares subscribed for by other targets shall not be transferred for six months from the date of issuance.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

III. INFORMATION OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

(I) Information of Controlling Shareholder

1. Legal person

Name	Dongfang Electric Corporation
Person in charge of the company or legal representative	Luo Qianyi
Date of establishment	6 November 1984
Principal business	Operation of state-owned assets within the scope as authorized by the State-owned Assets Supervision and Administration Commission of the State Council, and related investment business; operation and management of the assets of invested companies and directly affiliated enterprises; general equipment manufacturing; special equipment manufacturing; transportation equipment manufacturing; electrical machinery and equipment manufacturing; communication equipment, computer and other electronic equipment manufacturing; instrumentation, cultural and office machinery manufacturing; electricity and heat generation and supply; gas production and supply; water production and supply; housing and civil engineering construction; construction and installation; other construction; road transportation; urban public transportation; computer service; software; wholesale; other financial activities; real estate; house leasing; education; polysilicon; chemical raw materials and chemical products; business services; research and experimental development; professional technical services; technology exchange and promotion service; environmental management; general contracting for domestic and foreign projects; international trade. (The above business scope does not cover legitimate projects that require pre-approval or permission in accordance with the laws, regulations and the State Council's decisions).

Equity interests in other controlled and invested companies whose shares were listed in the PRC or overseas during the Reporting Period

Stock account under the Controlling Shareholder of the Group also held shares of the following listed companies as at the end of 2025:

Stock Code	Company Name	Number of Shares Held
600027	Huadian Power International	200,000
600011	Huaneng Power International	500,000
601985	China Nuclear Power	800,000
600795	GD Power	3,040,000
601399	SINOMACH-HI Equipment	13,455,960

Other explanation Nil

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

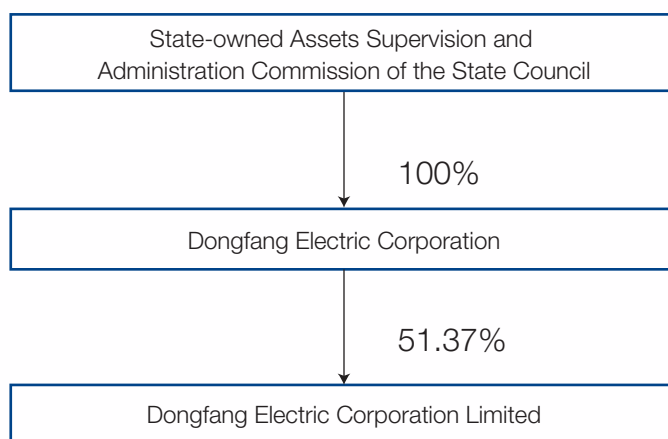
III. INFORMATION OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(II) Information of De Facto Controller

1. Legal person

Name	State-owned Assets Supervision and Administration Commission of the State Council
Person in charge or legal representative	Zhang Yuzhuo

2. Framework of the property right and controlling relationship between the Company and the De Facto Controller



CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

III. INFORMATION OF CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER (CONTINUED)

(III) INTERESTS OF SUBSTANTIAL SHAREHOLDERS

To the best knowledge of the Directors, as of 31 December 2025, the following person was recorded in the register required to be kept pursuant to Section 336 of the Hong Kong Securities and Futures Ordinance as the substantial shareholder (defined in the Hong Kong Securities and Futures Ordinance) of the Company, whose interests were as follows:

Name	Share class	Capacity	Number of shares held	Percentage of total share capital (%)	Percentage in the respective class of share capital (%)
Dongfang Electric Corporation ¹	A Shares	Beneficial owner	1,776,676,194(L)	51.37	58.24
	H Shares	Interest held by controlled corporation	858,800(L)	0.02	0.21
Artemis Investment Management LLP	H Shares	Beneficial owner	20,600,800 (L)	0.60	5.05

(L) – Long position

Notes:

- Dongfang Electric Corporation holds 100% interests in Dongfang Electric International Investment Co., Limited *(東方電氣集團國際投資有限公司)(formerly known as Dong Fang Electric (Hong Kong) Limited*(東方電氣(香港)有限公司))("Dongfang Electric International"), and is therefore deemed to be interested in the same number of H Shares which Dongfang Electric International is interested in pursuant to the Hong Kong Securities and Futures Ordinance.
- The above percentage of total share capital and the percentage in the respective classes of share capital were calculated on the basis of total share capital (3,458,360,326 shares) and respective classes of share capital (including 3,050,360,326 A Shares and 408,000,000 H Shares) of the Company as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Company did not record other interests (including derivative interests) or short positions in the register required to be kept pursuant to Section 336 of the Hong Kong Securities and Futures Ordinance.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION

(I) Particulars about changes in the shareholding and remuneration of existing Directors and senior management during the Reporting Period

Unit: share

Name	Position (Note)	Gender	Age	Commencement of term of office	Expiry of term of office	Number of share held at the beginning of the year	Number of shares held at the end of the year	Number of shares changed during the year	Reasons for change	Total remuneration received from the Company in Reporting Period (RMB'000)	Whether get payment from related parties
Luo Qianyi	Chairman of the Board	Male	60	24 June 2025	27 June 2027	0	0	0		0	Yes
Zhang Yanjun	Director and President	Male	55	29 June 2021 (Director), 16 April 2024 (President)	27 June 2027	0	0	0		0	Yes
Zhang Shaofeng	Director	Male	54	14 March 2025	27 June 2027	0	0	0		0	Yes
Sun Guojun	Director and Senior Vice President	Male	57	5 February 2024 (Director), 5 January 2024 (Senior Vice President)	27 June 2027	0	0	0		0	Yes
Huang Feng	Independent Director	Male	69	29 June 2021	27 June 2027	0	0	0		11.9	No
Zeng Daorong	Independent Director	Male	65	5 February 2024	27 June 2027	0	0	0		12.5	No
Chen Yu	Independent Director	Female	62	28 June 2024	27 June 2027	0	0	0		11.9	No
Wang Jun	Senior Vice President	Male	53	30 October 2024	27 June 2027	25,000	24,000	-1,000	Decrease	36.41	Yes
Li Jianhua	Senior Vice President	Male	55	18 December 2024	27 June 2027	62,000	62,000	0		22.93	Yes
Lv Shuang	Chief Accountant	Female	50	31 March 2025	27 June 2027	0	0	0		0	Yes
Feng Yong	Secretary of the Board	Male	58	13 March 2023	27 June 2027	0	0	0		129.43	No
Dan Jun	Vice President	Male	58	13 September 2024	27 June 2027	30,000	30,000	0		136.19	No
Hu Xiukui	Former Vice President	Male	60	5 July 2021	2 March 2026	65,000	53,000	-12,000	Decrease	135.31	No
Song Zhiyuan	Former Director	Male	61	24 February 2023	14 March 2025	0	0	0		0	Yes
Hu Xianfu	Former Chief Accountant	Male	56	30 October 2024	20 January 2025	0	0	0		0	Yes
Total	/	/	/	/	/	182,000	169,000	-13,000	/	496.57	/

Note: Mr. Hu Xiukui, the former vice president of the Company, resigned in March 2026.

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

- (I) Particulars about changes in the shareholding and remuneration of existing Directors and senior management during the Reporting Period (Continued)

Explanations on other matters

Save as disclosed above, none of the Directors and senior management of the Company or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company nor had they exercised any such right before 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associate corporations (within the meaning under Part XV of the Securities and Futures Ordinance), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions which they were taken or deemed to have under such provisions of the Securities and Futures Ordinance); or which were required to be recorded in the register kept by the Company pursuant to section 352 of the Securities and Futures Ordinance; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules ("Model Code") adopted by the Company.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

(II) Biographies of existing Directors and senior management

Name	Principal working experience
Luo Qianyi	<p>Born in September 1965, is currently the chairman of the Company, as well as the chairman and secretary of Party Leadership Group of Dongfang Electric Corporation. He graduated from the Department of Management Science of University of Science and Technology Beijing, with a master's degree in management engineering, and the School of Economics and Management of University of Science and Technology Beijing, and holds an on-the-job postgraduate degree in management science and engineering, with a doctorate degree in management. He is a professorate senior accountant. He successively served as an officer of the finance department of China North Industries (Group) Corporation* (中國北方工業(集團)總公司); a principal staff member and a deputy division director of the finance and accounting bureau of China Weapon Industry Corporation* (中國兵器工業總公司); the general manager assistant and a deputy chief accountant, the director of the general finance division, the director of the financial accounting division, a deputy general manager and the general accountant of China Yanxing Corporation* (中國燕興總公司); the director of the finance, accounting and audit department, the chief accountant and a member of the Party group of China Weapon Industry Corporation* (中國兵器工業集團公司); the chief accountant, a member of the Party group, a director and a deputy secretary of the Party group of State Grid Corporation of China* (國家電網有限公司); and a director, the general manager and a deputy secretary of the Party Committee of China National Machinery Industry Corporation* (中國機械工業集團有限公司). Mr. Luo has served as the chairman and secretary of the Party group of Dongfang Electric Corporation since June 2025. He has served as the chairman of the Company since June 2025.</p>
Zhang Yanjun	<p>Born in March 1970, is currently a Director and president of the Company, the director, general manager of Dongfang Electric Corporation and the vice secretary of the Party Leadership Group. He graduated from the School of Energy and Power Engineering of Xi'an Jiaotong University with a bachelor's degree in engineering, majoring in thermal energy engineering (boiler class); graduated from the College of Energy of Zhejiang University with a master's degree in engineering, majoring in engineering thermophysics; and graduated from the College of Energy Engineering of Zhejiang University with a doctor's degree in engineering, majoring in power engineering and engineering thermophysics. He successively served as the deputy director and director of the design division, the deputy chief engineer and chief engineer of the general manager department of Harbin Boiler Company Limited* (哈爾濱鍋爐廠有限責任公司); deputy general manager and vice chairman, general manager, the deputy secretary of the Party Committee of Harbin Boiler Company Limited* (哈爾濱鍋爐廠有限責任公司); the director of the science and technology management department of Harbin Electric Corporation and Harbin Electric Company Limited as well as the director of management office of Shuangchuang base of Harbin Electric Corporation, the secretary of the Party Committee and the president of the Central Research Institute, and the chairman of Harbin Power Equipment National Engineering Research Center Co., Ltd.* (哈電發電設備國家工程研究中心有限公司); the general manager of science and technology management department (Shuangchuang office) of Harbin Electric Corporation; vice general manager and a member of the Party Leadership Group of Dongfang Electric Corporation. He has been a Director of the Company since June 2021 and served as senior vice president of the Company from June 2021 to April 2024. He has been a director, general manager and deputy secretary of the Party Leadership Group of China Dongfang Electric Corporation since March 2024. He has been the president of the Company since April 2024.</p>

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

(II) Biographies of existing Directors and senior management (Continued)

Name	Principal working experience
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Zhang Shaofeng	Born in July 1971, is currently a Director of the Company, a director and the deputy secretary of the Party group of Dongfang Electric Corporation. He graduated from the China University of Petroleum, Beijing majoring in industrial foreign trade, took a business administration course at Tsinghua University through on-the-job learning, and obtained a master's degree in business administration. He is a senior accountant. He successively served as the deputy director of finance office of finance department and director of debt management office of finance department of PetroChina Company Limited (中國石油天然氣股份有限公司), deputy chief accountant and chief accountant of Trans-Asia Gas Pipeline Company Limited (中石油中亞天然氣管道有限公司), general manager of finance department of China National Petroleum Corporation (中國石油天然氣集團有限公司), and chief accountant and member of the Party group of China Petrochemical Corporation (中國石油化工集團有限公司). From January 2025, he has served as the director and deputy secretary of the Party group of Dongfang Electric Corporation. Mr. Zhang has served as a Director of the Company since March 2025.
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Sun Guojun	Born in November 1968, is currently a Director and senior vice president of the Company, a deputy general manager and member of the Party Leadership Group of Dongfang Electric Corporation. He graduated from Northeast University of Finance and Economics with a bachelor's degree in material economics and management, and graduated from the Institute of Economics, Renmin University of China with a master's degree in economics, majoring in national economic planning and management. He had successively served as a principal staff member of the third division of planning (規劃三處) and a deputy division director of the general division (綜合處) of the Department of Development Planning of the State Planning Commission (國家計委發展規劃司); a deputy division director of the Integrated Planning Team of the Western Region Development Office of the State Council (國務院西部開發辦綜合規劃組); a division director of the General Economy Research Department (總體經濟研究司) of the Research Office of the State Council (國務院研究室); a deputy director of the General Economy Research Department (總體經濟研究司) of the Research Office of the State Council (國務院研究室), a deputy director of the Comprehensive Research Department (綜合研究司), an inspector of the General Economy Research Department, the director of the Integrated Research First Development (綜合研究一司) of the Research Office of the State Council; a member of the Party group and the director of the Integrated Research First Development (Development Strategy Research Department) of the Research Office of the State Council; a member of the Party group of the Research Office of the State Council. He has served as a deputy general manager and a member of the Party group of Dongfang Electric Corporation since March 2023, and has served as a senior vice president of the Company since January 2024 and a Director of the Company since February 2024.
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DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

(II) Biographies of existing Directors and senior management (Continued)

Name	Principal working experience
Huang Feng	<p>Born in June 1956, is currently an independent non-executive Director of the Company. He graduated from the Department of Electrical Engineering of Tsinghua University First Branch with a bachelor degree; he is a professor-level senior engineer. He has successively served as the engineer, deputy head and head of the power division of energy project department of China International Engineering Consulting Corporation* (中國國際工程諮詢有限公司); the deputy director and director of energy project department of China International Engineering Consulting Corporation*; the general manager assistant and concurrently the director of energy business department of China International Engineering Consulting Corporation* from 2008 to 2010; a member of the Party group and the deputy general manager of China International Engineering Consulting Corporation* and concurrently the deputy director of the Expert Academic Committee of the company from 2011 to 2016. He has served as the deputy director of the Expert Academic Committee of China International Engineering Consulting Corporation* since 2017. He is currently the chairman of the Study Committee of Energy System of Chinese Society for Electrical Engineering, a member of Strategy and Management Advisory Committee of China National Nuclear Corporation (中國核工業集團公司), a member of expert committee of China Southern Power Grid Co., Ltd. (中國南方電網有限公司), a member of expert committee deputy director of the China Nuclear Energy Association Expert Committee (中國核能行業協會專家委員會) of the southwestern energy research center of Tsinghua University, and a member of expert committee of nuclear of China Energy Research Council. He is currently the independent director of China Yangtze Power Co., Ltd. (中國長江電力股份有限公司). He has served as an independent non-executive Director of the Company since June 2021.</p>
Zeng Daorong	<p>Born in November 1960, is currently an independent non-executive director of the Company, with graduate degree, holding a doctor's degree in management, a professor, graduated from Southwestern University of Finance and Economics in July 1986, majoring in accounting, and stayed on as a teacher in the university. He served as deputy secretary of the general branch of the School of Accounting of Southwestern University of Finance and Economics from February 1992 to February 1994; the deputy director and director of the General Affairs Office of Southwestern University of Finance and Economics from February 1994 to September 2000; the general manager of Logistics Service Corporation (後勤服務總公司) from September 2000 to July 2007; the assistant to the president of Southwestern University of Finance and Economics and the general manager of Logistics Service Corporation from July 2007 to June 2008; a member of the standing committee and vice president of the committee of Southwestern University of Finance and Economics from June 2008 to December 2012; the deputy secretary of the committee of Southwestern University of Finance and Economics from December 2012 to August 2022. He has served as an independent non-executive Director of the Company since February 2024.</p>

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

(II) Biographies of existing Directors and senior management (Continued)

Name	Principal working experience
Chen Yu	<p>Born in May 1963. She completed his postgraduate study from the School of Management, Harbin Institute of Technology with a major in Technical Economics and Cheung Kong Graduate School of Business with a major in Business Administration, and received a master's degree in Management and Business Administration for Senior Managers, respectively. Ms. Chen successively served as a senior staff member of the credit department, a senior staff member and deputy director of the energy and transportation division of the credit department I, deputy director of the energy division, deputy director of market development division, deputy director of market development division, deputy director and director of the office of the Major Customer Working Committee of the credit management department, director and senior manager of the customer department IV of the corporate business department of the headquarter of China Construction Bank; the assistant to the general manager, deputy general manager and member of Party group of China Huadian Finance Corporation Limited (中國華電集團財務有限公司); the deputy general manager and member of Party group of China Huadian Capital Holdings Company Limited (中國華電集團資本控股有限公司); the director of the financial management office and director of the financial industry department of China Huadian Corporation (中國華電集團公司); and the general manager, secretary of the Party Committee, chairman and inspection commissioner of China Huadian Finance Corporation Limited (中國華電集團公司). She has been an independent non-executive Director of the Company since June 2024.</p>
Wang Jun	<p>Born in April 1972, is currently a senior vice president of the Company; the vice general manager of Dongfang Electric Corporation and the member of the Party Leadership Group. He graduated from Xi'an Jiaotong University and obtained a bachelor's degree in engineering with major in boiler, and graduated from Zhejiang University with a master's degree in power engineering, and is a senior engineer. He has served successively as the assistant director and deputy director of the Boiler Research Institute of and deputy director of Technology Center Research Institute of Dongfang Boiler (Group) Co., Ltd.* (東方鍋爐(集團)股份有限公司); director of Technology Center Research Institute of Dongfang Boiler Co., Ltd.* (東方鍋爐股份有限公司); a director and executive general manager of Dongfang Hitachi Boiler Co., Limited; a deputy general manager and the chief marketing officer (director) of the marketing and sales centre of Dongfang Boiler Co., Ltd.; a deputy general manager and a member of the standing committee of the Party committee of Dongfang Boiler Co., Ltd., vice director of the Central Research Institute and deputy secretary of the Party committee of Dongfang Electric Corporation (Dongfang Electric Corporation Limited), and an executive director, general manager, legal representative and head of Party Committee Preparation Team of Dongfang Electric (Chengdu) Hydrogen Fuel Cell Technology Co., Ltd.* (東方電氣(成都)氫燃料電池科技有限公司); deputy head and head of the marketing department, and general manager of marketing center in Beijing of Dongfang Electric Corporation (Dongfang Electric Corporation Limited); chairman and Party secretary of Dongfang Electric Machinery Co., Ltd.* (東方電氣集團東方電機有限公司). He served as a vice president of the Company from September 2023 to October 2024. Since June 2024, he has served as a deputy general manager and member of the Party Group of China Dongfang Electric Corporation Limited. Since October 2024, he has served as a senior vice president of the Company.</p>

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

(II) Biographies of existing Directors and senior management (Continued)

Name	Principal working experience
Li Jianhua	<p>Born in November 1970, is currently a senior vice president of the Company, the vice general manager of Dongfang Electric Corporation and the member of the Party Leadership Group. He graduated from the Department of Mechanical Engineering at the East China University of Technology, majoring in mechanical manufacturing technology and equipment. And he obtained a master's degree in management as a management economics major from Nanyang Technological University, Singapore and is a senior economist and senior engineer. He has successively served as the deputy section chief of the plant office, deputy director of the foreign trade division, deputy director of the marketing division and director of the international cooperation division of Dongfang Turbine (東方電氣集團東方汽輪機有限公司); he served as the deputy general manager and the general manager of the combustion engine business division of Dongfang Electric Corporation Limited (東方電氣股份有限公司); the head of the industrial development department and the general manager of Beijing marketing centre of Dongfang Electric Corporation (中國東方電氣集團有限公司) (Corporation Limited); chairman and secretary of the Party committee of DEC International Cooperation Limited* (東方電氣集團國際合作有限公司). From September 2023 to December 2024, he served as a vice president of the Company; from November 2024, he served as a deputy general manager and a member of the Party Leadership Group of Dongfang Electric Corporation; and from December 2024, he served as a senior vice president of the Company.</p>
Lv Shuang	<p>Born in August 1975, graduated from the Department of Investment and Finance, Jiangxi University of Finance and Economics, majoring in Monetary Banking. She holds an on-the-job postgraduate degree in Political Economy from the School of Economics, Sichuan University, with a Ph. D. in Economics, and is a senior accountant. She has successively served as the head of the settlement division at the capital center of Guangxi Power Company Limited* (廣西電力有限公司), chief accountant and deputy general manager of Guangxi Guangneng Hydropower Co., Ltd.* (廣西廣能水電有限責任公司), deputy director and director of the finance department of Guangxi Power Grid Company* (廣西電網公司), deputy director of the finance department, information officer, and deputy director of the planning and finance department (operation monitoring center) of China Southern Power Grid Co., Ltd.* (中國南方電網有限責任公司), director, general manager, and deputy secretary of the Party committee of China Southern Power Grid Capital Holdings Co., Ltd.* (南方電網資本控股有限公司), chairman and secretary of the Party committee of Southern Power Grid Finance Co., Ltd.* (廣西電力有限公司), chairman of Southern Power Grid International Finance Co., Ltd.* (南方電網國際金融有限公司), general manager of the planning and finance department (operation monitoring center) and director of corporate operations of China Southern Power Grid Co., Ltd.* (中國南方電網有限責任公司). She has been appointed as a chief accountant and member of the Party committee of Dongfang Electric Corporation since February 2025, and as a chief accountant of the Company since March 2025.</p>

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

(II) Biographies of existing Directors and senior management (Continued)

Name	Principal working experience
Feng Yong	<p>Born in March 1967, is the secretary of the Board, the secretary of the board of directors and chief auditor of Dongfang Electric Corporation. He holds an on-the-job postgraduate degree and a master's degree in business administration from Southwest Jiaotong University; a senior accountant. Mr. Feng successively served as head of finance department and secretary of Party branch of Dongfang Electrical Machinery (東方電機廠); deputy head of asset and finance department of Dongfang Electric Corporation, head of finance department of Dongfang Electric Corporation Limited, head of asset and finance department of Dongfang Electric Corporation; a director, general manager, and secretary of Party Committee of Dongfang Electric Finance Co., Ltd* (東方電氣集團財務有限公司); from September 2019 to May 2021, he served as an employee Supervisor of the Company; from May 2022 to March 2023, he served as chairman of the Supervisory Committee of the Company. From November 2019 to June 2024, he served as head of the audit and supervision department of the Company and head of the audit and supervision department of Dongfang Electric Corporation. Since April 2022, he has been the chief auditor of Dongfang Electric Corporation. Since March 2023, he has been the secretary of the board of directors of the Company and the secretary of the board of directors of Dongfang Electric Corporation.</p>
Dan Jun	<p>Born in January 1968, he is currently a Vice President of the Company, general manager of the nuclear energy division, and director of the special office of Dongfang Electric Corporation. He has a university degree, an MBA, and is a professorate senior engineer. He has successively served as the head of the general affairs department of Dongfang Boiler (Group) Co., Ltd.* (東方鍋爐(集團)股份有限公司) Nuclear Capacity Branch, the director of the marketing office, assistant to the director, deputy director, director of the procurement department, and director of the project management department, and deputy chief economist of Dongfang Electric (Guangzhou) Heavy Machine Co., Ltd.* 東方電氣(廣州)重型機器有限公司, (hereinafter referred to as Dongfang Heavy Machinery), the deputy general manager, deputy secretary of the Party committee, secretary of the disciplinary committee, chairman of the labour union of Dongfang Heavy Machinery, director, general manager and deputy secretary of the party committee of Dongfang Dongfang Electric (Wuhan) Nuclear Equipment Co., Ltd.* (東方電氣(武漢)核設備有限公司), director, general manager, and deputy secretary of the party committee of Dongfang Heavy Machinery, chairman of the board of directors and secretary of the party committee of Dongfang Heavy Machinery, etc. From May 2023, he served as general manager of the nuclear energy division of the Company and director of the special office of Dongfang Electric Corporation. From September 2024, he served as vice president of the Company.</p>

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

I. CHANGES IN THE SHAREHOLDING AND REMUNERATION (CONTINUED)

Shares Granted under the Incentive Scheme to the Directors or Senior Management during the Reporting Period

Nil

Positions of Current and Resigned Directors and Senior Management during the Reporting Period

(I) Positions held in shareholders entities

Name	Name of shareholders entities	Positions held in shareholders entities	Commencement of term of office	Expiry of term of office
Luo Qianyi	Dongfang Electric Corporation	Chairman of the Board of Directors, Secretary of the Party Committee	June 2025	
Zhang Yanjun	Dongfang Electric Corporation	Director, General Manager, Deputy Secretary of the Party Committee	March 2024	
Zhang Shaofeng	Dongfang Electric Corporation	Director, Deputy Secretary of the Party Committee	January 2025	
Sun Guojun	Dongfang Electric Corporation	Deputy General Manager, Member of Party Leadership Group	March 2023	
Wang Jun	Dongfang Electric Corporation	Deputy General Manager, Member of Party Leadership Group	June 2024	
Li Jianhua	Dongfang Electric Corporation	Deputy General Manager, Member of Party Leadership Group	November 2024	
Lv Shuang	Dongfang Electric Corporation	Chief Accountant, Member of Party Leadership Group	February 2025	
Feng Yong	Dongfang Electric Corporation	Chief Auditor, Secretary of the Board of Directors	Serving as Chief Auditor since April 2022, and as Secretary of the Board of Directors since March 2023	
Dan Jun	Dongfang Electric Corporation	Director of the Special Office	May 2023	
Hu Xiukui	Dongfang Electric Corporation	Assistant to General Manager	September 2023	February 2026
Song Zhiyuan	Dongfang Electric Corporation	Director, Deputy Secretary of the Party Committee	October 2021	December 2024
Hu Xianfu	Dongfang Electric Corporation	Chief Accountant, Member of Party Leadership Group	June 2024	December 2024
Explanations on particulars of positions held in shareholders entities	Six senior executives of Dongfang Electric Corporation, namely Zhang Yanjun, Sun Guojun, Wang Jun, Li Jianhua, Lv Shuang and Feng Yong, concurrently hold senior management positions at the Company and have obtained a consent letter from the China Securities Regulatory Commission exempting them from the restrictions on concurrent positions.			

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

II. REMUNERATIONS OF DIRECTORS AND SENIOR MANAGEMENT

Decision-making procedures for the remuneration of Directors and senior management	Remuneration of Directors of the Company is considered and determined by the general meeting. That of senior management is determined by the Board of the Company.
Whether a Directors recuse themselves from the Board discussions regarding their own remuneration	Yes
Basis of determination for the remuneration of Directors and senior management	Remuneration of Directors and senior management of the Company is determined based on the operating performance, job responsibilities and the results of annual performance.
Remuneration payable to Directors and senior management	Please refer to “Particulars about changes in the shareholding and remuneration of existing Directors and senior management during the Reporting Period” for details.
Total remuneration actually paid to Directors and senior management as at the end of the Reporting Period	RMB4.9657 million
Basis and completion status for the actual remuneration received by all Directors and senior management at the end of the Reporting Period	The 2025 remuneration was prepaid on a monthly basis, and will be settled in 2026 based on the Company’s 2025 operating performance, individual post performance annual appraisal results, etc.
Deferred payment arrangements for the actual remuneration received by all Directors and senior management at the end of the Reporting Period	The 2023–2025 term incentive for senior management will be paid in 2026.
Status of withholding and recovery of actual remuneration received by all Directors and senior management at the end of the Reporting Period	Nil

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

III. CHANGES IN THE DIRECTORS AND SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Name	Position	Change situation	Reasons for changes
Luo Qianyi	Chairman	Elected	/
Zhang Shaofeng	Director	Elected	/
Lv Shuang	Chief Accountant	Appointed	/
Hu Xiukui	Vice President	Resigned	Retirement
Song Zhiyuan	Director	Resigned	Retirement
Hu Xianfu	Chief Accountant	Resigned	Job reallocation

IV. THE RECORDS OF BEING PUNISHED BY SECURITIES REGULATORS IN RECENT THREE YEARS

Nil

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

V. EMPLOYEES OF THE COMPANY AND PRINCIPAL SUBSIDIARIES

(I) Information on employees

The number of employees on register of the Company	317
The number of employees on register of principal subsidiaries	18,436
Total	18,753
The number of retired employees whose expenses shall be assumed by the Company and principal subsidiaries	23

Professional composition

Category of professional structure	Number of professional structure
Production	6,859
Sales	980
Technical	9,226
Financial	357
Administrative	1,331
Total	18,753

Background education

Category of background education	Number (person)
Master degree and above	3,426
Bachelor degree	8,672
Tertiary degree	3,853
Technical secondary and below	2,802
Total	18,753

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES (CONTINUED)

V. EMPLOYEES OF THE COMPANY AND PRINCIPAL SUBSIDIARIES (CONTINUED)

(II) Number of Employees and Remuneration

During the Reporting Period, the average number of employees at the Company was 18,332, and the average number of labor dispatch personnel was 495. The total amount of remuneration paid to the employees during the year was RMB3,744.03 million, and the total amount of remuneration paid to the labor dispatch personnel during the year was RMB55.37 million.

(III) Remuneration Policy

During the Reporting Period, in accordance with the principles of “linking total wages to performance, adjusting labor cost efficiency, and benchmarking and regulating remuneration levels”, the Company adopted a differentiated approach of “one enterprise, one policy” and “one industry, one policy” to set the indicators and weights linked to the total wages of enterprises, so as to continuously enhance the scientific and refined management of labor costs and total wages. The Company strengthened categorized policies and precise assessment, continuously improved the categorized assessment and evaluation system, and implemented remuneration management for the management teams of its subsidiaries in accordance with the tenure system and contractual management. The Company optimized and improved the rules for determining the remuneration of enterprise principals, guided enterprises to focus on key core tasks, continuously improved performance, and effectively motivated enterprise principals of various types to pursue entrepreneurship and development. The annual remuneration for 2024 was rigidly paid in strict accordance with contractual agreements. The Company continued to strengthen the development of human resource management capabilities, built a performance execution information system, realized full-process information-based management of employee performance, and facilitated the implementation of the new all-staff operational responsibility system. The Company actively implemented medium and long-term incentives, and continuously tilted remuneration distribution toward core backbone talents to enhance the attractiveness of remuneration for key positions and frontline positions.

The remuneration of the Directors and senior management of the Company by bands for the year ended 31 December 2025 is set out below:

Bands RMB	Number of Directors and senior management	
	2025	2024
0 – 300,000	11	8
300,001 – 600,000	1	1
600,001 – 900,000	0	2
900,001 – 1,200,000	0	0
1,200,000 – 1,500,000	3	1
1,500,001 – 1,800,000	0	1
1,800,001 – 2,100,000	0	0
2,400,001 – 2,700,000	0	0

* 7 Directors and senior members of the management of the Company did not receive remuneration from the Company in 2025. 7 Directors and senior members of the management of the Company did not receive remuneration from the Company in 2024.

V. EMPLOYEES OF THE COMPANY AND PRINCIPAL SUBSIDIARIES (CONTINUED)

(IV) Training Programs

During the Reporting Period, the Company promoted the implementation of the strategy of strengthening the enterprise with talents, formulated employee training plans in a scientific manner, continued to deepen the armament of the Party's innovative theories, and strengthened the Party spirit education of leading personnel and Party members; continuously carried out training for outstanding leading personnel, persisted in training for strategically scarce talents, innovatively carried out the cultivation of high-quality professional talents, and solidly organized special professional trainings, with emphasis on the training of three talent teams, namely management talents, scientific and technological talents and skilled talents, and promoted the "one person, one policy" targeted reserve and cultivation of scientific and technological talents; further strengthened the learning of professional knowledge, comprehensively improved the post performance capabilities, and gave better play to the role of various talents in scientific and technological innovation, industrial control and safety support. The Company insisted on combining theoretical learning with professional competence training, made good use of both internal and external training resources, and gave full play to the advantages of coordinated online and offline training. The training programmes covered areas such as the improvement of independent research and development capabilities, the expansion of professional knowledge and business capabilities, safe production and occupational health, and the forms of training were continuously enriched to improve the effectiveness of training.

VI. OTHERS

(I) Core Technical Team or Key Technicians of the Company

There was no change in core technicians that have a material impact on the core competitiveness of the Company during the Reporting Period.

(II) Directors' and Supervisors' Service Contracts

None of the Directors or Supervisors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

FINANCIAL REPORT

**DONGFANG ELECTRIC CORPORATION
LIMITED**

**AUDITOR'S REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2025

**ENGLISH TRANSLATION OF AUDITOR'S
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

**IF THERE IS ANY CONFLICT BETWEEN THE
CHINESE VERSION AND ITS ENGLISH
TRANSLATION, THE CHINESE VERSION
WILL PREVAIL**

Dongfang Electric Corporation Limited
Auditor's Report and Financial Statements

(From 1 January 2025 to 31 December 2025)

	Table of Contents	Page
I.	Auditor's Report	1-5
II.	Financial Statements	
	Consolidated and Company's Balance Sheets	1-4
	Consolidated and Company's Income Statements	5-6
	Consolidated and Company's Statements of Cash Flows	7-8
	Consolidated and Company's Statements of Changes in Owners' Equity	9-12
	Notes to the Financial Statements	1-165



Auditor's Report
(English Translation for Reference Only)

Xin Kuai Shi Bao Zi [2026] No. ZG11529

To the Shareholders of Dongfang Electric Corporation Limited:

Opinion

We have audited the accompanying financial statements of Dongfang Electric Corporation Limited ("Dongfang Electric"), which comprise the consolidated and company's balance sheets as at 31 December 2025, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2025 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Dongfang Electric in accordance with China Independence Standard for Certified Public Accountants No. 1 – Independence for Audit and Review Engagements and China Code of Ethics for Certified Public Accountants ("the CICPA Code") and have fulfilled our other ethical responsibilities in accordance with the CICPA Code. The independence requirements for audits of public interest entities have been applied in our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

1. Revenue Recognition

Key Audit Matters	How these matters were addressed in the audit
1. Revenue Recognition	
For details of the accounting policies for	(1) Understood and tested key internal controls

Key Audit Matters	How these matters were addressed in the audit
<p>revenue recognition, please refer to the accounting policies described in the financial statement note "3. Significant Accounting Policies and Estimates (28)" and "5. Notes to the Consolidated Financial Statements (51)." In 2025, Dongfang Electric Corporation recognized revenue of CNY 77,583 million. The completeness and accuracy of revenue recognition have a significant impact on Dongfang Electric's operating results. Meanwhile, revenue recognition over time involves significant judgments and estimates by management, which may affect whether Dongfang Electric recognizes revenue in the appropriate accounting periods according to the time of performance. Therefore, we have identified related revenue recognition as a key audit matter.</p>	<p>related to revenue, evaluated whether the related controls are appropriate and have been effectively implemented;</p> <p>(2) Reviewed significant sales contracts, conducted a "five-step model" analysis of the contracts, determined the composition of performance obligations and the timing of transfer of control, and assessed whether the revenue recognition policies comply with the requirements of the Accounting Standards for Business Enterprises;</p> <p>(3) Based on the revenue recognition accounting policies, reviewed and verified the contents of relevant significant contracts and key contract terms;</p> <p>(4) Sampled and inspected the contracts and cost budgeting materials on which management's estimated total revenue and total cost are based, to assess the reasonableness and sufficiency of management's estimates;</p> <p>(5) Sampled and inspected supporting documents such as sales contracts, invoices, shipping documents, and progress confirmations, to assess the authenticity and accuracy of actual costs incurred;</p> <p>(6) Sampled and inspected business documents including contracts, invoices, and receiving reports, to verify the reasonableness and completeness of revenue recognized at a point in time;</p> <p>(7) Comprehensively reviewed the Group's organizational structure and equity relationships, identified all related parties and their transactions; performed detailed verification of the accuracy of related party transaction data; reviewed the elimination entries for internal related party transactions prepared by the company, recalculated amounts of significant entries, and checked</p>

Key Audit Matters	How these matters were addressed in the audit
	<p>their consistency across accounting periods;</p> <p>(8) Selected samples of revenue recognition transactions before and after the balance sheet date, examined the original documents related to revenue recognition, and evaluated whether revenue was recorded in the appropriate accounting period;</p> <p>(9) Checked whether information related to revenue matters was appropriately presented and disclosed in the financial statements.</p>

Other Information

Management of Dongfang Electric ("Management") is responsible for the other information. The other information comprises all of the information included in the 2025 annual report of Dongfang Electric, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Dongfang Electric's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Dongfang Electric or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Dongfang Electric's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Dongfang Electric's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Dongfang Electric to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Dongfang Electric to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO CHINA Shu Lun Pan
Certified Public Accountants LLP

Certified Public Accountant of China:
(Engagement Partner)

Certified Public Accountant of China:

Shanghai, China

March 31, 2026

Dongfang Electric Corporation Limited
Consolidated Balance Sheet
As at December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Assets	Note	Balance as at December 31, 2025	Balance as at December 31, 2024
Current assets:			
Monetary funds	5.1	22,679,594,590.64	26,855,949,069.93
Provisions for settlement			
Lending funds	5.2	1,016,528,514.62	836,529,745.30
Trading financial assets	5.3	1,832,489,719.73	1,697,971,178.52
Derivative financial assets			
Notes receivable	5.4	1,664,057,411.81	1,224,353,136.23
Accounts receivable	5.5	15,193,794,901.36	12,545,314,264.97
Receivables financing	5.6	2,885,613,858.43	1,927,567,077.40
Advances to suppliers	5.7	6,892,713,423.33	5,876,898,026.02
Premiums receivable			
Reinsurance accounts receivable			
Reserves receivable for reinsurance contracts			
Other receivables	5.8	381,686,005.06	546,279,763.42
Purchase and resale of financial assets	5.9	3,104,422,602.73	2,666,820,136.99
Inventories	5.10	26,171,153,034.44	21,685,296,057.95
Contract assets	5.11	17,158,279,769.81	14,258,321,922.49
Assets held for sale			
Non-current assets due within one year	5.12	547,277,984.79	2,341,379,530.86
Other current assets	5.13	2,156,070,817.67	1,317,102,354.65
Total current assets		101,683,682,634.42	93,779,782,264.73
Non-current assets:			
Disbursement loans and advances	5.14	6,320,594,750.28	4,483,911,097.25
Investment in debt	5.15	26,277,752,083.33	19,785,285,247.24
Other debt investments			
Long-term receivables	5.16	79,867,096.24	21,879,106.99
Long-term equity investments	5.17	3,623,462,354.53	2,924,013,842.93
Other equity instrument investments	5.18	668,320,905.39	544,594,360.32
Other non-current financial assets			
Investment properties	5.19	227,945,511.81	144,195,700.70
Fixed assets	5.20	6,465,434,037.71	5,497,006,728.71
Construction in progress	5.21	1,223,323,209.77	1,427,333,045.26
Productive biological assets			
Oil and gas properties			
Right-of-use assets	5.22	462,832,934.96	554,692,874.36
Intangible assets	5.23	2,010,611,803.27	1,924,688,544.38
Development expenditure	6.2	1,718,130.51	5,027,241.19
Goodwill			
Long-term deferred expenses	5.24	50,817,013.80	15,213,914.59
Deferred tax assets	5.25	3,402,890,871.53	3,320,567,076.73
Other non-current assets	5.26	10,174,941,879.78	7,581,093,806.49
Total non-current assets		60,990,512,582.91	48,229,502,587.14
Total assets		162,674,195,217.33	142,009,284,851.87

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Consolidated Balance Sheet (Continued)
As at December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Liabilities and owners' equity	Note	Balance as at December 31,2025	Balance as at December 31,2024
Current liabilities:			
Short-term borrowings	5.28	141,302,980.52	75,080,000.00
Borrowing from the central bank			
Borrowing of funds			
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable	5.29	15,652,241,398.50	15,635,278,628.07
Accounts payable	5.30	28,010,087,988.08	24,833,045,021.46
Advances from customers			
Contract liabilities	5.31	47,228,255,816.57	40,665,996,771.34
Sell repurchased financial assets			
Deposit absorption and interbank deposit	5.32	5,695,108,815.54	2,260,595,201.96
Agent buying and selling securities			
Underwriting securities as an agent			
Employee benefit payable	5.33	867,164,786.51	959,633,957.64
Taxes payable	5.34	875,320,541.33	782,649,173.71
Other payables	5.35	1,627,601,940.66	1,614,378,867.21
Fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	5.36	899,617,517.45	331,405,083.18
Other current liabilities	5.37	1,326,771,641.90	1,754,906,399.30
Total current liabilities		102,323,473,427.06	88,912,969,103.87
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings	5.38	4,541,776,479.47	2,167,176,895.80
Bonds payable			
Including: preferred stock			
Debt in perpetuity			
Lease liabilities	5.39	373,446,220.12	415,958,899.80
Long-term payables	5.40	240,000.00	240,000.00
Long-term employee benefit payable	5.41	1,117,977,329.21	1,003,106,169.47
Estimated liabilities	5.42	5,447,381,154.09	5,659,335,713.33
Deferred income	5.43	552,581,298.41	478,399,531.50
Deferred tax liabilities	5.25	149,063,975.25	229,850,405.47
Other non-current liabilities			
Total non-current liabilities		12,182,466,456.55	9,954,067,615.37
Total liabilities		114,505,939,883.61	98,867,036,719.24
Owners' equity:			
share capital	5.44	3,458,360,326.00	3,117,499,457.00
Other equity instruments			
Including: preferred stock			
Debt in perpetuity			
Capital reserves	5.45	15,125,358,937.25	11,559,826,521.38
Less: treasury stock	5.46		648,882.29
Other comprehensive income	5.47	-57,902,211.11	-120,082,230.27
Special purpose reserve	5.48	128,261,532.94	124,193,157.76
Surplus reserves	5.49	1,568,081,202.33	1,424,889,201.23
General risk provision			
Undistributed profit	5.50	25,012,399,151.70	22,690,605,142.05
Total owner's equity attributable to the company		45,234,558,939.11	38,796,282,366.86
Minority shareholders' equity		2,933,696,394.61	4,345,965,765.77
Total owners' equity		48,168,255,333.72	43,142,248,132.63
Total liabilities and owners' equity		162,674,195,217.33	142,009,284,851.87

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Company's Balance Sheet
As at December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Assets	Note	Balance as at December 31,2025	Balance as at December 31,2024
Current assets:			
Monetary funds		7,183,353,364.72	5,980,612,043.92
Trading financial assets		1,028,665,428.55	941,928,287.16
Derivative financial assets			
Notes receivable		75,324,613.11	12,297,518.11
Accounts receivable	17.1	670,941,872.86	800,547,351.80
Receivables financing		95,729,722.63	192,828,351.11
Advances to suppliers		815,105,746.58	1,212,770,153.45
Other receivables	17.2	19,748,873.48	40,918,179.55
Inventories		102,297,053.48	39,613,454.59
Contract assets		2,323,394,896.53	3,238,054,120.91
Assets held for sale			
Non-current assets due within one year			
Other current assets		82,357,250.68	31,550,684.69
Total current assets		12,396,918,822.62	12,491,120,145.29
Non-current assets:			
Investment in debt			
Other debt investments			
Long-term receivables			
Long-term equity investments	17.3	27,873,596,972.90	23,181,324,428.75
Other equity instrument investments			
Other non-current financial assets			
Investment properties		4,525,295.43	5,638,655.69
Fixed assets		76,854,460.63	50,964,988.17
Construction in progress		72,662,337.39	89,313,721.84
Productive biological assets			
Oil and gas properties			
Right-of-use assets		38,236,487.97	64,279,849.74
Intangible assets		120,639,933.86	123,861,076.78
Development expenditure			3,419,811.33
Goodwill			
Long-term deferred expenses			
Deferred tax assets		146,515,943.21	146,515,943.21
Other non-current assets		1,933,821,733.67	2,415,102,239.92
Total non-current assets		30,266,853,165.06	26,080,420,715.43
Total assets		42,663,771,987.68	38,571,540,860.72

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Company's Balance Sheet (Continued)
As at December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Liabilities and owners' equity	Note	Balance as at December 31,2025	Balance as at December 31,2024
Current liabilities:			
Short-term borrowings			
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		4,313,863,393.06	5,752,905,713.07
Advances from customers			
Contract liabilities		4,928,887,459.17	5,411,977,624.86
Employee benefit payable		59,950,995.83	54,183,935.47
Taxes payable		3,193,071.90	1,199,552.44
Other payables		759,702,694.38	696,783,625.37
Liabilities held for sale			
Non-current liabilities due within one year		75,152,537.92	70,168,874.79
Other current liabilities		179,826,732.84	290,330,524.68
Total current liabilities		10,320,576,885.10	12,277,549,850.68
Non-current liabilities:			
Long-term borrowings		1,720,000,000.00	886,948,500.00
Bonds payable			
Including: preferred stock			
Debt in perpetuity			
Lease liabilities		38,216,166.14	
Long-term payables			
Long-term Employee benefit payable		7,958,894.01	7,958,894.01
Provisions		60,081,716.90	116,443,217.68
Deferred income		24,519,935.62	19,519,935.62
Deferred tax liabilities		69,155,980.56	69,155,980.56
Other non-current liabilities			
Total non-current liabilities		1,919,932,693.23	1,100,026,527.87
Total liabilities		12,240,509,578.33	13,377,576,378.55
Owners' equity:			
share capital		3,458,360,326.00	3,117,499,457.00
Other equity instruments			
Including: preferred stock			
Debt in perpetuity			
Capital reserves		17,851,176,298.97	13,028,992,922.66
Less: treasury stock			648,882.29
Other comprehensive income			
Special purpose reserve			
Surplus reserves		1,856,458,581.37	1,713,266,580.27
Undistributed profit		7,257,267,203.01	7,334,854,404.53
Total owners' equity		30,423,262,409.35	25,193,964,482.17
Total liabilities and owners' equity		42,663,771,987.68	38,571,540,860.72

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Consolidated Income Statement
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Note	Year 2025	Year 2024
I. Total operating income		78,615,277,439.83	69,695,135,723.47
Including: operating income	5.51	77,582,624,563.59	68,592,735,741.35
Interest income	5.51	1,032,429,598.45	1,102,098,612.61
Premiums already earned			
Fee and commission income		223,277.79	301,369.51
II. Total operating cost		73,712,575,198.59	66,679,757,795.87
Including: operating costs	5.51	65,215,256,838.90	58,876,109,012.73
Interest expense		23,763,627.20	24,698,284.75
Handling charges and commissions expenses		2,148,216.65	1,448,745.83
Surrender value			
Net claims disbursements			
Draw net insurance liability reserves			
Policy dividend payments			
Reinsurance costs			
Taxes and surcharges	5.52	463,087,180.84	378,526,114.98
Selling and distribution expenses	5.53	847,668,020.81	822,360,688.77
General and administrative expenses	5.54	3,781,800,254.95	3,523,054,191.25
Research and development expenses	5.55	3,261,156,190.40	3,009,012,872.14
Financial expenses	5.56	117,694,868.84	44,547,885.42
Including: Interest expenses		61,582,139.16	82,971,078.48
Interest income		108,208,159.60	132,705,664.58
Plus: Other earnings	5.57	818,531,747.63	769,921,637.52
Investment income (loss is represented by "-" sign)	5.58	867,118,249.46	1,577,063,838.88
Including: investment income from joint ventures and joint ventures		169,002,789.77	186,935,311.74
Termination of recognition of income on financial assets measured at amortized cost			
Exchange gain (loss is represented by "-" sign)	5.59	-3,790,000.42	6,844,738.21
Net exposure hedging gain (loss is represented by "-" sign)			
Gains from changes in fair value (loss is represented by "-" sign)	5.62	84,520,941.21	-204,160,425.88
Credit impairment loss (loss is represented by "-" sign)	5.61	-555,208,784.60	-146,035,139.19
Asset impairment loss (loss is represented by "-" sign)	5.62	-1,341,551,009.39	-1,148,012,197.65
Gain on disposal of assets (loss is represented by "-" sign)	5.63	5,945,079.55	16,452,695.37
III. Operating profit (loss is represented by "-" sign)		4,778,268,464.68	3,887,453,074.86
Plus: Non-operating income	5.64	86,182,302.64	49,505,127.67
Less: Non-operating expenses	5.65	79,315,447.08	52,714,456.87
IV. Total profit (Total loss is marked with "-")		4,785,135,320.24	3,884,243,745.66
Less: Income tax expense	5.66	819,157,357.06	596,717,889.35
V. Net profit (Net loss is represented by "-" sign)		3,965,977,963.18	3,287,525,856.31
(I) Classified by operating sustainability			
1. Net profit from continuing operations (net loss represented by "-" sign)		3,965,977,963.18	3,287,525,856.31
2. Net profit from discontinued operations (net loss is marked with "-")			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the company (net loss represented by "-" sign)		3,831,301,222.13	2,922,100,908.48
2. Profit and loss of minority shareholders (net loss is represented by "-" sign)		134,676,741.05	365,424,947.83
VI. Other comprehensive income, net after tax		53,640,447.17	11,603,588.82
Net after tax of other comprehensive income attributable to the owner of the company		62,180,019.16	9,871,953.45
(1) Other comprehensive income that cannot be reclassified into profit and loss		86,474,864.14	6,879,841.41
1. Recalculate changes in defined benefit plans			
2. Other comprehensive income that cannot be converted into profit and loss under the equity method			
3. Changes in fair value of other equity instrument investments		86,474,864.14	6,879,841.41
4. Changes in the fair value of the enterprise's own credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss		-24,294,844.98	2,992,112.04
1. Other comprehensive income that can be converted into profit or loss under the equity method		-40,298.07	341,649.17
2. Changes in fair value of other debt investments			
3. The amount of financial assets reclassified into other comprehensive income			
4. Other debt investment credit impairment provisions		-1,347,742.88	1,347,742.87
5. Cash flow hedge reserve			
6. Differences on translation of foreign currency financial statements		-22,906,804.03	1,302,720.00
7. Other			
Net after-tax amount of other comprehensive income attributable to minority shareholders		-8,539,571.99	1,731,635.37
VII. Total comprehensive income		4,019,618,410.35	3,299,129,445.13
Total comprehensive income attributable to owners of the company		3,893,481,241.29	2,931,972,861.93
Total comprehensive income attributable to minority shareholders		126,137,169.06	367,156,583.20
VIII. Earnings per share:			
(I) Basic earnings per share (CNY/share)	5.67	1.15	0.94
(II) Diluted earnings per share (YUAN/share)	5.67	1.15	0.94

