

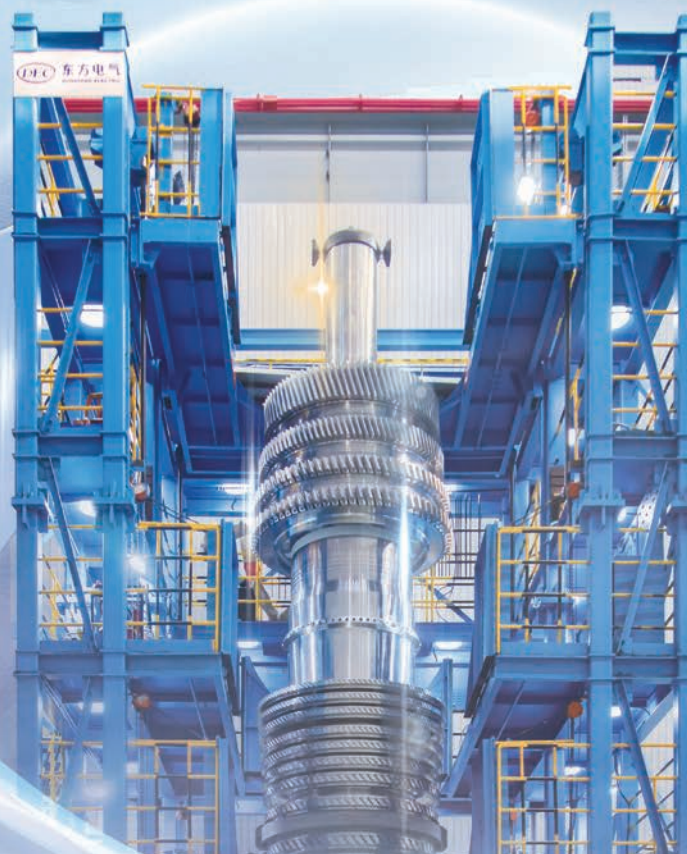


DONGFANG ELECTRIC CORPORATION LIMITED

(H Share Stock Code: 1072) (A Share Stock Code: 600875)

2026

INTERIM REPORT



IMPORTANT NOTICE

- I. The Board of Directors, the Directors and senior management of the Company warrant that the content of this interim 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. All Directors of the Company attended the Board meeting.
- III. This interim report has not been audited.
- 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 interim report.
- V. The profit distribution proposal or the reserve capitalization proposal for the Reporting Period was approved by the resolutions of the Board.

Nil

- VI. Risk statement with respect to the forward-looking statements

Forward-looking statements including future plans and development strategies contained in this interim report do not constitute the Company's substantive commitments to investors. Investors are advised to pay attention to investment risks.

VII. Whether there any misappropriation of funds of the Company by any controlling shareholders or their related parties for non-operating purposes.

No

VIII. Whether the Company has provided any external guarantees in violation of the prescribed decision-making procedures.

No

IX. Whether there exists such circumstance that more than half of the Directors could not guarantee the authenticity, accuracy and integrity of the interim report disclosed by the Company.

No

X. Warning on major risks

Nil

XI. The interim report is prepared by the Company in both Chinese and English. In the event of any discrepancy, the Chinese version shall prevail.

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DOCUMENTS AVAILABLE FOR INSPECTION	Copy of the 2026 Interim Report signed by the Chairman of the Company
	Original financial report of the Company stamped and signed by the person-in-charge of the Company, the person-in-charge of accounting and the head of the accounting department
	The Company's 2026 Interim Report published on the Main Board of the Stock Exchange of Hong Kong



I. DEFINITIONS

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

Definitions of Frequently Used Terms

Dongfang Electric, Company, the Company	Dongfang Electric Corporation Limited
Controlling Shareholder, DEC	Dongfang Electric Corporation
CSRC	China Securities Regulatory Commission
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
Reporting Period or the Period	From 1 January 2026 to 30 June 2026
SSE	Shanghai Stock Exchange
Hong Kong Stock Exchange, Stock Exchange	The Stock Exchange of Hong Kong Limited
RMB, RMB0'000, RMB100 million	Renminbi Yuan, Renminbi 0'000, Renminbi 100 million

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

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

II. Contact Persons and Methods

	Secretary to the Board of Directors	Representative of securities affairs
Name	Feng Yong	Liu Zhi
Contact address	18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC	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

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

III. Change of Basic Information

Registered address of the Company	18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC
Historical changes in the registered address of the Company	Nil
Company business address	18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC
Postal code of the Company for business address	611731
Company website	WWW. DEC-LTD. CN
E-mail	dsb@dongfang.com
Query index of changes during the Reporting Period	Not applicable

IV. Change of Information Disclosure and Places for Inspection for Relevant Documents

Newspapers designated for disclosure of the Company's information	China Securities Journal, Shanghai Securities News and Securities Times
Website for publication of the Company's interim report	www.sse.com.cn
Website designated by the Stock Exchange for publication of the Company's interim report	www.hkexnews.hk
Place where the Company's interim report is available for inspection	Office of the Board
Query index of changes during the Reporting Period	Not applicable

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

V. Company's Share Information

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

VI. Additional Information

☐ Applicable ☒ Not applicable

VII. Major Accounting Data and Financial Indicators

(I) Major accounting data

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Increase/decrease for the Reporting Period compared to the corresponding period of the previous year (%)
Major accounting data			
Total operating income	38,624,191,006.09	38,150,951,534.17	1.24
Operating income	38,122,958,912.16	37,623,627,306.41	1.33
Total profit	3,043,657,261.58	2,493,970,886.62	22.04

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

VII. Major Accounting Data and Financial Indicators (Continued)

(I) Major accounting data (Continued)

Major accounting data	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Increase/decrease for the Reporting Period compared to the corresponding period of the previous year (%)
Net profit attributable to shareholders of the Company	2,713,249,266.86	1,909,795,846.06	42.07
Net profit after non-recurring profit and loss attributable to shareholders of the Company	2,365,638,251.59	1,806,369,458.91	30.96
Net cash flow from operating Activities	-1,722,168,649.61	-556,466,428.94	N/A

	For the six months ended 30 June 2026 (Unaudited)	For the year ended 31 December 2025 (Audited)	Increase/decrease for the Reporting Period compared to the end of the previous year (%)
Net assets attributable to shareholders of the Company	46,117,828,842.53	45,234,558,939.11	1.95
Total assets	164,229,018,501.71	162,674,195,217.33	0.96

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

VII. Major Accounting Data and Financial Indicators (Continued)

(II) Major financial indicators

Unit: Yuan Currency: RMB

Major financial indicators	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Increase/decrease for the Reporting Period compared to the corresponding period of the previous year (%)
Basic earnings per share (RMB/share)	0.78	0.60	30.00
Diluted earnings per share (RMB/share)	0.78	0.60	30.00
Basic earnings per share after non-recurring profit and loss (RMB/share)	0.68	0.56	21.43
Weighted average return on net assets (%)	5.86	4.74	Increased by 1.12 percentage points
Weighted average return on net assets after non-recurring profit and loss (%)	5.11	4.48	Increased by 0.63 percentage point

Explanations for major accounting data and financial indicators

The net profit of the Company attributable to shareholders of the Company increased by 42.07% year-on-year for the current year, mainly due to the Company's continuous improvement in profitability, with both income and gross profit margin rising year-on-year, as well as investment income and changes in fair value contributing to the year-on-year increase in profit.

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

VII. Major Accounting Data and Financial Indicators (Continued)

(II) Major financial indicators (Continued)

The net profit after deducting non-recurring profit or loss attributable to shareholders of the Company increased by RMB559 million year-on-year for the current year, representing an increase of 30.96%, mainly due to the Company's year-on-year increase in net profit.

VIII. Differences in Accounting Data under Domestic and Overseas Accounting Standards

☐ Applicable ☒ Not applicable

IX. Items and Amount of Non-Recurring Profit or Loss

Unit: Yuan Currency: RMB

Items of Non-recurring Profit or Loss	Amount	Note (if applicable)
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	-2,098,364.76	
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)	110,033,458.94	

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

IX. Items and Amount of Non-Recurring Profit or Loss (Continued)

Items of Non-recurring Profit or Loss	Amount	Note (if applicable)
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	167,211,117.75	
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	97,082,957.00	
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		
Profit or loss of non-monetary asset swap		
Gain or loss of debt reorganization	15,011,032.71	
One-off expenses incurred by the enterprise due to the discontinuation of related business activities, such as employee resettlement costs, etc.		

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

IX. Items and Amount of Non-Recurring Profit or Loss (Continued)

Items of Non-recurring Profit or Loss	Amount	Note (if applicable)
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 or loss over fair value arising from a transaction in which the transaction price is obviously unfair		
Gain or loss arising from matters not related to the Company's ordinary operation		
Custodian income from entrusted management		
Other non-operating income and expenses other than the above mentioned items	-1,468,070.83	
Other profit and loss items falling within the definition of non-recurring profit or loss		
Less: Impacted amount in income tax	32,852,831.09	
Impacted amount in non-controlling shareholders' equity (after tax)	5,308,284.45	
Total	347,611,015.27	

II. COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS (CONTINUED)

IX. Items and Amount of Non-Recurring Profit or Loss (Continued)

Explanations for the Company's items of non-recurring profit or loss with a significant amount as not illustrated in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses, and the items of non-recurring profit or loss as illustrated in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public – Non-recurring Gains or Losses which have been defined as its items of recurring profit or loss.

☐ Applicable ☒ Not applicable

X. Companies with Equity Incentive Plan or Employee Shareholding Plan May Choose to Disclose Net Profit after Deducting the Impact of Share-based Payments

☐ Applicable ☒ Not applicable

XI. Others

☐ Applicable ☒ Not applicable

III. MANAGEMENT DISCUSSION AND ANALYSIS

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

The Company belongs to the energy equipment manufacturing industry, primarily providing high-end equipment and related services for energy production and utilization, and is closely connected with energy development.

The Company has established an industrial landscape of “one core and two wings”, with energy equipment manufacturing as the core and manufacturing services and emerging industries as growth drivers. It develops, designs, manufactures and sells advanced high-end energy equipment for coal power, hydropower, nuclear power, gas power and wind power, and carries out manufacturing services such as power station services, integrated energy, manufacturing digitalization and intelligence, supply chain and related services, and cultivates emerging industries such as energy storage and hydrogen energy, energy conservation, environmental protection and chemicals, industrial drives, power electronics and control, and solar energy. As one of the world's largest power generation equipment suppliers and general contractors for power station engineering, the Company's products and services are available in nearly 90 countries and regions around the world, and it possesses strong competitiveness and influence in the field of energy equipment.

The Company has established a comprehensive energy equipment research and development, design, manufacturing, testing and service system, and possesses the capability to develop and manufacture hydroelectric generating units of various power ratings, wind turbine generator systems, nuclear power generating units, coal-fired power generating units, gas turbine power generating units, solar power station equipment and others. The overall technology of its hydroelectric products ranks among the leading international levels, with its tubular, Francis, axial-flow, pumped storage

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

and impulse turbine hydroelectric technologies reaching industry-leading standards; its wind power technology is at an advanced level domestically, with its 26 MW class offshore wind turbine generator systems reaching internationally leading standards; in the nuclear power sector, it holds the sole manufacturing licence for complete nuclear steam supply system equipment supply in China, and possesses complete design qualifications for nuclear Class 1/2/3 equipment and the complete supply capability for batch manufacturing of nuclear island main equipment and conventional island turbine generator units for nuclear power plants; its products including 1,000 MW class air-cooled units, 1,000 MW class double reheat units, large circulating fluidized bed boilers and heavy-duty gas turbines are in leading positions within the industry. The Company also possesses a complete industry chain for the concentrating solar power sector, encompassing the concentrating and heat collecting system, thermal storage and heat exchange system, conventional power generation system and control system, and is able to provide "CSP+" integrated solutions. It has the manufacturing capability for core equipment in the petrochemical sector, including chemical containers, drive turbines, canned pumps and pipeline compressors, the system solution capability for waste gas and waste water treatment, solid waste disposal and resource utilization, the research and development capability for power electronics and industrial automation, intelligent manufacturing-related equipment and system technologies, and the design and integration capability for energy storage, thereby establishing a hydrogen energy core equipment system with fully independent intellectual property rights, forming a product sequence primarily comprising water electrolysis hydrogen production and fuel cells, as well as integrated hydrogen energy application solutions. The principal business of the Company did not undergo any material change during the Reporting Period.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

In the first half of 2026, China's gross domestic product grew by 4.7% year-on-year, in line with the annual economic growth target. From January to June 2026, the cumulative electricity consumption of the whole society reached 5,099.9 billion kWh, representing a year-on-year increase of 5.3%. Power installation capacity continued to maintain a growth trend. As at the end of June, the cumulative installed power generation capacity nationwide reached 4.04 billion kW, representing a year-on-year increase of 10.8%, among which hydropower increased by 3.5% year-on-year, thermal power increased by 6.4% year-on-year, nuclear power increased by 8.6% year-on-year, wind power increased by 18.5% year-on-year, and solar power generation increased by 15.8% year-on-year. Overall, against the backdrop of building an energy powerhouse and constructing a new power system, the Company's advantageous energy equipment products remain in a period of prosperity.

II. Discussion and Analysis of Operations

In the first half of 2026, the Company adhered to the general principle of pursuing progress while ensuring stability, fully, accurately and comprehensively implemented the new development philosophy, better served the national development strategy, continued to enhance core functions and improve core competitiveness, focused on improving quality and efficiency, promoting innovation and strengthening management, pursuing development and reinforcing Party building, fully achieved the expected targets, and promoted a good start to the "15th Five-Year Plan" with concrete actions and tangible results.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

II. Discussion and Analysis of Operations (Continued)

1. Industrial development. From January to June 2026, the Company recorded newly effective orders of RMB69.88 billion, representing a year-on-year increase of 6.71%, of which energy equipment manufacturing accounted for 69.46%, manufacturing services accounted for 20.71%, and emerging industries accounted for 9.82%. The “one core” achieved both quantitative and qualitative growth. The bid-winning prices for coal-fired power units and the gross profit margin for hydropower tenders both achieved year-on-year improvements. The market share of gas turbines maintained the No.1 position. The domestic market share of wind power entered the top four, and overseas achieved dual output of “technology licensing + product orders”. The “two wings (兩翼)” achieved breakthroughs in multiple areas. In the manufacturing services segment, the Xiaolangdi renovation order for power station services set a record for the scale of hydropower renovation, the first pure-import 600MW “W”-type boiler renovation project was obtained, and integrated energy achieved a breakthrough in zero-carbon park integrated services. In the emerging industries segment, orders for scaled application of electrolytic water hydrogen production equipment were obtained, the first order for molten salt thermal energy storage system equipment integration business was secured, steam superchargers and natural gas compressors achieved breakthroughs in the domestic and overseas markets respectively, and the self-developed BMS and EMS systems successfully obtained orders for market-based application. The production capacity layout was optimized and enhanced. The core production capacity enhancement project for self-developed gas turbines officially commenced, and the first blade rolled off the production line at the Golmud wind power blade manufacturing base, the highest-altitude such base in the world.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

II. Discussion and Analysis of Operations (Continued)

2. Technological innovation. Significant progress has been made in tackling key core technologies. We have solidly advanced the research and development of major hydropower engineering equipment, with the Zala 500MW impulse turbine completing the valve test, stator hoisting and runner machining. The G50 self-developed gas turbine has completed the first round of optimization design, with cumulative operation exceeding 15,000 hours. The construction of innovation platforms has proceeded in an orderly manner. Approval has been obtained for the establishment of the Tibet Plateau Green Power Equipment and Intelligent Operation and Maintenance Key Laboratory and the Fujian Marine Energy Engineering Research Centre, and the Group's intelligent entity development platform has been put into application. Collaborative innovation has been effectively promoted. Four new tasks under the Central Enterprise Advanced Power Equipment Innovation Consortium have been added, a new-generation coal power pilot scheme has been formulated in collaboration with the Huairou Laboratory, the first batch of collaborative projects under the Tsinghua Joint Innovation Research Institute has been initiated, and support has been provided for Deyang City to be selected as a national pilot city for emerging technology transformation in the manufacturing industry. Innovation outcomes have continued to emerge. The world's first 630℃ national power demonstration project Unit 1 has been officially put into operation, the first "Hualong One (華龍一號)" nuclear power unit in the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta region has commenced commercial operation, the first 550MW F-class gas turbine project in China has achieved full-capacity commercial operation, the first domestically developed grid-connected stabilizer for new energy has been officially put into operation, the megawatt-level natural gas co-firing with ammonia and coal co-firing with hydrogen combustion technology has achieved successful pilot testing, two intelligent manufacturing system solutions projects under the "list-based leadership" initiative have passed the first batch of acceptance by the Ministry of Industry and Information Technology, and the "full-chain collaborative intelligent entity application for key components of high-end energy equipment" has been selected as a typical case of artificial intelligence application in 2025 by the Ministry of Industry and Information Technology.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