An enterprise merger under the same control occurs in the current period, the net profit realized by the merged party before the merger is CNY 0.00, and the net profit realized by the merged party in the previous period is CNY 0.00. The accompanying notes form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Company's Income Statement
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Note	Year 2025	Year 2024
I. Operating income	17.4	5,971,342,278.14	7,084,193,918.26
Less: Operating costs	17.4	5,678,421,859.85	6,856,307,297.77
Taxes and surcharges		5,318,766.19	6,466,188.77
Selling and distribution expenses		65,375,709.73	65,676,860.40
General and administrative expenses		429,453,010.53	380,548,944.66
Research and development expenses		177,997,420.56	199,376,298.68
Financial expenses		-23,672,222.27	-38,622,638.17
Including: Interest expenses		11,468,636.75	8,872,653.67
Interest income		25,863,831.27	57,794,588.06
Plus: Other earnings			
Investment income (loss is represented by "-" sign)	17.5	1,766,733,464.61	1,492,244,274.27
Including: investment income from joint ventures and joint ventures		-22,928,677.84	-1,900,383.08
Termination of recognition of income on financial assets measured at amortized cost			
Net exposure hedging gain (loss is represented by "-" sign)			
Gains from changes in fair value (loss is represented by "-" sign)		86,737,141.39	-223,440,434.07
Credit impairment loss (loss is represented by "-" sign)		-10,085,286.52	-8,481,171.17
Asset impairment loss (loss is represented by "-" sign)		-54,862,888.03	21,498,810.18
Gain on disposal of assets (loss is represented by "-" sign)		13,906.62	7,877,241.29
II. Operating profit (loss is represented by "-" sign)		1,426,984,071.62	904,139,686.65
Plus: Non-operating income		19,956,830.51	7,902,455.77
Less: Non-operating expenses		15,020,891.17	14,964,164.84
III. Total profit (Total loss is marked with "-")		1,431,920,010.96	897,077,977.58
Less: Income tax expense			19,514,154.53
IV. Net profit (Net loss is marked with "-")		1,431,920,010.96	877,563,823.05
(I) Net profit from continuing operations (" - "for net loss)		1,431,920,010.96	877,563,823.05
(II) Net profit from discontinued operations (net loss is marked with "-")			
V. Net after-tax amount of other comprehensive income			
(I) Other comprehensive income that cannot be reclassified into profit and loss			
1. Recalculate changes in defined benefit plans			
2. Other comprehensive income that cannot be converted into profit and loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in the fair value of the enterprise's own credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss			
1. Other comprehensive income that can be converted into profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. The amount of financial assets reclassified into other comprehensive income			
4. Other debt investment credit impairment provisions			
5. Cash flow hedge reserve			
6. Differences on translation of foreign currency financial statements			
7. Other			
VI. Total comprehensive income		1,431,920,010.96	877,563,823.05
VII. Earnings per share:			
(I) Basic earnings per share (CNY/share)			
(II) Diluted earnings per share (YUAN/share)			

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Note	Year 2025	Year 2024
I. Cash flow from operating activities			
Cash received from sales of goods and rendering of services		86,122,135,045.25	73,358,515,737.67
Net increase in customer deposits and interbank deposits		712,966,507.45	1,805,594,490.68
Net increase in borrowing from the central bank			
Net increase in funds borrowed from other financial institutions		-149,784,849.85	-795,801,113.09
Cash received from premiums of original insurance contracts			
Net cash received from reinsurance operations			
Net increase in insured savings and investment funds			
Cash received for interest, fees and commissions		428,703,007.79	489,627,760.24
Net increase in borrowed funds			
Net increase in funds from repurchase operations		-598,665,626.10	
Net cash received from buying and selling securities on an agent's behalf			
Refund of taxes received		340,943,741.53	24,819,326.87
Other cash received relating to operating activities	5.68	6,561,912,668.06	4,960,367,306.20
Subtotal of cash inflows from operating activities		93,418,210,494.13	79,843,123,508.57
Cash paid for goods purchased and services received		78,710,675,811.83	56,209,490,945.61
Net increase in customer loans and advances		-4,251,524,251.34	-1,791,652,622.96
Net increase in deposits with central bank and interbank funds		216,553,982.36	515,329,667.61
Cash for payment of claims under the original insurance contract			
Lending funds net increase			
Cash paid for interest, fees and commissions		1,947,810.80	1,300,888.47
Cash paid for policy dividends			
Cash paid to and for employees		6,076,717,822.58	5,643,557,069.31
Cash paid for taxes and surcharges		3,477,346,646.88	2,777,690,323.72
Other cash paid relating to operating activities	5.68	7,172,171,758.17	6,427,915,828.49
Subtotal of cash outflows from operating activities		91,403,889,581.28	69,783,632,100.25
Net cash flows from operating activities	5.69	2,014,320,912.85	10,059,491,408.32
II. Cash flow from investment activities			
Cash received from the recovery of an investment		25,155,704,810.83	35,262,270,217.80
Cash received from investment income		131,301,256.39	120,011,124.62
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets		808,221.78	1,147,462.33
Disposal of net cash received by subsidiaries and other business units			492,572,075.62
Other cash received relating to investing activities	5.68	19,078,348.00	
Subtotal of cash inflows from investing activities		25,306,892,637.00	35,876,000,880.37
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		4,284,346,671.11	2,999,116,867.65
Cash paid for investments		31,456,355,426.26	35,650,572,826.54
Net increase in pledged loans			
Obtain net cash paid by subsidiaries and other business units			
Payment of other cash relating to investing activities	5.68	153,514,593.95	7,000.00
Subtotal of cash outflows from investing activities		35,894,216,691.32	38,649,696,694.19
Net cash flows from investing activities		-10,587,324,054.32	-2,773,695,813.82
III. Cash flow generated by financing activities			
Cash received from investment absorption		5,236,179,223.16	110,017,500.00
Including: cash received by subsidiaries from the absorption of minority shareholders' investments		138,080,000.00	110,017,500.00
Cash received from borrowings		5,569,616,084.31	2,511,723,871.40
Other cash received relating to financing activities	5.68	593,536,697.59	
Subtotal of cash inflows from financing activities		10,805,795,307.47	3,215,278,068.99
Cash paid to repay debt		1,085,686,524.94	316,217,093.56
Cash used to distribute dividends, profits, or interest payments		1,847,561,531.16	1,655,173,254.10
Including: dividends and profits paid by subsidiaries to minority shareholders		390,714,406.99	124,103,991.48
Payment of other cash relating to financing activities	5.68	2,770,858,928.80	155,123,272.48
Subtotal of cash outflows from financing activities		5,704,106,984.90	2,126,513,620.14
Net cash flows from financing activities		5,101,688,322.57	1,088,764,448.85
IV. Effect of exchange rate changes on cash and cash equivalents		-50,583,499.37	-39,287,700.51
V. Net increase in cash and cash equivalents	5.69	-3,521,898,318.27	8,335,272,342.84
Add: Balance of cash and cash equivalents at the beginning of the period		22,502,857,720.96	14,167,585,378.12
VI. Balance of cash and cash equivalents at the end of the period	5.69	18,980,959,402.69	22,502,857,720.96

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Company's Statement of Cash Flows
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Note	Year 2025	Year 2024
I. Cash flow from operating activities			
Cash received from sales of goods and rendering of services		6,057,765,577.26	6,904,230,201.14
Refund of taxes received		3,917,573.21	
Other cash received relating to operating activities		1,152,599,873.98	1,190,099,583.99
Subtotal of cash inflows from operating activities		7,214,283,024.45	8,094,329,785.13
Cash paid for goods purchased and services received		6,856,014,394.43	6,955,682,207.19
Cash paid to and for employees		211,658,454.34	193,665,228.76
Cash paid for taxes and surcharges		30,788,892.43	35,738,012.26
Other cash paid relating to operating activities		865,878,618.25	777,351,401.92
Subtotal of cash outflows from operating activities		7,964,340,359.45	7,962,436,850.13
Net cash flows from operating activities		-750,057,335.00	131,892,935.00
II. Cash flow from investment activities			
Cash received from the recovery of an investment		555,473,333.33	1,422,042.65
Cash received from investment income		1,822,867,282.48	1,518,970,780.21
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets			
Disposal of net cash received by subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		2,378,340,615.81	1,520,392,822.86
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		38,019,932.09	79,492,364.96
Cash paid for investments		4,954,704,500.00	214,202,800.00
Obtain net cash paid by subsidiaries and other business units			
Payment of other cash relating to investing activities		4,800,000.00	815,240,000.00
Subtotal of cash outflows from investing activities		4,997,524,432.09	1,108,935,164.96
Net cash flows from investing activities		-2,619,183,816.28	411,457,657.90
III. Cash flow generated by financing activities			
Cash received from investment absorption		5,098,099,223.16	
Cash received from borrowings		930,000,000.00	815,240,000.00
Other cash received relating to financing activities			
Subtotal of cash inflows from financing activities		6,028,099,223.16	815,240,000.00
Cash paid to repay debt		25,240,000.00	
Cash used to distribute dividends, profits, or interest payments		1,361,028,308.82	1,469,038,962.53
Payment of other cash relating to financing activities		83,091,764.39	77,590,015.20
Subtotal of cash outflows from financing activities		1,469,360,073.21	1,546,628,977.73
Net cash flows from financing activities		4,558,739,149.95	-731,388,977.73
IV. Effect of exchange rate changes on cash and cash equivalents		12,085,313.94	-5,660,051.20
V. Net increase in cash and cash equivalents		1,201,583,312.61	-193,698,436.03
Add: Balance of cash and cash equivalents at the beginning of the period		5,978,621,835.59	6,172,320,271.62
VI. Balance of cash and cash equivalents at the end of the period		7,180,205,148.20	5,978,621,835.59

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Dongfang Electric Corporation Limited
Consolidated Statement of Changes in Shareholders' Equity
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Year 2025													
	Equity attributable to owners of the company												Minority equity	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Sub-total		
	Preferred stock	Perpetual bond	Others											
I. Balance at the end of last year	3,117,499,457.00				11,559,826,521.38	648,882.29	-120,082,230.27	124,193,157.76	1,424,889,201.23		22,690,605,142.05	38,796,282,366.86	4,345,965,765.77	43,142,248,132.63
Add: Changes in accounting policies														
Correction of previous errors														
Merger of enterprises under the same control														
Other														
II. Balance at the beginning of the current year	3,117,499,457.00				11,559,826,521.38	648,882.29	-120,082,230.27	124,193,157.76	1,424,889,201.23		22,690,605,142.05	38,796,282,366.86	4,345,965,765.77	43,142,248,132.63
III. Changes in amount of increase or decrease in the current period (decrease is marked with "-")	340,860,869.00				3,565,532,415.87	-648,882.29	62,180,019.16	4,068,375.18	143,192,001.10		2,321,794,009.65	6,438,276,572.25	-1,412,269,371.16	5,026,007,201.09
(I) Total comprehensive income							62,180,019.16				3,831,301,222.13	3,893,481,241.29	126,137,169.06	4,019,618,410.35
(II) Capital contributed or reduced by owners	340,860,869.00				3,565,532,415.87	-648,882.29						3,907,042,167.16	-1,148,366,952.98	2,758,675,214.18
1. Common stock invested by the owner	340,860,869.00				4,757,618,477.22							5,098,479,346.22	177,711,238.77	5,276,190,584.99
2. Other equity instrument holders invest capital														
3. Share-based payment The amount credited to the owner's equity														
4. Other					-1,192,086,061.35	-648,882.29						-1,191,437,179.06	-1,326,078,191.75	-2,517,515,370.81
(III) Profit distribution									143,192,001.10		-1,509,507,212.48	-1,366,315,211.38	-390,586,836.58	-1,756,902,047.96
1. Withdraw surplus reserves									143,192,001.10		-143,192,001.10			
2. Extract general risk provisions														
3. Profit distributed to owners (shareholders)											-1,366,315,211.38	-1,366,315,211.38	-390,586,836.58	-1,756,902,047.96
4. Other														
(IV) Internal carry-over of owners' equity														
1. Conversion of capital reserve into increased capital (or share capital)														
2. Surplus reserve to increase capital (or share capital)														
3. Surplus reserves cover losses														
4. Changes in defined benefit plans are carried forward to retained earnings														
5. Other comprehensive income is carried forward to retained earnings														
6. Other														
(V) Special reserves								4,068,375.18				4,068,375.18	547,249.34	4,615,624.52
1. Extraction of this issue								81,388,109.16				81,388,109.16	8,416,596.67	89,804,705.83
2. Use in the current period								77,319,733.98				77,319,733.98	7,869,347.33	85,189,081.31
(VI) Others														
IV. Ending balance of the current period	3,458,360,326.00				15,125,358,937.25		-57,902,211.11	128,261,532.94	1,568,081,202.33		25,012,399,151.70	45,234,558,939.11	2,933,696,394.61	48,168,255,333.72

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge

Dongfang Electric Corporation Limited
Consolidated Statement of Changes in Shareholders' Equity (Continued)
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Year 2024													
	Share capital	Other equity instruments			Equity attributable to owners of the company								Minority equity	Total shareholders' equity
		Preferred stock	Perpetual bond	Others	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Sub-total		
I. Balance at the end of last year	3,118,533,797.00				11,566,006,626.86	111,093,911.81	-129,954,183.72	126,393,962.48	1,337,132,818.92		21,337,876,676.79	37,244,895,786.52	3,974,978,976.08	41,219,874,762.60
Add: Changes in accounting policies														
Correction of previous errors														
Merger of enterprises under the same control														
Other														
II. Balance at the beginning of the current year	3,118,533,797.00				11,566,006,626.86	111,093,911.81	-129,954,183.72	126,393,962.48	1,337,132,818.92		21,337,876,676.79	37,244,895,786.52	3,974,978,976.08	41,219,874,762.60
III. Changes in amount of increase or decrease in the current period (decrease is marked with "-")	-1,034,340.00				-6,180,105.48	-110,445,029.52	9,871,953.45	-2,200,804.72	87,756,382.31		1,352,728,465.26	1,551,386,580.34	370,986,789.69	1,922,373,370.03
(I) Total comprehensive income							9,871,953.45				2,922,100,908.48	2,931,972,861.93	367,156,583.20	3,299,129,445.13
(II) Capital contributed or reduced by owners	-1,034,340.00				-6,180,105.48	-110,445,029.52					-803,801.40	102,426,782.64	127,253,636.31	229,680,418.95
1. Common stock invested by the owner	-1,034,340.00											-1,034,340.00	127,253,636.31	126,219,296.31
2. Other equity instrument holders invest capital														
3. Share-based payment the amount credited to the owner's equity					-4,127,540.41							-4,127,540.41		-4,127,540.41
4. Other					-2,052,565.07	-110,445,029.52					-803,801.40	107,588,663.05		107,588,663.05
(III) Profit distribution									87,756,382.31		-1,568,568,641.82	-1,480,812,259.51	-124,616,880.33	-1,605,429,139.84
1. Withdraw surplus reserves									87,756,382.31		-87,756,382.31			
2. Extract general risk provisions														
3. Profit distributed to owners (shareholders)											-1,480,812,259.51	-1,480,812,259.51	-124,616,880.33	-1,605,429,139.84
4. Other														
(IV) Internal carry-over of owners' equity														
1. Conversion of capital reserve into increased capital (or share capital)														
2. Surplus reserve to increase capital (or share capital)														
3. Surplus reserves cover losses														
4. Changes in defined benefit plans are carried forward to retained earnings														
5. Other comprehensive income is carried forward to retained earnings														
6. Other														
(V) Special reserves								-2,200,804.72				-2,200,804.72	1,193,450.51	-1,007,354.21
1. Extraction of this issue								83,740,478.65				83,740,478.65	15,364,513.49	99,104,992.14
2. Use in the current period								85,941,283.37				85,941,283.37	14,171,062.98	100,112,346.35
(VI) Others														
IV. Ending balance of the current period	3,117,499,457.00				11,559,826,521.38	648,882.29	-120,082,230.27	124,193,157.76	1,424,889,201.23		22,690,605,142.05	38,796,282,366.86	4,345,965,765.77	43,142,248,132.63

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge

Dongfang Electric Corporation Limited
Company's Statement of Changes in Shareholders' Equity
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Year2025										
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
		Preferred stock	Perpetual bond	Others							
I. Balance at the end of last year	3,117,499,457.00				13,028,992,922.66	648,882.29			1,713,266,580.27	7,334,854,404.53	25,193,964,482.17
Add: Changes in accounting policies											
Correction of previous errors											
Other											
II. Balance at the beginning of the current year	3,117,499,457.00				13,028,992,922.66	648,882.29			1,713,266,580.27	7,334,854,404.53	25,193,964,482.17
III. Changes in amount of increase or decrease in the current period (decrease is marked with "-")	340,860,869.00				4,822,183,376.31	-648,882.29			143,192,001.10	-77,587,201.52	5,229,297,927.18
(I) Total comprehensive income										1,431,920,010.96	1,431,920,010.96
(II) Capital contributed or reduced by owners	340,860,869.00				4,822,183,376.31	-648,882.29					5,163,693,127.60
1. Common stock invested by the owner	340,860,869.00				4,757,618,477.22						5,098,479,346.22
2. Other equity instrument holders invest capital											
3. Share-based payment The amount credited to the owner's equity											
4. Other					64,564,899.09	-648,882.29					65,213,781.38
(III) Profit distribution									143,192,001.10	-1,509,507,212.48	-1,366,315,211.38
1. Withdraw surplus reserves									143,192,001.10	-143,192,001.10	
2. Profit distributed to owners (shareholders)										-1,366,315,211.38	-1,366,315,211.38
3. Other											
(IV) Internal carry-over of owners' equity											
1. Conversion of capital reserve into increased capital (or share capital)											
2. Surplus reserve to increase capital (or share capital)											
3. Surplus reserves cover losses											
4. Changes in defined benefit plans are carried forward to retained earnings											
5. Other comprehensive income is carried forward to retained earnings											
6. Other											
(V) Special reserves											
1. Extraction of this issue											
2. Use in the current period											
(VI) Others											
IV. Ending balance of the current period	3,458,360,326.00				17,851,176,298.97				1,856,458,581.37	7,257,267,203.01	30,423,262,409.35

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge

Dongfang Electric Corporation Limited
Company's Statement of Changes in Shareholders' Equity (Continued)
For the Year Ended December 31, 2025
(All the amounts are denominated in CNY unless otherwise stated.)
(English Translation for Reference Only)

Items	Year 2024										
	Share capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
		Preferred stock	Perpetual bond	Others							
I. Balance at the end of last year	3,118,533,797.00				13,035,855,440.82	111,093,911.81			1,625,510,197.96	8,025,859,223.30	25,694,664,747.27
Add: Changes in accounting policies											
Correction of previous errors											
Other											
II. Balance at the beginning of the current year	3,118,533,797.00				13,035,855,440.82	111,093,911.81			1,625,510,197.96	8,025,859,223.30	25,694,664,747.27
III. Changes in amount of increase or decrease in the current period (decrease is marked with "-")	-1,034,340.00				-6,862,518.16	-110,445,029.52			87,756,382.31	-691,004,818.77	-500,700,265.10
(I) Total comprehensive income										877,563,823.05	877,563,823.05
(II) Capital contributed or reduced by owners	-1,034,340.00				-6,862,518.16	-110,445,029.52					102,548,171.36
1. Common stock invested by the owner	-1,034,340.00										-1,034,340.00
2. Other equity instrument holders invest capital											
3. Share-based payment The amount credited to the owner's equity					-4,127,540.41						-4,127,540.41
4. Other					-2,734,977.75	-110,445,029.52					107,710,051.77
(III) Profit distribution									87,756,382.31	-1,568,568,641.82	-1,480,812,259.51
1. Withdraw surplus reserves									87,756,382.31	-87,756,382.31	
2. Profit distributed to owners (shareholders)										-1,480,812,259.51	-1,480,812,259.51
3. Other											
(IV) Internal carry-over of owners' equity											
1. Conversion of capital reserve into increased capital (or share capital)											
2. Surplus reserve to increase capital (or share capital)											
3. Surplus reserves cover losses											
4. Changes in defined benefit plans are carried forward to retained earnings											
5. Other comprehensive income is carried forward to retained earnings											
6. Other											
(V) Special reserves											
1. Extraction of this issue											
2. Use in the current period											
(VI) Others											
IV. Ending balance of the current period	3,117,499,457.00				13,028,992,922.66	648,882.29			1,713,266,580.27	7,334,854,404.53	25,193,964,482.17

The accompanying notes to the financial statements form an integral part of the financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge

Dongfang Electric Corporation Limited
Notes to the Financial Statements
For the Year Ended December 31, 2025

(All the amounts are denominated in CNY unless otherwise stated.)

1 Company profile

1.1 Place of registration, organizational form and address of headquarters

Dongfang Electric Corporation Limited (hereinafter referred to as the "Company") which was formerly known as Dongfang Electric Machinery Co., Ltd. was established on December ,1993, upon the approval with the document TGS [1992]No.67 and the document TGS [1993]No. 214 issued by the State Commission for Restructuring the Economic System and the document GZQHF [1993]No. 100 issued by the former State Administration of State-owned Assets, and it is a joint stock limited company established and invested by Dongfang Electrical Machinery Works as the sole sponsor through discounting its held major production operating assets authorized by the State. The Company was listed for trading in the Shanghai Stock Exchange on October 10, 1995, and was listed for trading in the Stock Exchange of Hong Kong Limited on June 6, 1994. Now it holds a business license with a unified social credit code of 915101002051154851.

After the distribution of bonus shares, allotment of new shares, capitalization and issuance of new shares over the years, as of December 31, 2025, the company has issued a total of 3,458,360,326.00 shares with a registered capital of CNY 3,458,360,326.00, Registered address: No.18, Xixin Avenue, Western High-tech District, Chengdu, Sichuan Province. Headquarters address: No. 18, Xixin Avenue, Western High-tech District, Chengdu, Sichuan Province. The parent company is Dongfang Electric Corporation.

1.2 Approval of financial statements

The financial statements were approved to be issued on March 31, 2026.

2 Basis of preparation for financial statements

2.1 Basis of preparation

These financial statements are prepared in accordance with the Accounting Standards for Business Enterprises-Basic Standards and the specific accounting standards, the Application Guide to the Accounting Standards for Business Enterprises, the Interpretation of the Accounting Standards for Business Enterprises, and other relevant regulations (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises") issued by the Ministry of Finance. As well as the relevant provisions of the Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.15-General Provisions on Financial Reporting issued by the China Securities Regulatory Commission.

In addition, the financial statements comply with the applicable disclosure provisions of the securities listing rules issued by the Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

2.2 Going concern

The accompanying financial statements are prepared on a going concern basis.

3 Principal accounting policies and accounting estimates

1.The Company determines specific accounting policies and accounting estimates according to the characteristics of production and operation. This is mainly reflected in the valuation method of inventories (Note 3 (13)), the method of provision for expected credit losses of financial instruments (Note 3 (10)), the depreciation of fixed assets and amortization of intangible assets (Note 3 (18) and Note 3 (21)), the measurement model of investment real estate (Note 3 (17)), and the time point of revenue recognition (Note 3 (29)).

2. Based on historical experience and other factors, including reasonable expectations of future events, the Company conducts continuous evaluation on the important accounting estimates and key assumptions adopted. Significant changes in the following important accounting estimates and key assumptions may have a significant impact on the book value of assets and liabilities in the following accounting years:

(1) Expected credit losses of accounts receivable and other receivables. Allowance for impairment is estimated based on expected credit losses on trade and other receivables. If any event occurs or changes in circumstances indicate that the Company may not be able to recover the balances, it is necessary to use estimates to make a provision for accounts receivable and other receivables. If the expected figure is different from the original estimate, the difference will affect the carrying value of accounts receivable and other receivables, as well as the impairment charge during the period when the estimate is changed.

(2) Estimation of inventory impairment. Inventories are measured at the lower of cost and net realizable value on the balance sheet date. The calculation of net realizable value requires the use of assumptions and estimates. If the management revises the estimated selling price and the costs and expenses to be incurred upon completion, the estimation of the net realizable value of inventories will be affected, and the difference will have an impact on the provision for inventory depreciation.

(3) Estimation of impairment of long-term assets. When the management judges whether the long-term assets are impaired, it mainly evaluates and analyzes from the following aspects: ① whether the events affecting the impairment of assets have occurred; ② whether the present value of the expected cash flow from the continued use or disposal of assets is lower than the book value of the assets; and ③ whether the important assumptions used in the present value of the expected future cash flow are appropriate.

The relevant assumptions used by the Company to determine impairment, such as changes in the profitability discount rate and growth rate assumptions used in the present value of future cash flows method, may have a significant impact on the present value used in the impairment test and result in the reduction of the Company's long-term assets mentioned above.

(4) Estimated useful life and estimated net salvage value of fixed assets. The estimated useful lives and estimated net residual values of fixed assets are based on the past actual useful lives and actual net residual values of fixed assets with similar nature and functions. In the process of using fixed assets, the economic environment, technical environment and other environments may have a greater impact on the service life and estimated net residual value of fixed assets. If the estimated useful lives and net residual values of fixed assets are different from the original estimates, the management will make appropriate adjustments.

(5) Classification of subsidiaries, joint ventures and associated enterprises. Where the company and other parties jointly exercise control over the investee and enjoy rights over the net assets of the investee, the investee shall be a joint venture of the company. If the company is able to exert significant influence on the investee, the investee shall be an associate of the company.

(6) Fair value of financial assets. For the financial instruments without active market, the Company adopts various valuation techniques including the discounted cash flow method to determine their fair values. The fair value of the financial assets that the Company is restricted by law to dispose of within a specific period is based on the quoted market price and adjusted according to the characteristics of the instrument. In valuation, the Company is required to take into account factors such as its own and counterparty credit risk, Market volatility and correlation are estimated, and the changes in the assumptions of these relevant factors will have an impact on the fair value of financial instruments.

(7) Share-based payment. Data on assumptions and risk factors involved in share-based payments.

(8) Deferred income tax assets and deferred income tax liabilities. Deferred tax assets shall be recognized for all unutilized deductible losses to the extent that there is likely to be sufficient taxable income to offset deductible losses. This requires management to use a lot of judgment to estimate the time and amount of future taxable income, combined with tax planning strategies, to determine the amount of deferred income tax assets to be recognized.

(9) Income tax. In the normal course of business, there is uncertainty about the ultimate tax treatment of many transactions and events. Major judgments need to be made when calculating income tax. If there is a difference between the final determination of these tax matters and the amount initially recorded, the difference will have an impact on the amount of tax in the period in which the final determination is made.

(10) Revenue recognition. If the performance obligation is performed within a certain period of time, the Company recognizes revenue according to the progress of performance. Otherwise, the Company recognizes revenue at a point at which the customer acquires control of the relevant assets. The performance progress is measured by the expenses or inputs incurred by the Company to fulfill its performance obligations, and the progress is determined based on the proportion of the accumulated costs incurred by each contract as of the balance sheet date to the estimated total costs. Significant estimates and judgments need to be made about costs incurred, estimated total costs and contract recoverability.

(11) Determination of consolidation scope. The scope of the merger includes the Company and all its subsidiaries. Control means that the company has the power over the investee, enjoys variable returns by

participating in related activities of the investee, and has the ability to use the power over the investee to influence the amount of returns. If the minority shareholding ratio is less than half but the group has substantial control, the company shall be included in the scope of merger.

3. Important key judgments. The key judgment of determining the fair value of the equity instrument when the equity instrument is issued as the consideration for the business combination; the judgment of the contingent consideration for the business combination, etc.

3.1 Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the Company's financial position as at December 31, 2025, as well as its operating results and its cash flows for the year then ended.

3.2 Accounting period

The accounting year is from January 1 to December 31 in calendar year.

3.3 Operating cycle

The Company's operating cycle is 12 months.

3.4 Functional currency

The Company adopts CNY as its functional currency.

The functional currency of each subsidiary is determined based on the primary economic environment in which it operates, as follows: the functional currency of NAM MANG 1 POWER CO.,LTD is the US Dollar (USD), PT. DONGFANG ELECTRIC INDONESIA uses the Indonesian Rupiah (IDR), Dongfang Electric AZ LIMITED. uses the Azerbaijani Manat (AZN), ECO-SUNFLOWER GREEN ENERGY uses the Uzbekistani Som (UZS), DONGFANG ELECTRIC COSTA RICA SOCIEDAD ANONIMA uses the US Dollar (USD), and DONGFANG ELECTRIC (IND) P L uses the Indian Rupee (INR).

These financial statements are presented in Renminbi (CNY).

3.5 Accounting treatment methods for business combinations under the same control and not under the same control

Business combination under the same control: the assets and liabilities acquired by the merging party in the business combination (including the goodwill formed by the acquisition of the merged party by the ultimate controlling party) are measured on the basis of the book value of the assets and liabilities of the merged party in the consolidated financial statements of the ultimate controlling party. The difference between the book value of the net assets acquired in the merger and the book value of the consideration paid for the merger (or the total par value of the shares issued) shall be adjusted to the capital stock premium in the capital reserve. If the capital stock premium in the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

Business combination not under the same control: the combination cost is the fair value of the assets paid, the liabilities incurred or assumed and the equity securities issued by the acquirer on the acquisition date in order to obtain the control of the acquiree. The difference between the combination cost and the fair value of the identifiable net assets acquired from the acquiree in the combination shall be recognized as goodwill; Included in the current profits and losses. The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in a combination that meet the recognition conditions are measured at their fair values on the acquisition date.

The direct relevant expenses incurred for business combination shall be included in the current profits and losses when incurred; the transaction expenses for issuing equity securities or debt securities for business combination shall be included in the initially recognized amount of equity securities or debt securities.

3.6 Judgment criteria of control and preparation method of consolidated financial statements

3.6.1 Judgment standard of control

The consolidation scope of the consolidated financial statements is determined on the basis of control and includes the Company and all its subsidiaries. Control means that the company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of its returns.

3.6.2 Merge program

The Company regards the whole enterprise group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, operating results and cash flow of the enterprise group. The impact of internal transactions between the Company and its subsidiaries and between subsidiaries shall be offset. If the internal transaction indicates that the impairment loss of the relevant assets has occurred, the loss shall be recognized in full. If the accounting policies and accounting periods adopted by the subsidiaries are inconsistent with those of the Company, necessary adjustments shall be made according to the accounting policies and accounting periods of the Company when preparing the consolidated financial statements.

Subsidiary owners' equity, current period net profit and loss and the share of minority shareholders in the current period comprehensive income are shown separately under owners' equity in the consolidated balance sheet, under net profit in the consolidated income statement and under total comprehensive income, respectively. The loss shared by the minority shareholders of the subsidiary in the current period exceeds the balance formed by the minority shareholders' share in the initial owner's equity of the subsidiary, and the shareholders' equity is reduced by several.

(1) Increase of subsidiaries or businesses

During the reporting period, if a business combination under the same control increases a subsidiary or business, the operating results and cash flows of the subsidiary or business combination from the beginning of the current period to the end of the reporting period are included in the consolidated financial statements, while adjustments are made to the opening number of the consolidated financial statements and the relevant items in the comparative statements, and the consolidated reporting entity is deemed to have existed since the point at which the ultimate controlling party began to control.

If the investee under the same control can be controlled due to additional investment or other reasons, the equity investment held before the acquisition of the control of the merged party, the relevant profit and loss, other comprehensive income and other changes in net assets have been recognized between the date of the acquisition of the original equity and the date on which the merging party and the merged party are under the same control and the date of the merger, Offset the opening retained earnings or current profit and loss of the comparative statement period respectively.

During the reporting period, if a subsidiary or business is added as a result of a business combination not under the same control, it is included in the consolidated financial statements from the purchase date on the basis of the fair value of each identifiable asset, liability and contingent liability identified at the purchase date.

If the investee that is not under the same control can be controlled due to additional investment or other reasons, the equity held by the purchaser before the purchase date shall be remeasured according to the fair value of the equity on the purchase date, and the difference between the fair value and the carrying value shall be included in the current investment income. Other comprehensive income related to the equity held by the purchaser before the purchase date, which can be reclassified into profit or loss later, and other changes in owners' equity under the equity method are converted into investment income for the current period of the purchase date.

(2) Disposal of subsidiaries

① General treatment method

When the control over the investee is lost due to the disposal of part of the equity investment or other reasons, the remaining equity investment after disposal shall be re-measured according to its fair value on the date of loss of control. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity minus the share of the net assets of the original subsidiary calculated continuously from the date of purchase or merger and the sum of the goodwill. Included in the investment income of the period in which control is lost. Other comprehensive income related to the equity investment of the original subsidiary that can be reclassified to profit or loss in the future and other changes in owner's equity

under equity method are transferred to current investment income when the control right is lost.

② Step by step disposal of subsidiaries

If the equity investment in the subsidiary is disposed of step by step through multiple transactions until the control right is lost, the terms, conditions and economic impacts of the transactions for the disposal of the equity investment in the subsidiary meet one or more of the following conditions, which generally indicates that the multiple transactions are a package deal:

- the transactions are entered into simultaneously or by taking into account their mutual effects;
- These transactions as a whole can lead to a complete commercial result;
- The occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- A transaction is uneconomical in isolation, but is economical when considered in conjunction with other transactions.

If each transaction belongs to a package transaction, each transaction shall be accounted for as a transaction of disposal of subsidiaries and loss of control; The difference between each disposal price and the share of net assets of the subsidiary corresponding to the disposal investment before the loss of control is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit and loss of the period when the control is lost.

If each transaction does not belong to a package deal, before losing the control right, the accounting treatment of the equity investment of the subsidiary shall be carried out according to the partial disposal without losing the control right; when the control right is lost, the accounting treatment shall be carried out according to the general treatment method for the disposal of the subsidiary.

(3) Purchase of minority interests in subsidiaries

The difference between the long-term equity investment newly acquired due to the purchase of minority equity and the share of net assets of the subsidiary calculated continuously from the date of purchase or merger according to the proportion of newly increased shareholding shall be adjusted to the capital stock premium in the capital reserve in the consolidated balance sheet. If the capital stock premium in the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

(4) Partial disposal of equity investments in subsidiaries without loss of control

The difference between the disposal price and the disposal of long-term equity investment and the share of net assets continuously calculated by the subsidiary since the purchase date or the merger date shall be adjusted for the equity premium in the capital reserve in the consolidated balance sheet, and if the equity premium in the capital reserve is insufficient to be offset, the retained earnings shall be adjusted.

3.7 Classification of joint venture arrangements and accounting treatment methods for joint operation

Joint venture arrangements are classified into joint operation or joint venture.

Joint operation refers to the joint venture arrangement under which the joint venturer enjoys the assets relevant to such arrangement and assumes the liabilities relevant to the same.

The Company recognizes the following items related to its share of benefits in the joint operation:

- (1) Assets it solely holds and its share of jointly-held assets based on its percentage;
- (2) Liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage;
- (3) Revenues from sale of output enjoyed by it from the joint operation;
- (4) Revenues from sale of output from the joint operation based on its percentage; and
- (5) Separate costs and costs for the joint operation based on its percentage.

The Company accounts for its investments in joint ventures by the equity method, see "Note 3.16 Long-term equity investments" for details.

3.8 Recognition criteria of cash and cash equivalents

The term "cash" refers to cash at hand and bank deposits readily available for payment purposes. The term "cash equivalents" refers to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.9 Foreign currency transactions and translation of foreign currency statements

3.9.1 Foreign currency transactions

Foreign currency transactions are translated into CNY for accounting purpose at the spot exchange rate on the day when the transaction occurs.

The balance of foreign currency items on the balance sheet date are translated at the spot exchange rate on the balance sheet date. Except those arising from specific-purpose borrowings in foreign currencies related to assets eligible for capitalization that shall be measured in accordance with principle of capitalization of the borrowing costs, other exchange differences shall be recognized in profit or loss for the current period.

3.9.2 Translation of foreign currency financial statements

When the Company measures the foreign currency statements of its overseas business, the assets and liabilities in the balance sheet are translated at the spot exchange rates on the balance sheet date; owners' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the date when the business occurs. The income and expenses items in income statements are translated at the average rate of the beginning and ending exchange rate.

When dispose overseas business, the translation differences of foreign currency statements relating to the overseas business shall be transferred from the owner's equity item to the current profit or loss at disposal.

3.10 Financial instruments

When the Company becomes a party to a contract for financial instrument, a financial asset, financial liability or equity instrument should be recognized.

3.10.1 Classification of financial instruments

According to the business model of financial assets and contractual cash flow characteristics of the same, which are subject to the management of the Company, financial assets are classified at the initial recognition as: financial assets measured at the amortized cost, financial assets measured at fair value through the other comprehensive income and financial assets measured at fair value through the current profit or loss.

The Company classifies the financial assets that meet the following conditions at the same time but have not been designated to be measured at fair value through profit or loss as the financial assets measured at amortized cost:

- The business model is adopted for the purpose of obtaining the contractual cash flow.
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

The Company classifies the financial assets that meet the following conditions at the same time and have not been designated to be measured at fair value through profit or loss as the financial assets (debt instruments) measured at fair value through the other comprehensive income:

- The business model is adopted for the purpose of obtaining the contractual cash flow and selling such financial assets;
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

At the initial recognition, the Company may irrevocably designate non-trading equity instrument investments as financial assets (equity instruments) measured at fair value through the other comprehensive income. The designation is made based on a single investment and the relevant investment is in line with the definition of the equity instrument from the issuer's perspective.

Except for the financial assets measured at amortized cost and the financial assets measured at fair value through other comprehensive income, the Company classifies other financial assets as financial assets measured at fair value through the current profit or loss. At the initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company may irrevocably designate the financial assets that should have been classified as the financial assets measured at amortized cost or those measured at fair value through the other comprehensive income as the financial assets measured at fair value through the current profit or loss.

At the initial recognition, financial liabilities are classified as: financial liabilities measured at fair value through the current profit or loss and financial liabilities measured at the amortized cost.

At the initial recognition, financial liabilities meeting one of the following conditions may be designated as the financial liabilities measured at fair value through the current profit or loss:

- 1) This designation can eliminate or significantly reduce the accounting mismatch.
- 2) According to the enterprise risk management or investment strategies specified in formal written documents, the management and performance evaluation of financial liability portfolios or portfolios of financial assets and financial liabilities is carried out based on fair value, and the report to key officer in the enterprise has been made based on such management and performance evaluation.
- 3) The financial liabilities contain the embedded derivative which needs to be separated.

3.10.2 Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include notes receivable and accounts receivable, other receivables, long-term receivables, and creditors' investment, etc., of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount; exclude accounts receivable with significant financing component and accounts receivable with the financing component not exceeding one year and not considered by the Company, of which initial measurement is made at the contract transaction price.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At recovery or disposal, the difference between the purchase price obtained and the book value of such financial assets is included in the current profit or loss.

(2) Financial assets (debt instruments) measured at fair value through the other comprehensive income

Financial assets (debt instruments) measured at fair value through the other comprehensive income include receivables financing and other creditors' investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount. The subsequent measurement of such financial assets is made at fair value. Changes in fair value are included in other comprehensive income except for the interest calculated by the effective interest method, impairment losses or gains, and exchange gains or losses.

At derecognition, the accumulated gains or losses previously included in other comprehensive income will be transferred from the other comprehensive income to the current profit or loss.

(3) Financial assets (debt instruments) measured at fair value through the other comprehensive income

Financial assets (equity instruments) measured at fair value through the other comprehensive income, including the investment in other equity instruments, are initially measured at fair value, and relevant transaction costs are included in the initially recognized amount. The subsequent measurement of such financial assets is made at fair value, and the changes in fair value are included in the other comprehensive income. Dividends obtained are included in the current profit or loss.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from the other comprehensive income to the retained earnings.

(4) Financial assets measured at fair value through the current profit or loss

Financial assets measured at fair value through the current profit or loss include trading financial assets, derivative financial assets and other non-current financial assets, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial assets is made at fair value, and changes in fair value are included in the current profit or loss.

(5) Financial liabilities measured at fair value through the current profit or loss

Financial liabilities measured at fair value through the current profit or loss include trading financial liabilities and derivative financial liabilities, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial liabilities is made at fair value, and changes in fair value are included in the current profit or loss.

At derecognition, the difference between the book value and the consideration paid of such financial liabilities is included in the current profit or loss.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at the amortized cost include short-term borrowings, notes payable and accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, of which initial measurement is made at fair value, and related transaction costs are included in the initially recognized amount.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At derecognition, the difference between the consideration paid and the book value of such financial liabilities is included in the current profit or loss.

3.10.3 Basis of recognition and measurement of derecognition of financial assets and transfer of financial assets

Where one of the following conditions is met, the Company shall derecognize financial assets:

- The contractual right of collecting cash flows of financial assets is terminated;
- The financial assets have been transferred, and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred, and the Company does not retain the control over the financial assets through it has neither transferred nor retained nearly all risks and rewards related to the ownership of the financial assets.

When the Company modifies or renegotiates a contract with a counterparty and the modification constitutes a material change, the original financial asset is derecognized and a new financial asset is recognized in accordance with the modified terms.

At the transfer of financial assets, where nearly all of the risks and rewards related to the ownership of the financial assets have been retained, such financial assets shall not be derecognized.

Substance over form principle is adopted to determine whether the transfer of financial assets can satisfy the criteria as described above for derecognition.

The company classifies the transfer of financial assets into the overall transfer of financial assets and the partial transfer. When the overall transfer of financial assets meets the conditions for termination recognition, the difference between the following two amounts shall be recognized in the current profit or loss:

- i) The book value of the transferred financial asset;
- ii) The aggregate consideration received from the transfer plus the cumulative amounts of the changes in the fair value originally recognized in the owners' equity (such financial assets in transfer are those measured at fair value with changes included in other comprehensive income (debt instruments)).

When a partial transfer of a financial asset meets the derecognition criteria, the carrying amount of the financial asset in its entirety is allocated between the portion derecognized and the portion not derecognized based on their relative fair values. The difference between the following two amounts is recognized in profit or loss:

- i) The book values of the derecognized parts;
- ii) The aggregate consideration for the derecognized parts plus the portion of the accumulative amounts of the changes in the fair value of the derecognized parts originally recognized in the owners' equity (such financial

assets in transfer are those measured at fair value with changes included in other comprehensive income (debt instruments)).

If the transfer of financial assets does not satisfy requirements for derecognition, the financial assets shall continue to be recognized, and the consideration received will be recognized as financial liabilities.

3.10.4 Termination of recognition of financial liabilities

If all or part of the current obligation of the financial liability has been discharged, the recognition of the financial liability or part thereof shall be terminated; If the Company signs an agreement with creditors to replace the existing financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities are substantially different from the existing financial liabilities, the recognition of the existing financial liabilities shall be terminated and the recognition of the new financial liabilities shall be made at the same time.

If all or part of the contract terms of the existing financial liability are materially modified, the recognition of the existing financial liability or part thereof shall be terminated, and the financial liability after the modification shall be recognized as a new financial liability.

When the recognition of a financial liability is terminated in whole or in part, the difference between the book value of the financial liability terminated and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recorded into the profit and loss of the current period.

If the company repurchases part of the financial liability, it shall distribute the book value of the financial liability as a whole according to the relative fair value of the continued recognition part and the terminated recognition part on the repurchase date. The difference between the book value allocated to the terminated recognition portion and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) is recorded in the current profit and loss.

3.10.5 Determination of fair values of financial assets and financial liabilities

Quoted market prices in an active market are the best evidence of fair value and should be used, where they exist, to measure the financial instrument. If a market for a financial instrument is not active, the Company establishes fair value by using a valuation technique. The Company uses a valuation technique appropriate in the circumstances and for which sufficient data and other information are available to measure fair value, selecting the inputs pursuant to the characteristics of the asset or liability being measured that a market participant would take into account, and giving priority to the use of relevant observable inputs. Only when such observable inputs are not available or impossible to obtain shall unobservable inputs be used instead.

3.10.6 Testing method and accounting treatment method of impairment of financial instruments

The company conducts impairment accounting treatment on the basis of expected credit losses for financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income, and financial guarantee contracts.

The Company measures expected credit losses by considering reasonable and supportable information that is available without undue cost or effort, including historical experience, current conditions, and forecasts of future economic conditions. A probability-weighted amount is calculated based on the risk of default, reflecting the present value of the difference between the contractual cash flows and the expected cash flows to be received.

For receivables and contract assets resulting from transactions regulated by Accounting Standards for Business Enterprises No. 14 - Revenue, the Company always measures its loss provisions at an amount equivalent to the expected credit losses during the entire term of existence, regardless of whether they contain a significant financing component.

For lease receivables resulting from transactions regulated by Accounting Standards for Business Enterprises No. 21 - Leases, the Company elects to always measure its loss provisions at an amount equivalent to the expected credit losses during the entire term of existence.

For other financial instruments, the Company evaluates on each balance sheet date the changes in the credit risk of the relevant financial instruments since the initial recognition.

The Company compares the risk of default of a financial instrument on the balance sheet date with the risk of

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

default on the initial recognition date to determine the relative change in the risk of default of a financial instrument during its expected lifetime, so as to assess whether the credit risk of a financial instrument has increased significantly since the initial recognition. Generally, if the maturity exceeds 30 days, the Company considers that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of a financial instrument is low at the balance sheet date, the Company considers that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures its loss provision at an amount equivalent to the expected credit loss during the entire life of the financial instrument; If the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company shall measure its loss provision at an amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The resulting increase or reversal of the loss provision shall be recorded into the current profit and loss as impairment loss or gain. For financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income, the loss provision shall be recognized in other comprehensive income, and the impairment loss or gain shall be included in the current profit and loss, without reducing the carrying value of the financial asset listed in the balance sheet.

If there is objective evidence that a specific receivable has incurred a credit impairment, the Company recognizes an impairment allowance for that receivable on an individual basis.

Except for the above receivables for which provision for bad debts is made individually, the Company divides other financial instruments into aging portfolios according to the characteristics of credit risks, and determines expected credit losses on the basis of portfolios. The combination categories and determination basis of the company's provision of expected credit losses for accounts receivable, other receivables and contract assets are as follows:

Age of account	Proportion of provision for accounts receivable (%)	Proportion of provision for other receivables (%)
Within 1 year (including 1 year, the same below)	5	5
1 to 2 years	10	10
2 to 3 years	20	20
3 to 4 years	40	40
3 to 4 years	50	50
More than 5 years	100	100

When the Company no longer reasonably expects to be able to recover all or part of the contractual cash flows of a financial asset, it directly writes down the carrying amount of that financial asset

3.11 Disbursement loans and advances

Loans and advances directly issued by the finance company subordinated to the Company to customers, and discount assets are accounted for as loans and advances.