II. Discussion and Analysis of Operations (Continued)

3. Reform and management. In response to issues such as the commercialization of scientific and technological achievements, eight reform pilot projects were implemented through the “open competition” mechanism, with bold exploration. In light of the characteristics of different strategic emerging industries, the first batch of special support policies was formulated on an “industry-by-industry basis” to effectively promote the development of strategic emerging industries. The reform results have been recognized. In the 2025 special assessment of the “Science Reform Action (科改行動)” and “Double Hundred Action (雙百行動)” conducted by the State-owned Assets Supervision and Administration Commission of the State Council, our subsidiaries Dongfang Electric Machinery, Dongfang Turbine, Dongfang Boiler and Dongfang Wind Power achieved excellent results of “three benchmarks and one excellent (三標桿、一優良)”, ranking among the top 30% of central enterprises. The lean management system has been advanced in depth. A three-year lean management action was launched, covering various modules such as lean marketing, lean R&D and lean quality, with “strengthening foundations, enhancing capabilities and setting benchmarks (強基、提升、樹標)” as the key measures to address operational bottlenecks and pain points. Benchmark carriers were firmly grasped, and with the goal of building a “premium group”, a benchmark factory evaluation system that is “quantifiable, comparable and replicable” was established with Dongfang Electric Machinery, Dongfang Turbine and Dongfang Boiler as pilots. The integration of informatization and industrialization was accelerated, with Dongfang Heavy Machinery as a pilot to explore and form an “eight-step promotion method” for digital-intelligent integration, and manufacturing enterprises were organized to conduct on-site benchmarking and mutual learning. Quality management was further promoted, and the building of a quality management talent team was strengthened.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

II. Discussion and Analysis of Operations (Continued)

4. Risk prevention and control. Adhering to the stringent tone and standards, we have advanced the rectification of issues in the “eleven aspects” of investor supervision, formulated an overall plan for the development of a look-through supervision system, solidly promoted the comprehensive investigation and remediation of quality hazards, and safeguarded the bottom line of production safety with the “ten hard measures”, thereby making our standards, management and supervision more rigorous. We have advanced the resolution of high-risk projects. We have improved the compliance pre-review mechanism for sensitive businesses, systematically reviewed the contractual risks of key overseas projects, strengthened the governance of loss-making contracts, and achieved “zero new” loss-making contracts.

III. Analysis of Core Competitiveness during the Reporting Period

As one of the significant R&D and manufacturing groups for energy equipment and the mega enterprises for project contracting, the Company proactively linked up and served national strategies of building energy and manufacturing powerhouses, based on the development, design, manufacture, sales and services of high-end energy equipment, by continuously improving the industrial pattern of “the core area and the two wings (一核兩翼)” and fostering company values of “rigor, precision, practicality, and efficiency (嚴細實快)”. The Company has the advantages of outstanding technological innovation capability with diverse and completed industrial layout, advanced manufacturing and service capability, remarkable market expansion capability, and deep cultural and brand accumulation.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period

During the Reporting Period, the Company recorded a total operating revenue of RMB38,624 million, representing an increase of 1.24% as compared with the same period of the previous year; net profit attributable to the shareholders of the Company of RMB2,713 million, representing an increase of 42.07% as compared with the same period of the previous year; net profit attributable to the shareholders of the Company after non-recurring profit or loss of RMB2,366 million, representing an increase of 30.96% as compared with the same period of the previous year; and earnings per share of RMB0.78, representing an increase of 30% as compared with the same period of the previous year.

(I) Analysis of Principal Business

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

Unit: Yuan Currency: RMB

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Change (%)
Operating revenue	38,122,958,912.16	37,623,627,306.41	1.33
Cost of sales	32,092,819,683.15	31,805,881,127.97	0.90
Sales expenses	332,564,498.99	317,891,455.51	4.62
Administrative expenses	1,440,309,576.17	1,372,877,949.96	4.91
Financial expenses	125,202,122.45	(378,088.72)	N/A
R&D expenses	1,416,585,646.23	1,569,565,190.21	-9.75

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(I) Analysis of Principal Business (Continued)

1. Analysis of changes in certain items in the financial statements (Continued)

Item	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)	Change (%)
Net cash flow from operating activities	(1,722,168,649.61)	(556,466,428.94)	N/A
Net cash flows from investing activities	3,825,727,808.01	(876,502,843.53)	N/A
Net cash flows from financing activities	3,486,760,133.66	5,221,093,225.62	-33.22
Investment income	221,017,950.82	141,074,666.85	56.67
Gains from changes in fair values	108,548,981.94	(75,264,776.76)	N/A
Credit impairment loss (loss is represented by "-")	(259,185,795.44)	(209,707,686.94)	N/A
Impairment loss of assets (loss is represented by "-")	(289,233,861.05)	(456,796,895.04)	N/A

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(I) Analysis of Principal Business (Continued)

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

- (1) Explanation of changes in financial expenses: Financial expenses for the current period increased by RMB126 million year-on-year, primarily due to changes in foreign exchange rates, which resulted in a year-on-year increase in net exchange losses.
- (2) Explanation of changes in R&D expenses: R&D expenses for the current period decreased by 9.75% year on year, primarily due to the year-on-year decrease in material costs for R&D projects during the current period.
- (3) Explanation of changes in net cash flows generated from operating activities: The net cash flows generated from operating activities decreased by RMB1,166 million year on year, primarily due to the impact of the wind power industry and seasonality, resulting in net cash outflows from operating activities of the wind power business.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(I) Analysis of Principal Business (Continued)

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

- (4) Explanation of changes in net cash flows generated from investing activities: Net cash flows generated from investing activities increased by RMB4,702 million year on year. First, the payment for equity acquisition was made in the corresponding period of last year, and no such item occurred in the current year; second, the withdrawal of interbank certificates of deposit placed by the Group's finance company during the current period resulted in a year-on-year increase in net inflows from investing activities of RMB1,729 million.
- (5) Explanation of changes in net cash flows generated from financing activities: The net cash flows generated from financing activities decreased by RMB1,734 million year on year, primarily because the Company received proceeds from fund raising of RMB4,116 million in the corresponding period of the previous year, while no such event occurred in the current year.
- (6) Explanation of changes in investment income: Investment income for the current period increased by RMB80 million year on year, primarily due to the year-on-year increase in investment income recognized from associates.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(I) Analysis of Principal Business (Continued)

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

- (7) Explanation of changes in fair value gains: The fair value gains for the current period increased by RMB184 million year on year, primarily due to the increase in the fair value of the shares held.
- (8) Explanation of changes in credit impairment losses: The credit impairment losses recognized during the period increased by RMB49 million year on year, primarily due to the increase in the balance of receivables and the aging roll-forward, resulting in an increase in impairment losses recognized based on the aging portfolio.
- (9) Explanation of changes in asset impairment losses: The asset impairment losses recognized during the current period decreased by RMB168 million year on year, primarily because the increase in the balance of contract assets was lower than that of the corresponding period of the previous year, and the impairment amount recognized based on aging decreased year on year.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(I) Analysis of Principal Business (Continued)

2. Analysis of operations by industry, product or region

1. Total operating revenue by industry and product

By product	Revenue RMB	Cost RMB	Gross profit margin (%)	Year- on-year increase/ decrease in revenue (%)	Year- on-year increase/ decrease in cost (%)	Year- on-year increase/ decrease in gross profit margin (%)
Operations by industry						
Energy equipment and manufacturing	29,446,397,691.27	25,299,226,023.32	14.08	3.96	3.59	Increased by 0.31 percentage point
Manufacturing services	6,271,256,142.63	4,225,170,190.34	32.63	-11.86	-18.42	Increased by 5.42 percentage points
Emerging business	2,906,537,172.19	2,586,320,984.77	11.02	7.18	1.58	Decreased by 7.18 percentage points

1. Revenue from energy equipment manufacturing business rose by 3.96% year-on-year during the Period, mainly due to the year-on-year growth in businesses including coal power, gas power and hydropower.
2. Revenue from manufacturing services business decreased by 11.86% year-on-year during the Period, mainly due to the year-on-year decline in engineering business.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(I) Analysis of Principal Business (Continued)