The Company applies the allowance method to account for credit losses. The allowance for credit impairment includes provisions for losses on funds lent, discounted assets, loans and advances, and other similar items.

According to the Circular of the China Banking Regulatory Commission on Issuing the Guidelines for Loan Risk Classification (YJF [2007] No.54), the Company has been making the provision for asset impairment based on the five-level classification since 2007. The Company's loans are classified into five categories: normal, concern, secondary, doubtful and loss. Normal loan refers to the borrower can perform the contract, there is no reason to suspect that the loan principal and interest can't be repaid on time and in full; The concern loan refers to that although the borrower has the ability to repay the principal and interest of the loan, there are some factors that may adversely affect the repayment. Subprime loans refer to obvious problems in the repayment ability of the borrower, which cannot repay the principal and interest of the loan in full depending on its normal operating income. Even if the guarantee is implemented, certain losses may be caused. Doubtful loan means that the borrower can't repay the principal and interest of the loan in full, even if the guarantee is

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

implemented, it will certainly cause greater losses; Loss-making loans are loans in which the principal and interest cannot be recovered or only a very small amount can be recovered after all possible measures or all necessary legal procedures have been taken.

The Company inspects all assets, makes the adjustment upon analysis whether the impairment has incurred, and makes the provision for credit impairment based on the aforesaid method in the following proportion of provision:

Level	Proportion of provision (%)
Normal assets(including assets in normal and special-mention categories)	Normal 0.00-15.00(excluding15.00)
	Special mention15.00-25.00(excluding25.00)
Subprime	25.00-50.00(excluding50.00)
Doubtful	50.00-70.00(excluding70.00)
Loss	70.00-100.00

3.12 Payments for purchase for resale and proceeds from sale for repurchase

Assets that are resold on a certain future date as stipulated in the agreement at the time of purchase will not be recognized in the balance sheet. The costs paid for the purchase of such assets, including accrued interest, are presented in the balance sheet as repurchase proceeds. The difference between the purchase price and the resale price is recognized by the effective interest rate method during the agreement period and included in the interest income.

The sold assets repurchased under the agreement at a fixed date in the future are not held in the balance sheet for termination recognition. Proceeds from the sale of such assets, including accrued interest, are presented in the balance sheet as sale repurchase proceeds to reflect the economic substance of their use as loans to the Company. The difference between the selling price and the repurchase price is recognized during the term of the agreement using the effective interest method and is included in Interest expense.

Securities borrowing and lending transactions are generally collateralized with securities or cash as collateral. The transfer of securities to and from counterparties is reflected in the balance sheet only if the risks and benefits associated with ownership of the securities are transferred simultaneously. Cash paid or cash collateral received are recognized as assets or liabilities, respectively.

Borrowed securities are not recognized in the balance sheet. If such securities are sold to a third party, the liability for repaying the bonds is recognized as a financial liability held for the transaction and measured at fair value.

3.13 Inventories

3.13.1 Classification and cost of inventories

Inventory is divided into raw materials, products in process, low-value consumables, packaging, goods in stock, goods issued, contract performance costs, etc.

Inventory is initially measured at cost. The cost of inventory includes purchase cost, processing cost, and other expenditures incurred to bring the inventory to its present location and condition.

3.13.2 Measurement method for inventories dispatched

Inventories are initially measured at cost, and the inventory cost includes the procurement cost, processing cost and other expenses arising from making the inventory at their present location and condition.

Inventory is priced on a weighted average basis when issued. Low-value consumable products are amortized by one-time resale method when they are used; Turnover packaging is charged to cost in batches based on the expected number of uses.

3.13.3 Inventory system

Perpetual inventory system is adopted.

3.13.4 Amortization method of low-value consumables and packaging

- (1) Low-value consumables adopt the one-time resale method;
- (2) The packaging shall be resold once.

3.13.5 Recognition standard and accrual method of inventory falling price reserves

On the balance sheet date, inventories shall be measured at the lower of cost and net realizable value. If the cost of an inventory is higher than its net realizable value, provision for the loss on decline in value of inventories shall be made. The net realizable value of inventories refers to the amount of the estimated selling price of inventories minus the estimated costs to be incurred upon completion, the estimated selling expenses and the relevant taxes in the ordinary course of business.

In the normal production and operation process, the net realizable value of the inventory of goods directly for sale, such as finished products, inventory goods and materials for sale, is determined by the amount of the estimated selling price of the inventory minus the estimated selling expenses and relevant taxes; For the inventory of materials that need to be processed, in the course of normal production and operation, the estimated selling price of the finished products produced minus the estimated costs to be incurred upon completion, The net realizable value is determined based on the amount after the estimated sales expenses and relevant taxes; the net realizable value of the inventories held for the execution of the sales contract or labor contract is calculated based on the contract price. If the quantity of the inventories held is more than the quantity ordered in the sales contract, the net realizable value of the excess part of the inventories is calculated based on the general sales price.

After the provision for decline in value of inventories is made, if the net realizable value of inventories is higher than the book value of inventories due to the disappearance of the factors affecting the previous write-down of the value of inventories, the provision for decline in value of inventories shall be reversed within the amount of the provision for decline in value of inventories that has been made, and the reversed amount shall be included in the current profits and losses.

3.14 Contract assets

3.14.1 Recognition method and criteria for contract assets

According to the relationship between the performance of obligations and the customer payment, the Company presents contract assets or contract liabilities in the balance sheet. The right of the Company to the charge of consideration via goods transfer or service rendering to the customer (and the right depends on other factors except for the time lapses) is presented as contract asset. Contract assets and contract liabilities under the same contract should be presented at net amount. The unconditional (only depending on the time lapses) right to the charge of consideration from the customer, possessed by the Company, is presented as receivables.

3.14.2 Determination method and accounting treatment for the expected credit loss of contract assets

For the determination method and accounting treatment method of expected credit loss of contract assets, please refer to "3.10" Testing Method and Accounting Treatment Method of Impairment of Financial Instruments" in note.

3.15 Long-term equity investments

3.15.1 Judgment criteria for common control and significant influence

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company exercises common control over the investee together with other parties to the joint venture, and enjoys the right on the investee's net assets, the investee shall be a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control or jointly control the formulation of such policies with other parties. Where the Company is able to exert significant influence on an investee, the investee shall be the Company's associate.

3.15.2 Determination of initial investment cost

(1) Long-term equity investment formed by business combination

For the long-term equity investment in the subsidiary formed by the merger of enterprises under the same control, the initial investment cost of the long-term equity investment shall be based on the share of the book value of the owner's equity obtained from the merged party in the consolidated financial statement of the ultimate controlling party on the merger date. The difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration paid is adjusted for the equity premium in the capital reserve; When the equity premium in the capital reserve is not sufficient for write-down, the retained earnings shall be adjusted. If it is possible to control the invested entity under the same control due to additional investment or other reasons, the equity premium shall be adjusted for the difference between the sum of the initial investment cost of the long-term equity investment recognized in accordance with the above principles and the book value of the long-term equity investment before the merger plus the book value of the consideration paid for further acquisition of shares on the merger date. If the equity premium is not sufficient for write-down, the retained earnings shall be write-down.

For the long-term equity investment in the subsidiary formed by the merger of enterprises not under the same control, the merger cost determined on the purchase date shall be the initial investment cost of the long-term equity investment. If it is possible to control the invested entity that is not under the same control due to additional investment or other reasons, the sum of the book value of the original equity investment plus the cost of the new investment shall be used as the initial investment cost.

(2) Long-term equity investments acquired by means other than business combination

For long-term equity investment acquired by cash payment, the purchase price actually paid shall be used as the initial investment cost.

For long-term equity investment obtained by issuing equity securities, the fair value of equity securities issued shall be used as the initial investment cost.

3.15.3 Subsequent measurement and recognition of profits or losses

(1) Long-term equity investment accounted by cost method

The Company's long-term equity investments in its subsidiaries are accounted for using the cost method, unless the investment meets the conditions for holding for sale. Except for the cash dividends or profits declared but not yet distributed included in the price or consideration actually paid at the time of obtaining the investment, the Company shall recognize the current investment income according to the cash dividends or profits declared and distributed by the investee.

(2) Long-term equity investment accounted by equity method

Long-term equity investments in associated enterprises and joint ventures are accounted for using the equity method. If the initial investment cost is greater than the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment shall not be adjusted; if the initial investment cost is less than the share of the fair value of the identifiable net assets of the investee at the time of investment, the difference shall be included in the current profit and loss, and the cost of the long-term equity investment shall be adjusted at the same time.

The company shall recognize investment income and other comprehensive income respectively according to its share of net profit and loss and other comprehensive income realized by the invested entity, and adjust the book value of long-term equity investment at the same time; The share shall be calculated according to the profits or cash dividends declared to be distributed by the invested entity, and the book value of the long-term equity investment shall be reduced accordingly; For other changes in owners' equity other than net profit and loss, other comprehensive income and profit distribution of the invested entity (hereinafter referred to as "changes in other owners' equity"), the book value of long-term equity investment shall be adjusted and recorded into owners' equity.

When confirming the share of net profit and loss, other comprehensive income and other changes in owner's equity of the invested entity, it shall be based on the fair value of identifiable net assets of the invested entity at the time of acquisition of investment, and the net profit and other comprehensive income of the invested entity

shall be recognized after adjustment in accordance with the accounting policies and accounting periods of the company.

The unrealized internal trading gains and losses between the company and its associated enterprises or joint ventures shall be calculated and offset against the part that belongs to the company according to the proportion it should enjoy, and the investment income shall be recognized on this basis, except for the assets invested or sold that constitute business. The unrealized internal trading loss with the invested entity shall be fully recognized if it is an asset impairment loss.

The net loss incurred by the company to the joint venture or associated enterprise shall be limited to the write-down to zero of the book value of the long-term equity investment and other long-term interests that substantially constitute the net investment to the joint venture or associated enterprise, except for the obligation to bear additional losses. Where a joint venture or an associated enterprise later realizes net profits, the company shall resume the recognition of profit sharing after the profit sharing makes up for the unrecognized loss sharing.

(3) Disposal of long-term equity investments

When disposing long-term equity investment, the difference between the book value and the actual purchase price shall be recorded into the current profit and loss.

If part of the long-term equity investment calculated by the equity method is disposed of and the remaining equity is still calculated by the equity method, other comprehensive income recognized by the original equity method shall be carried forward on the same basis as the direct disposal of relevant assets or liabilities by the invested entity in accordance with the corresponding proportion, and other changes in owner's equity shall be proportionately transferred to the current profit and loss.

If the joint control or significant influence on the invested entity is lost due to the disposal of equity investment or other reasons, other comprehensive income of the original equity investment recognized by the equity method of accounting shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the invested entity when the equity method of accounting is terminated. Other changes in owners' equity shall be transferred to current profits and losses when the equity method is terminated.

If the control right of the invested entity is lost due to the disposal of part of the equity investment or other reasons, when preparing individual financial statements, if the remaining equity can exercise joint control or significant influence on the invested entity, the equity method shall be adopted for accounting, and the remaining equity shall be adjusted when the remaining equity is regarded as obtained by itself. Other comprehensive income recognized before the acquisition of the control right of the invested entity shall be carried forward on the same basis as the direct disposal of related assets or liabilities by the invested entity, and other changes in owner's equity recognized by the equity method shall be carried forward to the current profit and loss on the same basis; If the remaining equity cannot be jointly controlled or exert significant influence on the invested entity, it shall be recognized as a financial asset, and the difference between its fair value and book value on the date of loss of control shall be recorded into the current profit and loss, and all other comprehensive income and other changes in owner's equity recognized before the control of the invested entity is acquired shall be carried forward.

If the equity investment of the subsidiary is disposed of step by step through multiple transactions until the control is lost, and it belongs to a package transaction, each transaction shall be treated as a transaction of disposing the equity investment of the subsidiary and losing the control; The difference between the disposal price of each time before the loss of control and the book value of the long-term equity investment due to the equity disposed of shall be recognized as other comprehensive income in individual financial statements, and then transferred to the current profit and loss of the loss of control when the control is lost. If it does not belong to a package transaction, accounting treatment shall be carried out separately for each transaction.

3.16 Investment properties

Investment real estate refers to real estate held for the purpose of earning rent or capital appreciation, or both, including land use rights leased, land use rights held and prepared to be transferred after appreciation, buildings leased (including buildings for lease upon completion of self-construction or development activities and buildings for lease in the future during construction or development).

The subsequent expenditure related to the investment real estate shall be included in the cost of the investment real estate when the relevant economic benefits are likely to flow in and the cost can be measured reliably; Otherwise, the current profit and loss shall be recorded at the time of occurrence.

The company adopts the cost model for the existing investment real estate measurement. For the investment real estate - leased buildings measured in accordance with the cost model, the depreciation policy is the same as that of the company's fixed assets, and the leased land use right is subject to the same amortization policy as intangible assets.

3.17 Fixed assets

3.17.1 Recognition criteria of fixed assets

Fixed assets refer to tangible assets held for the production of commodities, provision of labor services, leasing or operation and management, with a useful life of more than one fiscal year. Fixed assets are recognized when the following conditions are simultaneously met:

- (1) The economic benefits related to the fixed asset are likely to flow into the enterprise;
- (2) The cost of the fixed asset can be measured reliably.

Fixed assets are initially measured at cost (taking into account the impact of expected disposal costs).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow in and their costs can be measured reliably; For the replaced part, terminate the recognition of its book value; All other subsequent expenditures are recorded in current profit and loss when incurred.

3.17.2 Depreciation method

Depreciation of fixed assets shall be calculated and withdrawn by means of average life method or double decreasing balance method. The depreciation rate is determined according to the class of fixed assets, the estimated useful life and the estimated net salvage value rate, which is uniform at 5%. For fixed assets for which impairment provisions have been made, the amount of depreciation shall be determined in the future period according to the book value after deducting impairment provisions and the remaining useful life. If the service life of each component of a fixed asset is different or it provides economic benefits to the enterprise in different ways, different depreciation rates or depreciation methods shall be selected and depreciation shall be calculated separately.

Depreciation of fixed assets begins when they reach a predetermined usable state, and stops when they are terminated for recognition or classified as non-current assets held for sale.

The depreciation method, depreciation life, salvage value rate and annual depreciation rate of all kinds of fixed assets are as follows:

Categories	Depreciation method	Depreciation life (Year)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings				
Including: houses and buildings for production	Average number of years method or double decreasing balance method	20.00	5.00	4.75 or double decreasing balance method
Non-productive housing buildings	Average number of years method	25.00	5.00	3.80
Machinery and equipment	Average number of years method or double decreasing balance method	10.00	5.00	9.50 or double decreasing balance method
Equipment for transportation	Average number of years method	6.00	5.00	15.83
Instrument and meter	Average number of years method or double decreasing balance method	6.00	5.00	15.83 or double decreasing balance method
Electronic computer	Average number of years method or double decreasing balance method	5.00	5.00	19.00 or double diminishing balance method
Photovoltaic power generation equipment	Average number of years method	20.00	5.00	4.75
Other equipment	Average number of years method or double decreasing balance method	6.00	5.00	15.83 or double decreasing balance method

3.17.3 Disposal of fixed assets

When the fixed assets are disposed, or they are expected not to bring any economic interest via use or disposal, such fixed assets will be derecognized. When the fixed asset is sold, transferred, scrapped or damaged, the Company will include such disposal revenue, deducting the book value and related taxes and surcharges thereof, in the current profit or loss.

3.18 Construction in progress

The cost of construction in progress shall be measured according to the cost actually incurred. Actual costs include construction costs, installation costs, capitalized borrowing costs, and other expenditures necessary to bring the work in progress into a predetermined serviceable condition. When the project under construction reaches a predetermined serviceable state, it shall be transferred to fixed assets and depreciated from the next month.

3.19 Borrowing costs

3.19.1 Recognition criteria of capitalization of borrowing costs

Borrowing costs incurred by the company that can be directly attributed to the purchase, construction or production of assets eligible for capitalization shall be capitalized and included in the cost of relevant assets; Other borrowing costs shall be recognized as expenses according to the amount incurred when incurred and recorded into current profits and losses.

The assets that meet the capitalization conditions refer to the fixed assets, investment real estate, inventory and other assets that need to go through a fairly long period of purchase, construction or production activities to reach the predetermined state of being usable or saleable.

3.19.2 Capitalization period for borrowing costs

Capitalization period refers to the period from the beginning of capitalization to the cease of capitalization for borrowing costs, excluding the period of capitalization suspension of borrowing costs.

Borrowing costs may be capitalized only when all the following conditions are met:

- (1) Asset expenses, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;
- (2) Borrowing costs have already been incurred;
- (3) The acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started.

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended use or sale status.

3.19.3 Period of capitalization suspension

The capitalization of borrowing costs shall be suspended if the abnormal interruption occurs in the purchase, construction or production process of the assets eligible for capitalization and the interruption lasts for more than 3 consecutive months; If the interruption is a necessary procedure for the purchased, built or produced assets eligible for capitalization to reach a predetermined usable or saleable state, the borrowing costs will continue to be capitalized. Borrowing costs incurred during the interruption period are recognized as current profits and losses until the borrowing costs continue to be capitalized after the acquisition and construction of assets or production activities restart.

3.19.4 Measurement of capitalization rate and capitalized amounts of borrowing costs

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in the current period less the interest income of the borrowings unused and deposited in bank or return on temporary investment should be

recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the amount of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

During the capitalization period, exchange differences of principal and interest on foreign currency special borrowings shall be capitalized and included in the cost of assets eligible for capitalization. Exchange differences arising from the principal and interest on foreign currency borrowings other than foreign currency special borrowings are recognized in the current profit or loss.

3.20 Intangible assets

3.20.1 Valuation method of intangible assets

(1) Intangible assets shall be initially measured at cost

The cost of purchased intangible assets includes the purchase price, relevant taxes and other expenditures directly attributable to the achievement of the intended use of the assets.

(2) Subsequent measurement of intangible assets

Analyze and judge the service life of intangible assets when they are acquired.

For an intangible asset with a finite useful life, amortize it within the period during which it brings economic benefits to the enterprise; if it is impossible to foresee the period during which the intangible asset will bring economic benefits to the enterprise, regard it as an intangible asset with an indefinite useful life and do not amortize it.

3.20.2 Collection scope of R & D expenditure

The scope of R & D expenditure refers to the various expenditures incurred in the process of research and development of enterprises, mainly including: salaries, wages and other related labor costs of personnel engaged in research and development activities; materials and labor costs consumed in the process of research and development; depreciation costs of fixed assets used for research and development; Indirect costs related to research and development: other costs, such as amortization costs of patent rights and license fees used.

3.20.3 Specific criteria for dividing the research phase and the development phase

The company's internal research and development project expenditure is divided into research phase expenditure and development phase expenditure.

Research stage: The stage of original and planned investigation and research activities to acquire and understand new scientific or technical knowledge.

Development stage: the stage of applying research results or other knowledge to a plan or design to produce new or substantially improved materials, devices, products and other activities before commercial production or use. Expenditures incurred in the research stage of internal research and development projects shall be included in the current profits and losses when incurred.

3.20.4 Specific criteria for qualifying expenditure on the development phase for capitalization

Expenditure in the research phase shall be recorded into current profit and loss when incurred. Expenditures in the development stage that simultaneously meet the following conditions shall be recognized as intangible assets, and expenditures in the development stage that cannot meet the following conditions shall be recorded into current profits and losses:

- (1) It is technically feasible to complete the intangible asset so that it can be used or sold;
- (2) It has the intention to complete the intangible asset and use or sell it;
- (3) The way in which the intangible asset generates economic benefits, including being able to prove that there is a market for the products produced by using the intangible asset or that there is a market for the intangible asset itself, and that the intangible asset will be used internally, being able to prove its usefulness;
- (4) It has the support of sufficient technology, financial resources and other resources to complete the development

- of the intangible asset and has the ability to use or sell the intangible asset;
- (5) The expenditure attributable to the development stage of the intangible asset can be measured reliably. Expenditures in the development stage that do not meet the above conditions shall be recorded into current profits and losses when incurred. Development expenses recorded into profit and loss in previous periods shall not be re-recognized as assets in subsequent periods. The capitalized expenditures in the development stage are shown as development expenditures in the balance sheet and will be converted into intangible assets as of the date when the project reaches its intended use.

3.21 Impairment of Long-lived Assets

For long-term assets such as long-term equity investments, investment properties measured using the cost model, property, plant and equipment, construction in progress, right-of-use assets, intangible assets with finite useful lives, and oil and gas assets, an impairment test is performed at the end of the reporting period if there is any indication of impairment. If the results of the impairment test indicate that the recoverable amount of an asset is lower than its carrying amount, an impairment loss is recognized for the difference and an impairment provision is set up accordingly. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Impairment provisions are calculated and recognized for individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows independently.

For goodwill arising from a business combination, intangible assets with an indefinite useful life, and intangible assets not yet available for use, an impairment test is performed at least at each annual reporting date, regardless of whether there is any indication of impairment.

When performing the impairment test for goodwill, the carrying amount of goodwill arising from a business combination is allocated, starting from the acquisition date, to the related cash-generating unit(s) on a reasonable basis. If it is difficult to allocate the goodwill to a related cash-generating unit, it is allocated to a group of related cash-generating units. The related cash-generating unit or group of cash-generating units is the one that benefits from the synergies of the business combination.

When conducting an impairment test for a cash-generating unit or a group of cash-generating units containing goodwill, if there is an indication of impairment for the unit or group containing the goodwill, an impairment test is first performed for the unit or group excluding the goodwill. Its recoverable amount is calculated and compared with its related carrying amount to recognize any corresponding impairment loss. Subsequently, an impairment test is performed for the unit or group containing the goodwill. Its carrying amount is compared with its recoverable amount. If the recoverable amount is lower than the carrying amount, the impairment loss is first applied to reduce the carrying amount of the goodwill allocated to that unit or group. Any remaining impairment loss is then allocated to the other assets of the unit or group on a pro-rata basis based on the carrying amount of each individual asset relative to the total carrying amount of all other assets (excluding goodwill) in that unit or group.

Once recognized, impairment losses for the aforementioned assets are not reversed in subsequent periods.

3.22 Long-term deferred expenses

Long-term deferred expenses refer to all expenses that have been paid by the company and whose amortization period is more than one year (excluding one year).

The long-term deferred expenses incurred by the Company shall be priced at the actual cost and amortized on an average basis according to the expected benefit period. For the long-term deferred expenses that cannot benefit the future accounting period, the amortized value of the project shall be fully recorded into the current profit and loss when determining.

3.23 Contract liabilities

According to the relationship between the performance of obligations and the customer payment, the Company presents contract assets or contract liabilities in the balance sheet. The Company's obligations in transferring goods or rendering services to customers on the ground that it has received or will receive relevant considerations from these customers are presented as contract liabilities. Contract assets and contract liabilities under the same contract should be presented at net amount.

3.24 Employee benefits

3.24.1 Accounting treatment of short-term compensation

During the accounting period when employees serve the Company, the actual short-term compensation is recognized as liabilities and included in current profit or loss or costs associated with assets.

The cost of social insurance and housing fund paid by Company for employees and the labor union cost and employee education costs provided by the Company in accordance with provisions shall, in the accounting period, during which the service is provided by employees for enterprises, be used to calculate corresponding amount of employee benefits according to the stipulated provision basis and proportion.

The employee welfare occurring in the Company shall be include in the current profit or loss or the related asset costs according to the actual amount when actually occurring. Among them, non-monetary benefits are measured at the fair value.

3.24.2 Accounting treatment of post-employment benefits

(1) Defined contribution plan

The Company pays the basic endowment insurance premiums and unemployment insurance for employees according to the relevant provisions of the local governments. During the accounting period when employees serve the Company, the paid amount which is calculated based on the payment base and proportion as stipulated in the provisions of the local place is recognized as liabilities and included in current profit or loss or related asset costs.

In addition, the Company also participates in the enterprise annuity plans/supplementary pension funds approved by the relevant state authorities. The Company makes payments to the annuity plans or local social insurance institutions in a certain proportion to the total employee wage, with corresponding expenses included in the current profit or loss or related asset costs.

(2) Defined benefit plans

According to the formula determined by the expected cumulative benefit unit method, the company will attribute the welfare obligation generated by the set benefit plan to the service period provided by the employee and record it into the current profit and loss or the cost of related assets.

The deficit or surplus resulting from the present value of defined benefit plan obligations minus the fair value of defined benefit plan assets is recognized as the net liability or net asset of a defined benefit plan. If the defined benefit plan has surplus, the company shall measure the net assets of the defined benefit plan by the lower of the surplus of the defined benefit plan and the upper limit of assets.

Obligations under the defined benefit plan, including the payment obligation that is expected to be done within 12 months following the annual reporting period when the employees serve for the Company, are discounted at the market yield of the national debt matching with the obligatory term of the defined benefit plan and the currency on the balance sheet date or the bonds of the high-quality companies in the active market.

The service costs of the defined benefit plan and net interest on the net liabilities or net assets in respect of the defined benefit plan are included in the current profit or loss or assets-related costs; changes in the re-measurement of net liabilities or net assets under the defined benefit plans should be included in other comprehensive income and should not be reversed in subsequent accounting periods. When the original defined benefit plan terminates, the portion originally included in other comprehensive income will all be transferred to the undistributed profits.

For the settlement of the defined benefit plan, the balance between the present value and the settlement price in regard to the defined benefit plan confirmed on the settlement date is recognized and settled as gains or losses.

3.24.3 Accounting treatment of dismissal benefits

Where the Company provides dismissal welfare to employees, employee benefits incurred from dismissal benefits are recognized as liabilities and recorded into the current profit and loss at the earlier date of: when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of

labor relationship or the layoff proposal; when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits.

3.25 Estimated liabilities

The Company recognizes the obligations related to contingencies as estimated liabilities when the following conditions are simultaneously met:

- (1) The obligation is a current obligation undertaken by the Company;
- (2) the performance of such obligation is likely to result in outflow of economic benefits from the Company;
- (3) The amount of the obligation can be measured reliably.

Projected liabilities are initially measured at the best estimate of the expenditure required to meet the relevant current obligations.

In determining the best estimate, factors such as risk, uncertainty and time value of money associated with contingencies are taken into account. If the time value of money has a significant impact, the best estimate is determined by discounting the relevant future cash outflow.

Where there is a continuous range of required expenditures within which all outcomes are equally likely to occur, the best estimate is determined by the median of the range; In other cases, the best estimates are treated separately in the following cases:

- Where contingencies involve a single item, they are determined on the basis of the amount most likely to occur.
- Contingencies involving more than one project are determined by calculating the possible outcomes and associated probabilities.

Where all or part of the expenditure required to repay the estimated liability is expected to be compensated by a third party, the amount of compensation shall be recognized separately as an asset when it is basically determined to be received, and the recognized amount of compensation shall not exceed the carrying value of the estimated liability.

The Company reviews the carrying value of the estimated liability on the balance sheet date, and if there is conclusive evidence that the carrying value cannot reflect the current best estimate, the company shall adjust the carrying value according to the current best estimate.

3.26 Share-based payment

A share-based payment of the company is a transaction in which an equity instrument is granted or a liability is assumed on the basis of the equity instrument in order to obtain services provided by employees or other parties. The company's share-based payments are divided into equity-settled share-based payments and cash-settled share-based payments.

3.26.1 Equity-settled share-based payment and equity instruments

Equity-settled share-based payment in exchange for services provided by employees, the measurement shall be based on the fair value of the equity instruments granted to employees. For share-based payment transactions with immediate feasible rights after grant, relevant costs or expenses shall be recorded according to the fair value of the equity instrument on the grant date, and the capital reserve shall be increased accordingly. For share-based payment transactions in which the services within the waiting period are completed after the grant or the rights are feasible only when the specified performance conditions are met, on each balance sheet date during the waiting period, the Company shall, based on the best estimate of the number of viable rights equity instruments and the fair value on the grant date, record the services acquired in the current period into relevant costs or expenses and increase the capital reserve accordingly.

If the terms of equity-settled share-based payments are modified, at least the services obtained are recognized as if the terms had not been modified. In addition, any modification that increases the fair value of the equity instrument granted, or changes in favor of the employee on the modification date, recognizes an increase in the acquisition of services.

During the waiting period, if the granted equity instrument is cancelled, the Company will treat the cancellation of the granted equity instrument as accelerated exercise, and the amount to be recognized during the remaining waiting period will be immediately recorded into the current profit and loss, and the capital reserve will be recognized at the same time. However, if a new equity instrument is granted and it is determined on the grant date that the new equity instrument granted is intended to replace the cancelled equity instrument, the granted

alternative equity instrument will be treated in the same manner as if the terms and conditions of the original equity instrument were modified.

3.26.2 Cash-settled share-based payment and equity instruments

Cash-settled share-based payments shall be measured at the fair value of the liabilities calculated and determined on the basis of shares or other equity instruments assumed by the Company. For a share-based payment transaction that can be exercised immediately after the grant, the Company shall include the relevant costs or expenses in accordance with the fair value of the liabilities assumed on the date of grant, and increase the liabilities accordingly. For share-based payment transactions that can only be exercised after the completion of services within the waiting period or the achievement of prescribed performance conditions after the grant, On each balance sheet date within the vesting period, the Company shall, based on the best estimate of the exercisable right, include the services obtained in the current period in the relevant costs or expenses according to the fair value of the liabilities assumed by the Company, and include them in the liabilities accordingly. On each balance sheet date and settlement date prior to the settlement of the relevant liabilities, the fair value of the liabilities shall be re-measured, and the changes shall be included in the current profits and losses.

If the Company modifies the terms and conditions of the cash-settled share-based payment agreement to make it an equity-settled share-based payment, on the modification date (whether within or after the vesting period), the Company measures the equity-settled share-based payment at the fair value of the equity instrument granted on that date, and includes the services obtained in the capital reserve. At the same time, the cash settled share payment for the liabilities recognized at the amendment date is terminated, and the difference between the two is included in the current profit or loss. If the vesting period is extended or shortened due to modification, the Company shall conduct accounting treatment according to the modified vesting period.

3.27 Other financial instruments such as preferred shares and water renewal bonds

In accordance with the contractual terms of the preferred shares/perpetual bonds issued by the Company and the economic substance reflected therein rather than in legal form only, Classify the financial instrument or its components as a financial asset, financial liability or equity instrument at the time of initial recognition.

A financial instrument such as a perpetual bond/preferred stock issued by the Company satisfies one of the following conditions to classify the financial instrument as a financial liability in its entirety or its components at the time of initial recognition:

- (1) There exist contractual obligations which the Company cannot unconditionally avoid performing by delivering cash or other financial assets;
- (2) Contains a contractual obligation to deliver a variable number of its own equity instruments for settlement;
- (3) Contains derivatives settled with its own equity (such as conversion of equity, etc.), and such derivatives do not exchange a fixed number of its own equity instruments for a fixed amount of cash or other financial assets for settlement;
- (4) There are contract terms that indirectly form contractual obligations;
- (5) At the time of liquidation by the issuer, the perpetual bonds are in the same repayment order as the ordinary bonds and other debts issued by the issuer.

A financial instrument such as perpetual debt/preferred stock that does not meet any of the above conditions shall be classified as an equity instrument in its entirety or its components at the time of initial recognition.

3.28 Income

The Company has fulfilled its performance obligation under the contract, which is to recognize revenue when the customer acquires control of the relevant goods or services. To acquire the control right of relevant goods or services refers to be able to dominate the use of such goods or services and obtain almost all economic benefits from them.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, apportion the transaction price to each individual performance obligation in proportion to the individual selling price of the commodity or service committed under each individual performance obligation. The Company shall measure its income according to the transaction price apportioned to each individual performance obligation.

Transaction price represents the amount of consideration that the Company expects to be entitled to collect

as a result of the transfer of goods or services to the customer, excluding monies received on behalf of third parties and monies that are expected to be refunded to the customer. The Company determines the transaction price in accordance with the terms of the contract and in combination with its past customary practices, and in determining the transaction price, the Company takes into account the influence of variable consideration, significant financing elements existing in the contract, non-cash consideration, consideration payable to customers and other factors. The Company determines the transaction price including variable consideration by an amount not exceeding an amount that is highly unlikely to result in a material reversal of cumulative recognized revenue at the time the relevant uncertainty is resolved. If there is a significant financing component in the contract, the Company shall determine the transaction price based on the amount payable in cash upon the assumption that the customer obtains control of the goods or services, and amortize the difference between the transaction price and the contract consideration using the effective interest rate method during the contract period.

If one of the following conditions is satisfied, the performance obligation shall be fulfilled within a certain period of time, otherwise, the performance obligation shall be fulfilled at a certain point:

1. The customer obtains and consumes the economic benefits brought by the Company's performance at the same time of the Company's performance.
2. The customer can control the goods under construction during the performance of the company.
3. The assets produced by the Company in the course of performance have irreplaceable purposes, and the Company has the right to receive payment for the part of the performance that has been completed so far during the whole contract period.

For performance obligations performed within a certain period of time, the Company shall recognize revenue according to the performance progress during that period, except where the performance progress cannot be reasonably determined. Considering the nature of the goods or services, the company adopts the output method or input method to determine the performance progress. If the performance progress cannot be reasonably determined and the incurred costs are expected to be compensated, the Company shall recognize the income according to the amount of incurred costs until the performance progress can be reasonably determined.

For performance obligations performed at a certain point, the Company recognizes revenue at the point when the customer acquires control of the relevant goods or services. In determining whether the customer has acquired control of the goods or services, the Company considers the following indications:

- The Company has a current collection right in respect of the goods or services, which means the customer has a current payment obligation in respect of the goods or services.
 - The Company has transferred the legal title of the goods to the Customer, that is, the customer has the legal title of the goods.
 - The Company has physically transferred the goods to the Customer, that is, the customer has physically possessed the goods.
- The Company has transferred the principal risks and rewards of ownership of the Goods to the Customer, that is, the Customer has acquired the principal risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

The Company determines whether it is the principal responsible person or agent at the time of transaction based on whether it has control over the goods or services before transferring them to the customer. The Company can control the product before transferring the commodity and other products to the customer, so the Company is the main responsible person, and the revenue is recognized according to the total amount of consideration received or receivable. Otherwise, the company, as an agent, recognizes the income according to the amount of the commission or handling fee that it is expected to be entitled to receive. The amount shall be recognized as the net amount of the total amount of consideration received or receivable less the amount payable to other relevant parties, or in accordance with the established amount or proportion of commission.

3.29 Contract cost

Contract cost includes contract performance cost and contract acquisition cost.

If the cost incurred by the Company to perform the contract does not fall within the scope of relevant criteria such as inventory, fixed assets or intangible assets, it shall be recognized as an asset as the contract performance cost when the following conditions are met:

- (1) The cost is directly related to a current or expected contract.

- (2) The cost increases the resources used by the enterprise to fulfill its performance obligations in the future.
- (3) The cost is expected to be recovered.

Incremental costs incurred by the company in obtaining the contract are recognized as an asset as contract acquisition costs if they are expected to be recovered.

Assets related to contract costs are amortized on the same basis as revenue recognition of goods or services related to the asset; However, if the amortization period of the contract acquisition cost does not exceed one year, the company will record it into the current profit and loss when it occurs.

If the carrying amount of an asset related to the contract cost is higher than the difference between the following two items, the Company shall make an impairment provision for the excess part and recognize it as an asset impairment loss:

1. The remaining consideration expected to be obtained as a result of the transfer of goods or services related to the asset;
2. Estimate the costs to be incurred for the transfer of the relevant goods or services.

If the factors of impairment in previous periods change later so that the aforesaid difference is higher than the carrying value of the asset, the Company shall reverse the impairment provision originally made and record it into the profit and loss of the current period, provided that the carrying value of the asset after reversal shall not exceed the carrying value of the asset on the reversal date under the assumption that no impairment provision is made.

3.30 Government grants

3.30.1 Type

Government grants are monetary assets and non-monetary assets freely obtained by the Company from the government. Government grants are classified into asset-related government grants and income-related government grants.

Asset-related government grants refer to government grants obtained by the Company for forming long-term assets by acquisition, construction or other manners. Income-related government grants refer to government grants excluding the asset-related government grants.

3.30.2 Confirm the time point

Government grants are recognized when the company can meet the conditions attached to them and can receive them.

3.30.3 Accounting treatment

Government subsidies related to assets shall be written down or recognized as deferred income. If it is recognized as deferred income, it shall be recorded into current profit and loss by stages in a reasonable and systematic way during the service life of the relevant assets (if it is related to the daily activities of the Company, it shall be recorded into other income; Those not related to the daily activities of the Company shall be included in non-operating income);

Government subsidies related to income, which are used to compensate the company's related costs, expenses or losses in the future period, shall be recognized as deferred income, and shall be recorded into the current profit and loss during the period of recognition of related costs, expenses or losses (those related to the company's daily activities shall be recorded into other income; If it is not related to the daily activities of the Company, it shall be included in non-operating income) or write-down related costs and expenses or losses; Those used to compensate the related costs and expenses or losses already incurred by the Company shall be directly recorded into the current profit and loss (those related to the daily activities of the Company shall be recorded into other income; Those unrelated to the company's daily activities shall be included in non-operating income) or write-down related costs, expenses or losses.

The discount interest of policy-based preferential loans obtained by the company shall be accounted for separately in the following two situations:

- (1) If the finance department allocates discount interest funds to the lending bank and the lending bank provides loans to the Company at the preferential policy interest rate, the Company shall take the actual amount of loans

received as the entry value of the loans and calculate the relevant borrowing costs according to the loan principal and the preferential policy interest rate.

- (2) If the finance department directly appropriates the discount interest funds to the Company, the Company will offset the corresponding discount interest against the relevant borrowing costs.

3.31 Deferred tax assets and deferred tax liabilities

Income tax includes current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events directly recognized in owners' equity (including other comprehensive income), the Company includes current income tax and deferred income tax in current profit and loss.

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference (temporary difference) between the tax base of the asset and the carrying value of the liability.

For the recognition of deferred income tax assets for deductible temporary differences, the amount of taxable income that is likely to be obtained in future periods to offset the deductible temporary differences shall be limited. For deductible losses and tax credits that can be carried forward to future years, the corresponding deferred income tax assets are recognized to the extent that future taxable income is likely to be obtained to offset the deductible losses and tax credits.

For taxable temporary differences, deferred income tax liabilities are recognized except in special circumstances.

Special circumstances in which deferred tax assets or deferred tax liabilities are not recognized include:

- initial recognition of goodwill;
- Transactions or events that are neither a business combination, occur and do not affect accounting profit and taxable income (or deductible loss), and the initial recognition of assets and liabilities does not result in taxable temporary differences and deductible temporary differences of equal amounts.

Deferred tax liabilities are recognized for taxable temporary differences related to investments in subsidiaries, associates and joint ventures, unless the Company can control the timing of the reversal of such temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences related to investments in subsidiaries, associates and joint ventures when the temporary differences are likely to be reversed in the foreseeable future and taxable income to offset the deductible temporary differences is likely to be obtained in the future.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured according to the applicable tax rate during the expected recovery of the relevant assets or liquidation of the relevant liabilities in accordance with the provisions of the tax law.

On the balance sheet date, the Company rechecks the carrying value of deferred income tax assets. Write down the carrying value of the deferred income tax asset if it is likely that sufficient taxable income will not be obtained in future periods to offset the benefit of the deferred income tax asset. The amount written down is reversed when it is probable that sufficient taxable income will be obtained.

When there is a legal right to settle on a net basis and the intention is to settle on a net basis or to acquire assets and settle liabilities simultaneously, the current income tax asset and current income tax liability are presented as the net offset.

On the balance sheet date, deferred tax assets and deferred tax liabilities are presented at the net offset if the following conditions are simultaneously met:

- The taxpayer has the legal right to net current income tax assets and current income tax liabilities;
- Deferred income tax assets and deferred income tax liabilities are related to income tax levied by the same tax collection authority on the same taxpayer or to different taxpayers, but in each future period in which significant deferred income tax assets and liabilities are rolled back, The taxpayer involved intends to settle current income tax assets and liabilities on a net basis or acquire assets and settle liabilities at the same time.

3.32 Lease

Lease refers to a contract in which a lessor assigns the right to use an asset to a lessee within a certain period of time in order to obtain consideration.

On the contract commencement date, the Company evaluates whether the contract is a lease or includes a lease. If a party to a contract transfers the right to control the use of one or more identified assets within a certain

period in exchange for consideration, the contract shall be a lease or include a lease.

If the contract contains multiple individual leases, the Company will split the contract and make accounting treatment over each individual lease. If the contract contains both leased and non-leased parts, the lessee and lessor will split the leased and non-leased parts.

3.32.1 The Company as the lessee

(1) Right-of-use assets

On the commencement date of the lease term, the company recognizes the right to use assets other than short-term leases and low-value asset leases. Right-of-use assets shall be initially measured at cost. This cost includes:

- The initial measurement amount of the lease liability;
- The amount of lease payments made on or before the commencement date of the lease term, if there is a lease incentive, the amount related to the lease incentive already enjoyed shall be deducted;
- Initial direct expenses incurred by the Company;
- The costs expected to be incurred by the Company to dismantle and remove the leased assets, restore the site where the leased assets are located or restore the leased assets to the state stipulated in the lease terms, excluding the costs incurred for the production of inventory.

The company subsequently uses the straight-line method to depreciate the assets of the right of use. Where the ownership of the leased asset can be reasonably determined at the end of the lease term, the company shall calculate depreciation during the remaining service life of the leased asset; Otherwise, the leased asset shall be depreciated during the period during which the lease term and the remaining useful life of the leased asset are shorter.

The Company shall determine whether the assets of the right of use have been impaired and conduct accounting treatment for the identified impairment losses in accordance with the principles described in "3.22 Impairment of Long-term Assets" in this note.

(2) Lease liabilities

As at the beginning of the lease period, the Company recognizes the leases other than short-term leases and leases of low-value assets as lease liabilities. Lease liabilities are initially measured at the present value of the lease payments that have not been paid. Lease payments include:

- for fixed payments (including substantial fixed payments), if there is any lease incentive, the relevant amount of the lease incentive shall be deducted;
- variable lease payments depending on the index or ratio;
- the payments expected to be payable based on the residual value of the guarantee provided by the Company;
- exercise price of purchase option, provided that the Company reasonably determines that it will exercise the option;
- the amount to be paid to exercise the lease termination option, provided that it is reflected that the Company will exercise the lease termination option during the lease period.

The Company adopts the implicit rate of lease as the discount rate, but if the implicit rate of lease cannot be reasonably determined, the incremental borrowing rate will be adopted as the discount rate.

The Company calculates the Interest expenses of lease liabilities in each lease term based on a fixed periodic interest rate, and includes such expenses into the current profit or loss or the cost of related assets.

The variable lease payments not included in the measurement of lease liabilities shall be included in the current profit or loss or the costs of related assets when they actually occur.

After the commencement date of the lease term, under any of the following circumstances, the Company will re-measure the lease liabilities and adjust the corresponding right-of-use assets; if the book value of the right-of-use assets has been reduced to zero and further reduction of lease liabilities is still required, the difference will be included in the current profit or loss:

- In case of any change in the evaluation results of the purchase option, lease renewal option or termination option, or any inconsistency between the actual exercise of the aforesaid options and the original evaluation results, the Company will re-measure lease liabilities according to the present value calculated by the changed

lease payments and the revised discount rate.

- When there is a change in the substantial fixed payment amount, a change in the expected amount payable for the residual value of the guarantee, or a change in the index or ratio used to determine the lease payment amount, the Company re-measures the lease liability based on the present value calculated from the changed lease payment amount and the original discount rate. However, changes in lease payments are due to changes in floating interest rates and the present value is calculated using the revised discount rate.

(3) Short-term lease and lease of low-value assets

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the relevant lease payments are included in the current profit or loss or the cost of related assets by straight-line method over each period within the lease term. Short-term leases refer to leases that do not exceed 12 months on the commencement date of the lease period and do not include any purchase option. Low-value asset lease refers to the lease of a single lease asset with lower value when it is brand new. The Company regards the lease of a single leased asset whose value does not exceed CNY 40,000.00 when it is a new asset as a low-value asset lease. For the lease asset subleased by the Company subleases or expected to be subleased, the original lease is not a lease of low-value assets.

(4) Lease changes

The lease changes and the following conditions are met at the same time, the Company will carry out accounting treatment over the lease change as a separate lease:

- where the lease change expands the scope of the lease by adding the right to use one or more leased assets;
- where the increase of the consideration is equivalent to the adjusted individual price of the expanded part of the lease scope according to the contract.
- Where the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company will re-distribute the consideration of the contract after the change, re-determine the lease period, and re-measure lease liabilities according to the present value calculated by the changed lease payments and the revised discount rate.

If the lease change causes the lease scope to be reduced or the lease term to be shortened, the Company shall correspondingly reduce the book value of the right-to-use assets, and include the related gains or losses of partial or complete termination of the lease in the current profit or loss. Where other lease changes lead to re-measurement of lease liabilities, the Company will adjust the book value of the right-of-use assets accordingly.

3.32.2 The Company as the lessor

Leases of the Company are classified as finance lease and operating lease on the lease commence date. Lease under which almost all the risks and rewards relevant to the ownership of leased assets are materially transferred is recognized as finance lease, regardless of whether the ownership is ultimately transferred. Operating lease refers to the leases other than finance lease. When the Company is a sub-lessor, it classifies the sub-leases based on the right-of-use assets generated by the original lease.

(1) Accounting treatment of operating leases

Rental from the operating lease in each stage during the rental period should be recognized as the lease income by the straight-line method. Initial direct costs relating to operating lease incurred by the Company are capitalized, and shall be included in the current profit or loss on the same basis as the recognition of lease income during the lease term. The variable lease payable that is not included in the lease receivable shall be included in the current profit or loss at the time of actual occurrence. In case of any change in the operating lease, the Company will make the accounting treatment for it as a new lease from the effective date of the change, and the amount received in advance or lease receivables before the change will be regarded as the receivables from the new lease.

(2) Accounting treatment of finance lease

On the lease commencement date, the Company recognizes finance lease receivables for financing leases and derecognizes finance lease assets. When the Company conducts the initial measurement of finance lease

receivables, the net lease investment is adopted as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payments that have not been received at the beginning of the lease term and discounted at the interest rate included in the lease.

The Company calculates and recognizes interest income for each period of the lease term at a fixed periodic interest rate. The termination recognition and impairment of the finance lease receivable shall be accounted for in accordance with "3.10 Financial Instruments" in this note.

The variable lease payable that is not included in the net lease investment for measurement shall be included in the current profit or loss at the time of actual occurrence.

If the finance lease changes and the following conditions are met at the same time, the Company will carry out accounting treatments over the change as a separate lease:

- where the change expands the scope of the lease by adding the right to use one or more leased assets;
- where the increase of the consideration is equivalent to the adjusted individual price of the expanded part of the lease scope according to the contract.

Where the change of finance lease is not accounted for as a separate lease, the Company will treat the changed lease according to the following circumstances:

- If the change comes into effect on the lease commencement date, the lease will be classified as an operating lease. The Company will start making accounting treatment for it as a new lease from the effective date of the lease change, and regard the net lease investment before the effective date of the lease change as the book value of the leased assets.
- If the change comes into effect on the lease commencement date, the lease will be classified as a finance lease, and the Company will conduct accounting treatment according to the policy on modifying or renegotiating the contract in "3.10 Financial instruments" of this note.

3.32.3 Sale-leaseback transaction

The Company evaluates and determines whether the transfer of assets in a sale-and-leaseback transaction is a sale in accordance with the principles described in "3.29 Income" in this note.

(1) As the lessee

If the transfer of assets in the sale-leaseback transaction is a sale, the company, as the lessee, shall measure the right to use assets formed by the sale-leaseback according to the part of the book value of the original assets related to the right to use acquired by the leaseback, and only recognize the relevant gains or losses in respect of the right transferred to the lessor.

After the commencement of the lease term, the subsequent measurement of the right to use assets and lease liabilities and lease changes are detailed in note "3.33(1) As the lessee". The Company as the lessee". In the subsequent measurement of the lease liability resulting from sale-leaseback, the Company determines the lease payment or changes the lease payment in a manner that does not result in the recognition of gains or losses related to the right to use acquired by the leaseback.

Where the transfer of assets in a sale-and-leaseback transaction is not a sale, the Company, as the lessee, continues to recognize the transferred assets and at the same time recognizes a financial liability equal to the transfer income. For the accounting treatment of financial liabilities, please refer to "3.10 Financial Instruments" in this note.

(2) As a lessor

If the transfer of assets in the sale-leaseback transaction is a sale, the Company, as the lessor, shall conduct accounting treatment for the purchase of assets, and shall conduct accounting treatment for the lease of assets in accordance with the aforementioned policy of "2. As a lessor "; If the transfer of assets in a sale-and-leaseback transaction is not a sale, the Company, as the lessor, does not recognize the transferred assets, but recognizes a financial asset equal to the transfer income. For the accounting treatment of financial assets, please refer to "3.10 Financial Instruments" in this note.

3.33 Hedge accounting

3.33.1 Classification of Hedging

- (1) The term "fair value hedge" refers to a hedge of the risk of changes in the fair value of a recognized asset or liability and an unrecognized firm commitment (excluding foreign exchange risk).
- (2) The term "cash flow hedge" refers to a hedge of the risk of changes in cash flow, where the changes in cash flow are attributable to a specific risk related to a recognized asset or liability or a highly probable forecast transaction or the foreign exchange risk contained in an unconfirmed firm undertaking.
- (3) A hedge of net investment in an overseas operation refers to a hedge of the foreign exchange risk of net investment in an overseas operation. The "net investment in an overseas operation" refers to the equity share of an enterprise in the net assets of an overseas operation.

3.33.2 Designation of hedging relationship and determination of the effectiveness of hedging

At the beginning of the hedging relationship, the Company has formally designated the hedging relationship and prepared formal written documents on the hedging relationship, risk management objectives and hedging strategies. This document sets out the nature and quantity of the hedging instrument, the nature and quantity of the hedged items, the nature of the hedged risk, the type of hedging, and the Company's assessment of the effectiveness of the hedging instrument. Hedge effectiveness, It refers to the extent to which the changes in the fair value or cash flow of the hedging instrument can offset the hedged item caused by the hedged risk and the changes in the fair value or cash flow.

The Company shall continuously evaluate the effectiveness of the hedge and judge whether the hedge meets the requirements for the effectiveness of hedge accounting during the accounting period in which the hedging relationship is designated. If not, the use of the hedging relationship shall be terminated.

The application of hedging accounting shall meet the following requirements for the effectiveness of hedging:

- (1) There is an economic relationship between the hedged item and the hedging instrument.
- (2) In the value changes arising from the economic relationship between the hedged item and the hedging instrument, the impact of credit risk is not dominant.
- (3) An appropriate hedging ratio is adopted, and the hedging ratio will not form a balance between the hedged item and the relative weight of the hedging instrument, resulting in an accounting result inconsistent with the hedging accounting objective. If the hedging ratio is no longer appropriate, but the risk management objective of the hedging period remains unchanged, the number of the original hedging item or hedging instrument shall be adjusted to make the hedging ratio meet the requirement of effectiveness again.

3.33.3 Hedge accounting treatment method

- (1) Fair value hedging

Changes in the fair value of hedging derivatives are recorded in current profits and losses. Changes in the fair value of the hedged item due to the hedging risk shall be recorded into the current profit and loss, and the book value of the hedged item shall be adjusted at the same time.

In the case of fair value hedges related to financial instruments measured at amortized cost, adjustments made to the carrying value of the hedged item are amortized during the remaining period between the adjustment date and the maturity date and recorded in the current profit and loss. Amortization under the effective interest rate method may commence immediately after the book value adjustment and no later than the adjustment of the hedged item for changes in fair value arising from the hedging risk after the termination of the hedged item. If the hedged item is terminated, the unamortized fair value is recognized as the current profit and loss.

The hedged item is a firm commitment that has not yet been recognized, the accumulated change in fair value of the firm commitment due to the hedged risk is recognized as an asset or liability, and the related gain or loss is recorded into the current profit and loss. Changes in the fair value of hedging instruments are also included in current profits and losses.

- (2) Cash flow hedging

The part of the profit or loss of the hedging instrument that belongs to the effective hedging is directly recognized as other comprehensive income, and the part that belongs to the ineffective hedging is included in the current profits and losses.

If the hedged transaction affects the current profits and losses, for example, when the hedged financial income or financial expenses are recognized or the expected sales occur, the amount recognized in other comprehensive income shall be transferred to the current profits and losses. If the hedged item is the cost of a

non-financial asset or non-financial liability, the amount originally recognized in other comprehensive income is transferred out and included in the initially recognized amount of the non-financial asset or non-financial liability (Or if it was originally recognized in other comprehensive income, it shall be transferred out during the same period when the non-financial assets or non-financial liabilities affect the profits and losses, and shall be included in the current profits and losses).

If the expected transaction or firm commitment is not expected to occur, the accumulated gains or losses previously included in other comprehensive income are transferred out and included in the current profits and losses. If the hedging instrument has expired, been sold, the contract has been terminated or exercised (but not replaced or extended), or the designation of the hedging relationship has been cancelled, the amount previously included in other comprehensive income shall not be transferred out until the expected transaction or firm commitment affects the current profits and losses. (3) Hedging of net investment in overseas operation

(3) Operating net investment hedging abroad

A hedge of a net investment in a foreign operation includes a hedge of a monetary item that is a portion of the net investment, and the treatment is similar to a cash flow hedge. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is included in other comprehensive income, while the portion of the ineffective hedge is recognized in profit or loss for the period. When an overseas operation is disposed of, any accumulated gain or loss included in other comprehensive income is transferred out and included in the current profit or loss.

3.34 Debt restructuring

3.34.1 The Company as a creditor

The company shall terminate the recognition of the creditor's rights when its contractual right to collect the cash flow of the creditor's rights terminates. Where debt restructuring is carried out in the form of paying off debts with assets or converting debts into equity instruments, the Company shall recognize the relevant assets when they meet its definition and recognition conditions.

Where debt restructuring is carried out in the form of asset repayment of debt, the company shall measure the transferred non-financial assets at cost when initially recognizing them. The cost of inventory includes the fair value of the abandonment of the creditor's right and the taxes, transportation costs, handling costs, insurance costs and other costs directly attributable to the asset incurred in bringing the asset to its current position and state. The cost of investment in a joint venture or joint venture includes the fair value of the abandoned creditor's rights and other costs directly attributable to the asset such as taxes. The cost of investment real estate includes the fair value of the abandoned creditor's rights and other costs directly attributable to the asset such as taxes. The cost of a fixed asset includes taxes, transportation costs, handling costs, installation costs, professional service fees and other costs directly attributable to the asset before the fair value of the creditor's right is abandoned and the asset is made available for use. The cost of a biological asset includes the fair value of the abandoned claim and other costs directly attributable to the asset such as taxes, transportation costs and insurance premiums. The cost of intangible assets includes the fair value of the abandoned creditor's rights and other costs that can be directly attributed to the achievement of the intended use of the assets. If the debt restructuring in the form of converting debt into equity instruments results in the creditor converting the creditor's right into equity investment in the joint venture or joint venture, the company shall measure the initial investment cost according to the fair value of the abandoned creditor's right and taxes and other costs directly attributable to the asset. The difference between the fair value of the abandoned creditor's rights and the carrying value is recorded in the current profit and loss.

If the debt restructuring is carried out by modifying other terms, the Company shall recognize and measure the restructured creditor's rights in accordance with "3.10 Financial Instruments" in this note.

Where debt restructuring is carried out by means of multiple assets to pay off debts or combination, the Company shall first recognize and measure the transferred financial assets and restructured creditor's rights in accordance with "3.10 Financial Instruments" in this note, and then according to the proportion of fair value of all assets other than the transferred financial assets, The net value of the fair value of the abandoned creditor's rights after deducting the recognized amount of the transferred financial assets and the restructured creditor's rights shall be distributed, and on this basis the cost of each asset shall be determined according to the aforementioned method. The difference between the fair value and the carrying amount of the abandoned

creditor's right shall be included in the current profit and loss.

3.34.2 The Company as a creditor

The Company derecognizes a debt when the present obligation of the debt is discharged. In case of debt restructuring in the form of liquidation of debts by assets, the Company shall terminate the recognition when the relevant assets and the liquidated debts meet the conditions for termination of recognition, and the difference between the book value of the liquidated debts and the book value of the transferred assets shall be included in the current profits and losses.

In case of debt restructuring by converting debts into equity instruments, the Company shall terminate the recognition when the debts paid off meet the conditions for derecognition. When the Company initially recognizes the equity instrument, it shall be measured according to the fair value of the equity instrument. If the fair value of the equity instrument cannot be measured reliably, it shall be measured according to the fair value of the liquidated debt. The difference between the book value of the extinguished debt and the recognized amount of the equity instrument, It shall be included in the current profits and losses. In case of debt restructuring by modifying other terms, the Company shall recognize and measure the restructured debt in accordance with "3.10 Financial Instruments" in this Note.

In case of debt restructuring by means of paying off debts with multiple assets or by means of combination, the Company shall recognize and measure the equity instruments and restructured debts in accordance with the aforementioned methods, and the difference between the book value of the debts paid off and the sum of the book value of the transferred assets and the recognized amount of the equity instruments and restructured debts shall be included in the current profits and losses.

3.35 Segment report

The Company determines the operating segments based on the internal organizational structure, management requirements and internal reporting system, and determines the reporting segments based on the operating segments and discloses the segment information.

An operating segment is a component of the Company that simultaneously meets the following conditions: (1) the component is able to generate revenue and incur expenses in its daily activities; (2) the management of the Company is able to regularly evaluate the operating results of the component to determine the allocation of resources to it and evaluate its performance; (3) The Company is able to obtain the financial position, operating results, cash flow and other relevant accounting information of the component. If two or more operating segments have similar economic characteristics and meet certain conditions, they can be combined into one operating segment.

3.36 Safety production fee

The safety production fee drawn by the Company in accordance with the national regulations shall be included in the cost of relevant products or the current profit and loss, and shall be recorded in the "special reserve" account. When the safety production fee extracted is used, it belongs to the expense expenditure, and the special reserve is directly offset. If fixed assets are formed, the expenditures incurred are collected through the "construction in progress" account, and are recognized as fixed assets when the safety project is completed and reaches the expected usable state. The special reserve is offset according to the cost of forming fixed assets, and the accumulated depreciation of the same amount is recognized. The fixed asset will not be depreciated in subsequent periods.

3.37 Determination method and selection basis of materiality standard

Items	Importance
Significant accounts receivable for which provision for doubtful accounts is made individually	10 million CNY
Significant recoveries or reversals of bad debt	10 million CNY

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

provisions during the current period	
Significant write-offs of receivables during the current period	5 million CNY
Significant construction in progress	40 million CNY
Significant accounts payable aged over one year or past due	10 million CNY
Significant non-wholly-owned subsidiaries	Accounting for 10% of total assets
Important joint ventures or associates	The shareholding ratio exceeds 30% and the income exceeds 100 million CNY

3.38 Notes to changes in important accounting policies and accounting estimates, as well as correction of errors and other adjustments

3.38.1 Changes in significant accounting policies

- (1) Implementation of the Provisions on Accounting Treatment for Standard Warehouse Receipt Transactions in the "Q&A on the Implementation of the Financial Instruments Standard"

On July 8, 2025, the Ministry of Finance issued the "Q&A on the Implementation of Accounting Treatment for Standard Warehouse Receipt Transactions," which clearly stipulates that, in accordance with the Financial Instruments: Recognition and Measurement Standard, where an enterprise enters into frequent contracts to buy and sell standard warehouse receipts on a futures exchange to earn spreads without taking physical delivery of the underlying commodities, this generally indicates that the enterprise has a practice of reselling the subject matter of the contracts shortly after receipt to profit from short-term price fluctuations. The enterprise shall treat such contracts as financial instruments and account for them in accordance with the provisions of the Financial Instruments Recognition and Measurement Standard. If an enterprise sells standard warehouse receipts shortly after acquiring them pursuant to the aforementioned contracts, it should not recognize revenue from sales; instead, the difference between the consideration received and the carrying amount of the sold standard warehouse receipts should be recognized as investment income. If an enterprise holds standard warehouse receipts that have not yet been sold at the end of the period, they should be reported as other current assets. For standard warehouse receipts acquired under the aforementioned contracts, if an entity can eliminate or significantly reduce accounting mismatches, it may elect at initial recognition to measure them at fair value with changes recognized in profit or loss, and must apply this consistently to all standard warehouse receipts that meet the eligibility criteria. For standard warehouse receipts for which the entity has already elected at initial recognition to measure at fair value with changes recognized in profit or loss, the entity may not revoke this election in subsequent periods.

In accordance with the requirements of the "Notice on Strictly Implementing Enterprise Accounting Standards and Effectively Carrying Out the Preparation of 2025 Annual Reports" (Cai Kui [2025] No. 33), if an enterprise adjusts its accounting treatment methods due to the implementation of the aforementioned provisions regarding standard warehouse receipts, it shall adjust the comparative period information in the financial statements.

The implementation of this regulation has not had a material impact on the Company's financial position or operating results.

Except for the impact of the aforementioned change in accounting policy, there have been no other significant changes in the Company's major accounting policies during the reporting period.

3.38.2 Changes in important accounting estimates

- (1) Change in the Proportion of Quality Assurance Expenses Accrued

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

At the Fifth Meeting of the 11th Board of Directors held on December 18, 2024, the Company reviewed and approved the "Proposal on Changes to Accounting Estimates for the Wind Power Business." In order to reflect the Company's wind power business more objectively and accurately, the Fifth Meeting of the 11th Board of Directors reviewed and approved the proposal regarding changes to accounting estimates for the wind power business. The Board of Directors agreed that, effective January 1, 2025, the provision ratio for quality assurance expenses for wind turbine units will be adjusted as follows: 6% of product sales revenue for offshore wind turbine units and 4% of product sales revenue for onshore wind turbine units, with individual provisions made for unforeseeable and sporadic quality-related expenses.

(2) Impact of the Change in Accounting Estimates

This change in accounting estimates is applied prospectively and will be effective as of January 1, 2025. This change in accounting estimates will result in a reduction of CNY 166,878,900 in operating costs and a reduction of CNY 166,878,900 in accrued liabilities for the Company in 2025.

4 Taxation

4.1 Major tax types and tax rates

Types of taxes	Basis of tax	Applicable tax rate	Remarks
Value added tax	The output tax shall be calculated on the basis of the income from sales of goods and taxable services calculated in accordance with the provisions of the tax law. After deducting the input tax allowed to be deducted in the current period, the difference shall be VAT payable	3%、5%、6%、9%、11%、13%、18%	GST of Dongfang Electric (India) Private Limited (hereinafter referred to as Dongfang India) is 18%.
City maintenance and construction tax	According to the actual payment of value-added tax and consumption tax	5%、7%	
Property tax	Tax is based on 70% of the original value of the property (or rental income)	1.2%、12%	

Explanation of income tax rates of different taxpayers:

Name of taxpayer	Income tax rate (%)
Dongfang Electric Corporation Limited (The Company)	15
Dongfang Electric Corporation Dongfang Boiler Co., Ltd. (hereinafter referred to as Dongfang Boiler)	15
Dongfang Kaiterui (Chengdu) Environmental Technology Co., LTD. (hereinafter referred to as Dongfang Kaiterui)	15
Dongfang Electric (Chengdu) Hydrogen Energy Technology Co., LTD. (hereinafter referred to as Dongfang Hydrogen Energy)	15
DONGFANG TURBINE Co., LTD. (hereinafter referred to as Dongfang Turbine)	15
Dongfang Electric Machinery Co., LTD. (hereinafter referred to as Dongfang Electric Machinery)	15
Dongfang Electric (Deyang) Motor Technology Co., LTD. (hereinafter referred to as Dongfang Electric Motor)	15
Dongfang Electric Wind Power Co.,Ltd.(hereinafter referred to as Dongfang Wind Power)	15
Dongfang Electric Wind Power (Liangshan) Co., LTD. (hereinafter referred to as Dongfang Liangshan Wind Power)	15
Dongfang Electric (Jiuquan) Wind Power Equipment Co., LTD. (hereinafter referred to as Dongfang Jiuquan Wind Power)	15.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of taxpayer	Income tax rate (%)
Xinjiang Dongfang Wind Power New Energy Co., LTD. (hereinafter referred to as Dongfang Xinjiang New Energy)	15.00
Dongfang Wind Power (Burjin) New Energy Co., Ltd. (hereinafter referred to as Dongfang Burjin New Energy)	15.00
Dongfang Electric (Tianjin) Wind Power Blade Engineering Co., LTD. (hereinafter referred to as Dongfang Tianjin Blade)	15.00
Dongfang Wind Power (Tangshan) New Energy Co., LTD. (hereinafter referred to as Dongfang Tangshan New Energy)	20.00
Shandong Dongfang Wind Power Equipment Manufacturing Co., Ltd. (hereinafter referred to as Dongfang Rushan Wind Power)	20.00
Dongfang Electric Wind Power (Guiyang) Co., LTD. (hereinafter referred to as Dongfang Guiyang Wind Power)	20.00
Dongfang Electric (Changdu) New energy Co., LTD. (hereinafter referred to as Dongfang Changdu New Energy)	20.00
Mengcheng Dongfang Wind Power New Energy Equipment Co., Ltd. (hereinafter referred to as Dongfang Mengcheng New Energy)	20.00
Dongxia (Jiangsu) Smart Energy Co., LTD. (hereinafter referred to as Dongfang Jiangsu Smart Energy)	20.00
Dongfang Electric Wind Power (Baotou) Co., Ltd. (hereinafter referred to as Dongfang Baotou Wind Power)	20.00
Dongfang Wind Power (Qingxian) New Energy Co., LTD. (hereinafter referred to as Dongfang Qingxian New Energy)	20.00
Fujian Dongfu New Energy Co., LTD. (hereinafter referred to as Fujian Dongfu New Energy)	20.00
Dongtang (Tangshan Caofeidian District) New Energy Co., LTD. (hereinafter referred to as Dongtang Tangshan New Energy)	20.00
Liaocheng Dongguan New Energy Co., Ltd. (hereinafter referred to as Liaocheng Dongguan New Energy)	20.00
Qingxian Dongtai Energy Manufacturing Co., LTD. (hereinafter referred to as Qingxian Dongtai Energy)	20.00
Dongfang Wind Power (Tongyu) New Energy Co., Ltd. (hereinafter referred to as Dongfang Tongyu New Energy)	20.00
Dongfang Wind Power New Energy (Chongqing) Co., Ltd. (hereinafter referred to as Dongfang Chongqing New Energy)	20.00
Dongfang Wind Power (Qingdao) New Energy Co., Ltd. (hereinafter referred to as Dongfang Qingdao New Energy)	20.00
Dongfang Electric Wind Power Equipment (Lincheng) Co., Ltd. (hereinafter referred to as Dongfang Lincheng Wind Power)	20.00
Dongfang Electric Wind Power Equipment (Luanping) Co., Ltd. (hereinafter referred to as Dongfang Luanping Wind Power)	20.00
Dongfang Wind Power (Chengdu) New Energy Technology Research Co., Ltd. (hereinafter referred to as Dongfang Chengdu New Energy)	20.00
Dongfang (Guangzhou) Heavy Machinery Co., LTD. (hereinafter referred to as Dongfang Heavy Machinery)	15.00
DongFang Electric Autocontrol Engineering Co., LTD. (hereinafter referred to as Dongfang Autocontrol)	15.00
Dongfang Electric Qineng (Shenzhen) Technology Co., LTD. (hereinafter referred to as Dongfang Qineng)	15.00
Dongfang Hitachi (Chengdu) Electronic Control Equipment Co., LTD. (hereinafter referred to as Dongfang Hitachi)	15.00
Dongfang Electric Zhongneng Industrial Control Network Security Technology (Chengdu) Co., LTD. (hereinafter referred to as Dongfang Zhongneng)	15.00
DEC Project Cargo Logistics Co., LTD. (hereinafter referred to as Dongfang Cargo Logistics)	15.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of taxpayer	Income tax rate (%)
Dongfang Electric Power Engineering Design Co., Ltd. (hereinafter referred to as Dongfang Design)	15.00
Dongfang Electric (Wuhan) Nuclear Equipment Co., LTD. (hereinafter referred to as Dongfang Wuhan Nuclear Core) (hereinafter referred to as the Dongfang Wuhan Nuclear Core)	15.00
Dongfang Electric Corporation Research Institute of Science and Technology Co., LTD. (hereinafter referred to as Dongfang Research Institute)	15.00
Dongfang Electric Yangtze River Delta (Hangzhou) Innovation Research Institute Co., Ltd. (hereinafter referred to as Dongchang Research Institute)	15.00
PT. Dongfang Electric Indonesia (hereinafter referred to as Dongfang Indonesia Company)	22.00
Nam Mang 1 Power Co., LTD. (hereinafter referred to as Nam Mang Company) (Note 1)	0
Other enterprises within the scope of merger of the company	25.00

4.2 Tax incentives and exemptions

1. The Company

According to Article 1 of the Announcement on Extending the Enterprise Income Tax Policy for the Development of Western China (Announcement No. 23, 2020 of the Ministry of Finance and Taxation Administration of the People's Republic of China), from January 1, 2021 to December 31, 2030, enterprises in encouraged industries located in the western region will be levied corporate income tax at a reduced rate of 15%. The encouraged industrial enterprises mentioned in this Article refer to the enterprises whose main business is the industrial projects specified in the Catalogue of Encouraged Industries in Western China, and whose main business income accounts for more than 60% of the total income of the enterprise. The company meets the preferential conditions and implements the preferential tax rate of 15.00%.

In particular, the *Catalog of Encouraged Industries in the Western Regions* has been updated in accordance with Order No. 28 of 2024 issued by the National Development and Reform Commission, titled *Catalog of Encouraged Industries in the Western Regions [2025 Edition]*. Our company meets the eligibility criteria for this preferential treatment and is subject to a preferential tax rate of 15.00%.

2. Dongfang boiler

(1) Dongfang boiler

On December 12, 2023, the company obtained the high-tech enterprise certification, the certificate number is GR202351006033, and the validity period is 3 years. According to the preferential tax policies for high-tech enterprises in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate this year is 15.00%.

(2) Dongfang Kaiterui

According to Article 1 of the Announcement on Extending the Enterprise Income Tax Policy for the Development of Western China (Announcement No. 23, 2020 of the Ministry of Finance and Taxation Administration of the People's Republic of China), from January 1, 2021 to December 31, 2030, enterprises in encouraged industries located in the western region will be levied corporate income tax at a reduced rate of 15%. The encouraged industrial enterprises mentioned in this Article refer to the enterprises whose main business is the industrial projects specified in the Catalogue of Encouraged Industries in Western China, and whose main business income accounts for more than 60% of the total income of the enterprise. The Catalogue of Encouraged Industries in Western China shall be updated in accordance with the Catalogue of Encouraged Industries in Western China (2025 Edition) issued by Order No. 28 of National Development and Reform Commission in 2024. The company meets the preferential conditions and implements the preferential tax rate of 15.00%. The company has also obtained the high-tech enterprise certificate, in 2024 review through the latest high-tech enterprise certification, the certificate number is: GR202451002153, valid for 3 years.

(3) Dongfang hydrogen energy

The company obtained its High-Tech Enterprise Certificate in December 2025, with certificate number GR202551003288, valid for three years. In accordance with the tax incentive provisions for high-tech

enterprises under the Enterprise Income Tax Law of the People's Republic of China, the applicable corporate income tax rate for this year is 15.00%.

3. Dongfang Turbine

Obtained the high-tech enterprise certification on December 6, 2024, with the certificate number of GR202451004730 and the validity period of 3 years. According to the preferential tax policies for high-tech enterprises stipulated in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate of this year is 15.00%.

4. Dongfang Electric Machinery

(1) Dongfang Electric Machinery

Dongfang Electric obtained the high-tech enterprise certification on December 6, 2024, the certificate number is GR202451004514, and the validity period is 3 years. According to the preferential tax policies for high-tech enterprises in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate this year is 15.00%.

(2) Dongfang Electric Motor

The company obtained High-Tech Enterprise certification on December 2, 2025. The certificate number is GR202551000799, and it is valid for three years. In accordance with the tax incentive provisions for high-tech enterprises under the *Enterprise Income Tax Law of the People's Republic of China*, the applicable corporate income tax rate for this year is 15.00%.

5. Dongfang Wind Power

(1) Dongfang Wind Power and Dongfang Liangshan Wind Power

Dongfang Wind Power, Dongfang Liangshan Wind Power, Dongfang Jiuquan Wind Power and Dongfang Xinjiang New Energy, Dongfang Burjin New Energy, according to Article 1 of the Announcement on Extending the Enterprise Income Tax Policy for the Development of Western China (Announcement No. 23, 2020 of the National Development and Reform Commission of the Administration of Taxation of the Ministry of Finance), from January 1, 2021 to December 31, 2030, enterprise income tax shall be levied at a reduced rate of 15% for enterprises in encouraged industries located in the western region. For the purposes of this provision, "enterprises in encouraged industries" refers to enterprises whose primary business consists of industrial projects specified in the *Catalog of Encouraged Industries in the Western Regions*, and whose revenue from such primary business accounts for more than 60% of their total revenue. The aforementioned company meets these eligibility criteria and is subject to a preferential tax rate of 15.00%.

(2) Dongfang Tianjin Blade

In December 2022, it obtained the high-tech enterprise certification, the certificate number is GR202212002710, and the validity period is 3 years. According to the preferential tax policies for high-tech enterprises in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate this year is 15.00%.

(3) Dongfang Tangshan New Energy, Dongfang Rushan Wind Power, Dongfang Guiyang Wind Power, Dongfang Changdu New Energy, Dongfang Mengcheng New Energy, Dongxia Jiangsu Hui Neng, Dongfang Baotou Wind Power, Dongfang Qingxian New Energy, Fujian Dongfu New Energy, Dongtang Tangshan New Energy, Liaocheng Dongguan New Energy, Qingxian Dongtai New Energy, Dongfang Tongyu New Energy, Dongfang Chongqing New Energy, Dongfang Qingdao New Energy, Oriental Lincheng Wind Power, Oriental Luoping Wind Power, Oriental Chengdu New Energy

The "Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Business Operators" (Announcement No. 12 of 2023 by the Ministry of Finance and the State Taxation Administration) stipulates that the policy allowing small and micro enterprises to calculate their taxable income at a reduced rate of 25% and pay corporate income tax at a rate of 20% will remain in effect until December 31, 2027.

6. Dongfang Heavy Machinery

The high-tech enterprise certificate was obtained on December 19, 2022, with the certificate number of GR202244001244 and the validity period of 3 years. According to the preferential tax policies for high-tech enterprises stipulated in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate of this year is 15.00%.

7. Dongfang Automatic Control

(1) Dongfang Automatic Control

In October 2023, the Company obtained the high-tech enterprise certificate, with the certificate number of GR202351001111 and a term of three years. According to the preferential tax policies for high-tech enterprises in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate of this year is 15.00%.

(2) Dongfang Qineng

On December 26, 2024, it obtained the high-tech enterprise certification, the certificate number is GR202444202528, and the validity period is 3 years. In accordance with the preferential tax policies for high-tech enterprises in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate for this year is 15.00%.

(3) Dongfang Hitachi

The Company's subsidiary, Dongfang Hitachi, obtained the high-tech Enterprise Certificate No. GR202451002701 on December 06, 2024, with a period of three years, in accordance with the preferential tax policies for high-tech enterprises in the Enterprise Income Tax Law of the People's Republic of China. The applicable corporate income tax rate for the year is 15.00%.

(4) Dongfang Zhongneng

In November 2022, it passed the high-tech enterprise certificate renewal and filing, and obtained the high-tech enterprise certificate numbered GR202251000403 jointly issued by Sichuan Provincial Department of Science and Technology, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Bureau of the State Administration of Taxation. In accordance with the preferential tax policies for high-tech enterprises stipulated in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate for this year is 15%.

8. Dongfang Cargo Logistics

According to Article 1 of the Announcement on Extending the Enterprise Income Tax Policy for the Development of Western China (Announcement No. 23, 2020 of the Ministry of Finance and Taxation Administration of the People's Republic of China), from January 1, 2021 to December 31, 2030, enterprises in encouraged industries located in the western region will be levied corporate income tax at a reduced rate of 15%. The encouraged industrial enterprises mentioned in this Article refer to the enterprises whose main business is the industrial projects specified in the Catalogue of Encouraged Industries in Western China, and whose main business income accounts for more than 60% of the total income of the enterprise. The Catalogue of Encouraged Industries in Western China shall be updated in accordance with the Catalogue of Encouraged Industries in Western China (2025 Edition) issued by Order No. 28 of National Development and Reform Commission in 2024. The company meets the preferential conditions and implements the preferential tax rate of 15.00%.

9. DongFang Design

Pursuant to Article 1 of the "Announcement on the Extension of Corporate Income Tax Policies for the Development of the Western Regions" (Announcement No. 23 of 2020 issued by the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission), from January 1, 2021, to December 31, 2030, enterprises engaged in encouraged industries located in the western regions shall be subject to a reduced corporate income tax rate of 15%. For the purposes of this provision, "enterprises engaged in encouraged industries" refers to enterprises whose principal business consists of industrial projects specified in the "Catalog of Encouraged Industries in the Western Regions," and whose revenue from such principal business accounts for more than 60% of the enterprise's total revenue. The Company meets these eligibility criteria and applies the preferential tax rate of 15.00%.

10. Dongfang Wuhan Nuclear Core

On December 14, 2022, it obtained the high-tech enterprise certification, with the certificate number of GR202242008075 and the validity period of 3 years. According to the preferential tax policies for high-tech enterprises stipulated in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate of this year is 15.00%.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

11. Dongfang Research Institute

(1) Dongfang Research Institute

On December 6, 2024, it obtained the high-tech enterprise certification, with the certificate number of GR202451004949 and the validity period of 3 years. According to the preferential tax policies for high-tech enterprises stipulated in the Enterprise Income Tax Law of the People's Republic of China, the applicable enterprise income tax rate of this year is 15.00%.

(1) Dongchang Research Institute

In December 2024, it obtained its High-Tech Enterprise Certificate, with certificate number GR202433010424 and a validity period of three years. In accordance with the tax incentive provisions for high-tech enterprises under the *Enterprise Income Tax Law of the People's Republic of China*, the applicable corporate income tax rate for this year is 15.00%.

12. Dongfang Indonesia

According to the local tax Act of Indonesia, the corporate income tax rate for resident companies and permanent establishments is 22% in 2025, and the applicable corporate income tax rate for this year is 22%. For engineering projects, a final income tax of 2.65% of the total contract value is payable, and the client is responsible for withholding and remitting this tax.

13. Nam Mang Company

According to the relevant provisions of the Franchise Operation Agreement signed by the Company and the Lao Government on January 9, 2013, the applicable corporate income tax rate of the Company is 0%, and the company's subsidiary Lao Nam Mang River Power Co., Ltd. enjoys this preferential policy.

4.3 Other explanations

(1) Pursuant to the "Announcement of the Ministry of Finance and the State Taxation Administration on the Value-Added Tax Additional Deduction Policy for Advanced Manufacturing Enterprises" (Announcement No. 43 of 2023), certain subsidiaries of the Company, as advanced manufacturing enterprises, are entitled to deduct 5% of the current period's deductible input VAT from their taxable VAT liability from January 1, 2023, to December 31, 2027.

(2) Pursuant to the relevant provisions of the "Notice of the Ministry of Finance and the State Taxation Administration on Improving Corporate Income Tax Policies for Accelerated Depreciation of Fixed Assets" (Cai Shui [2014] No. 75) and the "Notice of the Ministry of Finance and the State Taxation Administration on Further Improving Corporate Income Tax Policies for Accelerated Depreciation of Fixed Assets" (Cai Shui [2015] No. 106): For equipment and fixtures newly acquired by an enterprise between January 1, 2024, and December 31, 2027, with a unit value not exceeding 5 million yuan, the enterprise is permitted to recognize the full cost as an expense in the current period and deduct it when calculating taxable income; depreciation will no longer be calculated on an annual basis.

5 Notes to items in the consolidated financial statements

5.1 Monetary

Items	As at December 31, 2025	As at December 31, 2024
Cash on hand	81,245.96	746,278.67
Bank deposits	21,517,655,596.58	24,730,076,014.44
Other monetary funds	1,161,857,748.10	2,125,126,776.82
Total	22,679,594,590.64	26,855,949,069.93
Including: total amount of funds deposited abroad	270,314,157.96	306,171,948.88
Deposited abroad with restrictions on repatriation of funds		

5.2 Lending funds

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025	As at December 31, 2024
Lending to other banks		
Lending to non-bank financial institutions	1,024,807,562.42	836,529,745.30
Less: provision for loan loss	8,279,047.80	
Book value of lending fund	1,016,528,514.62	836,529,745.30

Note: On December 31, 2025, the Company lent CNY 1,024,807,562.42 to non-bank financial institutions, which will mature in 2026; The previous loans to non-bank financial institutions are all due on December 31, 2025.

5.3 Trading financial assets

Items	As at December 31, 2025	As at December 31, 2024
Classification of financial assets measured at fair value and whose changes are recorded in current profits and losses	1,832,489,719.73	1,697,971,178.52
Including: debt instrument investment	313,293,300.00	319,180,200.00
Equity instrument investment	1,030,798,989.14	944,237,713.72
Other	488,397,430.59	434,553,264.80
Including: debt instrument investment		
Other		
Total	1,832,489,719.73	1,697,971,178.52

Description of trading financial assets:

1. "Other" items at the beginning of the period are CNY 434,553,264.80.
2. At the end of the period, all the "other" items are CNY 488,397,430.59.

Trading financial assets are analyzed as follows:

Items	As at December 31, 2025	As at December 31, 2024
Listed financial assets		
China (excluding Hong Kong)	1,030,798,989.14	944,237,713.72
Sub-total	1,030,798,989.14	944,237,713.72
Unlisted financial assets	801,690,730.59	753,733,464.80
Total	1,832,489,719.73	1,697,971,178.52

Note:

1. 1,447,000.00 non-restricted circulation domestic listed CNY ordinary shares (A shares) of China XD Electric Co., LTD., held by the Company, accounting for 0.0282% of the capital stock of the invested entity;
2. 87,167,187.00 non-restricted circulation domestic listed CNY ordinary shares (A shares) of Sichuan New Energy Power Co., Ltd. held by the Company, accounting for 4.7215% of the share capital of the invested entity;
3. 308,315.00 non-restricted circulation domestic listed CNY ordinary shares (A shares) of Chongqing Gas Group Co., Ltd. held by the Company, accounting for 0.0198% of the capital stock of the invested entity;
4. The company holds 301,994.00 non-restricted circulation domestically listed CNY ordinary shares (A shares) of Chongqing Iron and Steel Co., LTD., accounting for 0.0034% of the share capital of the invested unit.

5.4 Notes receivable

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.4.1 Classified and listed notes receivable

Category	As at December 31, 2025	As at December 31, 2024
	Book value	Book value
Bank acceptance bill	1,200,580,395.68	884,022,860.66
Commercial acceptance bill	463,477,016.13	340,330,275.57
Total	1,664,057,411.81	1,224,353,136.23

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.4.2 Notes receivable are classified and disclosed based on the bad debt provision method

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts on an individual basis	1,747,401,766.25	100.00	83,344,354.44	4.77	1,664,057,411.81	1,280,785,237.12	100.00	56,432,100.89	4.41	1,224,353,136.23
Provision for bad debts based on credit risk characteristics										
Total	1,747,401,766.25	100.00	83,344,354.44	4.77	1,664,057,411.81	1,280,785,237.12	100.00	56,432,100.89	4.41	1,224,353,136.23

5.4.3 Provision for Bad Debts: Accruals, Reversals, and Recoveries for the Current Period

Items	As at December 31, 2024	Amount of change for this period				As at December 31, 2025
		Accrual	Reversals, and Recoveries	Carry forward or write off	other	
Notes Receivable	56,432,100.89	26,912,253.55				83,344,354.44
Total	56,432,100.89	26,912,253.55				83,344,354.44

5.4.4 Notes receivable that the company has endorsed or discounted as of the end of the period and that have not yet matured as of the balance sheet date

Items	Derecognized amount as at December 31, 2025	Non-derecognized amount as at December 31, 2025
Bank acceptance bills	757,941,270.78	259,537,605.73
Commercial acceptance bills	250,810.64	8,171,947.89
Total	758,192,081.42	267,709,553.62

5.5 Accounts receivable

5.5.1 Aging of accounts receivable

Age of account	As at December 31, 2025	As at December 31, 2024
Within 1 year (including 1 year)	11,180,787,048.80	9,166,698,541.03
1-2 years (including 2 years)	3,183,756,121.65	2,912,482,204.67
2-3 years (including 3 years)	1,462,207,374.07	1,573,780,667.10
3-4 years (including 4 years)	1,395,603,521.61	709,985,357.44
4-5 years (including 5 years)	631,251,693.86	454,092,052.84
More than 5 years	1,315,285,498.16	1,349,940,684.20
Sub-total	19,168,891,258.15	16,166,979,507.28
Less: provision for bad debts	3,975,096,356.79	3,621,665,242.31
Total	15,193,794,901.36	12,545,314,264.97

Note: Accounts receivable are recorded mainly on the date of business occurrence.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.5.2 Disclosure of accounts receivable by method of provision for bad debts

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts on an individual basis	1,605,726,424.98	8.38	1,369,279,836.56	85.27	236,446,588.42	1,569,514,088.67	9.71	1,291,566,851.28	82.29	277,947,237.39
Provision for bad debts on portfolio basis of credit risk characteristics	17,563,164,833.17	91.62	2,605,816,520.23	14.84	14,957,348,312.94	14,597,465,418.61	90.29	2,330,098,391.03	15.96	12,267,367,027.58
Including: Aging analysis combination	17,563,164,833.17		2,605,816,520.23		14,957,348,312.94	14,597,465,418.61	90.29	2,330,098,391.03	15.96	12,267,367,027.58
Total	19,168,891,258.15	100.00	3,975,096,356.79		15,193,794,901.36	16,166,979,507.28	100.00	3,621,665,242.31		12,545,314,264.97

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Important accounts receivable with an individual provision for doubtful accounts:

Name of company	Balance at end of the period			
	Balance of book value	Provision for bad debts	Withdrawal ratio (%)	Basis of withdrawal
Entity 1	245,466,031.30	45,160,696.21	18.40	The owner cannot recover on time due to financial constraints or quality problems
Entity 2	225,645,140.17	225,645,140.17	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 3	207,813,892.00	207,813,892.00	100.00	It has entered bankruptcy liquidation procedures
Entity 4	89,397,696.88	89,397,696.88	100.00	It has entered bankruptcy liquidation procedures
Entity 5	73,350,230.21	73,350,230.21	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 6	72,745,660.29	72,745,660.29	100.00	It has entered bankruptcy liquidation procedures
Entity 7	72,135,640.25	64,922,076.23	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 8	53,398,512.21	53,398,512.21	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 9	45,617,395.43	45,617,395.43	100.00	It has entered bankruptcy liquidation procedures
Entity 10	33,030,213.78	33,030,213.78	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 11	30,792,350.25	27,713,115.23	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 12	30,050,000.00	30,050,000.00	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 13	27,632,480.00	27,632,480.00	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity14	26,315,106.57	11,951,890.65	45.42	The owner cannot recover on time due to financial constraints or quality problems
Entity15	26,252,958.25	23,627,662.43	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 17	25,592,879.77	23,033,591.79	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 18	25,122,142.87	25,122,142.87	100.00	It has entered bankruptcy liquidation procedures
Entity 19	20,059,560.00	20,059,560.00	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 20	18,250,000.00	18,250,000.00	100.00	It has entered bankruptcy liquidation procedures
Entity 21	16,890,000.00	15,201,000.00	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 22	16,789,858.49	16,789,858.49	100.00	The owner cannot recover on time due to financial constraints or quality

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of company	Balance at end of the period			
	Balance of book value	Provision for bad debts	Withdrawal ratio (%)	Basis of withdrawal
				problems
Entity 23	16,330,336.19	16,330,336.19	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 24	15,938,000.00	14,344,200.00	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 25	14,912,000.00	13,420,800.00	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 26	13,891,455.29	13,891,455.29	100.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 27	13,278,000.00	11,950,200.00	90.00	The owner cannot recover on time due to financial constraints or quality problems
Entity 28	11,463,428.06	11,463,428.06	100.00	It has entered bankruptcy liquidation procedures
Entity 29	10,310,000.00	10,310,000.00	100.00	The owner cannot recover on time due to financial constraints or quality problems
Total	1,478,470,968.26	1,242,223,234.41		

Provision for bad debts according to the combination of credit risk characteristics:
Aging combination:

Age of account	As at December 31, 2025		
	Accounts receivable	Provision for bad debts	Withdrawal ratio (%)
Within 1 year (including 1 year)	11,053,594,274.28	552,679,714.62	5.00
1-2 years (including 2 years)	3,011,321,515.25	301,132,151.72	10.00
2-3 years (including 3 years)	1,209,282,881.82	241,856,576.35	20.00
3-4 years (including 4 years)	850,077,271.64	340,030,908.63	40.00
4-5 years (including 5 years)	537,543,442.81	268,771,721.54	50.00
More than 5 years	901,345,447.37	901,345,447.37	100.00
Total	17,563,164,833.17	2,605,816,520.23	

5.5.3 Provision for Bad Debts: Accruals, Reversals, and Recoveries for the Current Period

Items	As at December 31, 2024	Amount of change for this period				As at December 31, 2025
		Accrual	Reversals, and Recoveries	Carry forward or write off	other	
Accounts Receivable	3,621,665,242.31	715,811,396.61	303,096,358.90	56,955,110.87	-2,328,812.36	3,975,096,356.79
Total	3,621,665,242.31	715,811,396.61	303,096,358.90	56,955,110.87	-2,328,812.36	3,975,096,356.79

In particular, the amount of bad debt provisions recovered or reversed during the current period is significant:

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of company	Amount refunded or credited	Reason for return	Method of return	Determine the basis for the original allowance for bad debts and its reasonableness
Entity 1	71,617,739.75	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 2	35,789,775.29	Reversal due to client's improved financial condition	Recovery of Accounts Receivable Factoring and Cash Collections	Expected to be uncollectible
Entity 3	23,972,129.50	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 4	23,959,277.97	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 5	21,364,950.00	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 6	17,781,969.24	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 7	14,715,000.00	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 8	13,720,000.00	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 9	11,820,517.15	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 10	11,443,097.00	Reversal due to client's improved financial condition	Cash Collection	Expected to be uncollectible
Entity 11	10,685,427.20	Reversal due to client's improved financial condition	Cash Collection	
Total	256,869,883.10			

5.5.4 Accounts receivable actually written off in 2025

Items	Amount of write-offs
Accounts receivable actually been written off	56,955,110.87

Significant write-offs of accounts receivable in 2025 is listed as follows:

Name of company	Nature of accounts receivable	Amount of write-offs	Reason for write off	The implementation of the write-off procedure	Whether it is due to related party transactions
Entity 1	Loan	5,000,000.00	Company Deregistration	Approved by Management Committee、Board of Directors	no
Entity 2	Loan	44,245,382.68	End of bankruptcy distribution	Approved by Management Committee、Party Committee、Board of Directors	no
Total		49,245,382.68			

5.5.5 Top five accounts receivable of ending balance collected by debtor

Name of company	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Percentage of the total balance of accounts receivable and contract assets at the end of the period (%)	Ending balance of allowance for doubtful accounts receivable and allowance for impairment of contract assets
Entity 1	504,397,143.44	1,076,617,588.61	1,581,014,732.05	8.25	166,919,223.65
Entity 2	68,015,911.55	782,087,001.78	850,102,913.33	4.43	8,024,950.37
Entity 3	690,311,376.14	150,703,315.14	841,014,691.28	4.39	40,354,803.33
Entity 4	45,600,545.91	684,913,343.85	730,513,889.76	3.81	56,190,044.91
Entity 5	26,315,106.57	656,998,819.68	683,313,926.25	3.56	310,350,000.00
Total	1,334,640,083.61	3,351,320,069.06	4,685,960,152.67	24.44	581,839,022.26

5.6 Receivables financing

5.6.1 Breakdown of receivables financing

Items	As at December 31, 2025	As at December 31, 2024
Notes receivable	2,885,613,858.43	1,927,567,077.40
Accounts receivable		
Total	2,885,613,858.43	1,927,567,077.40

5.7 Advances to suppliers

5.7.1 Prepayments are listed according to aging

Age of account	As at December 31, 2025		As at December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	5,612,300,216.80	81.42	4,921,703,800.79	83.75
1 to 2 years	943,405,252.81	13.69	610,310,006.85	10.38
2 to 3 years	237,884,109.91	3.45	249,691,783.18	4.25
Over 3 years	99,123,843.81	1.44	95,192,435.20	1.62
Total	6,892,713,423.33	100.00	5,876,898,026.02	100.00

5.7.2 Top 5 of advances to suppliers as at December 31, 2024, presented by supplier

Object of advance payment	As at December 31, 2025	Percentage of total closing balance of prepayments (%)
Entity 1	657,775,534.11	9.54
Entity 2	375,812,195.67	5.45
Entity 3	239,239,101.83	3.47
Entity 4	191,455,158.60	2.78

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Entity 5	161,751,702.18	2.35
Total	1,626,033,692.39	23.59

5.8 Other receivables

Items	As at December 31, 2025	As at December 31, 2024
Interest receivable		
Dividends receivable	4,210,670.09	23,297,096.99
Other receivables	377,475,334.97	522,982,666.43
Total	381,686,005.06	546,279,763.42

5.8.1 Dividends receivable

(1) Details of dividends receivable

Items (or investees)	As at December 31, 2025	As at December 31, 2024
Within one year		9,628,297.85
More than one year	21,586,036.03	20,957,738.18
Sub-Total	21,586,036.03	30,586,036.03
Less: Provision for bad debts	17,375,365.94	7,288,939.04
Total	4,210,670.09	23,297,096.99

(2) Significant dividends receivable with aging over one year

Items (or investees)	As at December 31, 2025	Age of account	Reason for non-recovery	Whether impairment occurs and the reasons for it
Huadian Longkou Wind Power Co., Ltd.	4,210,670.09	1 to 2 years	The investee enterprises are strapped for cash	No, it will be paid after receiving state subsidies
Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	10,086,426.90	More than 2-3 years	The investee enterprises are strapped for cash	Yes, it is expected to be difficult to recover
Inner Mongolia Mengneng Ulan New Energy Co., Ltd.	3,828,807.76	More than 3 years	The investee enterprises are strapped for cash	Yes, it is expected to be difficult to recover
Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.	3,460,131.28	More than 3 years	The investee enterprises are strapped for cash	Yes, it is expected to be difficult to recover
Total	21,586,036.03			

5.8.2 Other receivables

(1) Disclosure by account age

Age of account	As at December 31, 2025	As at December 31, 2024
Within 1 year	211,933,471.38	391,728,062.92
1 to 2 years	129,041,733.06	72,982,364.90
2 to 3 years	27,228,184.29	71,582,020.91
3 to 4 years	36,185,486.58	54,137,481.82
4 to 5 years	26,006,431.39	3,899,717.38
Over 5 years	230,721,294.92	235,785,212.41
Sub-total	661,116,601.62	830,114,860.34
Less: Provision for bad debts	283,641,266.65	307,132,193.91
Total	377,475,334.97	522,982,666.43

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(2) Disclosure by method of provision for bad debts

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts on an individual basis	173,075,696.43	26.18	160,166,403.10	92.54	12,909,293.33	201,828,216.79	24.31	179,320,549.29	88.85	22,507,667.50
Provision for bad debts on portfolio basis of credit risk characteristics	488,040,905.19	73.82	123,474,863.55	25.30	364,566,041.64	628,286,643.55	75.69	127,811,644.62	20.34	500,474,998.93
Including: Aging analysis combination	488,040,905.19		123,474,863.55		364,566,041.64	628,286,643.55	75.69	127,811,644.62	20.34	500,474,998.93
Total	661,116,601.62	100.00	283,641,266.65		377,475,334.97	830,114,860.34	100.00	307,132,193.91		522,982,666.43