2. *Analysis of operations by industry, product or region (Continued)*

1. Total operating revenue by industry and product (Continued)

3. Revenue from emerging business increased by 7.18% year-on-year during the Period, primarily due to the year-on-year growth in energy saving and environmental protection, new type energy storage, hydrogen energy and other businesses. The gross profit margin of emerging industries fell by 7.18 percentage points year-on-year during the Period, mainly due to the market competition and a year-on-year decline in the gross profit margins for industrial drive and other projects.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(I) Analysis of Principal Business (Continued)

2. Analysis of operations by industry, product or region
(Continued)

2. Total operating revenue by region

Unit: Yuan Currency: RMB

Region	Total operating revenue	Year-on-year increase/decrease
		in total operating revenue
Domestic	36,102,942,442.00	0.50
Overseas	<u>2,521,248,564.09</u>	<u>13.17</u>
Total	<u><u>38,624,191,006.09</u></u>	<u><u>1.24</u></u>

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(II) Analysis on Assets and Liabilities

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount at the end of the period	Percentage of the amount in total assets (%)	Amount at the end of last year	Percentage of the amount in total assets (%)	Change in balance as at the end of the current period as compared with balance as at the end of last year (%)	Explanation
Cash and cash equivalents	27,549,187,772.51	16.77	22,679,594,590.64	13.94	21.47	See other notes
Accounts receivable financing	1,617,538,472.37	0.98	2,885,613,858.43	1.77	-43.94	See other notes
Non-current assets due within one year	250,815,475.05	0.15	547,277,984.79	0.34	-54.17	See other notes
Long-term receivables	98,998,405.99	0.06	79,867,096.24	0.05	23.95	See other notes
Other investments in equity instruments	493,182,723.82	0.30	668,320,905.39	0.41	-26.21	See other notes
Right-of-use assets	567,584,122.07	0.35	462,832,934.96	0.28	22.63	See other notes
Short-term borrowings	1,718,217,357.91	1.05	141,302,980.52	0.09	1,115.98	See other notes
Notes payable	10,049,014,565.26	6.12	15,652,241,398.50	9.62	-35.80	See other notes
Taxes and charges payable	660,251,510.69	0.40	875,320,541.33	0.54	-24.57	See other notes
Other payables	3,433,399,508.35	2.09	1,627,601,940.66	1.00	110.95	See other notes
Non-current liabilities due within one year	1,701,572,676.50	1.04	899,617,517.45	0.55	89.14	See other notes

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(II) Analysis on Assets and Liabilities (Continued)

1. Assets and liabilities (Continued)

Other Notes

- (1) Explanation of changes in cash and cash equivalents: Cash and cash equivalents at the end of the period increased by 21.47% as compared with the beginning of the year, primarily due to the recovery of negotiable certificates of deposit of the Group's finance company and the net cash inflow from investing activities.
- (2) Explanation of changes in receivables financing: Receivables financing at the end of the period decreased by 43.94% as compared with the beginning of the year, primarily due to a decrease in the amount settled by bills receivable, resulting in a decrease in bills on hand.
- (3) Explanation of changes in non-current assets due within one year: As at the end of the period, non-current assets due within one year decreased by 54.17% as compared with the beginning of the year, primarily attributable to the recovery of loans due within one year by the finance company.
- (4) Explanation of changes in long-term receivables: Long-term receivables at the end of the period increased by 23.95% compared with the beginning of the year, primarily due to the increase in installment sales of goods during the year.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(II) Analysis on Assets and Liabilities (Continued)

1. Assets and liabilities (Continued)

Other Notes (Continued)

- (5) Explanation of changes in other equity instrument investments: As at the end of the period, other equity instrument investments decreased by 26.21% as compared with the beginning of the year, primarily due to the partial disposal of shares held.
- (6) Explanation of changes in right-of-use assets: As at the end of the period, right-of-use assets increased by 22.63% as compared with the beginning of the year, primarily due to an increase in leased factory premises.
- (7) Explanation of changes in short-term borrowings: Short-term borrowings at the end of the period increased by RMB1,577 million as compared with the beginning of the year, primarily due to new working capital loans obtained during the year.
- (8) Explanation of changes in bills payable: Bills payable at the end of the period decreased by 35.80% as compared with the beginning of the year, primarily due to the maturity and settlement of bills and a decrease in the proportion of settlement by bills.
- (9) Explanation of changes in taxes payable: Taxes payable at the end of the period decreased by 24.57% as compared with the beginning of the year, primarily due to a decrease in income tax payable as compared with the beginning of the year.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(II) Analysis on Assets and Liabilities (Continued)

1. Assets and liabilities (Continued)

Other Notes (Continued)

- (10) Explanation of changes in other payables: Other payables at the end of the period increased by RMB1,805 million compared with the beginning of the year, primarily due to the accrued dividends payable which had not yet been paid as at the end of June.
- (11) Explanation of changes in non-current liabilities due within one year: As at the end of the period, non-current liabilities due within one year increased by 89.14% as compared with the beginning of the year, primarily attributable to the increase in reclassification of long-term borrowings due within one year.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(II) Analysis on Assets and Liabilities (Continued)

2. Gearing ratio

Item	Amount at the end of the Period	Amount at the beginning of the year	Year-on -year increase/ decrease <i>(percentage point)</i>
Gearing ratio (%)	70.18	70.39	-0.21

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

The gearing ratio of the Group was 70.18% at the end of the Period, representing a decrease of 0.21 percentage point as compared with the beginning of the year. The risk relating to the asset structure of the Company is in a controllable state.

3. Bank borrowings

As of 30 June 2026, the Group had financial institution (bank) borrowings of RMB1,738 million due within one year and financial institution (bank) borrowings of RMB2,954 million due beyond one year. The Company's borrowings are mainly denominated in RMB. In particular, financial institution (bank) borrowings of RMB1,738 million were fixed-rate borrowings, and floating rate borrowings from financial institution mainly represent loans with floating interest rates based on LPR. The Group has maintained a favorable credit rating with banks and a sound financing capacity.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(II) Analysis on Assets and Liabilities (Continued)

4. *Cash and cash equivalents*

As at 30 June 2026, the cash and cash equivalents in RMB and US dollars held by the Group accounted for 92.46% and 5.04% of the Group's cash and cash equivalents, respectively.

5. *Exchange risk management*

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

6. *Pledge of assets*

As at 30 June 2026, the Group had pledged bank borrowings of approximately RMB256 million (31 December 2025: RMB291 million), which were related to borrowings from financial institutions by franchise rights of the Company. As at 30 June 2026, net franchise rights values amounted to RMB404 million (31 December 2025: RMB430 million). As at the end of the Period, this part of borrowings was not yet due and repayable. Additionally, there existed a pledged loan of RMB2,433 million which was secured by the company's electricity collection rights.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(III) Analysis of Investment

1. Overall analysis on external equity investment

☒ Applicable ☐ Not applicable

During the Reporting Period, the total equity investments of the Company amounted to approximately RMB329 million, representing a decrease of approximately RMB2,500 million compared with RMB2,867 million for the same period of the previous year. During the same period of the previous year, the Company acquired minority equity interests in Dongfang Electric Machinery, Dongfang Turbine, Dongfang Boiler and Dongfang Heavy Machinery held by its major shareholder, amounting to approximately RMB2,527 million.