Significant other receivables for which provision for bad debts is made on a single basis:

name	As at December 31, 2025				As at December 31, 2024	
	Balance of book value	Provision for bad debts	Withdrawal ratio (%)	Basis of withdrawal	Balance of book value	Provision for bad debts
China Science and Technology Securities Co., LTD	146,064,314.06	146,064,314.06	100.00	it is expected to be difficult to recover	146,064,314.06	146,064,314.06
Natural Resources and Planning and Construction Bureau, Chengdu Administrative Committee, Tianfu New District, Sichuan	12,327,367.50			Performance bond paid to the government	12,327,367.50	
Total	158,391,681.56	146,064,314.06			158,391,681.56	146,064,314.06

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Provision for bad debts according to the combination of credit risk characteristics:

Age of account	As at December 31, 2025		
	Other receivables	Provision for bad debts	Withdrawal ratio (%)
Within 1 year	211,088,331.53	10,554,389.29	5.00
1 to 2 years	128,761,982.25	12,876,309.12	10.00
2 to 3 years	26,495,809.39	5,299,161.89	20.00
3 to 4 years	33,517,078.08	13,406,831.24	40.00
4 to 5 years	13,679,063.89	6,839,531.96	50.00
More than 5 years	74,498,640.05	74,498,640.05	100.00
Total	488,040,905.19	123,474,863.55	

(3) Provision for bad debts

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment incurred)	
Balance as at December 31,2024	127,811,644.62		179,320,549.29	307,132,193.91
In 2023, balance as at December 31,2025	127,811,644.62		179,320,549.29	307,132,193.91
-Transfer to Phase 2				
-Transfer to Phase 3				
-Reversal from Phase 2				
-Reversal from Phase 1				
Provision in 2025	-4,336,781.07		3,507,256.39	-829,524.68
Reversal in 2025			897,481.97	897,481.97
Write-off in 2025			21,786,920.64	21,786,920.64
Charge-off in 2025				
Other changes			23,000.03	23,000.03
Balance as at December 31,2025	123,474,863.55		160,166,403.10	283,641,266.65

(4) Details of the allowance for doubtful accounts recognized, reversed, or recovered during the current period

Item	Balance as at December 31,2024	Amount of change for this period				Balance as at December 31,2025
		Accrual	Withdraw or return	Carry forward or write off	others	
Other receivables	307,132,193.91	-829,524.68	897,481.97	21,786,920.64	23,000.03	283,641,266.65
Total	307,132,193.91	-829,524.68	897,481.97	21,786,920.64	23,000.03	283,641,266.65

In particular, the amount of bad debt provisions reversed or recovered during the current period is significant.:

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name	Amount refunded or credited	Reason for return	Method for return	Determine the basis for the original allowance for bad debts and its reasonableness
ABB Electric Drive Systems (Beijing) Co., Ltd.	365,481.97	Settlement and Recovery	Cash Collection	It is expected that the amount cannot be recovered
Chengdu Hengrong Technology Co., Ltd.	532,000.00	Settlement and Recovery	Cash Collection	It is expected that the amount cannot be recovered
Total	897,481.97			

(5) Other receivables actually written off this year

Items	Amount of write-offs
Other receivables actually written off	21,786,920.64

Other receivables actually written off this year

Name of debtor	Nature of other receivables	Amount of write-off	Reasons for write-off	The verification procedures performed	Whether it is caused by related party transactions
Sichuan Jiaotou Guozhuo Commerce Co., Ltd.	Payment for goods	21,755,000.00	Cannot be retrieved	Board Resolution	no
Total		21,755,000.00			

(6) Classification by nature of funds

Nature of money	As at December 31, 2025	As at December 31, 2024
Security deposit and quality guarantee	230,690,774.03	280,963,849.47
Cash for use	49,467,970.13	46,170,715.93
Payment in advance	9,604,383.24	3,709,428.90
Other operating business receivables	59,287,860.02	110,956,960.71
Others	28,424,347.55	81,181,711.42
Total	377,475,334.97	522,982,666.43

(7) Other receivables in the top five of the ending balance collected by the debtor

Name of company	Nature of money	Ending balance	Age of account	Percentage of total closing balance of other receivables (%)	Ending balance of allowance for doubtful accounts
China Technology	Funds for	146,064,314.06	More than 5 years	22.09	146,064,314.06

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Securities Co., Ltd.	investment				
Liaocheng Caixin New Energy Co., Ltd.	Security deposit and quality guarantee	45,800,000.00	Within 1 year	6.93	4,580,000.00
Changji Prefecture State Investment Hengsheng Energy Co., Ltd.	Security deposit and quality guarantee	23,785,000.00	1 to 2years	3.60	2,378,500.00
State Energy Group International Engineering Consulting Co., Ltd.	Other operating business receivables	21,646,429.56	1 to 2years	3.27	2,405,158.84
Meize Wind Power Equipment Manufacturing (Jiangsu) Co., Ltd.	Other	20,000,000.00	3 to 4years	3.03	8,000,000.00
Total		257,295,743.62		38.92	163,427,972.90

5.9 Purchase and resale of financial assets

Items	As at December 31, 2025	As at December 31, 2024
Securities	3,104,422,602.73	2,666,820,136.99
Others		
Total book value	3,104,422,602.73	2,666,820,136.99

5.10 Inventories

5.10.1 Classification of inventories

Category	As at December 31, 2025		
	Book balance	Provision/ impairment of contractual performance costs	Book value
Raw materials	4,422,519,276.07	288,417,902.61	4,134,101,373.46
Revolving materials (packaging, low-value consumables, etc.)	56,657,435.33	4,034,999.43	52,622,435.90
In the product	21,300,587,892.43	694,130,413.16	20,606,457,479.27
Inventory goods	956,290,065.24	388,272.62	955,901,792.62
Contract performance cost	438,997,575.50	16,927,622.31	422,069,953.19
Total	27,175,052,244.57	1,003,899,210.13	26,171,153,034.44

(To continue)

Category	As at December 31, 2024		
	Book balance	Provision/ impairment of contractual performance costs	Book value
Raw materials	3,875,676,958.49	281,468,847.74	3,594,208,110.75
Revolving materials (packaging, low-value consumables, etc.)	54,534,102.86	4,526,221.78	50,007,881.08
In the product	18,041,058,577.87	759,223,072.56	17,281,835,505.31
Inventory goods	662,438,783.87	2,201,734.51	660,237,049.36
Contract performance cost	106,338,879.00	7,331,367.55	99,007,511.45
Total	22,740,047,302.09	1,054,751,244.14	21,685,296,057.95

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.10.2 Inventory depreciation reserve and contract performance cost impairment reserve

Category	As at December 31, 2024	Increase in 2025		Decrease in 2025		As at December 31, 2025
		Provision	Others	Reversal or write off	Others	
Raw materials	281,468,847.74	99,548,263.85		92,599,208.98		288,417,902.61
Revolving materials (packaging, low-value consumables, etc.)	4,526,221.78	-11,300.14		479,922.21		4,034,999.43
In the product	759,223,072.56	476,969,754.36		542,062,413.76		694,130,413.16
Inventory goods	2,201,734.51			1,813,461.89		388,272.62
Contract performance cost	7,331,367.55	9,596,254.76				16,927,622.31
Total	1,054,751,244.14	586,102,972.83		636,955,006.84		1,003,899,210.13

Other notes: The reversal of inventory depreciation reserve is mainly caused by the recovery of product prices, and the resale of inventory depreciation reserve is mainly caused by inventory sales.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.11 Contract assets

5.11.1 Details of contract assets

Items	As at December 31, 2025			As at December 31, 2024		
	Book balance	Provision for impairment losses	Book value	Book balance	Provision for impairment losses	Book value
Payments for completed but not settled project	8,937,574,943.95	548,005,853.71	8,389,569,090.24	8,745,902,844.08	451,302,910.75	8,294,599,933.33
Contract quality guarantee deposit	2,765,243,017.73	496,487,033.59	2,268,755,984.14	2,921,135,858.79	452,671,230.61	2,468,464,628.18
Pre-acceptance payment	7,174,098,737.16	674,144,041.73	6,499,954,695.43	3,839,542,491.46	344,285,130.48	3,495,257,360.98
Total	18,876,916,698.84	1,718,636,929.03	17,158,279,769.81	15,506,581,194.33	1,248,259,271.84	14,258,321,922.49

5.11.2 Disclosure of Contract Assets by Impairment Accounting Method

Items	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for impairment losses		Book value	Book balance		Provision for impairment losses		Book value
	amount	percentage (%)	amount	percentage (%)		amount	percentage (%)	amount	percentage (%)	
Recognize impairment losses on an item-by-item basis	9,081,495,717.03	48.11	691,926,626.79	7.62	8,389,569,090.24	7,946,854,632.45	51.25	517,781,775.01	6.52	7,429,072,857.44
Provision for impairment based on credit risk characteristics	9,795,420,981.81	51.89	1,026,710,302.24	10.48	8,768,710,679.57	7,559,726,561.88	48.75	730,477,496.83	9.66	6,829,249,065.05
Total	18,876,916,698.84	100.00	1,718,636,929.03		17,158,279,769.81	15,506,581,194.33	100.00	1,248,259,271.84		14,258,321,922.49

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Significant contract assets for which impairment provisions are recognized on an item-by-item basis:

Name of company	As at December 31, 2025				As at December 31, 2024	
	Book balance	Provision for impairment losses	Accrual rate (%)	Basis for Accrual	Book balance	Provision for impairment losses
Entity 1	166,730,763.85	166,730,763.85	100.00	It is expected that the amount cannot be recovered	166,110,782.28	166,110,782.28
Entity 2	656,998,819.68	298,398,109.35	45.42	The property owner is facing financial difficulties, making it hard to recover the funds.	718,942,625.28	262,744,200.00
Entity 3	63,854,816.48	60,662,075.66	95.00	The property owner is facing financial difficulties, making it hard to recover the funds.	20,417,922.77	
Entity 4	56,952,744.66	56,952,744.66	100.00	It is expected that the amount cannot be recovered	83,890,821.58	20,494,398.77
Entity 5	33,799,760.00	33,799,760.00	100.00	It is expected that the amount cannot be recovered	33,899,760.00	33,899,760.00
Total	978,336,904.67	616,543,453.52			1,023,261,911.91	483,249,141.05

Provision for impairment by credit risk category:

Items subject to provision by category:

Item	As at December 31, 2025		
	Contract Asset	Provision for impairment losses	Accrual rate (%)
Aging profile	9,795,420,981.81	1,026,710,302.24	10.48
Total	9,795,420,981.81	1,026,710,302.24	

5.11.3 Impairment provisions for contract assets for the current period

Items	As at December 31, 2024	Amount of change for this period	As at December 31, 2025

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

		Provision for the current period	Return to this issue	Transfers/Write-offs for This Period	Others	
Completed but not yet settled	451,302,910.75	116,167,556.73	19,464,613.77			548,005,853.71
Advance payment	344,285,130.48	329,858,911.25				674,144,041.73
Contract retention	452,671,230.61	47,570,234.01	3,754,431.03			496,487,033.59
Total	1,248,259,271.84	493,596,701.99	23,219,044.80			1,718,636,929.03

5.12 Non-current assets due within one year

Items	As at December 31, 2025	As at December 31, 2024
Long-term receivables maturing within one year	152,146,984.79	241,379,530.86
Loans and advances due within one year	395,131,000.00	2,100,000,000.00
Total	547,277,984.79	2,341,379,530.86

Note: The company reclassifies buyer's credit due within one year to non-current assets due within one year.

5.13 Other current assets

Items	As at December 31, 2025	As at December 31, 2024
Advance payment of tax and retained tax credit	934,627,210.81	814,998,004.08
Granting of loans and advances (short-term)	954,715,000.00	364,800,000.00
Discounted assets	263,078,551.26	87,484,560.67
Others	3,650,055.60	49,819,789.90
Total	2,156,070,817.67	1,317,102,354.65

5.14 Disbursement loans and advances

5.14.1 Loans and advances, presented by individual and enterprise

Items	As at December 31, 2025	As at December 31, 2024
Personal loans and advances		
Credit card		
Residential property mortgage		
Other		
Corporate loans and advances	6,897,365,391.75	5,086,347,895.22
State-owned enterprises	6,897,365,391.75	5,086,347,895.22
Private enterprise		
Other		
Total loans and advances	6,897,365,391.75	5,086,347,895.22
Less: Provision for loan losses	576,770,641.46	602,436,797.97

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025	As at December 31, 2024
including: single withdrawal number		
Combined withdrawal number	576,770,641.46	602,436,797.97
Book value of loans and advances	6,320,594,750.29	4,483,911,097.25

5.14.2 Distribution of loans by industry

Industry distribution	Ending balance	Proportion (%)	Beginning balance	Proportion (%)
Agriculture, animal husbandry and fishery				-
Extractive industry				-
Real estate industry				-
Building industry				-
Finance and insurance				-
Power equipment industry	6,210,865,391.75	90.05	4,397,487,895.22	86.46
Other business services	686,500,000.00	9.95	688,860,000.00	13.54
Other industries				
Total loans and advances	6,897,365,391.75		5,086,347,895.22	
Less: Reserve for loan losses	576,770,641.46		602,436,797.97	
Including: the number of individual provisions				
Combined allowance	576,770,641.46		602,436,797.97	
Book value of loans and advances	6,320,594,750.29		4,483,911,097.25	

5.14.3 Distribution of loans by region

Regional distribution	Ending balance	Proportion (%)	Beginning balance	Proportion (%)
South China	239,090,436.44	3.47	312,656,724.36	6.15
North China	2,079,227,400.00	30.15	1,797,677,400.00	35.34
Southwest China	686,500,000.00	9.95	972,758,247.20	19.12
East China	1,613,325,782.00	23.39	262,556,848.64	5.16
Central China	808,780,000.00	11.73	914,653,188.00	17.98
Northwest regions	1,470,441,773.31	21.32	826,045,487.02	16.24
Total loans and advances	6,897,365,391.75	100	5,086,347,895.22	100.00
Less: Reserve for loan losses	576,770,641.46	8.36	602,436,797.97	11.84
Including: the number of individual provisions				

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Regional distribution	Ending balance	Proportion (%)	Beginning balance	Proportion (%)
Combined allowance	576,770,641.46	8.36	602,436,797.97	11.84
Book value of loans and advances	6,320,594,750.29	91.64	4,483,911,097.25	88.16

5.14.4 Distribution of loans issued by way of guarantee

Items	As at December 31, 2025	As at December 31, 2024
Credit loan	6,374,486,219.33	3,774,127,611.38
Guaranteed loan		688,860,000.00
Loan with collateral	522,879,172.42	623,360,283.84
Including: Mortgage loan		
Pledged loan	522,879,172.42	623,360,283.84
Discount		
Total loans and advances	6,897,365,391.75	5,086,347,895.22
Less: Reserve for loan losses	576,770,641.46	602,436,797.97
Including:		
the number of individual provisions		
Combined allowance	576,770,641.46	602,436,797.97
Book value of loans and advances	6,320,594,750.29	4,483,911,097.25

5.14.5 Loan loss reserve

(1) Changes in reserve for loan losses

Credit risk and expected credit losses on loans and advances

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses over the next 12 months	Expected credit losses throughout life (no credit impairment)	Expected credit losses over life (credit impairment incurred)	
Book balance	6,897,365,391.75			6,897,365,391.75
Provision for losses	576,770,641.46			576,770,641.46
Book value	6,320,594,750.29			6,320,594,750.29

Note: The company has no overdue loans and advances at the end of the period.

(2) Statement of changes in reserves for expected credit losses on loans and advances

Loss reserve	Phase 1	Phase 2	Phase 3	Total
	Expected credit	Expected credit loss for the	Expected credit loss for the	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	losses over the next 12 months	entire duration (no credit impairment)	entire duration (credit impairment incurred)	
Balance as at December 31,2024	602,436,797.97			602,436,797.97
In 2024, balance as at December 31,2025	602,436,797.97			602,436,797.97
Transfer to Phase 2				
Transfer to Phase 3				
Reversal from Phase 2				
Reversal from Phase 1				
Provision in 2025	-25,666,156.51			-25,666,156.51
Reversal in 2025				
Recoveries of original resold loans and rollover of advances				
Write-off in 2025				
Charge-off in 2025				
Other changes				
Balance as at December 31,2025	576,770,641.46			576,770,641.46

5.15 Investment in debt

5.15.1 Breakdown of creditor's right investment

Items	As at December 31, 2025			As at December 31, 2024		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Interbank certificate of deposit	24,558,145,821.77	3,549,000.00	24,554,596,821.77	18,009,582,877.25		18,009,582,877.25
Corporate bond	899,928,860.74	66,750,000.00	833,178,860.74	1,001,418,175.81	74,250,000.00	927,168,175.81
Financial bond	916,065,605.15	67,500,000.00	848,565,605.15	916,034,194.18	67,500,000.00	848,534,194.18
Government bonds	41,410,795.67		41,410,795.67			
Sub-total	26,415,551,083.33	137,799,000.00	26,277,752,083.33	19,927,035,247.24	141,750,000.00	19,785,285,247.24
Less: Mature within one year						
Total	26,415,551,083.33	137,799,000.00	26,277,752,083.33	19,927,035,247.24	141,750,000.00	19,785,285,247.24

Changes in the provision for impairment of debt investments during the current period

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2024	Increase	Decrease	As at December 31, 2025
Investment in debt	141,750,000.00	-3,951,000.00		137,799,000.00
Total	141,750,000.00	-3,951,000.00		137,799,000.00

5.15.2 Reserve for impairment of debt investment

Reserve for impairment	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment incurred)	
Balance as at December 31,2024	141,750,000.00			141,750,000.00
The balance at the end of last year is in the current period	141,750,000.00			141,750,000.00
-Transfer to Phase 2				
-Transfer to Phase 3				
-Reversal from Phase 2				
-Reversal from Phase 1				
Provision in 2025	-3,951,000.00			-3,951,000.00
Reversal in 2025				
Write-off in 2025				
Charge-off in 2025				
Other changes				
Balance as at December 31,2025	137,799,000.00			137,799,000.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.16 Long-term receivables

5.16.1 Breakdown of long-term receivables

Items	As at December 31, 2025			As at December 31, 2024			Discount rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Sell goods on installments	465,090,807.44	233,076,726.41	232,014,081.03	489,681,619.05	226,422,981.20	263,258,637.85	
Sub-total	465,090,807.44	233,076,726.41	232,014,081.03	489,681,619.05	226,422,981.20	263,258,637.85	
Less: the portion due within one year	364,814,934.96	212,667,950.17	152,146,984.79	461,496,172.43	220,116,641.57	241,379,530.86	
Total	100,275,872.48	20,408,776.24	79,867,096.24	28,185,446.62	6,306,339.63	21,879,106.99	

5.16.2 Provision for bad debts of long-term receivables

Items	As at December 31, 2024	Amount of change for this period				As at December 31, 2025
		Accrual	Withdraw or return	Carry forward or write off	others	
long-term receivables	6,306,339.63	14,102,436.61				20,408,776.24
Total	6,306,339.63	14,102,436.61				20,408,776.24

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.17 Long-term equity investments

5.17.1 Long-term equity investments

Investees	As at December 31, 2024	Impairment provision as at December 31, 2024	Increase/decrease in 2025								As at December 31, 2025	Provision for impairment loss as at December 31, 2025
			Increase in investments	Decrease in investments	Gain/loss on investments recognized under equity method	Adjustment to other comprehensive income	Other equity change	Cash dividends or profits declared to be distributed	Provision for impairment loss	Others		
1. Joint ventures												
MHPS Dongfang Boiler Co., LTD.	233,161,980.66				27,244,995.26				8,329,414.58			252,077,561.34
Framatome Dongfang Reactor Coolant Pumps Co., LTD.	141,665,343.02				30,500,000.00				24,699,825.39			147,465,517.63
Sub-total	374,827,323.68				57,744,995.26				33,029,239.97			399,543,078.97
2. Associates												
Liangshan Fengguang New Energy Operator and Maintenance Co.,LTD.	2,112,899.03			2,128,476.51	15,577.48							
Mulei East New Energy Co., Ltd.	892,467,901.67				22,033,836.54					-421,857,188.08		492,644,550.13
Three Gorges New Energy Power Generation (Manyu) Co. LTD	5,950,000.00		82,250,000.00		1,226,055.76					-18,885,457.94		70,540,597.82
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., LTD	17,890,400.29				2,808,539.62							20,698,939.91

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Investees	As at December 31, 2024	Impairment provision as at December 31, 2024	Increase/decrease in 2025								As at December 31, 2025	Provision for impairment loss as at December 31, 2025	
			Increase in investments	Decrease in investments	Gain/loss on investments recognized under equity method	Adjustment to other comprehensive income	Other equity change	Cash dividends or profits declared to be distributed	Provision for impairment loss	Others			
Mitsubishi Heavy Industries Dongfang Gas Turbine Co.,LTD.	800,960,405.71				81,827,249.72				52,717,895.00		8,153,620.35	838,223,380.78	
Deyang Guangda Dongqi New Material Co., LTD	361,399,748.20				33,218,686.39				12,250,000.00		8,005,895.21	390,374,329.80	
Sichuan Dongshu New Materials Co., Ltd.	123,977,826.25				-745,327.69	-40,298.07	8,979,895.19					132,172,095.68	
Sichuan Dongneng Energy Company Limited	17,003,925.13				32,522.13							17,036,447.26	
Dongfang Zhongheng (Chengdu) New Energy Technology Co., LTD.	4,982,037.48				-4,982,037.48								
Leshan Dongle Dajian Lifting Co., LTD.	5,534,281.87				1,474,539.62							7,008,821.49	
Sichuan Dongfang Development Clean Energy Co., LTD.	38,706,289.34		4,500,000.00		3,084.55							43,209,373.89	
Hunan Ping An Environmental protection Co., LTD.	29,576,735.60				-11,626,735.60							17,950,000.00	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Investees	As at December 31, 2024	Impairment provision as at December 31, 2024	Increase/decrease in 2025								As at December 31, 2025	Provision for impairment loss as at December 31, 2025	
			Increase in investments	Decrease in investments	Gain/loss on investments recognized under equity method	Adjustment to other comprehensive income	Other equity change	Cash dividends or profits declared to be distributed	Provision for impairment loss	Others			
Sichuan Shuzhi Supply Chain Technology Co. LTD	8,601,248.52				35,099.17							8,636,347.69	
Huadian Longkou Wind power Co., LTD.	87,398,378.62				6,305,713.06							93,704,091.68	
China United Heavy Gas Turbine Technology Co., LTD	131,541,571.98				1,215,478.66							132,757,050.64	
Inner Mongolia Energy Power Generation Red Mud Well Wind Power Co., LTD	21,082,869.56				-21,082,869.56								
Inner Mongolia Mengneng Sansheng Tai Wind Power Co., LTD		13,725,971.47											13,725,971.47
Inner Mongolia Mengneng Wulan New energy Co., LTD		27,120,000.00											27,120,000.00
Sichuan Xingweilan Technology Co., Ltd.			12,316,066.65		-501,617.86							11,814,448.79	
Fujian Fuzhou MinTou Offshore Wind Power Collection Station			7,000,000.00									7,000,000.00	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Investees	As at December 31, 2024	Impairment provision as at December 31, 2024	Increase/decrease in 2025								As at December 31, 2025	Provision for impairment loss as at December 31, 2025	
			Increase in investments	Decrease in investments	Gain/loss on investments recognized under equity method	Adjustment to other comprehensive income	Other equity change	Cash dividends or profits declared to be distributed	Provision for impairment loss	Others			
Co., Ltd.													
Liangshan Xinhe Wind Power Development Co., Ltd.			2,450,000.00									2,450,000.00	
Huaneng (Lingcheng District, Dezhou) Clean Energy Co., Ltd.			5,580,000.00									5,580,000.00	
Huaneng (Pingyuan) Clean Energy Co., Ltd.			16,272,000.00									16,272,000.00	
Zhaojue Hui Neng Dongfang Energy Company			6,000,000.00									6,000,000.00	
Changji Wanxin Wind Power Co., Ltd.			909,846,800.00									909,846,800.00	
Sub-total	2,549,186,519.25	40,845,971.47	1,046,214,866.65	2,128,476.51	111,257,794.51	-40,298.07	8,979,895.19	64,967,895.00			-424,583,130.46	3,223,919,275.56	40,845,971.47
Total	2,924,013,842.93	40,845,971.47	1,046,214,866.65	2,128,476.51	169,002,789.77	-40,298.07	8,979,895.19	97,997,134.97			-424,583,130.46	3,623,462,354.53	40,845,971.47

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.18 Other equity instrument investments

5.18.1 Breakdown of other equity instrument investments

Items	As at December 31, 2024	Changes in this period					As at December 31, 2025	Dividend income recognized in the current period	Gains recognized in other comprehensive income	Losses recognized in other comprehensive income	Reasons for designating the item as measured at fair value with changes recognized in other comprehensive income
		Additional investment	Reduce investment	Gain recognized in other comprehensive income for the period	Loss recognized in other comprehensive income for the period	Else					
Harbin Neng Chuang Technology Co. LTD	5,912,400.40			663,499.60			6,575,900.00	55,007.31	1,575,900.00		Strategic holding
China Datang Group Science and Technology Innovation Co. LTD	7,174,667.00	10,000,000.00			5,299,414.90		11,875,252.10			-8,124,747.90	Strategic holding
Sichuan South Sichuan High Grade Highway Development Company	1,000,000.00						1,000,000.00				Strategic holding
Fuyang Qingyuan Huanqing Ecological Technology Co. LTD	5,000,000.00						5,000,000.00				Strategic holding
China Southern Power Grid Energy Storage Co. LTD	430,638,292.92			104,255,317.95			534,893,610.87	5,044,815.11		-5,106,382.92	Strategic holding
Zhejiang Yuhuan Huadian Wind Power Co. LTD	94,869,000.00						94,869,000.00	10,699,960.00			Strategic holding
Sichuan Huatian Group Co. LTD									-81,914.82		Strategic holding
Chongqing Energy Investment Runxin No. 8 Enterprise Management Partnership (Limited Partnership)		13,369,742.42					13,369,742.42				Strategic holding
Fuzhou Fudong Fire Equipment Co., Ltd.		256,400.00				481,000.00	737,400.00		481,000.00		Strategic holding

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2024	Changes in this period					As at December 31, 2025	Dividend income recognized in the current period	Gains recognized in other comprehensiv e income	Losses recognized in other comprehensive income	Reasons for designating the item as measured at fair value with changes recognized in other comprehensive income
		Additional investment	Red uce inve stm ent	Gain recognized in other comprehensive income for the period	Loss recognized in other comprehensiv e income for the period	Else					
Total	544,594,360.32	23,626,142.42		104,918,817.55	5,299,414.90	481,000.00	668,320,905.39	15,799,782.42	1,974,985.18	-13,231,130.82	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.19 Investment properties

5.19.1 Investment real estate with cost measurement mode

Items	Buildings and constructions	Land use rights	Total
1. Original book value			
(1) As at December 31, 2024	276,036,643.39	19,012,760.71	295,049,404.10
(2) Increase in 2025	247,775,053.59		247,775,053.59
-Purchases			
-Transfer from inventories \fixed assets \construction in progress	247,775,053.59		247,775,053.59
-Investment properties measured under the cost model			
(3) Decrease in 2025	1,629,398.43		1,629,398.43
-Disposal	1,629,398.43		1,629,398.43
(4) As at December 31, 2025	522,182,298.55	19,012,760.71	541,195,059.26
2. Accumulated depreciation and amortization			
(1) As at December 31, 2024	143,335,813.18	7,517,890.22	150,853,703.40
(2) Increase in 2025	157,289,284.34	443,288.51	157,732,572.85
-Provision or amortization	11,985,376.58	443,288.51	12,428,665.09
-Other changes.	145,303,907.76		145,303,907.76
(3) Decrease in 2025	437,419.73		437,419.73
-Disposal	437,419.73		437,419.73
(4) As at December 31, 2025	300,187,677.79	7,961,178.73	308,148,856.52
3. Provision for impairment			
(1) As at December 31, 2024			
(2) Increase in 2025	5,100,690.93		5,100,690.93
-Provision			
-Other changes	5,100,690.93		5,100,690.93
(3) Decrease in 2025			
-Disposal			
(4) As at December 31, 2025	5,100,690.93		5,100,690.93
4. Book value			
(1) As at December 31, 2025	216,893,929.83	11,051,581.98	227,945,511.81
(2) As at December 31, 2024	132,700,830.21	11,494,870.49	144,195,700.70

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.20 Fixed assets

5.20.1 Fixed assets and liquidation of fixed assets

Items	As at December 31, 2025	As at December 31, 2024
Fixed assets	6,453,440,048.42	5,490,826,555.22
liquidation of fixed assets	11,993,989.29	6,180,173.49
Total	6,465,434,037.71	5,497,006,728.71

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.20.2 Fixed assets

Items	Assets of land	Houses and buildings	Machinery and equipment	Means of transport	Instruments, electronic equipment And others	Total
1. Original book value						
(1) As at December 31, 2024	17,915,996.06	7,375,145,834.43	9,030,745,014.97	330,302,283.92	2,109,448,125.97	18,863,557,255.35
(2) Increase in 2025		905,010,560.18	750,551,287.10	31,930,461.01	274,309,678.09	1,961,801,986.38
Purchase		43,561,938.48	113,354,614.13	14,732,600.18	72,762,551.95	244,411,704.74
Transfer of projects under construction		860,636,572.44	636,629,670.52	17,064,559.36	197,913,869.90	1,712,244,672.22
Business mergers have increased						
Others		812,049.26	567,002.45	133,301.47	3,633,256.24	5,145,609.42
(3) Decrease in 2025		304,987,173.69	180,543,184.13	32,121,474.81	89,734,144.53	607,385,977.16
Disposal or scrapping		43,102,486.33	168,078,217.88	31,977,515.69	79,754,435.67	322,912,655.57
Others		261,884,687.36	12,464,966.25	143,959.12	9,979,708.86	284,473,321.59
(4) As at December 31, 2025	17,915,996.06	7,975,169,220.92	9,600,753,117.94	330,111,270.12	2,294,023,659.53	20,217,973,264.57
2. Accumulated depreciation						
(1) As at December 31, 2024		4,491,865,453.99	7,071,614,618.54	247,332,789.16	1,433,631,449.35	13,244,444,311.04
(2) Increase in 2025		323,858,193.22	317,775,305.30	19,978,070.60	192,359,676.25	853,971,245.37
Withdrawal		321,240,309.85	317,729,266.83	19,931,971.78	190,455,919.57	849,357,468.03
Others		2,617,883.37	46,038.47	46,098.82	1,903,756.68	4,613,777.34
(3) Decrease in 2025		191,075,918.41	141,616,596.96	29,732,243.16	72,139,490.44	434,564,248.97
Disposal or scrapping		14,243,249.70	139,922,187.83	29,630,718.06	70,753,353.24	254,549,508.83
Others		176,832,668.71	1,694,409.13	101,525.10	1,386,137.20	180,014,740.14
(4) As at December 31, 2025		4,624,647,728.80	7,247,773,326.88	237,578,616.60	1,553,851,635.16	13,663,851,307.44
3. Provision for impairment losses						

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Assets of land	Houses and buildings	Machinery and equipment	Means of transport	Instruments, electronic equipment And others	Total
(1) As at December 31, 2024		86,088,944.90	35,741,754.75	118,991.45	6,336,697.99	128,286,389.09
(2) Increase in 2025		721,616.45	1,836,967.49	2,441.14	85,478.90	2,646,503.98
Withdrawal		721,616.45	1,836,967.49	2,441.14	85,478.90	2,646,503.98
Others						
(3) Decrease in 2025		14,143,698.29	15,524,571.30	2,441.14	580,273.63	30,250,984.36
Disposal or scrapping		12,426,091.30	15,524,571.30	2,441.14	580,273.63	28,533,377.37
Others		1,717,606.99				1,717,606.99
(4) As at December 31, 2025		72,666,863.06	22,054,150.94	118,991.45	5,841,903.26	100,681,908.71
4. Carrying amount						
(1) As at December 31, 2025	17,915,996.06	3,277,854,629.06	2,330,925,640.12	92,413,662.07	734,330,121.11	6,453,440,048.42
(2) As at December 31, 2024	17,915,996.06	2,797,191,435.54	1,923,388,641.68	82,850,503.31	669,479,978.63	5,490,826,555.22

Note: The land assets in the fixed assets of the Company as of December 31, 2025 are the land ownership acquired by East India Company in India.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.20.3 Temporarily idle fixed assets

Items	Original book value	Accumulated depreciation	Provision for impairment	Book value
Machinery equipment	49,925,152.55	46,832,328.70	79,962.72	3,012,861.13
Transportation facilities	480,000.00	456,000.00		24,000.00
Others	5,188,082.28	4,460,742.44		727,339.84
Total	55,593,234.83	51,749,071.14	79,962.72	3,764,200.97

5.20.4 Fixed assets leased out by operating lease

Items	As at December 31, 2025
Buildings and constructions	2,930,739.43
Machinery equipment	5,286,918.37
Transportation facilities	327,531.65
Instrument and apparatus, electronic equipment and others	332,667.07
Total	8,877,856.52

5.20.5 Fixed assets without title deeds

Items	Book value	Reasons for not completing the certificate of title
Real estate Title certificate of Chengdu No.2 Building	68,978,197.42	In progress
Phase I of the Hulunbuir Production Base (Factory Building)	6,374,917.15	In progress
Hulunbuir Production Base Phase I (Office building)	6,374,917.15	In progress
Construction of Auxiliary Facilities at the Partition Panel Plant	396,784.08	In progress
Support Facilities for the Industrial Turbines Division	901,221.46	In progress

5.20.6 Liquidation of fixed assets

Items	As at December 31, 2025	As at December 31, 2024
Buildings and constructions	8,761,483.56	5,085,473.53
Machinery equipment	910,178.34	57,240.79
Transportation facilities	876,215.77	251,740.98
Instrument and meter	647,718.90	518,937.67
Electronic equipment	415,155.24	255,985.39
Others	383,237.48	10,795.13
Total	11,993,989.29	6,180,173.49

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.21 Construction in progress

5.21.1 Construction in progress and Project goods and material

Items	As at December 31, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction in progress	1,224,377,358.96	1,084,798.67	1,223,292,560.29	1,431,770,278.39	4,467,882.61	1,427,302,395.78
Project goods and material	30,649.48		30,649.48	30,649.48		30,649.48
Total	1,224,408,008.44	1,084,798.67	1,223,323,209.77	1,431,800,927.87	4,467,882.61	1,427,333,045.26

5.21.2 Construction in progress

Items	As at December 31, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Project to Enhance the Testing Capabilities of the Main Nuclear Pump	59,108,318.59		59,108,318.59			
Construction of the Golmud Manufacturing Base	54,666,059.88		54,666,059.88			
Large-Scale Compressor Comprehensive Testing Platform Construction Project	49,155,351.09		49,155,351.09	79,764.15		79,764.15
Construction of a High-Power Gas Turbine Burner Test Platform at the Quanzhong Laboratory	42,033,067.64		42,033,067.64	82,452.83		82,452.83
Construction of the Rushan Project Plant	41,327,114.27		41,327,114.27			
260 Boring Machine	37,613,487.27		37,613,487.27			
Gantry Milling Machine	33,013,810.19		33,013,810.19			
Joint Plant Expansion Project	28,889,028.02		28,889,028.02			
Project for the Construction of New Liquid Hydrogen Infrastructure and Additional Gaseous Hydrogen Equipment at the Madian Hydrogen Refueling Station	28,613,114.17		28,613,114.17			
Construction of a Green Smart Coil Digital Workshop - New Factory Building	28,224,750.44		28,224,750.44			
Equipment for the G50 Center Gas Turbine High-Temperature Turbine Blade Precision Casting Production Line Construction Project	10,634,824.40		10,634,824.40	48,038,175.38		48,038,175.38

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Construction Project for the Nyingchi Production and Research Base in Tibet				33,992,563.77		33,992,563.77
Dongfang Electric Innovation and Overseas Business Center Project				610,578,430.08		610,578,430.08
Four high-precision five-axis machining centers at the Blade Plant				29,736,409.11		29,736,409.11
Equipment for the Burner Production Line Construction Project at the Metalworking Plant				6,378,756.76		6,378,756.76
Others	811,098,433.00	1,084,798.67	810,013,634.33	702,883,726.31	4,467,882.61	698,415,843.70
Total	1,224,377,358.96	1,084,798.67	1,223,292,560.29	1,431,770,278.39	4,467,882.61	1,427,302,395.78

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.21.3 Current changes of important construction projects under construction

Items	Number of budgets	As at December 31, 2024	Increase in 2025	Amount of fixed assets transferred in the current period	Other decreases for the current period	As at December 31, 2025	Proportion of cumulative project input to budget (%)	Progress of project	Accumulated amount of interest capitalized	Including: amount of interest capitalized in the current period	Capitalization rate of interest for the current period (%)	Source of funds
Project to Enhance the Testing Capabilities of the Main Nuclear Pump	193,500,000.00		59,108,318.59			59,108,318.59	30.55	30.55				Raise oneself
Construction of the Golmud Manufacturing Base	91,026,699.00		54,666,059.88			54,666,059.88	60.05	60.05				Raise oneself
Large-Scale Compressor Comprehensive Testing Platform Construction Project	188,400,000.00	79,764.15	49,075,586.94			49,155,351.09	26.09	26.09				Raise oneself
Construction of a High-Power Gas Turbine Burner Test Platform at the Quanzhong Laboratory	165,700,000.00	82,452.83	41,950,614.81			42,033,067.64	25.37	25.37				Raise oneself
Construction of the Rushan Project Plant	166,000,000.00		41,327,114.27			41,327,114.27	24.90	24.90				Raise oneself

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Number of budgets	As at December 31, 2024	Increase in 2025	Amount of fixed assets transferred in the current period	Other decreases for the current period	As at December 31, 2025	Proportion of cumulative project input to budget (%)	Progress of project	Accumulated amount of interest capitalized	Including: amount of interest capitalized in the current period	Capitalization rate of interest for the current period (%)	Source of funds
260 Boring Machine	50,000,000.00		37,613,487.27			37,613,487.27	75.23	75.23				Raise oneself
Gantry Milling Machine	70,000,000.00		33,013,810.19			33,013,810.19	47.16	47.16				Raise oneself
Joint Plant Expansion Project	88,980,000.00		28,889,028.02			28,889,028.02	32.47	32.47				Raise oneself
Project for the Construction of New Liquid Hydrogen Infrastructure and Additional Gaseous Hydrogen Equipment at the Madian Hydrogen Refueling Station	33,776,775.00		29,646,975.53	1,033,861.36		28,613,114.17	84.71	84.71				Raise oneself

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Number of budgets	As at December 31, 2024	Increase in 2025	Amount of fixed assets transferred in the current period	Other decreases for the current period	As at December 31, 2025	Proportion of cumulative project input to budget (%)	Progress of project	Accumulated amount of interest capitalized	Including: amount of interest capitalized in the current period	Capitalization rate of interest for the current period (%)	Source of funds
Construction of a Green Smart Coil Digital Workshop – New Factory Building	80,000,000.00		28,224,750.44			28,224,750.44	35.28	35.28				Raise oneself
Equipment for the G50 Center Gas Turbine High-Temperature Turbine Blade Precision Casting Production Line Construction Project	80,870,000.00	48,038,175.38	5,096,692.87	42,500,043.85		10,634,824.40	13.15	13.15				Raise oneself
Construction Project for the Nyingchi Production and Research Base in Tibet	83,652,736.27	33,992,563.77	49,660,172.50	83,652,736.27								Raise oneself
Dongfang Electric Innovation and Overseas Business Center Project	1,071,448,788.01	610,691,596.47	113,691,116.05	724,382,712.52								Raise oneself

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Number of budgets	As at December 31, 2024	Increase in 2025	Amount of fixed assets transferred in the current period	Other decreases for the current period	As at December 31, 2025	Proportion of cumulative project input to budget (%)	Progress of project	Accumulated amount of interest capitalized	Including: amount of interest capitalized in the current period	Capitalization rate of interest for the current period (%)	Source of funds
Four high-precision five-axis machining centers at the Blade Plant	58,000,000.00	29,736,409.11		29,736,409.11								Raise oneself
Equipment for the Burner Production Line Construction Project at the Metalworking Plant	70,810,000.00	6,378,756.76	21,028,581.82	27,407,338.58								Raise oneself
Total		728,999,718.47	592,992,309.18	908,713,101.69		413,278,925.96						

5.21.4 Provision for impairment of construction in progress for the current period

Items	As at December 31,2024	Changes in this period			As at December 31,2025	Reason for the provision
		provision	Transfer out	others		
Mianzhu Living Base Phase I	4,467,882.61		3,383,083.94		1,084,798.67	There are indications of impairment
Total	4,467,882.61		3,383,083.94		1,084,798.67	

5.22 Right-of-use assets

5.22.1 Breakdown of right-of-use assets

Items	Buildings and constructions	Machinery equipment	Total
1. Original book value			
(1) As at December 31, 2024	794,611,479.24	53,652,147.55	848,263,626.79
(2) Increase in 2025	60,614,626.77	359,008.85	60,973,635.62
-New lease	60,614,626.77	359,008.85	60,973,635.62
-Increase in business combinations			
-Other Increase			
(3) Decrease in 2025	27,706,527.52	1,476,059.09	29,182,586.61
- Transfer to fixed assets			
- Disposal	27,706,527.52	1,476,059.09	29,182,586.61
(4) As at December 31, 2025	827,519,578.49	52,535,097.31	880,054,675.80
2. Accumulated depreciation			
(1) As at December 31, 2024	274,250,757.48	19,319,994.95	293,570,752.43
(2) Increase in 2025	147,895,740.04	4,813,708.02	152,709,448.06
-Provision	147,895,740.04	4,813,708.02	152,709,448.06
(3) Decrease in 2025	27,582,400.56	1,476,059.09	29,058,459.65
- Transfer to fixed assets			
- Disposal	27,582,400.56	1,476,059.09	29,058,459.65
(4) As at December 31, 2025	394,564,096.96	22,657,643.88	417,221,740.84
3. Provision for impairment			
(1) As at December 31, 2024			
(2) Increase in 2025			
-Provision			
(3) Decrease in 2025			
-Transfer to fixed assets			
-Disposal			

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(4) As at December 31, 2025			
4. Book value			
(1) As at December 31, 2025	432,955,481.53	29,877,453.43	462,832,934.96
(2) As at December 31, 2024	520,360,721.76	34,332,152.60	554,692,874.36

5.23 Intangible assets

5.23.1 Breakdown of intangible assets

Items	Land use rights	Non-patent technologies	Software	Patent right	Others	Total
1. Original book value						
(1) As at December 31, 2024	1,426,556,517.93	341,529,546.45	564,031,200.87	237,513,978.49	687,550,766.23	3,257,182,009.97
(2) Increase in 2025	117,011,565.19		137,032,371.07	4,180,952.31	46,652.15	258,271,540.72
-Purchase	116,984,688.06		56,054,623.86	3,465,113.99	13,346.36	176,517,772.27
-Internal R&D						
-Increase in business mergers						
-Others	26,877.13		80,977,747.21	715,838.32	33,305.79	81,753,768.45
(3) Decrease in 2025	274,645.80		8,425,310.10	96,616.52	15,160,351.87	23,956,924.29
-Disposal	274,645.80		8,425,310.10	96,616.52		8,796,572.42
-Portions that have lapsed and been derecognized						
-Others					15,160,351.87	15,160,351.87
(4) As at December 31, 2025	1,543,293,437.32	341,529,546.45	692,638,261.84	241,598,314.28	672,437,066.51	3,491,496,626.40
2. Accumulated amortization						
(1) As at December 31, 2024	321,752,072.39	339,243,166.00	340,196,489.93	115,351,251.24	215,917,171.67	1,332,460,151.23
(2) Increase in 2025	32,623,086.92	1,485,397.40	77,582,389.76	19,582,448.88	27,129,321.54	158,402,644.50
-Provision	32,623,086.92	1,485,397.40	77,582,389.76	19,582,448.88	27,129,321.54	158,402,644.50
-Others						
(3) Decrease in 2025	160,822.75		5,034,114.82	40,810.01	4,775,539.38	10,011,286.96
-Disposal	160,822.75		5,034,114.82	40,810.01	4,775,539.38	10,011,286.96
-Portions that have lapsed and been derecognized						

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Land use rights	Non-patent technologies	Software	Patent right	Others	Total
-Others						
(4) As at December 31, 2025	354,214,336.56	340,728,563.40	412,744,764.87	134,892,890.11	238,270,953.83	1,480,851,508.77
3. Provision for impairment						
(1) As at December 31, 2024	33,314.36					33,314.36
(2) Increase in 2025						
-Provision						
-Others						
(3) Decrease in 2025						
Disposal						
Portions that have lapsed and been derecognized						
Others						
(4) As at December 31, 2025	33,314.36					33,314.36
4. Book value						
(1) As at December 31, 2025	1,189,045,786.40	800,983.05	279,893,496.97	106,705,424.17	434,166,112.68	2,010,611,803.27
(2) As at December 31, 2024	1,104,771,131.18	2,286,380.45	223,834,710.94	122,162,727.25	471,633,594.56	1,924,688,544.38

Description: Other intangible assets are mainly the power station franchise of Nanmanghe Company.