(1) Significant equity investment

☐ Applicable ☒ Not applicable

(2) Significant non-equity investment

☐ Applicable ☒ Not applicable

(3) Financial assets at fair value measurement

☒ Applicable ☐ Not applicable

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(III) Analysis of Investment (Continued)

1. Overall analysis on external equity investment (Continued)

(3) Financial assets at fair value measurement (Continued)

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 for impairment for the period	Amount purchased for the period	Amount sold/ redeemed for the period	Other changes	Amount at the end of period
Trading financial assets	1,832,489,719.73	108,618,268.71			19,998,000.01	313,872,460.00		1,647,233,528.45
Other equity instrument investments	668,320,905.39	-5,602,935.57	-16,859,081.21		22,000,000.00	191,535,246.00		493,182,723.82
Total	2,500,810,625.12	103,015,333.14	-16,859,081.21		41,998,000.01	505,407,706.00		2,140,416,252.27

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(III) Analysis of Investment (Continued)

1. Overall analysis on external equity investment (Continued)

(3) Financial assets at fair value measurement (Continued)

Securities investment

Unit: 0'000 yuan Currency: RMB

Type	Stock Code	Stock short name	Initial investment	Funding cost	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 the accounting period
Stock	601179	China XD Electric	1,010.77	Self-owned		1,316.77			1,316.77	1,000.08	1,000.08	0.00	Trading financial assets
Stock	600985	Southern Power Grid Energy Storage	54,000.00	Self-owned		53,489.36	-560.29	-1,070.93	19,153.52	3,112.12	3,112.12	33,715.55	Other equity instrument investments
Stock	601005	Chongqing Iron & Steel	64.93	Self-owned		44.09	0.00					44.09	Trading financial assets
Stock	600917	Chongqing Gas	247.84	Self-owned		169.27	-23.96				1.33	140.29	Trading financial assets

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(III) Analysis of Investment (Continued)

1. Overall analysis on external equity investment (Continued)

(3) Financial assets at fair value measurement (Continued)

Securities investment (Continued)

Type	Stock Code	Stock short name	Initial investment cost	Investment 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	000155	Sichuan Energy Power	115,845.19	Self-owned	101,549.77	10,247.29			30,070.47	5,502.72	81,726.59	Trading financial assets
Bonds			30,000.00	Self-owned	31,293.33	443.71					31,773.04	Trading financial assets
Fund			47,598.48	Self-owned	48,833.74	199.81		1,999.80			51,039.35	Trading financial assets
Total	/	/	246,767.21	/	236,736.33	10,301.54	-1,070.93	1,999.80	50,540.76	9,616.26	198,496.90	

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(III) Analysis of Investment (Continued)

1. Overall analysis on external equity investment (Continued)

(3) Financial assets at fair value measurement (Continued)

Explanation on securities investment

☐ Applicable ☒ Not applicable

Information on private equity fund

☐ Applicable ☒ Not applicable

Information on derivatives investment

☐ Applicable ☒ Not applicable

(IV) Material Assets and Disposals of Equity Interests

☐ Applicable ☒ Not applicable

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(V) Analysis of Major Holdings and Participating Companies

Major subsidiaries and participating companies having an impact of 10% or more on the Company's net income

Unit: 0'000 yuan Currency: RMB

Company name	Type of company	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Dongfang Electric Machinery Co., Ltd.* (東方電氣集團東方電機有限公司)	Subsidiary	Manufacture of power generation equipment	375,232.94	2,909,897.26	903,378.35	810,048.07	72,094.90	63,386.07
Dongfang Turbine Co., Ltd.* (東方電氣集團東方汽輪機有限公司)	Subsidiary	Manufacture of power generation equipment	607,489.50	4,133,595.13	1,020,814.22	1,091,922.64	85,182.25	81,277.98
Dongfang Boiler Co., Ltd.* (東方電氣集團東方鍋爐股份有限公司)	Subsidiary	Manufacture of power generation equipment	193,747.86	3,136,718.00	1,049,002.80	1,084,886.09	86,064.61	70,690.49
Dongfang Electric Wind Power Share Co., Ltd.* (東方電氣集團股份有限公司)	Subsidiary	Manufacture of power generation equipment	43,812.16	3,081,258.03	185,584.49	551,570.10	-28,809.84	-30,196.56
Dongfang Electric Automatic Control Engineering Co., Ltd.* (東方電氣自動控制工程有限公司)	Subsidiary	Manufacture of power generation equipment	104,106.75	528,817.63	186,942.72	212,115.47	14,061.37	12,573.98
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.* (東方電氣(廣州)重型機器有限公司)	Subsidiary	Manufacture of power generation equipment	127,947.96	433,958.53	190,741.01	90,580.97	6,619.51	6,474.49
Dongfang Electric Finance Co., Ltd.* (東方電氣集團財務有限公司)	Subsidiary	Financial services	209,500.11	6,253,866.30	402,475.45	52,239.47	20,149.83	17,331.07

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(V) Analysis of Major Holdings and Participating Companies (Continued)

Acquisitions and disposals of subsidiaries during the Reporting Period

Name of the company	Methods of acquisitions and disposals of subsidiaries during the Reporting Period	Impact on overall production, operations and performance (RMB)
Dongfang Huineng (Hami) New Energy Co., Ltd.* (東方慧能(哈密)新能源有限公司)	Establishment of investment	
Dongfang Electric Wind Power Equipment (Anguo) Co., Ltd.* (東方電氣風電設備(安國)有限公司)	Establishment of investment	
Tacheng Dongxin New Energy Co., Ltd.* (塔城東新新能源有限公司)	Establishment of investment	
Dongfang Wind Power (Shuangliao) New Energy Co., Ltd.* (東方風電(雙遼)新能源有限公司)	Establishment of investment	
Dongfang Electric Harneng Technology (Hangzhou) Co., Ltd.* (東方電氣馭能科技(杭州)有限公司)	Establishment of investment	-872,423.19
Dongfang Electric (Zhengding) Power Technology Co., Ltd.* (東方電氣(正定)電力科技有限公司)	Establishment of investment	857.42
Mengcheng Donghua New Energy Technology Co., Ltd.* (蒙城東華新能源科技有限責任公司)	Deregistration	
Dongfang Electric Hydrogen Energy (Ya'an) Co., Ltd.* (東方電氣氫能(雅安)有限公司)	Deregistration	

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(V) Analysis of Major Holdings and Participating Companies
(Continued)

*Acquisitions and disposals of subsidiaries during the Reporting
Period (Continued)*

Other notes

☐ Applicable ☒ Not applicable

(VI) Information on Structured Entities Controlled by the Company

☐ Applicable ☒ Not applicable

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(VII) Possible Risks

1. *Risks Relating to 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, price competition in new energy sectors such as wind, solar and energy storage is intensifying, and the Company is facing increasing uncertainties and challenges in exploring the international market.

Control measures: (1) Deepen regionalized operations and cross-border industrial chain layout, cultivate momentum for internationalized operations, optimize coordination and synergy mechanisms for international business and overseas presence and deployment, promote industrial synergy, strengthen international brand promotion, expand space for external cooperation, and continuously enhance the Company's competitiveness in the international market. (2) Dynamically review country-specific policies, strengthen identification, assessment and response to overseas compliance risks, proactively apply international rules in overseas business marketing, transaction model design and other foreign-related business activities, enhance the ability to utilize and shape international rules, and uphold the bottom line of overseas compliance operations.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(VII) Possible Risks (Continued)

2. Policy Risks

Risk Description: As the scale of the Company's strategic emerging industries continues to grow, given the high dependence of strategic emerging industries on government industrial support policies, if the tracking and analysis of such policies is not sufficiently precise or the Company's ability to translate policies into practical application is inadequate, the Company's ability to respond agilely to market changes may be affected to a certain extent.

Control Measures: (1) Strengthen communication with local governments to secure more favorable policies, deepen research on the development trends, technology pathways and business models of strategic emerging industries, and dynamically optimize and adjust development strategies and management approaches in a targeted manner, so as to rapidly secure bulk orders amid intense market competition and promote high-quality industrial development. (2) In light of changes in the industry landscape of new industries, implement the requirements of special action plans for specific industries in a targeted manner, highlight key priorities, address shortcomings, and continue to support enterprises in certain key industries in market expansion, product promotion and industry cultivation.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(VII) Possible Risks (Continued)

3. *Business Transformation Risks*

Risk Description: As the Company undertakes investments in the course of its business transformation, given the prevalence of unstable and uncertain factors in the external environment, heightened volatility in the capital markets, coupled with the long cycle for the commercialization of new technologies, uncertainties in commercialization, and the fact that such investments are in a transitional incubation period, there is a possibility that the investment objectives may not be achieved as anticipated and that investment returns may fall short of expectations.

Control measures: (1) Continue to strengthen investment risk prevention, strictly control the entry threshold for new projects, and make every effort to supervise subsidiaries to conduct investment in a standardized and effective manner, carry out tracking, supervision and guidance on investment activities such as key enterprises and key (major) investment projects, and implement risk prevention and control throughout the entire investment process. (2) For subsidiaries that fail to realize their industrial functions, promptly carry out closure and liquidation or transfer and exit to control or reduce risks and revitalize existing industrial resources.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

IV. Principal Business during the Reporting Period (Continued)

(VIII) Prospect for the Second Half of 2026

In the second half of 2026, the Company will reinforce its confidence in development, maintain strategic resolve and uphold value-driven rationality. It will firmly embrace the business philosophies of “staying focused on core businesses and primary responsibilities, strictly controlling risk boundaries and committing to lean operations” and “businesses shall deliver value, scale shall generate benefits and profits shall be backed by cash flows”. Concentrating on its core business of energy equipment manufacturing, the Company will further implement the premium-quality strategy, strive to translate positive factors from all fronts into tangible development outcomes, fully accomplish all annual targets and tasks with high quality, and ensure a sound start for the 15th Five-Year Plan period.

V. Other Disclosures

(I) Other Disclosures

In active response to the “Initiative on Conducting the ‘Quality Improvement, Efficiency Enhancement, and Focus on Shareholder Returns’ Special Action of Companies Listed on the Shanghai Stock Exchange (《關於開展滬市公司“提質增效重回報”專項行動的倡議》)” of the Shanghai Stock Exchange, the Company earnestly fulfilled its primary responsibilities as a listed company by recognizing the promotion of high-quality development as its guiding principle. In 2026, the Company pursued the improvement of operating quality and effectiveness as its core, consolidated its intrinsic value from multiple perspectives by means of optimizing asset quality, strengthening shareholder return mechanisms, and deepening investor relations management, and was committed to sharing its long-term and steady growth in respect of the operating results with all investors.

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

V. Other Disclosures (Continued)

(I) Other Disclosures (Continued)

During the Reporting Period, the Company actively implemented the Shareholders' Return Plan for the Next Three Years (2025–2027). Based on the 2024 cash dividend ratio, the cash dividend ratio will increase by at least 1 percentage point year on year for each of the next three years (2025–2027). In July 2026, the Company completed its 2025 annual equity distribution. Based on the total issued share capital of 3,458,360,326 shares prior to the implementation of the plan, a cash dividend of RMB0.53 (tax inclusive) per share was distributed, totaling RMB1,832,930,972.78 (tax inclusive). The dividend payout ratio for 2025 increased by 1.08 percentage points compared to 2024, further reinforcing the shareholders' return mechanism.

During the Reporting Period, the Company continuously deepened investor relations management. Guided by investors' needs, the Company carried out information disclosure and kept optimising its periodic reports and ESG reports. In terms of overseas investors, English-language versions of the reports were released. Upon releases of reports, the Company interpreted its operating performance through various platforms and formats, including releasing a series of posts such as “one graphic to understand the annual report” and “one graphic to understand ESG”. This materially improved the efficiency of information access. The Company laid emphasis on two-way interaction in investor communication. In April 2026, the Company held the 2025 annual performance briefing in Hong Kong, in May 2026, hosted an investor open day and first quarter performance briefing event in Deyang, Sichuan, and participated in the “2025 Shanghai Stock Exchange Main Board

III. MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

V. Other Disclosures (Continued)

(I) Other Disclosures (Continued)

Ecosystem Efficiency Enhancement: Low-Carbon New Energy (2025年度滬市主板生態提效能之低碳新能)” collective earnings briefing organized by the Shanghai Stock Exchange in June 2026. Furthermore, the Company hosted multiple sessions of Shanghai Stock Exchange’s “I Am a Shareholder–Investors Visit Shanghai-Listed Companies” series of events. The senior management of the Company attended all relevant events, and engaged in thorough discussions with investors in respect of key issues such as corporate development strategy, gas turbine industry development and international market expansion, aiming to promptly respond to market concerns. Communication activities between the Company and investors attracted a record number of financial institutions and attendees, effectively boosting market recognition. In view of systematic and professional investor relations management, the Company was honored the “Tianma Award for Investor Relations of Hong Kong Listed Companies (港股上市公司投資者關係管理天馬獎)”.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. Overview of General Meetings

Session of meeting	Date	Designated website for publication of resolutions	Publication date of resolutions
The 2025 annual general meeting	29 May 2026	www.sse.com.cn www.hkexnews.hk	29 May 2026

On 29 May 2026, the Company held the 2025 annual general meeting, at which the resolution on the 2025 work report of the Board of the Company, the resolution on the 2025 annual report of the Company, the resolution on the 2025 profit distribution plan of the Company, the resolution on the appointment of the auditor of the Company for 2026, the resolution on the grant of general mandate to the Board to issue Shares by general meeting, the resolution on the remuneration management measures of the Company and the resolution on the 2026 Remuneration Plan for Members of the Board were considered and passed.

**IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY
(CONTINUED)**

II. Changes of the Directors and Senior Management Members of the Company

Name	Position	Change situation	Reasons for changes	Explanation on the change
Hu Xiukui	Vice President	Resigned	Retirement	Retirement upon reaching retirement age
Wang Zhiwen	General Legal Counsel	Appointed	Other	Appointed

Mr. Hu Xiukui ceased to be the vice president of the Company and ceased to hold other positions in the Company with effect from 2 March 2026 as he had reached the statutory retirement age.

At the eighteenth meeting of the eleventh session of the Board held on 31 March 2026, the Board of Directors agreed to appoint Mr. Wang Zhiwen as the general legal counsel with immediate effect.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

III. Interests and Short Positions of the Directors and Senior Management in Shares, Underlying Shares and Debentures

(I) Shareholding of Directors and Senior Management

Name	Position	Share class	Status	Number of Shares	Proportion of total share capital (%)	Proportion of class share capital (%)
Wang Jun	Senior Vice President	A shares	Beneficial owner	18,800(L)	0.00052%	0.00059%
Li Jianhua	Senior Vice President	A shares	Beneficial owner	46,500(L)	0.00134%	0.00152%
Hu Xiukui	Vice President	A shares	Beneficial owner	48,800(L)	0.00141%	0.00160%
Dan Jun	Vice President	A shares	Beneficial owner	22,500(L)	0.00065%	0.00074%

(L) – long position

Save as disclosed above, for the six months ended 30 June 2026, 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 any of its associated 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 (the “**Model Code**”) adopted by the Company.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY
(CONTINUED)

IV. Plan for Profit Distribution or Capitalization of Capital Reserve

(I) Profit distribution during the Reporting Period

Approved at the 2025 annual general meeting on 29 May 2026, the Company paid the final dividend for 2025 to its shareholders on 24 July 2026, a cash dividend of RMB5.30 (tax inclusive) per 10 shares, totaling the cash dividend of RMB1,832,930,972.78.

(II) Plans for profit distribution and capitalization of capital reserve for the first half year

Whether making profit distribution or converting surplus reserves into share capital	No
Number of bonus share for every 10 shares	0
Amount of cash dividend for every 10 shares (RMB) (tax inclusive)	0
Number of shares converted for every 10 shares	0

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

V. Others

(I) Employees and remuneration policies

1. *Number of employees*

As of 30 June 2026, the total number of employees of the Company was 18,741.

2. *Remuneration of employees*

As of 30 June 2026, the total amount of remuneration paid to the employees during the Reporting Period was RMB1,558.3401 million.

3. *Remuneration policy*

During the Reporting Period, the Company continued to improve the mechanism for determining the total payroll, coordinated business performance assessment targets, growth rates and benefit contributions, and rationally regulated corporate salary levels. It continued to optimise and adjust the income distribution structure, scientifically fine-tune remuneration strategies, and guide corporate income distribution to tilt towards core technical positions as well as front-line posts involving arduous, dirty, hazardous and strenuous work. The Company further strengthened company-wide performance management, realised cascaded decomposition of corporate strategies and organisational performance, and enhanced the Company's management efficiency and standards. It kept refining various special incentive policies, scaled up incentives for strategic emerging industries and key fields, rolled out ongoing medium- and long-term incentives, steadily expanded the number of participants covered by such incentives, with priority given to scientific and technological talents and highly-skilled talents.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

V. Others (Continued)

(II) Employee training plan

4. *Training plan*

During the Reporting Period, closely aligned with the strategic goal of building a “Premium-quality Group” and centring on the core requirements for talent team development, the Company focused on two major areas: enhancing political-theory training and strengthening capacity for driving development. It compiled and issued a unified annual training plan, formulated teaching implementation plans, and promoted the orderly roll-out of various training programmes. Specialised training covering technology, products, services and management was delivered at different tiers, across different fields and by specific themes. Guided by the ethos of “superb technology, exquisite products, thoughtful services and lean management”, the training improved the capabilities of cadres and employees to pursue high-quality development and prevent and mitigate risks. Partnering with higher-education institutions including Tsinghua University and Sichuan University, the Company ran key training programmes such as training for top-tier young scientific-technological talents, training for middle-aged and young leading personnel, and special training courses for enterprise supervisors of engineering masters and doctoral candidates. These initiatives effectively improved the quality of talent cultivation and provided talent support for the Company’s high-quality development. Meanwhile, the Company pressed ahead with the development of its online training platform and online training courses, diversified training modalities, strengthened training base development and built high-quality training programmes, so as to continuously advance the scientification, institutionalisation and standardisation of training practices.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

V. Others (Continued)

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

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

(IV) Major Acquisition and Disposal of Subsidiaries and Associates

There were no other major acquisition and disposal of subsidiaries and associates of the Group during the six months ended 30 June 2026.