5.2.3.2 Land use right without a certificate of title

Items	As at December 31, 2025	Reasons for not completing the certificate of title
Land Use Rights for Yuhe Street	17,792,823.12	In process
Hanjiang Road, Deyang City	2,788,750.92	In process
Chengdu Jinniu Shengdeng Township 1	96,367.17	In process
Deyang City Lushan south west side	1,486,064.10	In process
Chengdu Jinniu Shengdeng Township 3	1,072,056.21	In process
Huashan South Road, Deyang City	792,376.50	In process
Luhe Village, Deyang City	440,722.93	In process
Total	24,872,590.18	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.24 Long-term deferred expenses

Items	As at December 31, 2024	Increase in 2025	Amortization in 2024	Other decreases	As at December 31, 2025
Piecemeal works	15,213,914.59	46,492,235.18	10,889,135.97		50,817,013.80
Total	15,213,914.59	46,492,235.18	10,889,135.97		50,817,013.80

5.25 Deferred tax assets and deferred tax liabilities

5.25.1 Unoffset deferred income tax assets

Items	As at December 31, 2025		As at December 31, 2024	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Provision for asset impairment	1,688,516,853.66	10,017,353,565.27	1,500,481,214.82	9,073,044,484.30
Deductible losses	29,546,534.16	193,867,026.68	80,444,623.47	533,093,000.52
Estimated liabilities	924,704,115.81	6,019,485,400.54	845,013,357.75	5,470,391,215.15
Employee compensation payable	208,363,775.59	1,361,637,386.05	229,071,952.01	1,496,758,460.54
No profit was realized from internal trading	66,224,043.17	441,493,621.19	65,364,446.17	435,762,974.47
Government grants	55,111,431.81	366,153,476.71	42,074,120.93	277,960,908.01
Accounts payable	398,856,161.08	2,606,441,299.25	419,785,640.45	2,798,597,042.61
Depreciation of fixed assets	3,371,034.79	23,018,986.13	6,623,826.24	44,290,088.26
Changes in fair value	1,470,751.86	9,805,012.36	17,002,771.94	113,351,812.94
Foreign enterprise income tax to be deducted	2,097,381.02	13,982,540.13	2,097,381.02	13,982,540.13
Lease liabilities	111,517,897.08	640,892,529.39	110,881,390.68	617,571,777.02
Other	1,120,171.80	7,467,811.98	1,726,351.25	11,509,008.35
	3,490,900,151.83	21,701,598,655.68	3,320,567,076.73	20,886,313,312.30

5.25.2 Unoffset deferred income tax liabilities

Items	As at December 31, 2025		As at December 31, 2024	
	Deferred tax liabilities	Deductible temporary differences	Deferred tax liabilities	Deductible temporary differences
Depreciation of Fixed Assets	69,701,039.50	456,240,891.77	62,917,646.88	417,189,403.26
Changes in fair value	54,657,181.03	347,243,919.83	55,167,264.58	349,284,254.03
Right-of-use assets	112,715,035.02	603,250,739.96	111,765,494.01	653,273,151.45
Total	237,073,255.55	1,406,735,551.56	229,850,405.47	1,419,746,808.74

5.25.3 Deferred tax assets or liabilities presented on a net basis after offsetting

Items	As at December 31, 2025	As at December 31, 2024
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DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Amount of offsetting between deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offsetting	Amount of offsetting between deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	88,009,280.30	3,402,890,871.53		3,320,567,076.73
Deferred tax liabilities	88,009,280.30	149,063,975.25		229,850,405.47

5.25.4 Deductible losses on unrecognized deferred tax assets will expire in the following years

Year	As at December 31, 2025	As at December 31, 2024
Year 2025		2,967,041.68
Year 2026	42,210,748.51	42,210,748.51
Year 2027	448,494,919.99	448,494,919.99
Year 2028	193,400,548.67	288,783,979.82
Year 2029	88,737,291.54	109,486,895.87
Year 2030	1,057,595,924.97	1,523,189,971.43
Total	1,830,439,433.68	2,415,133,557.30

5.25.5 Breakdown of Unrecognized Deferred Tax Assets

Items	As at December 31, 2025	As at December 31, 2024
Deductible temporary differences	510,207,637.64	384,303,828.59
Tax-deductible loss	1,830,439,433.68	2,415,133,557.30
Total	2,340,647,071.32	2,799,437,385.89

5.26 Other non-current assets

Items	As at December 31, 2025			As at December 31, 2024		
	Balance of book value	Provision for impairment losses	Carrying amount	Balance of book value	Provision for impairment losses	Carrying amount
Contract guarantee	10,950,143,933.63	1,148,197,705.42	9,801,946,228.21	8,410,530,695.35	860,876,388.86	7,549,654,306.49
Prepayment for acquisition of long-term assets	28,116,464.43		28,116,464.43	26,939,500.00		26,939,500.00
Bankruptcy liquidation subsidiary	409,363,000.00	409,363,000.00		409,363,000.00	409,363,000.00	
Input tax credits and other items	344,879,187.14		344,879,187.14	4,500,000.00		4,500,000.00
Total	11,732,502,585.20	1,557,560,705.42	10,174,941,879.78	8,851,333,195.35	1,270,239,388.86	7,581,093,806.49

Note : Dongfang Electric New Energy Equipment (Hangzhou) Co., LTD. (hereinafter referred to as Hangzhou New Energy) entered bankruptcy procedure in 2017 and has not completed bankruptcy liquidation up to now.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.27 Assets whose ownership or use rights are restricted

Item	As at December 31, 2025				As at December 31, 2024			
	Book balance	Book value	Restricted type	Restrictions	Book balance	Book value	Restricted type	Restrictions
Monetary	3,673,863,861.62	3,673,863,861.62	Pledge	Used to hold central bank reserves, issue bankers' acceptances, letters of credit, and other instruments pledged to the bank; funds may not be withdrawn at will.	4,302,604,950.09	4,302,604,950.09	Pledge	Used to hold central bank reserves, issue bankers' acceptances, letters of credit, and other instruments pledged to the bank; funds may not be withdrawn at will.
Notes receivable	281,773,214.31	267,709,553.62	Pledge	Discounting of bills of exchange; endorsement not yet recognized	551,727,583.69	525,454,841.61	Pledge	Discounting of bills of exchange; endorsement not yet recognized
Fixed assets	1,374,727.85	68,736.39	Mortgage	Loan Collateral	62,585,251.09	61,471,646.14	Mortgage	Loan Collateral
Intangible assets	667,663,416.04	430,445,520.02	Mortgage	Loan Collateral	682,823,767.91	530,089,264.57	Mortgage	Loan Collateral
Total	4,624,675,219.82	4,372,087,671.65			5,599,741,552.78	5,419,620,702.41		

5.28 Short-term borrowings

5.28 Classification of short-term borrowings

Items	As at December 31, 2025	As at December 31, 2024
Loan pledged	81,302,980.52	1,080,000.00
Mortgage loan		
Guaranteed loans		
Loan on credit	60,000,000.00	74,000,000.00
Total	141,302,980.52	75,080,000.00

5.29 Notes payable

Category	As at December 31, 2025	As at December 31, 2024
Bank acceptance draft	8,009,600,977.02	4,848,571,332.31
Commercial acceptance bill	7,642,640,421.48	10,786,707,295.76
Total	15,652,241,398.50	15,635,278,628.07

5.30 Accounts payable

5.30.1 List accounts payable

Items	As at December 31, 2025	As at December 31, 2024
Within 1 year (including 1 year)	23,672,337,436.88	21,233,568,378.41
1-2 years (including 2 years)	1,798,792,334.81	1,598,639,709.95
2-3 years (including 3 years)	995,343,944.25	897,115,396.62
Over 3 years	1,543,614,272.14	1,103,721,536.48
Total	28,010,087,988.08	24,833,045,021.46

5.31 Contract liabilities

5.31.1 Breakdown of contract liabilities

Items	As at December 31, 2025	As at December 31, 2024
Within 1 year (including 1 year)	36,019,411,227.52	31,343,885,734.74
Over 1 year	11,208,844,589.05	9,322,111,036.60
Total	47,228,255,816.57	40,665,996,771.34

5.32 Deposit absorption and interbank deposit

Items	As at December 31, 2025	As at December 31, 2024
Current account balances	5,243,508,815.54	1,667,995,201.96
Including: Company	5,243,508,815.54	1,667,995,201.96
Time deposits (including notice deposits)	451,600,000.00	592,600,000.00
Other deposits (including outward remittance, remittance payable, etc.)		
Total	5,695,108,815.54	2,260,595,201.96

5.33 Employee benefit payable

5.33.1 List the salary payable to employees

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Short-term compensation	323,504,902.39	5,113,397,441.79	5,099,765,203.40	337,137,140.78
Post-employment benefits - defined contribution plans	288,452,539.81	810,899,647.95	815,879,403.56	283,472,784.20
Dismissal benefits	347,676,515.44	258,594,699.07	359,716,352.98	246,554,861.53
Other benefits maturing within one year				
Total	959,633,957.64	6,182,891,788.81	6,275,360,959.94	867,164,786.51

5.33.2 List short-term salary

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
(1) Salaries, bonuses, allowances and subsidies		3,809,891,410.58	3,809,891,410.58	
(2) Employee welfare	28,879,396.54	344,465,303.89	350,579,269.65	22,765,430.78
(3) Social insurance premiums	110,198,170.07	373,847,660.25	366,959,555.05	117,086,275.27
Including: Medical insurance premium and Maternity insurance premium	275,053.70	244,473,445.59	244,540,031.52	208,467.77
Work-related injury insurance premium	71,802.00	17,650,877.85	17,653,793.10	68,886.75
Others	109,851,314.37	111,723,336.81	104,765,730.43	116,808,920.75
(4) Housing provident funds	326,660.00	388,075,343.00	388,075,343.00	326,660.00
(5) Labor union expenditures and employee education funds	180,756,356.44	142,052,321.86	127,509,191.64	195,299,486.66
(6) Short-term compensated absences				
(7) Short-term profit share plan				
(8) Other short-term compensation	3,344,319.34	55,065,402.21	56,750,433.48	1,659,288.07
Total	323,504,902.39	5,113,397,441.79	5,099,765,203.40	337,137,140.78

5.33.3 Set up withdrawal plan and list it

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Basic endowment insurance premium	329,432.92	500,628,393.62	500,770,440.94	187,385.60
Unemployment insurance premium	12,353.21	19,161,301.70	19,166,627.95	7,026.96
Enterprise annuity payment	288,110,753.68	291,109,952.63	295,942,334.67	283,278,371.64
Total	288,452,539.81	810,899,647.95	815,879,403.56	283,472,784.20

Additional Notes: In accordance with the State-owned Assets Supervision and Administration Commission of the State Council's "Reply Regarding the Trial Implementation of the Enterprise Annuity System at China Dongfang Electric Corporation" (Guozi Fenpei [2007] No. 1201) and the "Letter Regarding the Filing of Enterprise Annuity Plans for 11 Entities Including China Aerospace Science and Industry Corporation" (Guozi Hall Kao Fen [2019] No. 65), and the General Office of the Ministry of Human Resources and Social Security's "Letter on the Filing of Enterprise Annuity Plans for 17 Entities Including China Taiping Insurance Group Co., Ltd." (Ren She Hall Letter [2018] No. 334), the Company expenses annuity costs annually as part of current-year operating expenses under a co-contribution arrangement between the enterprise and employees. After being accrued annually, these annuity funds are remitted to the custodial account for the enterprise annuity fund's trustee assets and are entrusted by China Dongfang Electric Group Co., Ltd. to China Life Pension Insurance Co., Ltd. for operation and management.

5.34 Taxes payable

Tax and fee items	As at December 31, 2025	As at December 31, 2024
Corporate income tax	481,655,392.47	390,254,125.42
Value added tax	275,305,580.52	273,549,559.82
Personal income tax	53,042,384.24	51,705,981.89
City maintenance and construction tax	23,984,416.18	22,964,345.49
Education surcharge	16,878,509.67	16,296,977.18
Property tax	942,253.63	844,060.08
Land use tax	726,031.39	514,119.18
Resource tax	137,719.99	137,719.99
Other taxes and fees	22,648,253.24	26,382,284.66
Total	875,320,541.33	782,649,173.71

5.35 Other payables

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025	As at December 31, 2024
Interest payable		
Dividends payable	4,876,982.40	4,568,944.33
Other payables	1,622,724,958.26	1,609,809,922.88
Total	1,627,601,940.66	1,614,378,867.21

5.35.1 Dividends payable

Items	As at December 31, 2025	As at December 31, 2024
Ordinary share dividends	4,876,982.40	4,568,944.33
Total	4,876,982.40	4,568,944.33

5.35.2 Other payables

(1) List according to the nature of the payment

Items	As at December 31, 2025	As at December 31, 2024
Deposits and deposits	583,334,112.66	546,669,951.53
Collections on behalf of others	238,270,901.56	368,326,345.92
Payment payable for equity acquisition	149,315,280.97	167,505,076.96
Advance money payable	300,332,917.75	229,790,597.84
Lease, service and minor purchase payables	78,838,212.87	82,229,167.45
Social insurance premium and housing provident fund undertaken by individuals	92,098,319.19	55,257,944.47
Others	180,535,213.26	160,030,838.71
Total	1,622,724,958.26	1,609,809,922.88

5.36 Non-current liabilities due within one year

Items	As at December 31, 2025	As at December 31, 2024
Long-term debt due within one year	221,276,752.94	194,058,558.16
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities maturing within one year	89,167,183.74	137,346,525.02
Contingent liabilities due within one year	585,729,542.85	
Other long-term liabilities due within one year	3,444,037.92	
Total	899,617,517.45	331,405,083.18

5.37 Other current liabilities

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025	As at December 31, 2024
Pending resale tax	1,062,187,519.77	1,217,709,102.42
Notes receivable endorsed but not yet mature without termination of recognition at the end of the period	264,584,122.13	491,621,476.21
Agency liabilities		1,994,228.10
Others		43,581,592.57
Total	1,326,771,641.90	1,754,906,399.30

5.38 Long-term borrowings

Items	As at December 31, 2025	As at December 31, 2024
Pledged borrowings	2,337,669,198.12	
Mortgaged borrowings	291,121,649.92	319,458,246.72
Guaranteed borrowings		
Credit borrowings	2,134,262,384.37	2,041,777,207.24
Sub-total	4,763,053,232.41	2,361,235,453.96
Less: Part due within one year	221,276,752.94	194,058,558.16
Total	4,541,776,479.47	2,167,176,895.80

Note: For details on the repayment terms of long-term borrowings, please refer to Note 11 in the Notes to the Financial Statements.

5.39 Lease liabilities

Items	As at December 31, 2025	As at December 31, 2024
Lease payment	546,435,741.12	653,716,006.24
Less: unrecognized financing charges	83,822,337.26	100,410,581.42
Non-current liabilities reclassified to maturity within one year	89,167,183.74	137,346,525.02
Total	373,446,220.12	415,958,899.80

Note: For details on the repayment terms of Lease liabilities, please refer to Note 11 in the Notes to the Financial Statements.

5.40 Long-term payables

Items	As at December 31, 2025	As at December 31, 2024
Long-term payables		
Special payables	240,000.00	240,000.00
Total	240,000.00	240,000.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.40.1 Special payables

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025	Forming reason
Budget for energy conservation and emission reduction from central state capital operations	140,000.00			140,000.00	Not yet used up
Urban light rail vehicle AC transmission project funding	100,000.00			100,000.00	Not yet used up
Total	240,000.00			240,000.00	

5.41 Long-term Employee benefit payable

Items	As at December 31, 2025	As at December 31, 2024
Post-employment benefits -net liabilities of defined benefit plans		
Dismissal benefits	928,767,838.92	804,489,274.85
Other long-term benefits	189,209,490.29	198,616,894.62
Total	1,117,977,329.21	1,003,106,169.47

5.42 Estimated liabilities

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025	Forming reason
Pending litigation	718,906.14		718,906.14		
Product quality assurance	4,177,913,625.67	1,613,831,358.90	1,672,978,322.25	4,118,766,662.32	
Loss contracts to be executed	1,220,406,318.83	439,274,616.90	582,293,886.00	1,077,387,049.73	
Others	260,296,862.69	30,186,250.83	39,255,671.48	251,227,442.04	
Total	5,659,335,713.33	2,083,292,226.63	2,295,246,785.87	5,447,381,154.09	

5.43 Deferred income

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025	Forming reason
Government grants related to assets	256,623,770.76	117,592,243.00	82,881,896.29	291,334,117.47	
Government grants related to income	221,502,834.86	157,499,572.80	118,566,948.62	260,435,459.04	
Others	272,925.88	627,090.76	88,294.74	811,721.90	
Total	478,399,531.50	275,718,906.56	201,537,139.65	552,581,298.41	

5.44 share capital

Items	As at December 31, 2024	Increase(+) and decrease(-) in 2025					As at December 31, 2025
		Issuance of New Shares	Bonus shares	conversion of capital reserves into shares	other	subtotal	
Total number of shares	3,117,499,457.00	340,878,203.00			-17,334.00	340,860,869.00	3,458,360,326.00

Explanation of Changes in Share Capital:

- The Company issued 272,878,203 A-shares to specific investors. Among these, the controlling shareholder, China Dongfang Electric Group Co., Ltd., subscribed for 33,090,668 shares, resulting in an increase of 33,090,668 shares in the number of restricted shares held by state-owned legal entities. Huajian International Industrial (Shenzhen) Co., Ltd. and China State-Owned Enterprise Mixed Ownership Reform Fund Co., Ltd. subscribed to 239,787,535 shares, which were listed and became tradable on October 15, 2025; the number of unrestricted CNY ordinary shares increased by 239,787,535 shares. Pursuant to a general authorization, the Company completed a placement of H-shares in September 2025, resulting in an increase of 68,000,000 unrestricted overseas-listed foreign shares.
- Pursuant to the Company's "2019 A-Share Restricted Stock Incentive Plan (Revised Draft)" and relevant laws and regulations, one of the incentive recipients for whom shares were reserved for grant no longer qualifies as an incentive recipient due to a transfer from the Company as part of organizational restructuring. The 17,443 shares of restricted stock involved in the aforementioned situation, which had been granted but were not yet subject to a lock-up period, were repurchased and canceled by the Company on January 23, 2025.

5.45 Capital reserves

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Capital (share capital) premium	11,465,666,104.50	4,757,618,477.22	1,210,768,908.97	15,012,515,672.75
Other capital reserves	94,160,416.88	19,314,395.91	631,548.29	112,843,264.50
Total	11,559,826,521.38	4,776,932,873.13	1,211,400,457.26	15,125,358,937.25

Other notes, including changes during the current period and explanations for such changes:

- The Company's issuance of shares to specific parties increased capital surplus (share premium) by CNY 4,757,618,477.22;
- The Company's purchase of minority interests in a subsidiary reduced capital surplus (share premium) by CNY 1,210,768,908.97;
- Capital surplus increased by CNY 8,979,895.19 due to the dilution of equity in an associate resulting from a capital increase by another shareholder of the Company's subsidiary, Dongfang Turbine;
- Capital surplus—other capital surplus decreased by CNY 10,334,500.72 due to a capital increase by the Company's controlling shareholder in the Company's subsidiary, Dongfang Design;
- Other capital surplus decreased by CNY 631,548.29 due to the cancellation of treasury stock.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.46 Treasury stock

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Repurchase plan for restricted stock incentive	648,882.29		648,882.29	
Total	648,882.29		648,882.29	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.47 Other comprehensive income

Items	As at December 31, 2024	Amount for the current period						As at December 31, 2025
		Amount incurred before current income tax	Less: other comprehensive income recorded in the previous period is transferred to profit and loss in the current period	Less: Income tax expense	Net profit attributable to shareholders of the company	Net profit attributable to minority shareholders	Less: other comprehensive income recorded in the previous period is transferred to retained earnings in the current period	
1. Other comprehensive income that cannot be reclassified into profit and loss	-87,844,144.75	100,100,402.65		15,638,297.69	86,474,864.14	-2,012,759.18		-1,369,280.61
Including: re-measure the change of set benefit plan								
Other comprehensive income that cannot be converted into profit and loss under the equity method								
Changes in fair value of other equity instrument investments	-87,844,144.75	100,100,402.65		15,638,297.69	86,474,864.14	-2,012,759.18		-1,369,280.61
Changes in the fair value of the enterprise's own credit risk								
2. Other comprehensive income reclassified into profit and loss	-32,238,085.52	-30,821,657.79			-24,294,844.98	-6,526,812.81		-56,532,930.50
Including: other comprehensive income that can be converted into profit or loss under the equity method	1,400,929.25	-40,298.07			-40,298.07			1,360,631.18
Changes in fair value of other debt investments								

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2024	Amount for the current period						As at December 31, 2025
		Amount incurred before current income tax	Less: other comprehensive income recorded in the previous period is transferred to profit and loss in the current period	Less: Income tax expense	Net profit attributable to shareholders of the company	Net profit attributable to minority shareholders	Less: other comprehensive income recorded in the previous period is transferred to retained earnings in the current period	
The amount of financial assets reclassified into other comprehensive income								
Other debt investment credit impairment provisions	1,343,933.42	-1,467,170.56			-1,347,742.88	-119,427.68		-3,809.46
Cash flow hedge reserve								
Differences on translation of foreign currency financial statements	-34,982,948.19	-29,314,189.16			-22,906,804.03	-6,407,385.13		-57,889,752.22
Total other comprehensive income	-120,082,230.27	69,278,744.86		15,638,297.69	62,180,019.16	-8,539,571.99		-57,902,211.11

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.48 Special purpose reserve

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Work safety expenses	124,193,157.76	81,388,109.16	77,319,733.98	128,261,532.94
Total	124,193,157.76	81,388,109.16	77,319,733.98	128,261,532.94

5.49 Surplus reserves

Items	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Statutory surplus reserves	1,424,889,201.23	143,192,001.10		1,568,081,202.33
Total	1,424,889,201.23	143,192,001.10		1,568,081,202.33

5.50 Undistributed profit

Items	Amount for the current period	Amount for the previous period
Retained profit at the end of the previous year before adjustment	22,690,605,142.05	21,337,876,676.79
Total adjustment to retained profit at the beginning of the year ("+" for increase and "-" for decrease)		
Retained profit at the beginning of the year after adjustment	22,690,605,142.05	21,337,876,676.79
Plus: Net profit attributable to the shareholders of the company for the period	3,831,301,222.13	2,922,100,908.48
Less: Withdrawal of statutory surplus reserves	143,192,001.10	87,756,382.31
Withdrawal of discretionary surplus reserves		
Withdrawal for general risks		
Common stock dividends payable	1,366,315,211.38	1,480,812,259.51
Common stock dividends transferred to share capital		
Others		803,801.40
Retained profit at the end of the period	25,012,399,151.70	22,690,605,142.05

5.51 Operating income and operating costs

5.51.1 Revenue and Cost of Sales

Items	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Expenses	Revenue	Expenses

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

operating income	77,582,624,563.59	65,215,256,838.90	68,592,735,741.35	58,876,109,012.73
Total	77,582,624,563.59	65,215,256,838.90	68,592,735,741.35	58,876,109,012.73

5.51.2 Overview of Interest and Fee Income and Expenses

Items	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Expenses	Revenue	Expenses
Interest income	1,032,429,598.45	23,763,627.20	1,102,098,612.61	24,698,284.75
Fee and commission income	223,277.79	2,148,216.65	301,369.51	1,448,745.83
Total	1,032,652,876.24	25,911,843.85	1,102,399,982.12	26,147,030.58

5.51.3 Sector and product revenue

Items	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Energy Equipment Manufacturing	58,005,444,217.16	49,897,117,344.35	47,546,592,752.20	42,306,703,134.02
Including:				
Coal-fired power	24,491,584,410.69	19,424,010,583.58	20,257,119,942.16	16,930,866,664.50
hydroelectric power	3,902,820,239.21	3,429,353,718.61	2,854,075,910.93	2,361,548,200.54
Nuclear power	5,659,959,117.54	4,295,155,096.78	4,876,705,066.95	3,704,412,849.12
Natural gas-fired power	5,627,571,242.30	4,951,678,684.90	7,110,320,754.81	6,592,663,906.04
Wind power	18,224,186,613.44	17,707,913,239.43	12,288,001,231.66	12,562,200,502.52
Manufacturing Services	12,901,069,095.97	8,787,875,861.71	15,504,877,222.42	10,882,056,699.88
Including:				
Power Plant Services	5,780,904,736.00	3,620,354,560.63	6,134,824,410.03	3,592,145,775.37
Modern Financial Services	1,032,652,876.24	25,911,843.85	1,102,399,982.12	26,147,030.58
Emerging Industries	7,708,764,126.70	6,556,175,476.69	6,643,665,748.85	5,713,496,209.41
Total	78,615,277,439.83	65,241,168,682.75	69,695,135,723.47	58,902,256,043.31

Note: For contracts where the period between the customer's acquisition of control of the goods and the customer's payment of the purchase price is expected to be no more than one year, the Company simplifies its accounting practices in accordance with the standards and does not consider any significant financing components in the contract.

5.52 Taxes and surcharges

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Amount for the current period	Amount for the previous period
Urban Maintenance and Construction Tax	131,876,452.51	110,038,233.93
Stamp Duty	108,231,732.31	87,530,346.14
Education Surcharge	94,706,456.77	78,781,347.10
Property Tax	73,888,675.76	65,838,976.73
Land Use Tax	35,241,235.50	34,614,457.18
Land Appreciation Tax	17,498,009.70	
Environmental Protection Tax	515,760.13	373,269.03
Water Resources Tax	274,425.69	996,167.70
Vehicle and Vessel Use Tax	153,827.96	63,542.05
Others	700,604.51	289,775.12
Total	463,087,180.84	378,526,114.98

5.53 Selling and distribution expenses

Items	Amount for the current period	Amount for the previous period
Employee compensation	659,520,552.73	620,018,816.98
Travel expenses	89,750,339.43	93,156,517.21
Business entertainment expenses	23,417,068.78	38,471,392.00
Others	74,980,059.87	70,713,962.58
Total	847,668,020.81	822,360,688.77

5.54 General and administrative expenses

Items	Amount for the current period	Amount for the previous period
Compensation for employees	2,144,686,163.75	2,021,463,213.53
Cost of repair	385,264,542.78	412,371,940.92
Depreciation expense	332,496,886.11	291,650,921.97
Production safety expenses	89,829,840.91	99,665,268.97
Property management fees	92,694,017.81	77,473,029.80
Travel expenses	63,885,478.67	67,891,098.77
Consulting fees	26,033,734.45	41,969,937.24
Information construction expenses	45,450,620.57	37,805,854.96
Amortization of intangible assets	55,266,128.91	35,330,642.87

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Hydropower kinetic energy cost	37,087,594.49	34,971,519.11
Transportation expenses	23,656,260.30	28,836,521.95
Fees for hiring intermediaries	28,527,928.58	24,676,537.12
Rental expenses	22,109,950.69	17,709,563.09
Insurance premium	50,603,076.08	12,436,153.32
Advertising and publicity expenses	28,779,528.02	33,831,658.35
Other	355,428,502.83	284,970,329.28
Total	3,781,800,254.95	3,523,054,191.25

Other notes: Management expenses for the 2025 fiscal year include fees of CNY 2.11 million paid to a domestic accounting firm for the annual financial statement audit and fees of CNY 0.40 million paid to an internal control audit firm; management expenses for the 2024 fiscal year include fees of CNY 2.00 million paid to a domestic accounting firm for the annual financial statement audit and fees of CNY 0.40 million paid to an internal control audit firm.

5.55 Research and development expenses

Items	Amount for the current period	Amount for the previous period
Cost of materials	385,301,764.29	311,630,057.83
Compensation for employees	1,601,220,265.32	1,556,826,302.72
Depreciation and amortization	202,533,602.51	199,086,616.56
Outsourcing expenses	308,931,835.37	169,782,285.72
Travel expenses	45,500,888.52	43,731,246.92
Test inspection, quality appraisal fees	274,146,353.17	242,430,632.41
Others	443,521,481.22	485,525,729.98
Total	3,261,156,190.40	3,009,012,872.14

5.56 Financial expenses

Items	Amount for the current period	Amount for the previous period
Interest expenses	61,582,139.16	82,971,078.48
Less: Interest income	108,208,159.60	132,705,664.58
Profit or loss on foreign exchange	25,210,462.85	5,925,300.49
Others	139,110,426.43	88,357,171.03
Total	117,694,868.84	44,547,885.42

5.57 Other income

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.57.1 Other income details

Items	Amount for the current period	Amount for the previous period
Government grants	358,842,788.25	271,278,496.88
Advanced manufacturing enterprise value-added tax allowance	455,477,274.30	495,274,593.55
Handling charges for withdrawal of individual income tax	1,798,510.22	2,218,130.16
Others	2,413,174.86	1,150,416.93
Total	818,531,747.63	769,921,637.52

5.58 Investment income

Items	Amount for the current period	Amount for the previous period
Long-term equity investment income calculated by equity method	169,002,789.77	186,935,311.74
Investment income from disposal of long-term equity investments	532,912,677.76	778,666,016.97
Investment income of a trading financial asset during the holding period	35,024,901.03	14,148,798.13
Investment income from the disposal of trading financial assets		14,190,044.78
Interest income earned during the holding period of debt investment	39,236,029.08	47,198,390.21
Gains on the disposal of debt investments during the holding period	-6,414,848.50	
Investment income from disposal of debt investment	15,799,782.42	10,203,811.49
Investment income arising from debt restructuring	87,354,807.71	72,942,065.54
Others	-5,797,889.81	452,779,400.02
Total	867,118,249.46	1,577,063,838.88

5.59 Exchange gain or loss

Items	Amount for the current period	Amount for the previous period
Foreign exchange income	-3,790,000.42	6,844,738.21
Foreign exchange transaction expenses		
Total	-3,790,000.42	6,844,738.21

5.60 Gains from changes in fair value

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

The source of fair value change income	Amount for the current period	Amount for the previous period
Trading financial assets	84,520,941.21	-204,160,425.88
Total	84,520,941.21	-204,160,425.88

5.61 Credit impairment loss

Items	Amount for the current period	Amount for the previous period
Losses from bad debts of accounts receivable	412,715,037.71	-216,409,118.19
Losses from bad debts of notes receivable	26,912,253.5	28,936,582.70
Losses from impairment of receivables financing	-1,467,170.56	1,467,170.56
Losses from bad debts of other receivables	-1,727,006.65	7,019,046.15
Losses from impairment of creditor's right investments	-3,951,000.00	51,750,000.00
Impairment loss on accounts receivable for dividends	10,086,426.90	
Loss on bad debts from long-term receivables	6,653,745.21	-21,254,291.35
Impairment loss on financial guarantees	17,593,111.00	
Impairment losses on credit assets	88,393,387.44	294,525,749.32
Total	555,208,784.60	146,035,139.19

5.62 Asset impairment loss

Items	Amount for the current period	Amount for the previous period
Loss from inventory depreciation	580,368,020.57	505,097,170.25
Impairment loss of contract assets	757,698,973.74	642,747,334.16
Impairment losses on fixed assets	2,646,503.98	125,606.16
Others	837,511.10	42,087.08
Total	1,341,551,009.39	1,148,012,197.65

5.63 Gain on disposal of assets

Items	Amount for the current period	Amount for the previous period	Amount recorded in non-recurring profit or loss for the current period
Gains and losses on disposal of non-current assets	5,945,079.55	16,452,695.37	5,945,079.55
Total	5,945,079.55	16,452,695.37	5,945,079.55

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.64 Non-operating income

Items	Amount for the current period	Amount for the previous period	Amount recorded in non-recurring profit or loss for the current period
Gain on destruction and scrapping of non-current assets	2,057,968.77	715,589.92	2,057,968.77
Accepting donations			
Government subsidies not related to the day-to-day activities of the enterprise	196,305.51	2,159,900.00	196,305.51
Income from compensation for breach of contract	33,902,023.76	12,238,720.69	33,902,023.76
Other	50,026,004.60	34,390,917.06	50,026,004.60
Total	86,182,302.64	49,505,127.67	86,182,302.64

5.65 Non-operating expenses

Items	Amount for the current period	Amount for the previous period	Amount recorded in non-recurring profit or loss for the current period
Loss on destruction and scrapping of non-current assets	7,550,432.88	6,114,853.31	7,550,432.88
External donation expenditure	29,250,572.63	25,903,774.67	29,250,572.63
Inventory shrinkage	333.45		333.45
Fines and late fees	33,623,315.52	18,678,855.22	33,623,315.52
Others	8,890,792.60	2,016,973.67	8,890,792.60
Total	79,315,447.08	52,714,456.87	79,315,447.08

5.66 Income tax expenses

5.66.1 Table of income tax expenses

Items	Amount for the current period	Amount for the previous period
Current income tax expense	966,629,284.39	639,680,886.92
Deferred income tax expense	-147,471,927.33	-42,962,997.57
Total	819,157,357.06	596,717,889.35

5.66.2 Adjustment process of accounting profits and income tax expenses

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Amount for the current period
Total profits	4,785,135,320.24
Income tax expense calculated at the statutory [or applicable] tax rate	717,770,298.04
The effect of different tax rates applied to subsidiaries	151,325,693.25
The effect of adjusting income tax for previous periods	29,030,794.38
The effect of non-taxable income	-88,215,087.31
The impact of non-deductible costs, expenses and losses	3,701,535.50
The effect of using deductible losses on previously unrecognized deferred tax assets	84,463,857.81
The effect of deductible temporary differences or deductible losses of unrecognized deferred tax assets in the current period	123,673,099.39
Changes in the balance of deferred tax assets/liabilities at the beginning of the period as a result of tax rate adjustments	
Others	-202,592,834.00
Income tax expense	819,157,357.06

5.67 Earnings per share

5.67.1 Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net income attributable to common shareholders of the company by the weighted average number of common shares outstanding of the Company:

Items	Amount for the current period	Amount for the previous period
Consolidated net profit attributable to common shareholders of the company	3,831,301,222.13	2,922,100,908.48
A weighted average of the company's common shares outstanding	3,339,140,775.25	3,118,189,017.00
Basic earnings per share	1.15	0.94
Including: basic earnings per share from continuing operations	1.15	0.94
Basic earnings per share from discontinued operations		

5.67.2 Diluted earnings per share

Items	Amount for the current period	Amount for the previous period
Consolidated net income attributable to common shareholders of the company (diluted)	3,831,301,222.13	2,922,100,908.48
Weighted average of the Company's outstanding ordinary shares (diluted)	3,339,140,775.25	3,118,189,017.00
Diluted earnings per share	1.15	0.94
Including: Diluted earnings per share from continuing operations	1.15	0.94
Diluted earnings per share from discontinued operations		

5.68 Cash flow statement items

5.68.1 Cash related to operating activities

(1) Other cash received relating to operating activities

Items	Amount for the current period	Amount for the previous period
Operating Business Security Deposit	4,927,655,093.44	3,076,884,427.90
Bidding Service Fee	214,889,841.22	199,694,478.00
Advances	576,418,824.74	339,279,874.99
Government grants	438,465,847.78	393,003,726.09
Interest income	103,572,375.66	103,513,832.60
insurance proceeds	85,224,659.96	51,386,696.06
contingency fund	20,729,387.63	20,035,948.90
Revenue from fines	3,105,013.60	4,879,739.81
Reclaim upon maturity of the buyback		348,968,109.44
Others	191,851,624.03	422,720,472.41
Total	6,561,912,668.06	4,960,367,306.20

(2) Other cash paid relating to operating activities

Items	Amount for the current period	Amount for the previous period
Payment of security deposit	3,906,303,322.85	3,907,128,881.93
Operating expenses	2,382,638,937.88	1,944,854,425.22
Payment on behalf	461,672,320.35	290,941,490.26
Pay the allowance	252,506,124.89	145,547,737.89
Others	169,051,052.20	139,443,293.19
Total	7,172,171,758.17	6,427,915,828.49

5.68.2 Cash related to investing activities

(1) Other cash received relating to investing activities

Items	Amount for the current period	Amount for the previous period
Recovery of investment-related litigation damages, security deposits, and other similar amounts	19,078,348.00	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Total	19,078,348.00	
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(2) Other cash paid relating to investing activities

Items	Amount for the current period	Amount for the previous period
Net cash recovered from the disposal of subsidiaries and other business units	135,436,245.95	
Payments for guarantees, deposits, and similar items related to investment activities	18,078,348.00	
Others		7,000.00
Total	7,000.00	148,000.00

5.68.3 Cash related to financing activities

(1) Other cash received relating to financing activities

Items	Amount for the current period	Amount for the previous period
Factoring proceeds		
Bill discounting		439,736,697.59
Loans on Consignment		153,800,000.00
Total		593,536,697.59

(2) Other cash paid in connection with financing activities

Items	Amount for the current period	Amount for the previous period
Acquisition of Minority Interests in a Subsidiary	2,526,512,600.00	
Funding-related interbank loans	145,000,000.00	
Pay the principal and interest on the lease liability	97,190,579.87	136,544,823.32
Others	2,155,748.93	18,578,449.16
Total	2,770,858,928.80	155,123,272.48

5.69 Supplementary information to the statement of cash flow

5.69.1 Supplementary information to the statement of cash flows

Additional Information	Amount for the current period	Amount for the previous period
I. Adjust net profit to cash flow from operating activities		

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Additional Information	Amount for the current period	Amount for the previous period
Net profit	3,965,977,963.18	3,287,525,856.31
Plus:		
Impairment losses on assets	555,208,784.60	146,035,139.19
Credit impairment losses	1,341,551,009.39	1,148,012,197.65
Depreciation of fixed assets	849,357,468.03	780,003,631.51
Depreciation of oil and gas properties and depreciation of productive biological assets		
Depreciation of oil and gas properties		
Amortization of use-right assets	152,709,448.06	199,139,706.74
Amortization of intangible assets	158,402,644.50	134,237,989.04
Amortization of long-term deferred expenses	10,889,135.97	2,798,924.84
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain is represented by "-" sign)	-5,945,079.55	-16,452,695.37
Loss on scrapping of fixed assets (income is represented by "-" sign)	-2,057,968.77	5,381,986.62
Loss from changes in fair value (gain is represented by "-" sign)	-84,520,941.21	204,160,425.88
Financial expenses (income is represented by "-" sign)	61,582,139.16	88,896,378.97
Investment loss (income is represented by "-" sign)	-867,118,249.46	-1,577,063,838.88
Decrease in deferred income tax assets (increase is marked with "-")	-82,323,794.80	-92,657,298.72
Increase in deferred income tax liabilities (decrease is represented by "-" sign)	-80,786,430.22	49,694,301.15
Decrease in inventories (increase is marked with "-")	-4,435,004,942.48	-3,548,713,185.02
Decrease in operating receivables (increase is marked with "-")	-4,897,453,331.95	3,151,377,842.03
Increase in operating payables (decrease is represented by "-" sign)	5,373,853,058.40	6,097,114,046.38
Other		
Net cash flows from operating activities	2,014,320,912.85	10,059,491,408.32
II. Major investment and financing activities that do not involve cash receipts and expenditures		
Conversion of debt to capital		
Convertible corporate bonds maturing within one year		
Acquire the right to use assets by assuming lease liabilities		
III. Net change in cash and cash equivalents		
The ending balance of cash	18,980,959,402.69	22,502,857,720.96
Minus: Opening balance of cash	22,502,857,720.96	14,167,585,378.12
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-3,521,898,318.27	8,335,272,342.84

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5.69.2 Net cash received from the disposal of subsidiaries in this period

Items	As at December 31, 2025
Dispose of cash and cash equivalents received by subsidiaries and other business units	
Include: Mulei Dongji New Energy Co., Ltd.	
Less: Held by subsidiaries and other business units of cash and cash equivalents	135,436,245.95
Include: Mulei Dongji New Energy Co., Ltd.	135,436,245.95
Plus: Disposal of net cash received by subsidiaries and other business units	
Include: Mulei Dongji New Energy Co., Ltd.	
Net cash received from the disposal of a subsidiary	-135,436,245.95

5.69.3 Composition of cash and cash equivalents

Items	As at December 31, 2025	As at December 31, 2024
I. Cash	18,980,959,402.69	22,502,857,720.96
Including: Cash on hand	81,245.96	746,278.67
Digital currency that can be used for payments at any time		
A bank deposit readily available for payment	3,432,809,880.56	2,976,430,305.28
Other monetary funds readily available for payment	31,511,212.92	114,897,348.73
Funds deposited with the central bank that can be used for payments	17,621,742.62	1,346.44
Deposit interbank funds	15,498,935,320.63	19,410,782,441.84
Interbank lending		
II. Cash equivalents		
Including: bond investments maturing within three months		
III. Balance of cash and cash equivalents at the end of the period	18,980,959,402.69	22,502,857,720.96
Including: Cash and cash equivalents held but not available for use by the parent company or other subsidiaries within the Corporation		

5.70 Foreign currency monetary items

Items	Foreign currency balance at the end of the period	Exchange rate of conversion	Balance of CNY translation at the end of the period
Monetary funds			
Including: USD	70,088,693.77	7.0288	492,639,410.79
Hong Kong dollar	3,633.37	0.9032	3,281.66
Japanese yen	37,000,402.23	0.0448	1,657,618.02

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Foreign currency balance at the end of the period	Exchange rate of conversion	Balance of CNY translation at the end of the period
Euro	42,768,599.00	8.2355	352,220,797.10
Indian Rupee	1,260,022,941.12	0.0783	98,659,796.29
Vietnamese Dong	7,304,368,333.33	0.0003	2,191,310.50
Bosnian Mark	3,516,239.33	4.2093	14,800,906.21
Ethiopian Birr	261,800,613.56	0.0450	11,781,027.61
Lao Kip	3,936,479,600.00	0.0003	1,180,943.88
Sri Lankan Rupee	22,802,007.08	0.0226	515,325.36
Bangladeshi Taka	41,951,446.15	0.0572	2,399,622.72
Indonesian Rupiah	178,913,782,825.00	0.0004	71,565,513.13
United Arab Emirates Dirham	61,601.86	1.9071	117,480.90
Russian Ruble	93,747.27	0.0880	8,249.76
Iraqi Dinar	8,707,000.00	0.0053	46,147.10
Malaysian Ringgit	105,255.21	1.7319	182,291.50
Serbian Dinar	119,607.41	0.0702	8,396.44
Namibian Dollar	35,512,318.62	0.4219	14,982,292.10
Others	150,440,458.62		11,778,102.11
Accounts receivable			
Including: USD	197,922,387.24	7.0288	1,391,157,826.53
Euro	62,515,937.68	8.2355	514,850,004.76
Indian rupee	93,061,112.84	0.0783	7,286,499.00
Indonesian Rupiah	103,514,152,093.00	0.0004	43,299,969.84
Others	129,364,751.14		1,620,650.21
Other receivables			
Including: USD	1,511,628.38	7.0288	10,624,933.55
Euro	1,510.20	8.2355	12,437.25
Indian Rupee	1,830,185.44	0.0783	143,303.52
Vietnamese Dong	424,623,966.67	0.0003	127,387.19
Bosnian Mark	16,273.96	4.2093	68,502.00
Ethiopian Birr	15,010,634.67	0.0450	675,478.56
Lao Kip	9,208,533.33	0.0003	2,762.56
Sri Lankan Rupee	13,259,981.42	0.0226	299,675.58
Bangladeshi Taka	8,870,780.24	0.0572	507,408.63
Rufiyaa	19,741.78	0.4526	8,935.13
Indonesian Rupiah	676,454,450.00	0.0004	270,581.78

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Foreign currency balance at the end of the period	Exchange rate of conversion	Balance of CNY translation at the end of the period
United Arab Emirates Dirham	92,298.46	1.9071	176,022.40
Russian Ruble	92.96	0.0881	8.19
Iraqi Dinar	1,816,428.30	0.0053	9,627.07
Malaysian Ringgit	32,820.57	1.7319	56,841.94
Serbian Dinar	4,421.51	0.0702	310.39
Others	2,420,116,026.38		2,964,561.86
Long-term accounts receivable			
Including: USD	38,829,030.41	7.0288	272,921,488.95
Accounts Payable			
Including: USD	15,247,180.18	7.0288	107,169,380.04
Hong Kong dollar	30,191.80	0.9032	27,269.23
Japanese Yen	47,815,204.69	0.0448	2,142,121.17
Euro	25,807,044.60	8.2355	212,533,915.78
British Pound	11,137.21	9.4346	105,075.09
Swiss Franc	450,694.00	8.8510	3,989,092.59
Ethiopian Birr	45,971,846.22	0.0450	2,068,733.08
Bangladeshi Taka	20,445,664.16	0.0572	1,169,491.99
Indonesian Rupiah	77,713,254,050.00	0.0004	31,085,301.62
Uzbekistani Som	188,238,461,379.55	0.0006	109,613,138.44
Kenyan Shilling	85,324,212.89	0.0543	4,633,104.76
Others	317,605,584.91		902,615.08
Other payables			
Including: USD	4,114,605.77	7.0288	28,920,741.06
Hong Kong dollar	21,138.66	0.9032	19,092.44
Euro	210,057.85	8.2355	1,729,931.40
Indian rupee	26,673,945.59	0.0783	2,088,569.94
Vietnamese Dong	7,170,666.67	0.0003	2,151.20
Sri Lankan Rupee	127,157.08	0.0226	2,873.75
Bangladeshi Taka	6,395,432.87	0.0572	365,818.76
Indonesian Rupiah	127,980,200.00	0.0004	51,192.08
Iraqi Dinar	4,888,318.87	0.0053	25,908.09
Egyptian Pound	4,632.54	0.1466	679.13
Others	44,129,654.50		20,032.32

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Foreign currency balance at the end of the period	Exchange rate of conversion	Balance of CNY translation at the end of the period
Long-term borrowings			
Including: USD	41,418,400.00	7.0228	291,121,649.92

5.71 Rental

5.71.1 As the tenant

Items	Amount for the current period	Amount for the previous period
Interest expense on lease liabilities	20,752,721.56	27,466,760.89
Short-term lease expenses accounted for using the simplified method, either as part of the cost of the related asset or in current period profit or loss	8,792,884.68	2,424,895.05
Total cash outflows related to leases	201,492,744.69	93,267,469.94

5.71.1 As the landlord

(1) Operating lease

	Amount for the current period	Amount for the previous period
Operating lease revenue	11,569,351.79	17,388,608.28

The undiscounted lease receivables to be received after the balance sheet date are as follows::

Remaining lease term	Amount for the current period	Amount for the previous period
Within 1 year	3,500,000.00	1,480,000.00
1 to 2 years	3,490,000.00	1,480,000.00
2 to 3 years	3,490,000.00	1,480,000.00
3 to 4 years	3,490,000.00	1,480,000.00
4 to 5 years	3,490,000.00	1,480,000.00
5 years or more	3,490,000.00	2,343,000.00
Total	20,950,000.00	9,743,000.00

6. Research and Development Expenditures (R&D)

6.1 Research and Development Expenditures (R&D)

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Amount for the current period	Amount for the previous period
Employee Compensation	1,601,220,265.32	1,556,826,302.72
Materials Used	385,301,764.29	311,630,057.83
Depreciation and Amortization	202,533,602.51	199,086,616.56
Other	1,073,818,688.79	946,497,136.22
Total	3,262,874,320.91	3,014,040,113.33
Of which: Expensed R&D Expenditures	3,261,156,190.40	3,009,012,872.14
Capitalized R&D Expenditures	1,718,130.51	5,027,241.19

6.2 Development expenses

Items	Balance at the end of 2024	Amount added this period		Amount reduced this period		Balance at the end of 2025
		Internal development expenses	other increase	Recognized as an intangible asset	other decrease	
Development expenses	5,027,241.19	1,367,677.28		393,302.34	4,283,485.62	1,718,130.51
Subtotal	5,027,241.19	1,367,677.28		393,302.34	4,283,485.62	1,718,130.51
Less: Allowance for impairment						
Total	5,027,241.19	1,367,677.28		393,302.34	4,283,485.62	1,718,130.51

7 Changes in the scope of consolidation

7.1 Disposal of subsidiaries

7.1.1 Transactions or events that lose control of the subsidiary in the current period

Name of subsidiary	Disposal price at the point of loss of control	Proportion of disposal at the point of loss of control (%)	Disposal of the point of loss of control	The point at which control is lost	The basis for judgment of the point of loss of control	The difference between the disposal price and the consolidated financial statement level corresponding to the disposal investment shall be enjoyed by the subsidiary's share of net assets	The proportion of equity remaining at the date of loss of control	The book value of the remaining equity at the consolidated financial statement level at the date of loss of control	The fair value of the remaining equity at the consolidated financial statement level at the date of loss of control	The gains or losses arising from the remeasurement of the remaining equity at fair value	Determination method and main assumptions of the fair value of the remaining equity at the consolidated financial statement level on the date of loss of control	Amount transferred from other comprehensive income related to equity investment in Atomic Corporation to investment profit or loss/retained earnings
Mulei Dongji New Energy Co., Ltd.	909,846,800.00	100.00	Investment in an equity-held company through the valuation of subsidiary sharesy	December 31, 2025	Change of control	532,912,677.76	0.00%	0.00	0.00	0.00	Not applicable	0.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

7.1.2 Changes in the scope of consolidation for other reasons

Serial number	Name of Company	Form/loss of control
1	Altay Dongxin New Energy Co., Ltd.	Investing in the establishment of a subsidiary
2	Hami Dongxin New Energy Co., Ltd.	Investing in the establishment of a subsidiary
3	Changji Dongxing New Energy Co., Ltd.	Investing in the establishment of a subsidiary
4	Dongfang Electric Wind Power (Nimu) Co., Ltd.	Investing in the establishment of a subsidiary
5	Mangkang Dongzang New Energy Co., Ltd.	Investing in the establishment of a subsidiary
6	Changdu Karuo District Dongzang New Energy Co., Ltd.	Investing in the establishment of a subsidiary
7	Mengcheng Dongfang Wind Power New Energy Equipment Co., Ltd.	Investing in the establishment of a subsidiary
8	Dongfang Wind Power (Qingdao) New Energy Co., Ltd.	Investing in the establishment of a subsidiary
9	Dongfang Electric Wind Power Equipment (Lincheng) Co., Ltd.	Investing in the establishment of a subsidiary
10	Dongfang Electric Wind Power Equipment (Luanping) Co., Ltd.	Investing in the establishment of a subsidiary
11	Dongfang Wind Power (Chengdu) New Energy Technology Research Co., Ltd.	Investing in the establishment of a subsidiary
12	Dongfang Wind Power (Qusong) New Energy Co., Ltd.	Investing in the establishment of a subsidiary
13	Dongfang Wind Power (Anshun) New Energy Co., Ltd.	Investing in the establishment of a subsidiary
14	Shandong Dongfang Wind Power Equipment Manufacturing Co., Ltd.	Investing in the establishment of a subsidiary
15	Guiding Dongneng New Energy Technology Co., Ltd.	Investing in the establishment of a subsidiary
16	Guiding Dongsheng New Energy Technology Co., Ltd.	Investing in the establishment of a subsidiary
17	Dongfang Electric Energy Equipment (Changji) Co., Ltd.	Investing in the establishment of a subsidiary
18	Sichuan Tianxing Green Energy Power Engineering Co., Ltd.	Investing in the establishment of a subsidiary
19	Dongfang Electric (Anping) Digital Intelligence Technology Co., Ltd.	Investing in the establishment of a subsidiary
20	Dongfang Electric Petrochemical Hydrogen Energy (Zigong) Co., Ltd.	Investing in the establishment of a subsidiary
21	东 Dongnengsheng Wind Power (Heihe) Co., Ltd.	Dissolve a Subsidiary
22	Dongqing (Golmud) New Energy Co., Ltd.	Dissolve a Subsidiary
23	Yiyang Donghu New Energy Co., Ltd.	Dissolve a Subsidiary
24	Dongfang Electric Hydrogen Energy (Guiyang) Co., Ltd.	Dissolve a Subsidiary
25	Wuchuan County Dongneng New Energy Technology Co., Ltd.	Dissolve a Subsidiary
26	Dongfang Electric Petrochemical Hydrogen Energy (Liangshan) Co., Ltd.	Dissolve a Subsidiary

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8. Rights and interests in other entities

8.1 Interest in subsidiaries

8.1.1 Composition of enterprise groups

Name of subsidiary	Paid-in capital	Type of enterprise	Principal place of business	Place of incorporation	Nature of business	Percentage of shareholding (%)		Method of acquisition
						direct	indirect	
Dongfang Electric Machinery Company Limited	375,232.94	Limited Liability Company	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	100.00		Establishment of investment
Dongfang Turbine Co., Ltd.	607,489.50	Limited Liability Company	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	100.00		Establishment of investment
DongFang Boiler (Group) Co., Ltd.	193,747.86	Limited Liability Company	Zigong, Sichuan	Zigong, Sichuan	General Equipment Manufacturing	99.91		Establishment of investment
Dongfang Electric Wind POWER Co., Ltd.	43,812.16	Limited Liability Company	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	41.19	38.24	Establishment of investment
Dongfang Electric International Corporation	100,352.00	Limited Liability Company	Chengdu, Sichuan	Chengdu, Sichuan	Engineering Services	100.00		Establishment of investment
Dongfang Electric Power Engineering Design Co., Ltd.	25,000.00	Limited Liability Company	Chengdu, Sichuan	Chengdu, Sichuan	Engineering Services	14.50	75.83	Establishment of investment
DongFang Electric Auto Control Engineering Co., Ltd.	104,106.75	Limited Liability Company	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	45.05	54.85	Establishment of investment
Dongfang Electric Group (Sichuan) Products Co., Ltd.	32,393.96	Limited Liability Company	Chengdu, Sichuan	Chengdu, Sichuan	Commodity Distribution	100.00		Establishment of investment
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	127,947.97	Limited Liability Company	Guangzhou, Guangdong	Guangzhou, Guangdong	General Equipment Manufacturing	55.96	12.72	Establishment of investment
Dongfang (Wuhan) Nuclear Equipment Co., Ltd.	52,566.00	Limited Liability Company	Wuhan, Hubei	Wuhan, Hubei	General Equipment Manufacturing	100.00		Establishment of investment
Dongfang Electric Group Finance Co., Ltd.	209,500.11	Limited Liability Company	Chengdu, Sichuan	Chengdu, Sichuan	Financial Services	95.00		Establishment of investment
Dongfang Electric Group Science and Technology Research Institute Co., Ltd.	36,706.65	Limited Liability Company	Chengdu, Sichuan	Chengdu, Sichuan	Technical Services	91.95		Establishment of investment
Dongfang Electric (Chengdu) Innovation Technology Development Co., Ltd.	60,000.00	Limited Liability Company	Chengdu, Sichuan	Chengdu, Sichuan	Service Industry	100.00		Establishment of investment

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of subsidiary	Paid-in capital	Type of enterprise	Principal place of business	Place of incorporation	Nature of business	Percentage of shareholding (%)		Method of acquisition
						direct	indirect	
Dongfang Electric (India) Co., Ltd.	12,938.35	Limited Liability Company	India	India	Service Industry	100.00		Establishment of investment

8.1.2 The parent company has less than half of the voting rights of the invested entity but can form the invested entity

Serial number	Name of company	Percentage of subscribed shares (%)	Voting rights enjoyed (%)	Registered capital (ten thousand yuan)	Order of rank	Reasons for inclusion in the scope of merger
1	Mengcheng Donghua New Energy Technology Co., Ltd.	40	40	1000	3	A subsidiary of the Company directly holds a 40% equity interest in Mengcheng Donghua New Energy Technology Co., Ltd. In accordance with the Company's Articles of Association and relevant agreements with parties acting in concert, although the Company holds less than a majority of the voting rights, it exercises substantive control over the entity and has therefore included it in the scope of consolidation.
2	Dongxia (Jiangsu) Smart Energy Co., Ltd.	46	68.05	2500	3	A subsidiary of the Company directly holds a 46% equity interest (subscribed capital ratio) in Jiangxia (Jiangsu) Smart Energy Co., Ltd., with a paid-in capital ratio of 68.05%. In accordance with the Company's Articles of Association, the Company exercises rights—including the right to share in the returns on assets, the right to make major decisions, and the right to appoint management—and assumes corresponding obligations based on its paid-in capital contribution. As the Company exercises substantive control over the entity, it has been included in the scope of consolidation.
4	Dongfang Electric Wind Power (Nanjing) Co., Ltd.	50	50	1000	3	A subsidiary of the Company directly holds a 50% equity interest in Dongfang Electric Wind Power (Nanjing) Co., Ltd. In accordance with the Company's Articles of Association and relevant agreements with parties acting in concert, although the Group holds less than a majority of the voting rights, it exercises substantive control over the company and has therefore included it in the scope of consolidation.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8.1.3 Important non-wholly owned subsidiaries

Name of subsidiary	Percentage of shares held by minority shareholders (%)	Profit and loss attributable to minority shareholders for the current period	Dividends declared to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
DongFang Boiler (Group) Co., Ltd.	0.09	-1,050,855.72	94,975,899.45	8,664,828.44
Dongfang Electric Wind POWER Co., Ltd.	20.57	12,142,939.19	-	383,190,218.56
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	31.32	26,843,690.27	30,397,234.10	557,388,815.65
Dongfang Electric Group Finance Co., Ltd.	5.00	15,108,120.72	6,660,673.57	201,560,582.51

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8.1.4 Main financial information of important non-wholly owned subsidiaries

Name of subsidiary	As at December 31, 2025					
	Total current assets	Non-current assets	Total assets	Total current liabilities	Non-current liabilities	Total liabilities
DongFang Boiler (Group) Co., Ltd.	26,419,804,916.50	5,297,214,776.63	31,717,019,693.13	19,956,725,329.32	919,977,759.57	20,876,703,088.89
Dongfang Electric Wind POWER Co., Ltd.	25,065,674,479.23	8,521,684,979.01	33,587,359,458.24	25,354,012,084.66	6,091,519,124.51	31,445,531,209.17
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	3,762,794,822.77	711,533,371.15	4,474,328,193.92	2,343,069,019.20	262,350,367.01	2,605,419,386.21
Dongfang Electric Group Finance Co., Ltd.	26,750,913,492.14	33,224,996,128.61	59,975,909,620.75	55,940,157,967.54	39,226,698.59	55,979,384,666.13

(continue)

Name of subsidiary	As at December 31, 2024					
	Total current assets	Non-current assets	Total assets	Total current liabilities	Non-current liabilities	Total liabilities
DongFang Boiler (Group) Co., Ltd.	26,545,708,158.18	4,401,655,496.93	30,947,363,655.11	19,648,142,443.13	1,254,738,251.56	20,902,880,694.69
Dongfang Electric Wind POWER Co., Ltd.	20,371,396,524.69	6,070,120,541.58	26,441,517,066.27	20,484,428,770.75	3,941,514,407.80	24,425,943,178.55
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	3,877,015,710.56	737,156,375.31	4,614,172,085.87	2,627,573,176.54	270,117,359.20	2,897,690,535.74
Dongfang Electric Group Finance Co., Ltd.	29,545,995,778.56	24,623,543,644.06	54,169,539,422.62	50,327,865,025.30	14,098,385.66	50,341,963,410.96

(continue)

Name of subsidiary	As at December 31, 2025			
	Total operating income	Net profit	Total comprehensive income	Cash flow from operating activities
DongFang Boiler (Group) Co., Ltd.	17,972,778,499.17	1,059,559,380.08	1,059,559,380.08	694,160,085.78
Dongfang Electric Wind POWER Co., Ltd.	19,040,431,705.30	52,665,904.69	52,665,904.69	-3,423,785,132.38
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	2,035,931,238.38	81,666,231.42	81,666,231.42	393,008,911.30
Dongfang Electric Group Finance Co., Ltd.	1,071,736,945.69	302,162,414.37	302,162,414.37	2,421,867,567.50

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(continue)

Name of subsidiary	As at December 31, 2024			
	Total operating income	Net profit	Total comprehensive income	Cash flow from operating activities
DongFang Boiler (Group) Co., Ltd.	16,803,653,786.89	1,049,007,101.63	1,049,007,101.63	2,154,295,698.33
Dongfang Electric Wind POWER Co., Ltd.	13,725,098,996.37	366,654,524.88	366,654,524.88	849,955,610.42
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	2,031,046,650.97	54,965,639.58	54,965,639.58	196,134,837.66
Dongfang Electric Group Finance Co., Ltd.	1,138,890,198.85	266,426,942.81	266,426,942.81	12,201,410,112.37

8.2 Interests in joint venture arrangements or joint ventures

8.2.1 Important joint ventures or associated enterprises

Name of joint venture or associated enterprise	Principal place of business	Place of incorporation	Nature of business	Percentage of shareholding (%)		Accounting treatment of investment in joint ventures or associated enterprises
				direct	indirect	
MHI Power Dongfang Boiler Co., Ltd.	Jiaxing, Zhejiang	Jiaxing, Zhejiang	Equipment Manufacturing		50.00	Equity Method
Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	Deyang, Sichuan	Deyang, Sichuan	Equipment Manufacturing	50.00		Equity Method
Changji Wanxin Wind Power Generation Co., Ltd.	Changji, Xinjiang	Changji, Xinjiang	Wind power		49.00	Equity Method
Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Equipment Manufacturing		49.00	Equity Method
Mulei East New Energy Co., Ltd.	Changji, Xinjiang	Changji, Xinjiang	Wind power		49.00	Equity Method
Sichuan Dongshu New Materials Co., Ltd.	Deyang, Sichuan	Deyang, Sichuan	New Materials		29.94	Equity Method

8.2.2 Main financial information of important joint ventures

Items	As at December 31, 2025		As at December 31, 2024	
	MHI Power Dongfang Boiler Co., Ltd.	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	MHI Power Dongfang Boiler Co., Ltd.	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.
Total current assets	1,759,681,674.34	975,432,104.00	1,475,517,222.36	1,024,479,321.92
Including: cash and cash equivalents	192,474,231.08		178,065,818.48	383,321,360.30
Non-current assets	179,401,074.61	230,751,071.96	190,477,467.32	145,368,593.08
Total assets	1,939,082,748.95	1,206,183,175.96	1,665,994,689.68	1,169,847,915.00
Total current liabilities	1,384,944,342.36	685,749,198.62	1,144,350,060.22	749,482,498.88
Non-current liabilities	49,901,896.27	207,294,861.18	55,320,668.16	135,700,070.06
Total liabilities	1,434,846,238.63	893,044,059.80	1,199,670,728.38	885,182,568.94

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025		As at December 31, 2024	
	MHI Power Dongfang Boiler Co., Ltd.	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	MHI Power Dongfang Boiler Co., Ltd.	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.
Minority shareholders' equity				
Attributable to shareholders' equity of the company	504,236,510.32	313,139,116.16	466,323,961.30	284,665,346.06
Share of net assets in proportion to shareholding	252,118,255.16	156,569,558.08	233,161,980.65	142,332,673.03
Matters of adjustment		9,104,040.45		667,330.01
- Goodwill				
-- Unrealized profit from internal trading				
-- Others		9,104,040.45		667,330.01
Book value of equity investment in joint venture	252,118,255.16	147,465,517.63	233,161,980.65	141,665,343.02
Fair value of equity investment of joint venture with public quotation				
Operating income	1,871,878,414.14	502,743,283.38	1,519,099,615.79	482,737,662.94
Financial expenses	-2,112,071.13	-3,056,409.76	2,800,979.74	1,516,378.51
Income tax expense	-1,562,592.69	14,623,150.95	54,151.16	7,164,795.40
Net profit	54,489,990.52	77,182,416.72	39,197,245.07	47,985,940.39
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	54,489,990.52	77,182,416.72	39,197,245.07	47,985,940.39
Dividends received from joint venture in the current period	8,329,414.58	24,699,825.39	5,938,965.31	23,228,197.70

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8.2.3 Main financial information of important associated enterprises

Items	As at December 31, 2025				As at December 31, 2024			
	Changji Wanxin Wind Power Generation Co., Ltd.	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Mulei East New Energy Co., Ltd.	Sichuan Dongshu New Materials Co., Ltd.	Changji Wanxin Wind Power Generation Co., Ltd.	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Mulei East New Energy Co., Ltd.	Sichuan Dongshu New Materials Co., Ltd.
Total current assets	1,427,298,761.43	2,252,102,519.87	610,464,155.43	1,357,014,094.16	1,937,595,714.80	613,911,484.09	1,087,856,885.85	
Non-current assets	2,716,997,280.51	757,980,396.29	3,740,092,540.79	409,073,813.62	500,601,154.86	2,237,948,137.87	435,030,688.93	
Total assets	4,144,296,041.94	3,010,082,916.16	4,350,556,696.22	1,766,087,907.78	2,438,196,869.66	2,851,859,621.96	1,522,887,574.78	
Total current liabilities	39,320,622.37	1,188,973,250.27	1,127,694,005.38	1,155,468,411.03	794,934,819.18	660,857,467.24	981,503,937.66	
Non-current liabilities	2,257,334,314.04	110,449,703.76	2,266,906,952.12	7,644,940.29	8,648,977.61	1,310,856,937.51	126,675,358.33	
Total liabilities	2,296,654,936.41	1,299,422,954.03	3,394,600,957.50	1,163,113,351.32	803,583,796.79	1,971,714,404.75	1,108,179,295.99	
Minority shareholders' equity				159,974,471.97			157,719,091.04	
Attributable to shareholders' equity of the company	1,847,641,105.53	1,710,659,962.13	955,955,738.72	443,000,084.49	1,634,613,072.87	880,145,217.21	256,989,187.75	
Share of net assets in proportion to shareholding	905,344,141.71	838,223,381.44	468,418,311.97	132,172,095.68	800,960,405.71	431,271,156.43	122,172,659.86	
Matters of adjustment			-33,125,221.73		8,072,710.55	461,196,745.24	1,805,166.39	
- Goodwill								
-- Unrealized profit from internal trading			413,239,423.66		8,072,710.55			
-- Others			-446,364,645.39			461,196,745.24	1,805,166.39	
Book value of equity	905,344,141.71	838,223,380.78	501,543,533.70	132,172,095.68	792,887,695.16	892,489,702.47	123,977,826.25	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025				As at December 31, 2024			
	Changji Wanxin Wind Power Generation Co., Ltd.	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Mulei East New Energy Co., Ltd.	Sichuan Dongshu New Materials Co., Ltd.	Changji Wanxin Wind Power Generation Co., Ltd.	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Mulei East New Energy Co., Ltd.	Sichuan Dongshu New Materials Co., Ltd.
investment in associated enterprises								
The fair value of the equity investment of the associated enterprise with public quotation								
Total operating income		1,279,938,450.69	128,340,931.17	1,985,873,933.19		1,247,081,317.00		1,826,916,353.23
Net profit		183,634,429.26	74,915,295.93	8,506,166.86		358,625,134.74		-95,746,668.10
Net profit from discontinued operations								
Other comprehensive income								
Total comprehensive income		183,634,429.26	74,915,295.93	8,506,166.86		358,625,134.74	145,217.21	-95,746,668.10
Dividends received from associated enterprises in the current period		52,717,895.00				46,377,933.00		4,283,382.12

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

9 Government subsidies

9.1 Basic information of government subsidies

Types of government subsidies	Amount incurred in the current period	The amount recorded in the current profit and loss
Government grants related to assets	51,641,096.04	58,266,869.56
Government grants related to revenue	306,303,995.67	215,171,527.32
Total	357,945,091.71	273,438,396.88

9.2 Liabilities related to government grants

Liabilities	As at December 31, 2024	New subsidy amount for this period	Amount recognized as non-operating income for the current period	Amount transferred to other income for the current period	Amount of costs and expenses offset in this period	Other changes	As at December 31, 2025	Asset-related / Income-related
Deferred Revenue	256,623,770.76	117,592,243.00		82,881,896.29			291,334,117.47	Government grants related to assets
Deferred Revenue	221,502,834.86	157,499,572.80		112,783,165.49		5,783,783.13	272,003,025.30	Government grants related to revenue

10 Risks associated with financial instruments

10.1 Various risks arising from financial instruments

The company's main financial instruments include monetary funds, equity investment, debt investment, loans, receivables, payables and transactional financial assets, transactional financial liabilities, purchase and resale of financial assets, loans and advances, etc. It faces risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below.

10.1.1 Credit risk

Credit risk refers to the risk that the Company will incur financial losses due to the failure of a counterparty to perform contractual obligations. Management has formulated appropriate credit policies and continuously monitors the exposure to credit risk.

The Company has adopted a policy of transacting only with creditworthy counterparties. In addition, the Company evaluates the customer's credit qualification and establishes the credit period based on the customer's financial position, the possibility of obtaining guarantees from third parties, credit history and other factors such as current market conditions. The Company continuously monitors the balance and recovery of notes receivable and accounts receivable. For customers with poor credit records, the Company will urge payment in writing, shorten the credit period or cancel the credit period, etc., to ensure that the Company will not face significant credit losses. In addition, the Company reviews the recovery of financial assets on each balance sheet date to ensure that sufficient provision for expected credit losses has been made for the relevant financial assets.

Other financial assets of the Company include monetary funds, receivables, other receivables and trading financial assets, etc. The credit risk of these financial assets is derived from the default of the counterparty, and the maximum credit risk exposure is the carrying amount of each financial asset in the balance sheet. The monetary funds held by the Company are mainly deposited in state-owned banks and other large and medium-sized commercial banks and other financial institutions. The management believes that these commercial banks have high reputation and asset status, there is no significant credit risk, and there will not be any significant loss caused by the default of the counterparty. It is the Company's policy to control the amount of deposits placed with each well-known financial institution based on its market reputation, scale of operation and financial background to limit the amount of credit risk to any individual financial institution. As part of the Company's credit risk asset management, the Company uses aging to assess impairment losses on accounts receivable and other receivables. The company's accounts receivable and other receivables involve a large number of customers, and the aging information can reflect the solvency and bad debt risk of these customers for accounts receivable and other receivables. The company calculates the historical actual bad debt rate during different account ages based on historical data, and takes into account the forecast of current and future economic conditions, such as national GDP growth rate, total infrastructure investment and national monetary policy and other forward-looking information to adjust the expected loss rate. For long-term receivables, the Company comprehensively considers the settlement period, the payment period agreed in the contract, the financial status of the debtor and the economic situation of the industry in which the debtor operates, and makes a reasonable assessment of the expected credit losses after taking into account the forward-looking information mentioned above.

As of December 31, 2025, the book balance of the relevant assets and the expected credit impairment loss are as follows:

Subjects of study	Balance of book value	Provision for impairment losses
Notes receivable	1,747,401,766.25	83,344,354.44
Receivables financing	2,885,613,858.43	
Accounts receivable	19,168,891,258.15	3,975,096,356.79
Other receivables	665,327,271.71	283,641,266.65
Purchase and resale of financial assets	3,104,422,602.73	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Investment in debt	26,415,551,083.33	137,799,000.00
Long-term receivables (including amounts due within one year)	465,090,807.44	233,076,726.41
Issue loans and advances	1,579,760,000.00	229,914,000.00
Total	56,032,058,648.04	4,942,871,704.29

10.1.2 Liquidity risk

Current risk is the risk that the Company will not be able to meet its financial obligations at the maturity date. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to meet maturing obligations without incurring unacceptable losses or causing damage to corporate reputation. The Company regularly analyzes the structure and maturity of its liabilities to ensure adequate funds. The management of the Company monitors the use of bank loans and ensures compliance with loan agreements, and actively communicates with financial institutions to maintain adequate credit lines and reduce liquidity risks.

Due to the company's good bank credit and high credit rating, as of December 31, 2025, the loan line provided by the bank is sufficient to meet its own financing needs.

The financial assets and financial liabilities held by the Company are analyzed as follows according to the maturity of the undiscounted remaining contractual obligations:

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025					Total undiscounted contract amount
	Immediate repayment	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	
short-term borrowing		141,302,980.52				141,302,980.52
Notes payable		15,652,241,398.50				15,652,241,398.50
Accounts payable		28,010,087,988.08				28,010,087,988.08
Other payables		1,627,601,940.66				1,627,601,940.66
Non-current liabilities due within one year		589,173,580.77				589,173,580.77
Long-term borrowings			834,117,538.37	1,715,608,806.09	1,992,050,135.01	4,541,776,479.47
Lease liabilities			96,936,305.32	173,742,043.87	102,767,870.93	373,446,220.12
Total		46,020,407,888.53	931,053,843.69	1,889,350,849.96	2,094,818,005.94	50,935,630,588.12

10.1.3 Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

The company's interest rate risk arises from interest-bearing debt such as bank loans. Financial liabilities with floating interest rate expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rate expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed and floating rate contracts based on prevailing market conditions. As of December 31, 2025, the Company's interest-bearing debt is mainly CNY denominated fixed interest rate contracts with a total amount of CNY 2,989,620,878.78

The company's risk of changes in the cash flow of financial instruments caused by changes in interest rates is mainly related to floating rate bank borrowings. It is the Company's policy to maintain a floating interest rate on these borrowings to eliminate the fair value risk of interest rate movements.

(2) Exchange rate risk

The company's exposure to foreign exchange risks is mainly related to US dollar, euro, Japanese yen and Indian Rupee, etc. Except for the purchase and sales of the Company and its major subsidiaries in US dollar, euro, Japanese yen and Indian Rupee, other major business activities of the Company are denominated and settled in CNY. As of December 31, 2025, the assets and liabilities of the Company are all in CNY, except for the US dollars and other foreign currencies of the assets and liabilities described in Note 5.71. The foreign exchange risks arising from the assets and liabilities of such foreign currency balances may have an impact on the Company's operating results. Note 5.71 for the foreign currency monetary assets and liabilities held by the Japanese company as of December 31, 2025.

(3) Other price risks

The Company sells power generation equipment at market prices and is therefore subject to such price fluctuations.

11 Disclosure of fair value

The input values used in fair value measurement are divided into three levels:

The first level of input value is the unadjusted quotation in the active market for the same asset or liability available at the measurement date.

The second level input value is the directly or indirectly observable input value of the relevant asset or liability in addition to the first level input value.

The third level input value is the unobservable input value of the related asset or liability.

The level of the fair value measurement result is determined by the lowest level of the input value that is of great significance to the fair value measurement as a whole.

11.1 The fair value at the end of the period of the assets and liabilities measured at fair value

Items	Fair value at the end of the period			Total
	The first level of fair value measurement	The second level of fair value measurement	The third level of fair value measurement	
一、 Measurement at fair value on an ongoing basis				

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

◆ Financial assets held for trading	1,832,489,719.73		1,832,489,719.73
1. Financial assets measured at fair value with changes recognized in profit or loss	1,832,489,719.73		1,832,489,719.73
(1) Investments in Debt Instruments	313,293,300.00		313,293,300.00
(2) Investments in equity instruments	1,030,798,989.14		1,030,798,989.14
(3) Derivative financial assets			
(4) others	488,397,430.59		488,397,430.59
2. Designated as financial assets measured at fair value with changes recognized in profit or loss			
(1) Investments in Debt Instruments			
(2) others			
◆ Accounts Receivable Financing		2,885,613,858.43	2,885,613,858.43
◆ Other debt investments			
◆ Investments in other equity instruments	534,893,610.87	133,427,294.52	668,320,905.39
◆ Other non-current financial assets			
1. Financial assets measured at fair value with changes recognized in profit or loss			
(1) Investments in Debt Instruments			
(2) Investments in equity instruments			
(3) Derivative financial assets			
(4) others			
2. Designated as financial assets measured at fair value with changes recognized in profit or loss			
(1) Investments in Debt Instruments			
(2) others			
◆ Investment Property			
1. Land use rights for lease			
2. Rental properties			
3. Land use rights held with the intention of transferring them after appreciation in value			
◆ Biological assets			
1. Consumable biological assets			
2. Productive biological assets			
Total assets measured at fair value on an ongoing basis	2,367,383,330.60	3,019,041,152.95	5,386,424,483.55
◆ Financial liabilities held for trading			
1. Financial liabilities held for trading			
(1) Trading bonds issued			
(2) Derivative financial liabilities			
(3) others			
2. Designated as financial liabilities measured at fair value with changes recognized in profit or loss			
Total liabilities measured at fair value on an ongoing basis			
二、 Fair value measurement on a non-recurring basis			
◆ Assets held for sale			
Total assets not measured at fair value on a continuous basis			
◆ Liabilities held for sale			
Total liabilities not measured at fair value on a continuous basis			

11.2 The basis for determining the market price of the first level of fair value measurement items

For financial instruments traded in active markets, the Company determines their fair value based on their active market quotations.

11.3 Continuous and non-continuous fair value measurement items at the second level, valuation techniques used and qualitative and quantitative information of important parameters

None.

11.4 Continuous and non-continuous fair value measurement items at the third level, valuation techniques used and qualitative and quantitative information of important parameters

Items	Fair value at the end of the period	Valuation Techniques	Unobservable input values
Accounts Receivable Financing	2,512,746,540.64	Discounted Cash Flow Method	Expected future cash flows and a discount rate that reflects the corresponding level of risk
Investments in other equity instruments	133,427,294.52	Market Approach/Cost Approach	Price-to-Book Ratio, Price-to-Sales Ratio, Price-to-Earnings Ratio, Liquidity Discount / Original Investment Cost
Total	2,646,173,835.16		

12 Related parties and related transactions

12.1 Parent company of the Company

Name of parent company (ultimate holding company)	Place of incorporation	Nature of business	Registered capital	Shareholding of the parent Company in the Company (%)	Proportion of voting rights of the parent Company in the Company (%)
Dongfang Electric Corporation Co. LTD.	333 Shuhan Road, Jinniu District, Chengdu City, Sichuan Province, China	Generator and generator set manufacturing	504,696.02	51.37	51.37

Description of the Company's Parent Company:

The Dongfang Electric Corporation was established on November 6, 1984, and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council. As of December 31, 2025, the Dongfang Electric Corporation had a registered capital of CNY 5.047 billion and held a 51.37% stake in the Company.

12.2 Subsidiaries of the Company

For details of the company's subsidiaries, please refer to "8. Rights and Interests in Other Entities" in this note.

12.3 Joint ventures and associates of the Company

For the important joint ventures or associated enterprises of the company, please refer to "8. Rights and Interests in Other Entities" in this note.

The situation of other joint ventures or associated enterprises that have related party transactions with the Company in the current period, or have related party transactions with the Company in the previous period and form balances, is as follows:

Name of joint venture or associated enterprise	Relationship with the Company
Deyang Guangda Dongqi New Materials Co., Ltd.	Associated companies
Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	Joint Venture
MHI Power Dongfang Boiler Co., Ltd.	Joint Venture

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of joint venture or associated enterprise	Relationship with the Company
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	Associated companies
Hunan Pingan Environmental Protection Co., Ltd.	Associated companies
Huadian Longkou Wind Power Co., Ltd.	Associated companies
Mulei East New Energy Co., Ltd.	Associated companies
Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.	Associated companies
Inner Mongolia Mengneng Ulan New Energy Co., Ltd.	Associated companies
Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	Associated companies
China United Heavy Duty Gas Turbine Technology Co., Ltd.	Associated companies
Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Associated companies
Sichuan Jiazhou Dongfeng Electric Machinery Co., Ltd.	Associated companies
Sichuan Collaborative Innovation Intelligent Equipment Manufacturing Co., Ltd.	Associated companies
Zhaojue Huineng Dongfang Energy Co., Ltd.	Associated companies
Deyang Guangda Dongqi New Materials Co., Ltd.	Associated companies
Huaneng (Lingcheng District, Dezhou City) Clean Energy Co., Ltd.	Associated companies
Huaneng (Pingyuan) Clean Energy Co., Ltd.	Associated companies
Sichuan Xingweilan Technology Co., Ltd.	Associated companies
Mulei Dongji New Energy Co., Ltd.	Subsidiary of an associate

12.4 Other related parties

Names of other related parties	Relationship between other related parties and the Company
Sichuan Honghua Petroleum Equipment Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Honghua International Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Sichuan Honghua Electric Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Sichuan Dongshu New Materials Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Quzhou Huihe New Energy Technology Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Luquan Dongdian Solar Power Generation Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
China Western Power Industrial Co., Ltd.	Investors with significant influence
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Honghua Oil & Gas Engineering Services Limited	Other entities controlled by the same parent company and ultimate controlling party
Honghua Financial LEASING(Shanghai) Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Honghua (China) Investment Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
HAN Zheng Testing Technology Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Guangdong Yuedian Holding Group Co., Ltd.	Investors with significant influence
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Dongyao New Energy (Zhangbei County) Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongyao New Energy (Qijing) Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongyao New Energy (Fuyang) Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric New ENERGY EQUIPMENT(Hangzhou) Co., Ltd.	A subsidiary in bankruptcy liquidation
Dongfang Electric Investment Management Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric Group Smart Light Energy Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric Group Digital Technology Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric(Yixing)MAGI Solar Power Technology Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party

12.5 Related party transactions

12.5.1 Related-party transactions on purchase of goods, and receipt of services

Table of goods purchased/services received

Related parties	Content of related party transactions	Amount for the current period	Amount for the previous period
Parent company and ultimate controlling party		12,329,535.88	
Dongfang Electric Corporation	Purchase of goods	4,138,610.40	
Dongfang Electric Corporation	Accept labor and kinetic energy	8,190,925.48	
Joint ventures and associated enterprises		1,953,517,095.47	2,958,980,338.72
Deyang Guangda Dongqi New Materials Co., Ltd.	Purchase Products	1,188,065,241.69	1,023,420,321.17
MHI Power Dongfang Boiler Co., Ltd.	Purchase Products	298,313,049.68	1,685,756,649.30
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	Purchase Products	164,816,819.99	
Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Purchase Products	302,214,436.94	249,803,368.25
Sichuan Xingweilan Technology Co., Ltd.	Receipt of Services and Energy	107,547.17	
Other enterprises controlled by the same parent company and ultimate controlling party		1,052,043,640.06	780,687,745.01
Sichuan Honghua Petroleum Equipment Co., Ltd.	Purchase Products	194,145,668.07	125,695,704.16

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Related parties	Content of related party transactions	Amount for the current period	Amount for the previous period
Sichuan Honghua Petroleum Equipment Co., Ltd.	Receipt of Services and Energy	1,498,815.33	52,019,983.11
Sichuan Honghua Electric Co., Ltd.	Purchase Products	37,376,056.98	44,873,350.49
Sichuan Dongshu New Materials Co., Ltd.	Purchase Products	430,176,990.83	435,894,635.12
Sichuan Dongshu New Materials Co., Ltd.	Receipt of Services and Energy	12,520.00	106,159.29
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Purchase Products		884,955.75
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Receipt of Services and Energy		1,341,293.93
HAN Zheng Testing Technology Co., Ltd.	Purchase Products	6,106,751.07	14,503,357.74
HAN Zheng Testing Technology Co., Ltd.	Receipt of Services and Energy	18,997,481.44	5,241,769.37
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	Purchase Products	1,643,750.94	36,727,426.54
Dongfang Electric Group Smart Light Energy Co., Ltd.	Purchase Products	15,148,238.14	
Dongfang Electric Group Digital Technology Co., Ltd.	Purchase Products	192,773,389.55	132,743.36
Dongfang Electric Group Digital Technology Co., Ltd.	Receipt of Services and Energy	98,454,431.88	-
Honghua International Co., Ltd.	Receipt of Services and Energy	878,834.70	
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Purchase Products	538,563.76	488,657.28
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Receipt of Services and Energy	54,292,147.37	62,777,708.87

List of goods sold/services provided

Related parties	Content of related party transactions	Amount for the current period	Amount for the previous period
Parent company and ultimate controlling party		455,816.19	307,466.67
DongFang Electric Corporation	Provide labor services and kinetic energy	455,816.19	307,466.67
Joint ventures and associated enterprises		88,969,028.71	20,617,840.00
Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	Sale of goods	88,969,028.71	20,617,840.00
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	Sale of goods		
Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Sale of goods		226,363,967.91
Deyang Guangda Dongqi New Materials Co., Ltd.	Providing services and energy		33,270,896.32
MHI Power Dongfang Boiler Co., Ltd.	Sale of goods		161,024,704.02
Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Providing services and energy		1,797,609.71
Huadian Longkou Wind Power Co., Ltd.	Sale of goods		3,419,469.03

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	Sale of goods		1,327,433.63
China United Heavy Duty Gas Turbine Technology Co., Ltd.	Sale of goods		352,582.91
Other enterprises controlled by the same parent company and ultimate controlling party		675,074,151.87	1,099,855,326.15
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	Sale of goods	22,342.16	7,497.26
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	Sale of goods	4,762,150.76	
Dongfang Electric Group Digital Technology Co., Ltd.	Sale of goods	22,534,271.76	
Dongfang Electric Group Smart Light Energy Co., Ltd.	Sale of goods	40,323.74	
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	Sale of goods	200.88	
Dongyao New Energy (Fuyang) Co., Ltd.	Sale of goods		
Dongyao New Energy (Zhangbei County) Co., Ltd.	Sale of goods	62,933,339.08	
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	Sale of goods	704,623.77	48,938.05
HAN Zheng Testing Technology Co., Ltd.	Sale of goods	2,484.25	107,723.48
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Sale of goods	329,084,060.06	244,912,829.72
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Sale of goods	61,437.91	
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	Sale of goods	140,254,809.18	555,135,539.73
Quzhou Huihe New Energy Technology Co., Ltd.	Sale of goods	60,619.47	
Sichuan Dongshu New Materials Co., Ltd.	Sale of goods	1,938,008.85	1,592,920.35
Sichuan Honghua Electric Co., Ltd.	Sale of goods	36,506,244.53	32,440,263.84
Sichuan Honghua Petroleum Equipment Co., Ltd.	Sale of goods	68,147,838.81	161,738,793.51
Dongyao New Energy (Zhangbei County) Co., Ltd.	Providing services and energy		82,632,960.24
Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	Sale of goods	2,438,871.24	17,739,956.30
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Providing services and energy		
Dongfang Electric Group Digital Technology Co., Ltd.	Providing services and energy	57,887.17	
Dongfang Electric Group Smart Light Energy Co., Ltd.	Providing services and energy		1,414,292.87
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Providing services and energy	223,008.84	
Honghua Oil & Gas Engineering Services Limited	Providing services and energy	88,108.20	
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Providing services and energy	108,119.46	
Sichuan Dongshu New Materials Co., Ltd.	Providing services and energy	249,960.13	980,767.26
Honghua International Co., Ltd.	Providing services and energy	888,775.34	1,102,843.54
Sichuan Honghua Petroleum Equipment Co., Ltd.	Providing services and energy	3,507,970.29	
Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	Other Sales		
HAN Zheng Testing Technology Co., Ltd.	Other Sales	59,854.86	
Sichuan Dongshu New Materials Co., Ltd.	Other Sales	398,841.13	
Sichuan Honghua Petroleum Equipment Co., Ltd.	Other Sales		
Investors with significant influence			91,368.35

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Guangdong Yudian Group	Sale of goods		91,368.35
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12.5.2 Income and expenses of related interest
(1) Related interest income

Related parties	Content of related party transactions	Amount for the current period	Amount for the previous period
Joint ventures and associated enterprises			3,155,660.38
MHPS Dongfang Boiler Co., LTD.	Interest income		3,155,660.38
Other enterprises controlled by the same parent company and ultimate controlling party		44,601,613.34	48,041,981.53
Honghua (China) Investment Co., Ltd.	Interest income	13,968,877.52	17,843,024.50
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	Interest income	249,468.04	
Sichuan Honghua Electric Co., Ltd.	Interest income	402,909.98	
Sichuan Honghua Petroleum Equipment Co., Ltd.	Interest income	10,612,436.58	12,973,710.72
Sichuan Dongshu New Materials Co., Ltd.	Interest income	9,909,889.64	9,961,468.58
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	Interest income	2,028,234.31	2,389,832.29
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	Interest income		128,406.71
Quzhou Huijie New Energy Technology Co., Ltd.	Interest income	2,420,513.42	3,130,660.03
Luquan Dongdian Solar Power Generation Co., Ltd.	Interest income	2,187,767.89	812,923.99
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Interest income	2,821,515.96	801,954.71

(2) Related Interest expense

Related parties	Content of related party transactions	Amount for the current period	Amount for the previous period
Parent company and ultimate controlling party		17,442,071.65	23,132,053.13
DongFang Electric Corporation	Interest expense	17,442,071.65	23,132,053.13
Other enterprises controlled by the same parent company and ultimate controlling party		4,447,307.87	2,527,562.72
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	Interest expense	27,608.79	12,910.81
Dongfang Electric Group Smart Light Energy Co., Ltd.	Interest expense	1,071,918.23	743,740.73
Dongfang Electric Investment Management Co., Ltd.	Interest expense	48,728.05	109,598.32
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Interest expense	435,375.94	328,948.51
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	Interest expense	11,025.23	3,859.64
Honghua Financila LEASING(Shanghai) Co., Ltd.	Interest expense	263,846.74	660,625.78
Sichuan Dongshu New Materials Co., Ltd.	Interest expense	65,770.61	99,013.66
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	Interest expense	46,479.43	111,455.92
Quzhou Huihe New Energy Technology Co., Ltd.	Interest expense	19,629.58	25,475.88
Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	Interest expense	281,997.89	98,946.35
Sichuan Honghua Electric Co., Ltd.	Interest expense	31,664.58	0.4

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Honghua (China) Investment Co., Ltd.	Interest expense	1,938.64	5.42
Sichuan Honghua Petroleum Equipment Co., Ltd.	Interest expense	352,859.50	100,977.65
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Interest expense	190,695.21	2,419.57
Honghua International Co., Ltd.	Interest expense	22,104.06	0.2
Dongyao New Energy (Zhangbei County) Co., Ltd.	Interest expense	161,092.73	101,071.92
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	Interest expense	60,038.15	34,578.99
Luquan Dongdian Solar Power Generation Co., Ltd.	Interest expense	121,264.04	59,720.89
Dongyao New Energy (Qijing) Co., Ltd.	Interest expense	5,558.61	5,036.54
Dongfang Electric Group Digital Technology Co., Ltd.	Interest expense	1,199,086.38	
HAN Zheng Testing Technology Co., Ltd.	Interest expense	3,291.49	
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Interest expense	18,742.02	
Honghua Huyi Financial Leasing (Shanghai) Co., Ltd.	Interest expense	6,356.24	4,356.34
Qinhuangdao Hongju Photovoltaic Power Co., Ltd.	Interest expense	235.73	24,819.20
Joint ventures and associated enterprises			1,163.01
MHPS Dongfang Boiler Co., LTD.	Interest expense		1,163.01

12.5.3 Related leasing

Company as the lessor:

Name of lessee	Types of leased assets	Rental income recognized in the current period	Lease income recognised in the previous period
Hanzheng Testing Technology Co., LTD	Equipment	59,854.86	31,182.16
Dongfang Electric Corporation Co. LTD	Fixed assets houses, machinery and equipment	313,616.19	307,466.67
Dongshu New Material	Fixed assets houses, machinery and equipment	398,841.13	400,295.76

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Our company acts as the lessee

Name of lessor	Types of leased assets	Amount for the current period					Amount for the previous period				
		Rental expenses for short-term leases and leases of low-value assets that simplify treatment	Variable lease payments not included in the measurement of lease liabilities	Pay the rent	Interest expenses incurred on lease liabilities	Increased use-right assets	Rental expenses for short-term leases and leases of low-value assets that simplify treatment	Variable lease payments not included in the measurement of lease liabilities	Pay the rent	Interest expenses incurred on lease liabilities	Increased use-right assets
DongFang Electric Corporation	Buildings, machinery and equipment	15,410,841.90		108,069,873.67	2,870,246.35	61,402,801.91	13,625,107.71		113,029,999.71	7,391,141.64	59,714,903.02

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

12.5.4 Related party capital lending

Related parties	Amount borrowed	Date of commencement	Date of maturity
Pull in			
DongFang Electric Corporation	280,000,000.00	2025/9/2	2028/9/2
DongFang Electric Corporation	80,000,000.00	2025/9/2	2028/9/2
DongFang Electric Corporation	400,000,000.00	2025/9/29	2028/9/29
Total	760,000,000.00		
Take out			
Sichuan Honghua Petroleum Equipment Co., Ltd.	70,000,000.00	2025/1/14	2025/12/31
Sichuan Honghua Petroleum Equipment Co., Ltd.	50,000,000.00	2025/2/27	2028/2/21
Sichuan Honghua Petroleum Equipment Co., Ltd.	94,900,000.00	2025/3/6	2026/3/6
Sichuan Honghua Petroleum Equipment Co., Ltd.	80,000,000.00	2025/5/28	2028/5/21
Sichuan Honghua Petroleum Equipment Co., Ltd.	90,000,000.00	2025/6/27	2026/6/27
Sichuan Honghua Petroleum Equipment Co., Ltd.	90,000,000.00	2025/8/29	2027/8/21
Sichuan Honghua Petroleum Equipment Co., Ltd.	100,000,000.00	2025/8/29	2026/8/29
Sichuan Honghua Petroleum Equipment Co., Ltd.	54,000,000.00	2025/10/31	2026/10/31
Sichuan Honghua Petroleum Equipment Co., Ltd.	70,000,000.00	2025/11/28	2026/11/28
Sichuan Honghua Petroleum Equipment Co., Ltd.	296,000,000.00	2025/12/22	2026/12/22
Sichuan Honghua Petroleum Equipment Co., Ltd.	200,000,000.00	2025/12/22	2027/12/21
Sichuan Honghua Petroleum Equipment Co., Ltd.	317,500,000.00	2025/12/23	2028/12/21
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2025/1/22	2026/1/22
Sichuan Dongshu New Materials Co., Ltd.	15,000,000.00	2025/2/28	2026/2/28
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2025/3/24	2026/3/24
Sichuan Dongshu New Materials Co., Ltd.	40,000,000.00	2025/4/15	2026/4/15
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2025/4/28	2025/10/28
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2025/6/26	2026/6/26
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2025/8/27	2026/2/27
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2025/10/30	2026/10/30
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2025/11/28	2026/11/28
Sichuan Dongshu New Materials Co., Ltd.	40,000,000.00	2025/12/29	2026/12/29
Mulei Dongji New Energy Co., Ltd.	60,250,098.65	2025/3/28	2039/4/21
Mulei Dongji New Energy Co., Ltd.	2,545,194.79	2025/6/12	2039/4/21
Mulei Dongji New Energy Co., Ltd.	2,643,015.19	2025/6/27	2039/4/21

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Related parties	Amount borrowed	Date of commencement	Date of maturity
Mulei Dongji New Energy Co., Ltd.	5,700,906.82	2025/7/28	2039/4/21
Mulei Dongji New Energy Co., Ltd.	14,402,140.52	2025/8/28	2039/4/21
Mulei Dongji New Energy Co., Ltd.	37,809,270.27	2025/9/26	2039/4/21
Mulei Dongji New Energy Co., Ltd.	36,008,482.09	2025/10/31	2039/4/21
Mulei Dongji New Energy Co., Ltd.	21,501,274.56	2025/12/12	2039/4/21
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	6,000,000.00	2025/6/10	2026/6/10
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	9,000,000.00	2025/8/6	2026/8/6
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	10,000,000.00	2025/9/12	2026/9/12
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	10,000,000.00	2025/10/17	2026/10/17
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	8,000,000.00	2025/12/11	2026/12/11
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	4,000,000.00	2025/12/18	2026/12/18
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	30,000,000.00	2025/1/17	2026/1/17
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	20,000,000.00	2025/1/22	2026/1/17
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	25,000,000.00	2025/2/12	2026/2/12
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	25,000,000.00	2025/6/11	2026/6/11
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	45,000,000.00	2025/6/26	2026/6/26
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	30,000,000.00	2025/7/24	2026/7/24
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	20,000,000.00	2025/5/14	2026/5/14
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	40,000,000.00	2025/7/24	2026/7/24
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	20,000,000.00	2025/9/16	2026/9/16
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	20,000,000.00	2025/12/17	2026/12/17
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	30,000,000.00	2025/12/22	2026/12/22
Mulei East New Energy Co., Ltd.	176,077,510.99	2025/1/24	2039/4/21
Mulei East New Energy Co., Ltd.	15,413,622.25	2025/6/18	2039/5/31
Sichuan Honghua Electric Co., Ltd.	15,000,000.00	2025/7/10	2026/7/10
Sichuan Honghua Electric Co., Ltd.	20,000,000.00	2025/8/19	2026/8/19
Total	2,716,751,516.13		

12.5.5 Remuneration of key management personnel

Item	Amount for the current period	Amount for the previous period
Compensation of key management personnel	1,854,503.67	2,068,923.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(1) Remuneration of directors and supervisors in 2025

Name of person	Job description	Director and supervisor robe gold	Salaries and subsidies	Performance pay	Retirement benefit scheme contributions	Total
Qianyi Luo	Chairman					
Yanjun Zhang	Director and President					
Zhiyuan Song	Director					
Shaofeng Zhang	Director					
Guojun Sun	Director					
Feng Huang	Independent Director	119,004.00				119,004.00
Daorong Zeng	Independent Director	125,004.00				125,004.00
Yu Chen	Independent Director	119,004.00				119,004.00
Zhiwen Wang	January – November: Supervisor December: Senior Executive (General Counsel)		285,192.00	462,252.82	63,455.18	810,900.00
Shuo Liang	Supervisor		224,763.00	401,990.74	53,837.93	680,591.67
Weidong Hu	Supervisor					
Total		363,012.00	509,955.00	864,243.56	117,293.11	1,854,503.67

(2) Remuneration of directors and supervisors in 2024

Name of person	Job description	Director and supervisor robe gold	Salaries and subsidies	Performance pay	Retirement benefit scheme contributions	Total
Peigen Yu	Chairman					
Zhiyuan Song	Director					
Guojun Sun	Director					
Zhiquan Liu	Director and Chief Financial Officer					
Yanjun Zhang	Director and President					
Dengqing Liu	Independent Director	49,002.00				49,002.00
Feng Huang	Independent Director	113,004.00				113,004.00
Yongqiang Ma	Independent Director	13,334.00				13,334.00
Daorong Zeng	Independent Director	100,337.00				100,337.00
Yu Chen	Independent Director	58,669.00				58,669.00
Zhiwen Wang	Chair of the Board of Supervisors		285,168.00	605,712.21	56,519.79	947,400.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Weidong Hu	Supervisor					
Shuo Liang	Supervisor		245,172.00	494,169.73	47,835.27	787,177.00
Total		334,346.00	530,340.00	1,099,881.94	104,355.06	2,068,923.00

Note:

1. Chairman Luo Qian was elected as a director of the Company in June 2025.
2. Director Zhang Shaofeng was elected as a director of the Company in March 2025.
3. Director Song Zhiyuan ceased to serve as a director of the Company in March 2025.
4. During the current fiscal year and the comparable period, the Company did not pay any amounts to induce directors to join the Company, nor did it pay any amounts to compensate directors for their resignation.

(3) The top five highest paid employees

This year, none of the five highest-paid individuals were directors (previous year: none). The compensation for the remaining five highest-paid individuals (previous year: five) is as follows. The 2024 salaries and allowances include CNY 3,393,123.00 in income from the vesting of term-based incentives for the 2020 - 2022 period:

Items	Amount for year 2025	Amount for year 2024
Salaries and subsidies	936,095.20	1,576,176.88
Performance-based pay	6,827,333.00	8,620,319.00
Retirement benefit scheme contributions	220,204.80	209,309.12
Directors' and Supervisors' Fees		
Total	7,983,633.00	10,405,805.00

Among the company's key management personnel (including directors), the remuneration in 2025 and 2024 exceeds HK \$100.00 million.