(V) Corporate Governance Code

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

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

V. Others (Continued)

(VI) Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Having made specific enquiries to all Directors, the Company confirms that, for the period ended 30 June 2026, the Directors of the Company had complied with the provisions regarding the securities transactions by directors as set out in the Model Code.

(VII) Audit and Risk Committee

The Board has set up an audit and risk committee comprising one non-executive Director, being Mr. Zhang Shaofeng, and three independent non-executive Directors, being Mr. Huang Feng, Mr. Zeng Daorong and Ms. Chen Yu. The audit and risk committee has reviewed and passed the unaudited interim results of the Group for the six months ended 30 June 2026 and this report, and agreed with the accounting treatment method adopted by the Company.

VI. Equity Incentive Scheme, Employee Stock Ownership Scheme or Other Employee Incentives and Effects Thereof

The 2019 A-Share Restricted Stock Incentive Plan (the “**Incentive Plan**”) implemented by the Company with effect from 22 November 2019 has been completed. No restricted shares or other interests were granted, exercised, vested, cancelled or lapsed under the Incentive Plan for the six months ended 30 June 2026, and there were no interests available for future grant, outstanding for exercise, unvested or otherwise outstanding as at 1 January 2026 and 30 June 2026.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

VII. 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

Query index for legally-required environmental information disclosure reports

No.	Name of enterprise	
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

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY
(CONTINUED)

VII. 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 (Continued)

Number of enterprises included in the list of enterprises required to disclose environmental information in accordance with law		4
		Query index for legally-required environmental information disclosure reports
No.	Name of enterprise	

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

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

VII. 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 (Continued)

In the first half of 2026, Dongfang Electric's overall energy consumption and energy consumption per unit remained under control, with emissions of all types of pollutants meeting regulatory standards. In terms of the affiliated companies, there were no any major sudden environmental incidents, any serious violations of laws or regulations regarding energy conservation and ecological and environmental protection or penalties by the competent authorities for energy conservation or environmental protection.

Dongfang Electric scientifically established a green development evaluation system for the Group, continuously propelled the electrification of energy use and the greening of the power sector, and made concerted efforts in enhancing energy efficiency in equipment and upgrading clean process. Two national-level green factories and two provincial-level green factories were newly established, as well as six national-level green factories and 14 provincial-level green factories were cumulatively established. The Company completely reviewed and summarized the achievements in green development, and published its "2025 Green Development Report".

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

VIII. Consolidating and Expanding the Achievements of Poverty Alleviation and Rural Revitalization Work

From January to June 2026, the Company continued its targeted poverty alleviation efforts in Zhaojue County, Sichuan Province, and Ji County, Shanxi Province. In targeted poverty-alleviation areas, the Company invested free support funds of RMB25.60 million, attracted free support funds of RMB597,100, provided funds of RMB6.4722 million through purchases instead of donations, assisted in sales of RMB4.4216 million, conducted “three types of training” for 934 participants, facilitated the employment of 303 people, and recruited 1 person, and purchased agricultural products of RMB1.1876 million from underdeveloped counties in Tibet, southern Jiangxi, western Fujian and Sichuan Province.

1. Continuing to advance industrial assistance. The Company established a task force for industrial revitalization and commercial projects, evaluated and advanced the implementation of relevant projects, actively promoted the establishment of two commercial projects including the 268-megawatt centralized wind power project and the wind turbine generator manufacturing project in Zhaojue County, as well as the 90-megawatt wind power project operated by Datang in Jixian County, Shanxi and the 10-megawatt wind power project in Linfen, Shanxi, and completed the equity transfer and other related tasks for the waste-to-energy projects in Zhaojue County.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

VIII. Consolidating and Expanding the Achievements of Poverty Alleviation and Rural Revitalization Work (Continued)

2. Deepening and effectively implementing consumer-driven poverty alleviation efforts. The Company released the “2026 List of Products for Consumption-Driven Poverty Alleviation”, increasing 27 new specialty products such as bitter buckwheat and blueberries. The Company introduced sixteen types of holiday gift sets and mechanisms such as “select first, purchase later”, as well as assisted in strengthening and supplementing the industrial chains including in-depth processing, therefore offering diverse procurement options for various organizations. The Company organized a special meeting on consumption-based poverty alleviation for businesses in Zhaojue County, improved the quality of agricultural products by adopting a range of measures, boosted consumption-based poverty alleviation products on the “Dongfang e-Cai (東方e採)” online platform, and made concerted efforts in helping participating businesses join the “JD Huicai (京東慧採)” platform, which expanded sales channels. The Company’s further advancement of “local specialty products” helped farmers achieve stable income growth.
3. Innovating talent support models. The Company launched the “dreams of the east (圓夢東方)” rural practice initiative, carried out a three-month support assignment by selecting four young employees to accompany village-based first secretaries to designated villages and towns, as well as organized short-term practical experiences for young employees and college students combining “industrial culture” with “rural revitalization”, providing talent support to serve the national rural revitalization strategy and propel the Company’s high-quality development.

IV. CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY (CONTINUED)

VIII. Consolidating and Expanding the Achievements of Poverty Alleviation and Rural Revitalization Work (Continued)

4. Refining the organizational assistance mechanism. The Company optimized the “three-level joint assistance” mechanism in Zhaojue County by adding two villages to receive assistance, thereby realizing full pairing between the Company’s 17 Party organizations and 12 assisted villages. With expansion of the external resources, the Company explored the approach to assistance funds and project collaboration, cooperated with relevant parties to establish a “young sprouts” reading room at the primary school in Zhuke Town, Zhaojue County, and donated books and sports as well as cultural supplies.
5. Cultivating a distinctive poverty alleviation brand. The Company systematically enhanced the influence of its poverty alleviation brand. The Huopu Village poverty alleviation case was featured once again in the “People’s Daily”, which launched a series of videos including special feature reports and village-resident diaries. The Company proactively submitted nine cases including those on international poverty reduction, the Blue Book on Central State-Owned Enterprises Supporting Rural Revitalization, and outstanding examples of safety-net assistance in Sichuan Province, Jimu'erla a cadre seconded by the Company, was awarded the title of new era youth pioneer for 2026, as well as Huopu Village assisted by the Company was honored as a model village by the Food and Agriculture Organization of the United Nations.

V. SIGNIFICANT EVENTS

I. Performance of Undertakings

(I) Undertakings of the De Facto Controller, Shareholders, Related Parties, Acquirer of the Company and the Company Made or Subsisting During the Reporting Period

Background of undertakings	Type of undertakings	Type of undertakings	Contents of undertakings	Time of undertakings	Any term of performance	Term of undertakings	Strictly performed in a timely manner or not	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertakings in relation to the share reform	/								
Undertakings in acquisition report or report on changes in equity	/								
Undertakings in relation to major asset reorganisation	/								
Undertakings in relation to IPO	/								

V. SIGNIFICANT EVENTS (CONTINUED)

I. Performance of Undertakings (Continued)

(I) Undertakings of the De Facto Controller, Shareholders, Related Parties, Acquirer of the Company and the Company Made or Subsisting During the Reporting Period (Continued)

Background of undertakings	Type of undertakings	Type of undertakings	Contents of undertakings	Time of undertakings	Any term of performance	Term of undertakings	Strictly performed in a timely manner or not	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertakings in relation to refinancing	Lock-up of shares	Dongfang Electric Corporation	As of the date of this supplemental commitment letter, neither the Company nor any related parties under its actual control reduced their holdings of Dongfang Electric's A shares. From six months prior to the pricing benchmark date of the issuance until six months after its completion, neither the Company nor related parties under its actual control shall reduce their holdings of DEC's A shares, nor shall they have any plans to do so. Upon the completion of issuance of A shares to specific targets in 2023, the A shares of Dongfang Electric subscribed by DEC shall not be transferred in any manner for 18 months from the date the newly issued shares in this issuance are listed on the Shanghai Stock Exchange. During the aforementioned lock-up period, any A shares in this issuance subscribed by the Company that are derived from matters such as bonus shares issued by Dongfang Electric and the capitalization of capital reserves shall also be subject to the aforementioned lock-up arrangements.	20 April 2023, and 15 May 2023	Yes	Within 18 months from the date the newly issued shares in this issuance are listed on the Shanghai Stock Exchange	Yes	/	/