The number of highest paid individuals by pay group is as follows (by headcount) :

Items	For the year 2025	For the year 2024
Hk \$1 million to HK \$1.5 million	0	0
More than HK \$1.5 million	5	5
Total	5	5

12.6 Related party receivables and payables and other unsettled items

12.6.1 Absorb monetary funds from related parties

Related parties	Type of currency	Amount at the end of the current year (original currency)	Amount at the end of current year (equivalent to CNY)	Amount at the end of last year (original currency)	Amount at the end of last year (equivalent to CNY)
Parent company and ultimate controlling party		4,117,052,255.81	4,189,605,705.20	1,246,527,400.20	1,319,619,302.66

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

DongFang Electric Corporation	CNY	4,105,017,779.73	4,105,017,779.73	1,234,716,285.46	1,234,716,285.46
DongFang Electric Corporation	USD	12,034,476.08	84,587,925.47	11,811,114.74	84,903,017.20
Joint ventures and associated enterprises		24,919,130.69	24,919,130.69	41,788,236.01	41,788,236.01
MHI Power Dongfang Boiler Co., Ltd.	CNY	1,194,229.86	1,194,229.86	225,550.12	225,550.12
Mulei Dongji New Energy Co., Ltd.	CNY	10,584.42	10,584.42		
Mulei East New Energy Co., Ltd.	CNY	23,714,316.41	23,714,316.41	180,483.40	180,483.40
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	CNY			41,382,202.49	41,382,202.49
Other enterprises controlled by the same parent company and ultimate controlling party		1,346,371,721.37	1,346,371,721.37	796,469,368.43	796,469,368.43
Dongfang Electric Investment Management Co., Ltd.	CNY	7,532,387.79	7,532,387.79	4,791,078.88	4,791,078.88
Sichuan Dongshu New Materials Co., Ltd.	CNY	32,736,441.26	32,736,441.26	15,705,253.96	15,705,253.96
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	CNY	10,036,546.17	10,036,546.17	21,953,517.09	21,953,517.09
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	CNY	36,086,706.03	36,086,706.03	28,035,425.68	28,035,425.68
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	CNY	62,827,856.70	62,827,856.70	59,988,385.33	59,988,385.33
Dongfang Electric Group Smart Light Energy Co., Ltd.	CNY	154,705,316.50	154,705,316.50	220,364,068.18	220,364,068.18
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	CNY	17,921,469.42	17,921,469.42	2,979,270.97	2,979,270.97
Quzhou Huihe New Energy Technology Co., Ltd.	CNY	1,040,735.32	1,040,735.32	10,143,861.03	10,143,861.03
Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	CNY	57,104,756.64	57,104,756.64	63,793,168.13	63,793,168.13
Dongyao New Energy (Zhangbei County) Co., Ltd.	CNY	34,178,426.42	34,178,426.42	51,486,752.25	51,486,752.25
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	CNY	36,160,197.91	36,160,197.91	1.00	1.00
Sichuan Honghua Electric Co., Ltd.	CNY	189,940,295.98	189,940,295.98	200.84	200.84
Sichuan Honghua Petroleum Equipment Co., Ltd.	CNY	85,657,066.69	85,657,066.69	10,073,198.55	10,073,198.55
Honghua International Co., Ltd.	CNY	4,254,430.67	4,254,430.67	101.39	101.39
Honghua (China) Investment Co., Ltd.	CNY	2,624,209.49	2,624,209.49	455,798.78	455,798.78
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	CNY	199,805,973.37	199,805,973.37	751,340.06	751,340.06
Dongyao New Energy (Fuyang) Co., Ltd.	CNY	10,711,621.18	10,711,621.18	20,599,828.29	20,599,828.29
Dongyao New Energy (Qijing) Co., Ltd.	CNY	3,562,208.18	3,562,208.18	3,988,324.83	3,988,324.83
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	CNY	21,824,400.34	21,824,400.34	42,755,382.85	42,755,382.85

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Qinhuangdao Hongju Photovoltaic Power Co., Ltd.	CNY	221,031.66	221,031.66	163,438.68	163,438.68
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	CNY	819,669.62	819,669.62	563,159.33	563,159.33
Luquan Dongdian Solar Power Generation Co., Ltd.	CNY	28,709,629.10	28,709,629.10	34,726,478.80	34,726,478.80
Honghua Financila LEASING(Shanghai) Co., Ltd.	CNY	19,059,145.29	19,059,145.29	196,157,897.47	196,157,897.47
Honghua Huyi Financial Leasing (Shanghai) Co., Ltd.	CNY	122,607.58	122,607.58	4,083,436.06	4,083,436.06
Dongfang Electric Group Digital Technology Co., Ltd.	CNY	315,001,694.13	315,001,694.13	2,910,000.00	2,910,000.00
HAN Zheng Testing Technology Co., Ltd.	CNY	13,726,897.93	13,726,897.93		
Subsidiaries previously under the control of the same parent company and ultimate controlling party		10.6	10.6	10.6	10.6
Dongfang Electric (Tongliao) Wind Power Engineering Technology Co., LTD.	CNY	10.6	10.6	10.6	10.6
Subsidiaries controlled by the same parent company and ultimate controlling party and in bankruptcy liquidation		16.37	16.37	24.07	74.32
Dongfang Maiji	CNY	1.13	1.13	1.13	1.13
Dongfang Electric New Energy Equipment (Hangzhou) Co., LTD.	CNY	15.24	15.24	15.24	15.24
Dongfang Electric New Energy Equipment (Hangzhou) Co., LTD.	Euro			7.7	57.95

12.6.2 Receivable items

Name of project	Related parties	As at December 31, 2025		As at December 31, 2024	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
Accounts receivable					
	Parent company and ultimate controlling party	5,040,000.00	2,520,000.00	5,040,000.00	1,008,000.00
	Dongfang Electric Corporation	5,040,000.00	2,520,000.00	5,040,000.00	1,008,000.00
	Joint ventures and associated enterprises	774,856,174.21	111,826,192.05	553,663,108.50	108,439,302.70
	Deyang Guangda Dongqi New Materials Co., Ltd.	191,068.00	9,553.40	9,599,468.78	496,617.66
	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	4,596,577.20	683,288.02	4,635,827.66	369,542.76

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of project	Related parties	As at December 31, 2025		As at December 31, 2024	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	MHI Power Dongfang Boiler Co., Ltd.	96,683,706.63	6,540,669.97	94,936,963.00	7,935,744.53
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	2,122,618.37	106,130.92	32,690.00	9,052.00
	Hunan Pingan Environmental Protection Co., Ltd.	6,479,330.42	1,295,866.08	6,353,646.13	635,364.61
	Huadian Longkou Wind Power Co., Ltd.	4,775,600.00	317,080.00	3,864,000.00	250,650.00
	Mulei East New Energy Co., Ltd.	560,145,081.79	37,889,866.48	342,668,247.79	17,133,412.39
	Mulei Dongji New Energy Co., Ltd.	21,029,176.49	1,051,458.83		
	Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.	22,525,129.50	20,532,345.88	26,263,252.00	24,301,252.00
	Inner Mongolia Mengneng Ulan New Energy Co., Ltd.	32,660,840.00	29,795,817.87	47,123,450.62	41,804,247.08
	Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	13,070,936.30	11,516,209.12	16,855,434.00	15,430,434.00
	China United Heavy Duty Gas Turbine Technology Co., Ltd.	10,394,000.00	2,078,800.00		
	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	182,109.51	9,105.48	1,330,128.52	72,985.67
	Other enterprises controlled by the same parent company and ultimate controlling party	266,130,779.09	18,083,614.06	212,330,370.55	11,420,722.76
	Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	12,210,373.60	888,718.22	11,225,919.00	1,122,591.90
	Dongfang Electric (Jiuquan) New Energy Co., Ltd.	503,994.81	503,994.81		
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	368,600.00	18,430.00		
	Dongfang Electric Group Digital Technology Co., Ltd.	11,347,052.74	726,077.64		
	Dongyao New Energy (Fuyang) Co., Ltd.			6,221,230.02	311,061.50
	Dongyao New Energy (Qujing) Co., Ltd.	985,500.00	197,100.00	3,747,982.00	374,775.27
	Dongyao New Energy (Zhangbei County) Co., Ltd.	1,212,399.99	60,620.00	3,588,050.22	179,402.51
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	88,236,091.66	4,411,804.59	2,597,839.00	129,891.95
	Quzhou Huihe New Energy Technology Co., Ltd.	5,603,418.14	280,170.91	9,400,870.53	470,043.53
	Sichuan Dongshu New Materials Co., Ltd.	1,205,291.60	60,264.58	519,517.26	25,975.86
	Sichuan Honghua Electric Co., Ltd.	22,106,881.98	1,522,106.47	23,165,857.07	1,213,824.96
	Sichuan Honghua Petroleum Equipment Co., Ltd.	20,513,554.80	1,220,969.12	35,662,395.71	1,783,119.79
	Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.			8,397.75	419.89
	Dongfang Electric Group Smart Light Energy Co., Ltd.			18,185.80	909.29
	Dongfang Electric Investment Management Co., Ltd.	4,704.85	235.24		

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of project	Related parties	As at December 31, 2025		As at December 31, 2024	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	51,417.99	2,570.90		
	Honghua Oil & Gas Engineering Services Limited	88,108.20	4,405.41		
	Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	101,047,026.60	8,153,828.06	115,964,686.19	5,798,234.31
	Honghua International Co., Ltd.			209,440.00	10,472.00
	Honghua International Co., Ltd.	646,362.13	32,318.11		
	Subsidiaries controlled by the same parent company and ultimate controlling party and in bankruptcy liquidation	89,397,696.88	89,397,696.88	89,397,696.88	89,397,696.88
	Hangzhou New Energy	89,397,696.88	89,397,696.88	89,397,696.88	89,397,696.88
Notes receivable					
	Joint ventures and associated enterprises	89,328,724.95	1,536,820.49	15,079,748.78	121,737.42
	MHPS Dongfang Boiler	89,328,724.95	1,536,820.49	12,645,000.00	
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., LTD			2,434,748.78	121,737.42
	Other enterprises controlled by the same parent company and ultimate controlling party	78,843,503.27	-	107,496,112.52	
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	2,765,697.00			
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	57,473,757.68		89,390,318.57	
	Sichuan Honghua Electric Co., Ltd.	12,116,991.35			
	Sichuan Honghua Petroleum Equipment Co., Ltd.	6,487,057.24		18,105,793.95	
Payment in advance					
	Joint ventures and associated enterprises	9,511,801.22	-	284,824,149.11	
	MHI Power Dongfang Boiler Co., Ltd.	247,929.22		284,824,149.11	
	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	9,263,872.00			
	Other enterprises controlled by the same parent company and ultimate controlling party	109,291,107.28		19,824,238.13	
	Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.			102,000.00	
	Dongfang Electric Group Digital Technology Co., Ltd.	105,937,286.53		2,796,000.00	
	Sichuan Honghua Petroleum Equipment Co., Ltd.	3,353,820.75		16,926,238.13	
Other receivables					
	Parent company and ultimate controlling party	3,194,258.85	159,712.94	4,027,871.04	388,980.54

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of project	Related parties	As at December 31, 2025		As at December 31, 2024	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	DongFang Electric Corporation	3,194,258.85	159,712.94	4,027,871.04	388,980.54
	Joint ventures and associated enterprises	801,689.45	40,084.47	500,000.00	200,000.00
	Deyang Guangda Dongqi New Materials Co., Ltd.	156,246.46	7,812.32		
	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	460,653.93	23,032.70		
	Hunan Pingan Environmental Protection Co., Ltd.			500,000.00	200,000.00
	China United Heavy Duty Gas Turbine Technology Co., Ltd.	184,789.06	9,239.45		
	Other enterprises controlled by the same parent company and ultimate controlling party	612,696.39	32,539.28	12,696.39	1,269.64
	Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	12,696.39	2,539.28	12,696.39	1,269.64
	Sichuan Dongshu New Materials Co., Ltd.	600,000.00	30,000.00		
	Subsidiaries controlled by the same parent company and ultimate controlling party and in bankruptcy liquidation	2,845,136.58	2,845,136.58	2,845,136.58	2,845,136.58
	Hangzhou New Energy	2,845,136.58	2,845,136.58	2,845,136.58	2,845,136.58
Contract assets					
	Joint ventures and associated enterprises	15,864,339.48	1,444,242.82	24,464,829.89	1,243,809.87
	MHI Power Dongfang Boiler Co., Ltd.	12,595,155.53	1,408,915.40	7,904,231.30	824,783.13
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	172,693.56	35,327.42	92,483.56	23,384.71
	Hunan Pingan Environmental Protection Co., Ltd.			3,956,420.25	395,642.03
	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	1,589,596.41		12,511,694.78	
	Mulei Dongji New Energy Co., Ltd.	1,506,893.98			
	Other enterprises controlled by the same parent company and ultimate controlling party	43,154,740.02	1,459,679.28	30,235,565.39	162,356.86
	Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.			4,755,052.17	
	Dongfang Electric Group Digital Technology Co., Ltd.	540,850.00	53,847.50		
	Dongyao New Energy (Fuyang) Co., Ltd.	2,078,404.01		14,628,756.08	
	Dongyao New Energy (Qujing) Co., Ltd.	2,762,482.00	552,496.40		
	Dongyao New Energy (Zhangbei County) Co., Ltd.	27,311,629.52	133,005.39		
	Quzhou Huihe New Energy Technology Co., Ltd.	2,341,054.40	234,105.44	6,708,462.80	
	Sichuan Dongshu New Materials Co., Ltd.	180,000.00	18,000.00		

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of project	Related parties	As at December 31, 2025		As at December 31, 2024	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	Sichuan Honghua Electric Co., Ltd.	4,945,011.06	318,459.10	2,061,793.06	162,356.86
	Sichuan Honghua Petroleum Equipment Co., Ltd.	2,995,309.03	149,765.45	2,081,501.28	
Entrusted loans					
	Subsidiaries controlled by the same parent company and ultimate controlling party and in bankruptcy liquidation	395,326,514.45	395,326,514.45	395,326,514.45	395,326,514.45
	Dongfang Electric New Energy Equipment (Hangzhou) Co., LTD.	395,326,514.45	395,326,514.45	395,326,514.45	395,326,514.45
Issue loans and advances					
	Joint ventures and associated enterprises	634,241,773.31	95,136,265.99	262,556,848.64	
	Mulei East New Energy Co., Ltd.	453,381,390.42	68,007,208.56	262,556,848.64	
	Mulei Dongji New Energy Co., Ltd.	180,860,382.89	27,129,057.43		
	Other enterprises controlled by the same parent company and ultimate controlling party	1,220,857,782.00	214,541,400.00	1,049,663,435.20	233,461,979.33
	Quzhou Huihe New Energy Technology Co., Ltd.	69,497,782.00		76,905,188.00	
	Honghua (China) Investment Co., Ltd.	464,860,000.00	111,566,400.00	688,860,000.00	165,326,400.00
	Luquan Dongdian Solar Power Generation Co., Ltd.			283,898,247.20	68,135,579.33
	Sichuan Honghua Petroleum Equipment Co., Ltd.	686,500,000.00	102,975,000.00		
Other current assets					
	Other enterprises controlled by the same parent company and ultimate controlling party	1,114,900,000.00	160,185,000.00	480,000,000.00	115,200,000.00
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	47,000,000.00			
	Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	78,000,000.00	11,700,000.00		
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	110,000,000.00	16,500,000.00	30,000,000.00	7,200,000.00
	Sichuan Dongshu New Materials Co., Ltd.	230,000,000.00	34,500,000.00	210,000,000.00	50,400,000.00
	Sichuan Honghua Electric Co., Ltd.	35,000,000.00	5,250,000.00		
	Sichuan Honghua Petroleum Equipment Co., Ltd.	614,900,000.00	92,235,000.00	240,000,000.00	57,600,000.00
Discounted assets					
	Joint ventures and associated enterprises	400,000.00		5,729,579.00	
	MHI Power Dongfang Boiler Co., Ltd.	400,000.00			
	Deyang Guangda Dongqi New Materials Co., Ltd.			5,729,579.00	
	Other enterprises controlled by the same parent company and ultimate controlling party	121,989,662.28	18,298,449.34	113,466,471.62	27,231,953.19

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Name of project	Related parties	As at December 31, 2025		As at December 31, 2024	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	121,296,642.28	18,194,496.34	106,552,316.87	25,572,556.05
	Sichuan Honghua Petroleum Equipment Co., Ltd.			6,914,154.75	1,659,397.14
	Sichuan Honghua Electric Co., Ltd.	693,020.00	103,953.00		

12.6.3 Items payable

Name of project	Related parties	As at December 31, 2025	As at December 31, 2024
Accounts payable			
	Parent company and ultimate controlling party	6,965,427.20	926,500.00
	DongFang Electric Corporation	6,965,427.20	926,500.00
	Joint ventures and associated enterprises	1,425,803,444.00	683,038,088.71
	Deyang Guangda Dongqi New Materials Co., Ltd.	383,027,283.23	360,868,865.84
	MHI Power Dongfang Boiler Co., Ltd.	863,001,505.41	159,192,328.80
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	16,784,497.54	16,467,229.31
	Hunan Pingan Environmental Protection Co., Ltd.	9,260,470.00	5,212,446.90
	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	153,729,687.82	141,297,217.86
	Other enterprises controlled by the same parent company and ultimate controlling party	294,293,848.38	183,347,243.16
	Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	324,993.66	113,000.00
	Dongfang Electric Group Digital Technology Co., Ltd.	58,087,160.47	150,000.00
	Dongfang Electric Group Smart Light Energy Co., Ltd.	13,741,043.43	10,482,313.80
	Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	2,064,672.10	4,222,952.00
	HAN Zheng Testing Technology Co., Ltd.	5,524,376.13	410,163.40
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	3,117,465.81	3,818,710.91
	Sichuan Dongshu New Materials Co., Ltd.	107,564,957.98	52,679,605.16
	Sichuan Honghua Electric Co., Ltd.	25,110,343.06	29,388,269.47
	Sichuan Honghua Petroleum Equipment Co., Ltd.	78,758,835.74	82,082,228.42
	Subsidiaries previously under the control of the same parent company and ultimate controlling party		35,750.98
	Dongfang Electric(Yixing)MAGI Solar Power Technology Co., Ltd.		35,750.98
	Investors with significant influence	1,582,288.39	1,517,563.40
	China Western Power Industrial Co., Ltd.	1,582,288.39	1,517,563.40
Other payables			
	Parent company and ultimate controlling party	235,556,623.88	382,527,094.71
	DongFang Electric Corporation	235,556,623.88	382,527,094.71

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Joint ventures and associated enterprises	99,438,322.03	-
	Deyang Guangda Dongqi New Materials Co., Ltd.	3,470,279.16	
	MHI Power Dongfang Boiler Co., Ltd.	95,968,042.87	
	Other enterprises controlled by the same parent company and ultimate controlling party	1,827,538.24	-
	Dongfang Electric Group Digital Technology Co., Ltd.	1,820,670.76	
	Dongfang Electric Group Smart Light Energy Co., Ltd.	6,867.48	
	Subsidiaries in the state of bankruptcy and liquidation	127,240.00	127,240.00
	Dongfang Electric New Energy Equipment (Hangzhou) Co., LTD.	127,240.00	127,240.00
	Investors with significant influence	27,407.73	112,751.67
	Huaxi Energy	27,407.73	112,751.67
Contract liability			
	Joint ventures and associated enterprises	537,625,771.98	254,396,319.05
	Deyang Guangda Dongqi New Materials Co., Ltd.		509,635.39
	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	70,922,657.67	68,635,000.00
	MHI Power Dongfang Boiler Co., Ltd.	18,073,102.75	468,064.73
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	241,316.00	120,000.00
	Huaneng (Lingcheng District, Dezhou City) Clean Energy Co., Ltd.	35,704,481.42	
	Huaneng (Pingyuan) Clean Energy Co., Ltd.	103,754,223.01	
	China United Heavy Duty Gas Turbine Technology Co., Ltd.	76,902,922.01	70,609,965.34
	Mitsubishi Heavy Industries Dongfang Gas TURBINE(Guangzhou) Co., Ltd.	95,232,217.49	114,053,653.59
	Mulei Dongji New Energy Co., Ltd.	136,794,851.63	
	Other enterprises controlled by the same parent company and ultimate controlling party	100,660,802.95	146,311,382.09
	Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	2,053,041.33	
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	44.95	490,310.00
	Dongfang Electric Group Digital Technology Co., Ltd.	153,496.59	
	Dongfang Electric Investment Management Co., Ltd.	36,191.15	
	Dongyao New Energy (Zhangbei County) Co., Ltd.	6,739,567.03	5,169,823.42
	Honghua Financila LEASING(Shanghai) Co., Ltd.	26,988,403.58	26,988,403.58
	Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	62,622,746.11	113,567,760.16
	Quzhou Huihe New Energy Technology Co., Ltd.	1,004,203.72	
	Honghua International Co., Ltd.	490,000.00	
	Sichuan Honghua Petroleum Equipment Co., Ltd.	573,108.49	95,084.93
Lease liabilities			
	Parent company and ultimate controlling party	39,243,907.76	50,359,093.09
	DongFang Electric Corporation	39,243,907.76	50,359,093.09
Non-current liabilities due within one year			

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Parent company and ultimate controlling party	149,263,942.65	225,031,311.06
	DongFang Electric Corporation	149,263,942.65	225,031,311.06
	Other enterprises controlled by the same parent company and ultimate controlling party	974,099.08	-
	Dongyao New Energy (Qujing) Co., Ltd.	974,099.08	
Long-term borrowings			
	Parent company and ultimate controlling party	1,851,708,500.00	1,357,248,500.00
	DongFang Electric Corporation	1,851,708,500.00	1,357,248,500.00

13 Share-based payment

None.

14 Commitments and contingencies

14.1 Important commitments

14.1.1 Significant commitments existing on the balance sheet date

(1) The Company's capex commitment as of December 31, 2025

Capital expenditure commitments signed but not recognized in the financial statements:

Items	As at December 31, 2025	As at December 31, 2024
Basic infrastructure	420,209,865.34	351,715,076.10
Equipment and equipment	840,866,919.84	773,582,030.76
Total	1,261,076,785.18	1,125,297,106.86

As of December 31, 2025, the company has a total of CNY1,261,076,785.18 of agreed major foreign investment expenditures that have been signed but not paid, the details are as follows:

Unit of commitment	Name of investment project	Contract investment amount	The amount of investment paid	Unpaid investment	Estimated investment period
The Company and its subsidiaries	Basic infrastructure	958,158,506.68	537,948,641.34	420,209,865.34	Year2026-Year2028
The Company and its subsidiaries	Equipment and equipment	1,685,195,578.05	844,328,658.21	840,866,919.84	Year2026-Year2028
	Total	2,643,354,084.73	1,382,277,299.55	1,261,076,785.18	

(2) Lease contracts signed and being or to be performed and their financial impact

As of December 31, 2025, the company's minimum future rent payable for the following periods under the irrevocable operating lease as the lessee is summarized as follows:

Items	As at December 31, 2025	As at December 31, 2024
Within 1 years	141,829,994.84	60,651,269.73
The second year	96,936,305.32	38,590,461.60
Third year	83,329,987.87	34,960,355.62
The fourth year	62,309,098.00	33,861,250.00
The fifth year	28,102,958.00	33,391,250.00

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	As at December 31, 2025	As at December 31, 2024
More than five years	200,559,065.68	185,036,575.52

14.1.2 Others

None.

14.2 Contingencies

14.2.1 Important Contingent Events on the Balance Sheet Date

(1) Contingencies arising from the provision of external debt guarantees and their financial implications
As of December 31, 2025, The guarantee provided by the company for related parties is as follows:

Name of the guaranteed entity	Matters of guarantee	Amount of money	Term of office
Dongfang Mitsubishi	Performance guarantee	24,500,000.00	Termination date of long-term Service Agreement
Red mud well wind power	Guarantee of credit	16,000,000.00	2026/1/19
Sanshengtai Wind Power	Guarantee of credit	16,000,000.00	2026/6/29
Wulan New Energy	Guarantee of credit	36,000,000.00	2026/10/27

Note: Dongfang Mitsubishi intends to enter into the “Long-Term Management Agreement for M701F Gas Turbine Components, Component Maintenance, and Technical Consulting Services” (hereinafter referred to as the “Long-Term Gas Turbine Service Agreement”) with CNOOC Zhuhai Natural Gas Power Generation Co., Ltd., Zhongshan Jiaming Power Co., Ltd., CNOOC Fujian Gas Power Generation Co., Ltd., and Guangdong Huizhou Natural Gas Power Generation Co., Ltd. (hereinafter collectively referred to as the “Owners”). This “Long-Term Gas Turbine Service Agreement” covers 12 units. The Owner requires the parent companies of Dongfang Mitsubishi (Mitsubishi Hitachi Power Systems, Ltd. and the Company) to sign a “Parent Company Guarantee Agreement” to guarantee Dongfang Mitsubishi’s performance. The total guarantee amount for this Long-Term Service Agreement is RMB 50 million, and the Company will provide a guarantee of RMB 24.5 million in proportion to its equity stake in Dongfang Mitsubishi. Term of the Guarantee: Upon the expiration or termination of the “Long-Term Gas Turbine Service Agreement,” the guarantee shall remain fully effective to the extent that the Seller’s obligations or liabilities under the contract continue, until the Seller has fulfilled all obligations and liabilities under or in connection with the contract (including, but not limited to, warranty obligations) without any defects.

(2) Issue letters of guarantee and letters of credit

Outstanding letter of guarantee:

As of December 31, 2025, the status of letters of guarantee issued by the Company:

Name of company	Type of business	Type of currency	Balance at 31 December 2025 (equivalent to CNY)
Dongfang Electric Machine	Letter of guarantee	CNY	6,869,558,668.65
Dongfang Electric Machine	Letter of guarantee	USD	530,214,452.06
Dongfang Turbine	Letter of guarantee	CNY	7,068,671,972.10
Dongfang Turbine	Letter of guarantee	EUR	1,349,851.98
Dongfang Boiler	Letter of guarantee	CNY	6,391,696,298.14
Dongfang Boiler	Letter of guarantee	USD	5,271,600.00
Dongfang Wind Power	Letter of guarantee	CNY	8,519,695,636.67
Dongfang International	Letter of guarantee	CNY	2,964,109,797.17

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Dongfang International	Letter of guarantee	USD	58,286,074,091.88
Dongfang International	Letter of guarantee	EUR	831,115,279.69
Dongfang International	Letter of guarantee	VND	1,734,000.50
Dongfang International	Letter of guarantee	ETB	4,502,000.00
Dongfang Design	Letter of guarantee	CNY	1,049,759,145.17
Dongfang Design	Letter of guarantee	USD	65,402,200.45
Dongfang Automation	Letter of guarantee	CNY	128,764,599.02
Sichuan Products	Letter of guarantee	CNY	6,399,836.36
Dongfang Heavy Machinery	Letter of guarantee	CNY	1,545,838,746.32
Dongfang Heavy Machinery	Letter of guarantee	EUR	8,291,929.65
Dongfang Martial Arts	Letter of guarantee	CNY	353,749,682.71
Dongfang Research Institute	Letter of guarantee	CNY	5,840,000.00

Unsettled letters of credit:

As of December 31, 2025, the status of irrevocable letters of credit issued by the Company:

Name of company	Type of business	Type of currency	Balance at 31 December 2024 (equivalent to CNY)
Dongfang Electric Machine	Letter of credit	CNY	5,999,875.20
Dongfang Electric Machine	Letter of credit	USD	9,247,532.09
Dongfang Electric Machine	Letter of credit	JYP	54,631,079.34
Dongfang Electric Machine	Letter of credit	EUR	37,001,022.65
Dongfang Electric Machine	Letter of credit	CHF	18,893,220.69
Dongfang Turbine	Letter of credit	USD	42,212,995.62
Dongfang Turbine	Letter of credit	JYP	1,065,771,498.77
Dongfang Turbine	Letter of credit	EUR	527,279,010.68
Dongfang Boiler	Letter of credit	USD	392,176,457.69
Dongfang Boiler	Letter of credit	EUR	2,421,154.65
Dongfang International	Letter of credit	USD	6,817,001.40
Dongfang International	Letter of credit	EUR	1,097,285,892.90
Dongfang International	Letter of credit	CHF	3,066,871.50

14.2.2 Others

None.

15 Events after the balance sheet date

15.1 profits Distribution

Proposed distribution of profits or dividends	1,832,930,972.78
Profits or dividends declared after consideration and approval	1,832,930,972.78

On March 31, 2026, the Company convened the 18th Meeting of the 11th Board of Directors, at which the proposed profit distribution plan for the 2025 fiscal year was reviewed and approved. Based on the Company's total issued share capital of 3,458,360,326 shares as of March 31, 2026, when the Board

meeting was held, a cash dividend of RMB 5.30 (including tax) will be distributed for every 10 shares, for a total cash dividend of RMB 1,832,930,972.78. This proposal is subject to review and approval at the 2025 Annual General Meeting of Shareholders.

16 Other important matters

16.1 Correction of accounting errors in the previous period

There were no corrections of prior-period accounting errors during the reporting period.

16.2 Replacement of assets

None.

16.3 Annuity plan

In accordance with the State-owned Assets Supervision and Administration Commission of the State Council's "Reply Regarding the Trial Implementation of the Enterprise Annuity System at China Dongfang Electric Corporation" (Guozi Fenpei [2007] No. 1201) and the "Letter Regarding the Filing of Enterprise Annuity Plans for 11 Entities Including China Aerospace Science and Industry Corporation" (Guozi Hall Kao Fen [2019] No. 65), and the General Office of the Ministry of Human Resources and Social Security's "Letter on the Filing of Enterprise Annuity Plans for 17 Entities Including China Taiping Insurance Group Co., Ltd." (MHRSS Office Letter [2018] No. 334), the Company allocates annuity expenses annually from current-year costs and expenses under a co-contribution arrangement between the enterprise and employees. After being accrued annually, these annuity funds are remitted to the custodial account for the enterprise annuity fund's trustee assets and are entrusted by China Dongfang Electric Group Co., Ltd. to China Life Pension Insurance Co., Ltd. for operation and management.

16.4 Terminating the operation

Not involved.

16.5 Division information

16.5.1 Determination basis and accounting policies of reporting divisions

The company determines its operating divisions based on its internal organizational structure, management requirements and internal reporting system. An operating segment of the Company refers to a component that simultaneously satisfies the following conditions:

- (1) The component is able to generate income and incur expenses in daily activities;
- (2) The management can regularly evaluate the operating results of the component to decide to allocate resources to it and evaluate its performance;
- (3) Able to obtain the financial position, operating results, cash flow and other relevant accounting information of the component.

The Company determines a reporting segment on the basis of an operating segment, and an operating segment that meets one of the following conditions is identified as a reporting segment:

- (1) The segment revenue of the operating segment accounts for 10% or more of the total revenue of all segments;
- (2) The absolute segment profit (loss) of the segment accounts for 10% or more of the greater of the total profit of all profitable segments or the total loss of all loss-making segments.

If the ratio of the total amount of foreign transaction income of the operating segment of the reportable segment to the consolidated total revenue determined in accordance with the above accounting policies does not reach 75%, the number of reportable segments shall be increased, and other operating segments not treated as reportable segments shall be included in the scope of the reportable segment according to the following provisions until the proportion reaches 75%:

- (1) Identify the operating segment that the management considers useful for the users of accounting information to disclose the information of the operating segment as the reporting segment;
- (2) Combine the operating segment with one or more other operating segments that have similar economic characteristics and meet the conditions for the combination of operating segments as a

reporting segment.

The transfer price between segments shall be determined with reference to the market price, and the assets and related expenses jointly used with each segment shall be distributed among different segments in proportion to the revenue.

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

16.5.2 Report financial information of the division

Items	Energy Equipment Manufacturing	Manufacturing Services	Emerging Industries	Summary	Offset against	Total
Total operating income	66,773,042,191.03	16,771,761,441.00	11,525,723,663.84	95,070,527,295.87	16,455,249,856.04	78,615,277,439.83
Including: income from foreign transactions	58,005,444,217.16	12,901,069,095.97	7,708,764,126.70	78,615,277,439.83		78,615,277,439.83
Revenue from inter-segment transactions	8,767,597,973.87	3,870,692,345.03	3,816,959,537.14	16,455,249,856.04		16,455,249,856.04
Operating costs	59,364,551,585.81	12,747,688,219.01	9,706,178,428.62	81,818,418,233.44	16,577,249,550.69	65,241,168,682.75
Offset of costs	9,467,434,241.46	3,959,812,357.30	3,150,002,951.93	16,577,249,550.69		16,577,249,550.69
Expenses for the period				7,999,964,093.69	109,339,627.53	7,890,624,466.16
Operating profit (loss)	8,108,326,872.81	4,113,193,234.26	1,152,588,650.01	13,374,108,757.08	8,595,840,292.40	4,778,268,464.68
Total assets				162,665,342,129.33		162,665,342,129.33
Including: the amount of a single asset with significant impairment loss						
Total liabilities				114,497,086,795.61		114,497,086,795.61
Additional Information						
Capital expenditure						
Impairment losses recognised in the current period				-1,212,117,895.90	81,929,440.94	-1,294,047,336.84
Among them: goodwill impairment apportionment						
Depreciation and amortization expense				1,165,083,337.93		1,165,083,337.93
Non-cash expenses other than impairment losses, depreciation and amortization						

16.6 Other important matters that have an impact on investors' decisions

None

16.7 Others

None

17 Notes to major items in the company's financial statements

17.1 Accounts receivable

17.1.1 Aging of accounts receivable

Age of account	As at December 31, 2025	As at December 31, 2024
Within 1 year (inclusive)	337,269,143.04	515,587,506.50
1-2 years (including 2 years)	224,564,305.47	165,780,489.47
2 to 3 years (including 3 years)	26,667,875.02	219,493,933.10
3 to 4 years (including 4 years)	197,055,322.85	38,144,608.89
4-5 years (including 5 years)	17,721,636.67	79,866,335.96
More than 5 years	145,822,563.50	66,014,747.63
Sub-total	949,100,846.55	1,084,887,621.55
Less: Provision for bad debts	278,158,973.69	284,340,269.75
Total	670,941,872.86	800,547,351.80

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

17.1.2 Accounts receivable shall be classified and disclosed according to the bad debt provision method

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts shall be made separately										
Provision for bad debts shall be made according to the combination of credit risk characteristics	949,100,846.55	100.00	278,158,973.69	29.31	670,941,872.86	1,084,887,621.55	100.00	284,340,269.75	26.21	800,547,351.80
Total	949,100,846.55	100.00	278,158,973.69		670,941,872.86	1,084,887,621.55	100.00	284,340,269.75		800,547,351.80

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Combined Accrual Items:

Age of account	As at December 31, 2025		
	Accounts receivable	Provision for bad debts	Withdrawal ratio (%)
Within 1 year (inclusive)	337,269,143.04	16,863,457.17	5.00
1-2 years (including 2 years)	224,564,305.47	22,456,430.55	10.00
2 to 3 years (including 3 years)	26,667,875.02	5,333,575.00	20.00
3 to 4 years (including 4 years)	197,055,322.85	78,822,129.13	40.00
4-5 years (including 5 years)	17,721,636.67	8,860,818.34	50.00
More than 5 years	145,822,563.50	145,822,563.50	100.00
Total	949,100,846.55	278,158,973.69	

17.1.3 The top five ending balances of accounts receivable and contract assets collected by the debtor

Name of debtor	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Percentage of the total closing balance of accounts receivable and contract assets(%)	Ending balances of allowance for doubtful accounts receivable and impairment reserves for contract assets
Entity 1	83,220,000.00	129,948,000.00	213,168,000.00	7.12	12,558,800.00
Entity 2	80,228,103.42	15,466,310.30	95,694,413.72	3.20	32,091,241.37
Entity 3	75,355,853.53	57,723,462.15	133,079,315.68	4.44	3,767,792.68
Entity 4	64,845,957.82		64,845,957.82	2.17	6,484,595.78
Entity 5	57,031,415.93		57,031,415.93	1.90	2,851,570.80
Total	360,681,330.70	203,137,772.45	563,819,103.15	18.83	57,754,000.63

17.2 Other receivables

Items	Balance at end of the period	Balance at the beginning of the period
Interest receivable		
Dividends receivable	4,210,670.09	23,297,096.99
Other receivables	15,538,203.39	17,621,082.56
Total	19,748,873.48	40,918,179.55

17.2.1 Dividends receivable

(1) Details of dividends receivable

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Project (or invested entity)	Balance at end of the period	Balance at the beginning of the period
(1) Huadian Longkou Wind Power Company Limited	4,210,670.09	13,210,670.09
(2) Inner Mongolia Energy Power Hongnijing Wind Power Co., LTD	10,086,426.90	10,086,426.90
(3) Inner Mongolia Mengneng Sanshengtai Wind Power Co., LTD	3,460,131.28	3,460,131.28
(4) Inner Mongolia Gumengneng Wulan New Energy Co., LTD	3,828,807.76	3,828,807.76
Subtotal of	21,586,036.03	30,586,036.03
Less: Provision for bad debts	17,375,365.94	7,288,939.04
Total	4,210,670.09	23,297,096.99

17.2.2 Other receivables

(1) Disclosure by account age

Age of account	As at December 31, 2025	As at December 31, 2024
Within 1 year (inclusive)	4,875,019.24	3,882,075.26
1-2 years (including 2 years)	3,365,207.92	3,099,873.66
2 to 3 years (including 3 years)	3,027,455.66	5,152,511.24
3 to 4 years (including 4 years)	5,098,467.24	4,794,406.28
4-5 years (including 5 years)	4,794,406.28	8,289,144.05
More than 5 years	13,507,979.56	5,245,853.21
Sub-total	34,668,535.90	30,463,863.70
Less: Provision for bad debts	19,130,332.51	12,842,781.14
Total	15,538,203.39	17,621,082.56

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(2) Disclosure shall be classified according to the method of bad debt provision

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts shall be made separately										
Provision for bad debts shall be made according to the combination of credit risk characteristics	34,668,535.90	100.00	19,130,332.51	55.18	15,538,203.39	30,463,863.70	100.00	12,842,781.14	42.16	17,621,082.56
Total	34,668,535.90	100.00	19,130,332.51		15,538,203.39	30,463,863.70	100.00	12,842,781.14		17,621,082.56

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Combined Accrual Items:

Age of account	As at December 31, 2025		
	Other receivables	Provision for bad debts	Withdrawal ratio (%)
Within 1 year (inclusive)	4,875,019.24	243,750.98	5.00
1-2 years (including 2 years)	3,365,207.92	336,520.78	10.00
2 to 3 years (including 3 years)	3,027,455.66	605,491.13	20.00
3 to 4 years (including 4 years)	5,098,467.24	2,039,386.90	40.00
4-5 years (including 5 years)	4,794,406.28	2,397,203.16	50.00
More than 5 years	13,507,979.56	13,507,979.56	100.00
Total	34,668,535.90	19,130,332.51	

(3) Provision for bad debts

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment incurred)	
Balance as at December 31,2024	12,842,781.14			12,842,781.14
In 2025, balance as at December 31,2024	12,842,781.14			12,842,781.14
-Transfer to Phase 2				
-Transfer to Phase 3				
-Reversal from Phase 2				
-Reversal from Phase 1				
Provision in 2025	6,287,551.37			6,287,551.37
Reversal in 2025				
Write-off in 2025				
Charge-off in 2025				
Other changes				
Balance as at December 31,2025	19,130,332.51			19,130,332.51

(4) Other receivables in the top five of the ending balance collected by the debtor

Name of company	Nature of funds	As at December 31, 2025	Age of account	Proportion to total closing balance of other receivables (%)	Ending balance of provision for bad debts
Dongfang Electric (India) Co., Ltd.	Advance payment	17,507,170.63	1 to 5 years	50.50	8,598,426.12
Dongfang Turbine Co., Ltd.	Advance payment	6,161,251.28	1 to 5 years	17.77	5,270,046.33
Dongfang Electric Machinery Company	Advance payment	3,367,946.64	1 to 5 years	9.71	2,891,864.08

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Limited					
China Coal Tendering Co., Ltd.	margin	1,409,000.00	4 to 5 years	4.06	704,500.00
Beijing Guodian Engineering Bidding Co., Ltd.	margin	830,189.00	Within 1 year	2.39	83,018.90
Total		29,275,557.55		84.43	17,547,855.43

17.3 Long-term equity investments

Items	As at December 31, 2024			As at December 31, 2022		
	Balance of book value	Provision for impairment losses	Carrying amount	Balance of book value	Provision for impairment losses	Carrying amount
Investment in subsidiaries	27,484,298,885.71		27,484,298,885.71	22,744,397,838.33		22,744,397,838.33
Investment in joint ventures and joint ventures	430,144,058.66	40,845,971.47	389,298,087.19	436,926,590.42		436,926,590.42
Total	27,914,442,944.37	40,845,971.47	27,873,596,972.90	23,181,324,428.75		23,181,324,428.75

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

17.3.1 Invest in subsidiaries

Invested entity	Balance at the beginning of the period	Opening balance of impairment provision	Changes in current period				Balance at end of the period	Ending balance of impairment provision
			Additional investment	Reduce investment	Provision for impairment in the current period	Other		
Dongfang Electric Corporation Dongfang Boiler Co., LTD.	5,192,395,417.83		767,170,100.00				5,959,565,517.83	
DONGFANG TURBINE Co., LTD.	6,010,766,999.71		1,741,613,000.00				7,752,379,999.71	
Dongfang Electric Machinery Company Limited	3,164,000,000.00		1,474,692,600.00				4,638,692,600.00	
Dongfang Electric (India) Pte LTD	129,504,712.22						129,504,712.22	
Dongfang Electric (Wuhan) Nuclear Equipment Co., LTD. (hereinafter referred to as Dongfang Wuhan Nuclear Core)	430,660,000.00		95,000,000.00				525,660,000.00	
Dongfang (Guangzhou) Heavy Machinery Co., LTD.	589,459,392.37		321,228,900.00				910,688,292.37	
Dongfang Electric Wind Power Co., LTD.	1,007,437,000.00						1,007,437,000.00	
Dongfang Electric Group International Cooperation Co., LTD.	1,409,966,967.29		200,000,000.00				1,609,966,967.29	
Dongfang Electric Corporation Finance Co., LTD.	2,867,031,546.59						2,867,031,546.59	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Dongfang Electric (Sichuan) Supplies Co., LTD.	409,061,568.69										409,061,568.69	
Sichuan Dongfang Electric automatic control Engineering Co., LTD	495,700,921.44			75,000,000.00							570,700,921.44	
Dongfang Electric Science and Technology Research Institute Co. LTD	393,413,312.19										393,413,312.19	
Dongfang Electric (Chengdu) Innovation Technology Development Co., LTD.	600,000,000.00										600,000,000.00	
Dongfang Electric (Chengdu) Engineering Design Consulting Co. LTD	45,000,000.00			65,196,447.38							110,196,447.38	
Total	22,744,397,838.33			4,739,901,047.38							27,484,298,885.71	

17.3.2 Investments in associates and joint ventures

Invested entity	Balance at the beginning of the period	Opening balance of impairment provision	Changes in current period								Balance at end of the period	Ending balance of impairment provision
			Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declare cash dividends or profits	Provision for impairment	Other		
1. Joint venture												
Framatome Dongfang Reactor	141,665,343.02				30,500,000.00				24,699,825.39			147,465,517.63

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Invested entity	Balance at the beginning of the period	Opening balance of impairment provision	Changes in current period								Balance at end of the period	Ending balance of impairment provision
			Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declare cash dividends or profits	Provision for impairment	Other		
Coolant Pumps Co., LTD.												
Subtotal of	141,665,343.02				30,500,000.00				24,699,825.39		147,465,517.63	
2. Joint ventures												
Sichuan Energy Investment Wind Power Development Co., LTD.												
Huadian Longkou Wind power Co., LTD.	87,398,378.62				6,305,713.06						93,704,091.68	
China United Heavy Gas Turbine Technology Co., LTD	131,541,571.98				1,215,478.66						132,757,050.64	
Inner Mongolia Energy Power Generation Red Mud Well Wind Power Co., LTD.	21,082,869.56				-21,082,869.56							

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Invested entity	Balance at the beginning of the period	Opening balance of impairment provision	Changes in current period								Balance at end of the period	Ending balance of impairment provision
			Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declare cash dividends or profits	Provision for impairment	Other		
Inner Mongolia Mengneng Sansheng Tai Wind Power Co., LTD.		13,725,971.47										13,725,971.47
Inner Mongolia Mengneng Wulan New energy Co., LTD.		27,120,000.00										27,120,000.00
Dongfang Electric Hydrogen Energy	55,238,427.24				-39,867,000.00						15,371,427.24	
Subtotal of	295,261,247.40	40,845,971.47			-53,428,677.84						241,832,569.56	40,845,971.47
Total	436,926,590.42	40,845,971.47			-22,928,677.84			24,699,825.39			389,298,087.19	40,845,971.47

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

17.4 Operating income and operating costs

17.4.1 Operating income and operating cost

Items	Amount for the current period		Amount for the previous period	
	Income	The cost	Income	The cost
Principal Business Operations	5,970,009,802.41	5,677,308,499.59	7,083,156,919.80	6,855,193,937.50
Other businesses	1,332,475.73	1,113,360.26	1,036,998.46	1,113,360.27
Total	5,971,342,278.14	5,678,421,859.85	7,084,193,918.26	6,856,307,297.77

17.5 Investment income

Items	Amount for the current period	Amount for the previous period
Long-term equity investment income calculated by cost method	1,767,051,302.62	1,476,919,409.47
Long-term equity investment income calculated by equity method	-22,928,677.84	-1,900,383.08
Investment income from disposal of long-term equity investments		
Investment income of a trading financial asset during the holding period	14,918,264.79	14,118,582.92
Investment income from the disposal of trading financial assets		-2,103.35
Others	7,692,575.04	3,108,768.31
Total	1,766,733,464.61	1,492,244,274.27

18 Additional Information

18.1 Breakdown of Non-Recurring Income and Expenses for the Current Period

Items	Amount for the year	Description
Gain or loss on disposal of non-current assets, including the reversal of impairment losses previously recognized	9,644,198.93	
Government grants recognized in profit or loss for the current period, except for those that are closely related to the Company's ordinary business operations, comply with national policies, are granted in accordance with established criteria, and have a continuing impact on the Company's profit or loss	345,159,225.54	
Except for effective hedging transactions related to the entity's ordinary course of business, gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as gains or losses arising from the disposal of financial assets and financial liabilities	86,561,275.42	
Interest on funds received from non-financial enterprises recognized in current period profit or loss		
Gains or losses from entrusting others to invest or manage assets		
Gains or losses on outsourced loans		
Losses of various assets resulting from force majeure events, such as natural disasters		
Reversal of an impairment allowance for accounts receivable subject to individual impairment testing	303,993,840.87	

DONGFANG ELECTRIC CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Items	Amount for the year	Description
The gain arising from the fact that the cost of an entity's investment in a subsidiary, associate, or joint venture is less than the fair value of the investee's identifiable net assets at the time of acquisition		
Net income (loss) of a subsidiary for the period from the beginning of the period to the date of the business combination under common control		
Gain or loss on exchange of non-monetary assets		
Gain or Loss on Debt Restructuring	78,733,508.57	
One-time expenses incurred by a company due to the discontinuation of related business operations, such as costs associated with employee relocation		
One-time effects on current profit or loss resulting from changes in laws and regulations related to taxation, accounting, and other matters		
Share-based payment expense recognized on a one-time basis due to the cancellation or modification of an equity incentive plan		
For cash-settled share-based payments, the gain or loss arising from changes in the fair value of the accrued employee benefits after the vesting date		
Gains or losses arising from changes in the fair value of investment property measured using the fair value model		
Gain arising from a transaction at a grossly unfair price		
Gains or losses arising from contingent liabilities unrelated to the company's ordinary course of business		
Fee income from entrusted management		
Other non-operating income and expenses not included in the above items	8,955,589.90	
Other items of income or expense that meet the definition of non-recurring items	4,211,685.08	
Subtotal	837,259,324.31	
Income tax impact	130,056,385.26	
Impact on minority interest (after tax)	67,836,526.45	
Total	639,366,412.60	

18.2 Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share (CNY)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	9.00	1.15	1.15
Net profit attributable to common shareholders of the company after deducting non-recurring gains and losses	7.50	0.96	0.96

Dongfang Electric Corporation Limited

(Official Seal)

March /31/2026