V. SIGNIFICANT EVENTS (CONTINUED)

I. Performance of Undertakings (Continued)

(I) Undertakings of the De Facto Controller, Shareholders, Related Parties, Acquirer of the Company and the Company Made or Subsisting During the Reporting Period (Continued)

Background of undertakings	Type of undertakings	Type of undertakings	Contents of undertakings	Time of undertakings	Any term of performance	Term of undertakings	Strictly performed in a timely manner or not	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving ownership defects of lands and other properties	Dongfang Electric Corporation	Building No. 2 in Chengdu, constructed by Dongfang Boiler on its own land, obtained the Land Use Planning Permit (No. Di Zi 510124201229059), the Construction Project Planning Permit (No. Jian Zi 5101242201339129), and Construction Project Construction Permit No. CGGJ (2013)-J164. Due to some discrepancies between the construction drawings and the as-built drawings, it is currently not possible to process the title deed. In light of the above circumstances, Dongfang Electric Corporation, as the controlling shareholder of Dongfang Electric, hereby makes the following commitment: If Dongfang Electric and Dongfang Boiler suffer losses due to the demolition or relocation of the aforementioned properties for which title certificates have not yet been obtained, or due to penalties imposed by relevant government regulatory authorities, Dongfang Electric Corporation will unconditionally compensate Dongfang Electric and its subsidiaries in full in cash.	20 April 2023	No	/	Yes	/	/

V. SIGNIFICANT EVENTS (CONTINUED)

I. Performance of Undertakings (Continued)

(I) Undertakings of the De Facto Controller, Shareholders, Related Parties, Acquirer of the Company and the Company Made or Subsisting During the Reporting Period (Continued)

Background of undertakings	Type of undertakings	Type of undertakings	Contents of undertakings	Time of undertakings	Any term of performance	Term of undertakings	Strictly performed in a timely manner or not	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Profit forecast and compensation	Dongfang Electric Corporation		DEC Group undertakes that 1. the sum of the actual net income of the investment properties of Dongfang Turbine and Dongfang Electric Machinery appraised by the income approach for the current year and the previous one or two financial years of the profit compensation period shall not be lower than the sum of the forecasted net income of the investment properties of Dongfang Turbine and Dongfang Electric Machinery appraised by the income approach for the current year and the previous one or two financial years of the profit compensation period as stated in the Asset Valuation Report; 2. the sum of the actual share of income of technical intangible assets of Dongfang Electric Machinery, Dongfang Turbine, Dongfang Boiler and Dongfang Heavy Machinery for the current year and the previous one or two financial years of the profit compensation period shall not be lower than the sum of the forecasted share of income of technical intangible assets of the target company for the current year and the previous one or two financial years of the profit compensation period as stated in the Asset Valuation Report. (For further details, please refer to the sections titled "Principal Provisions of the 'Profit Forecast Compensation Agreement' with Preconditions" and "Principal Provisions of the 'Supplemental Agreement to the Profit Forecast Compensation Agreement' with Preconditions" in the "Prospectus for Issuance of A Shares to Specific Targets in 2023 (Registration Version)" disclosed by the Company on 26 March 2025.)	4 April 2023, and 20 February 2025	Yes	2025, 2026, and 2027	Yes	/	/

V. SIGNIFICANT EVENTS (CONTINUED)

I. Performance of Undertakings (Continued)

(I) Undertakings of the De Facto Controller, Shareholders, Related Parties, Acquirer of the Company and the Company Made or Subsisting During the Reporting Period (Continued)

Background of undertakings	Type of undertakings	Type of undertakings	Contents of undertakings	Time of undertakings	Any term of performance	Term of undertakings	Strictly performed in a timely manner or not	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertakings in relation to equity incentive	/								
Other undertakings made to the minority shareholders of the Company	/								
Other undertakings	/								

V. SIGNIFICANT EVENTS (CONTINUED)

II. Bankruptcy Reorganization

On 27 September 2020, the People's Court of Xiaoshan District, Hangzhou City ruled and declared the bankruptcy of Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd. 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. Material Litigation or Arbitration Events

During the six months ended 30 June 2026 and up to the date of this report, the Company was not involved in any material litigation or arbitration, and as far as the Directors are aware, the Company does not have any material litigation or claims pending or threatening to the Company.

IV. Material Events

There are no events that have significant impacts on the Group since the end of the Reporting Period.

V. Material Related Party Transactions

(I) Related party transactions in ordinary course of business

For details of related party transactions related to ordinary course of business, please refer to "Note 12: Related parties and related party transactions" in the financial statements section of this report.

V. SIGNIFICANT EVENTS (CONTINUED)

VI. Material Contracts and Implementation Thereof

(I) Details of material guarantees executed and not yet fully performed during the Reporting Period

Unit: Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for subsidiaries)												
Guarantor	Relationship between guarantor and listed company	Commencement date of guarantee (execution date of agreement)	Guaranteed amount	Date of agreement	Expiry date of guarantee	Type of guarantee	Principal debt	Is the guarantee fully fulfilled (if any)		Is the guarantee provided to related party		Related party relationship
								guarantee	overdue amount	Any counter guarantee	related party	
Dongfeng Electric Corporation Limited* (東方電機股份有限公司)	Headquarters of the Company	19 January 2016	16,000,000.00	19 January 2016	19 January 2016	General guarantee	The principal debt was fully repaid, and the procedures for cancelling the registration of the equity pledge are currently being processed.	Yes	No	0	Yes	Associate
	Inner Mongolia Energy Power Hongjiling Wind Power Co., Ltd. (內蒙古紅旗風電有限公司)											

V. SIGNIFICANT EVENTS (CONTINUED)

VI. Material Contracts and Implementation Thereof (Continued)

(I) Details of material guarantees executed and not yet fully performed during the Reporting Period (Continued)

External guarantees provided by the Company (excluding guarantees provided for subsidiaries)														
Guarantor	Relationship between guarantor and listed company	Guaranteed parties	Guaranteed amount	Guaranteed (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Principal debt	Item of guarantee (if any)	Is the guarantee fully fulfilled		Is the guarantee provided to related party		
										guarantee	overdue amount	guarantee	relationship	
Dongfang Electric Corporation Limited* (東方電氣股份有限公司)	Headquarters of the Company	Inner Mongolia Mengheng Sanshengda Wind Power Co., Ltd. (內蒙古三聖大風電有限公司)	16,000,000.00	29 June 2016	29 June 2016	2016	General guarantee	The principal debt was fully repaid, and the procedures for cancelling the registration of the equity pledge are currently being processed.		Yes	No	Yes	Associate	
Dongfang Electric Corporation Limited* (東方電氣股份有限公司)	Headquarters of the Company	Inner Mongolia Mengheng Wulan New Energy Co., Ltd. (內蒙古蒙能烏蘭新能源有限公司)	36,000,000.00	26 August 2016	26 August 2016	2016	General guarantee	The principal debt was fully repaid, and the procedures for cancelling the registration of the equity pledge are currently being processed.		Yes	No	Yes	Associate	

V. SIGNIFICANT EVENTS (CONTINUED)

VI. Material Contracts and Implementation Thereof (Continued)

(I) Details of material guarantees executed and not yet fully performed during the Reporting Period (Continued)

External guarantees provided by the Company (excluding guarantees provided for subsidiaries)														
Guarantor	Relationship between guarantor and listed company	Commencement				Type of guarantee	Principal debt	Item of guarantee (if any)	Is the guarantee		Is the guarantee			
		Guaranteed amount	Guaranteed execution date of agreement	Date of guarantee agreement	Expiry date of guarantee				fully guaranteed	overdue amount	provided to	related party		
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 (Gangzhou) Co., Ltd. (三峯重工業方燃气輪機(廣州)有限公司)	24,500,000.00	22 September 2016	22 September 2016	Termination date of the long-term service agreement	General guarantee		No	No	0	No	Yes	Joint venture

VI. Material Contracts and Implementation Thereof (Continued)

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

0.05

V. SIGNIFICANT EVENTS (CONTINUED)

VI. Material Contracts and Implementation Thereof (Continued)

(I) Details of material guarantees executed and not yet fully performed during the Reporting Period (Continued)

External guarantees provided by the Company (excluding guarantees provided for subsidiaries)										
Guarantor	Relationship between guarantor and listed company	Guaranteed parties	Guaranteed amount	Commencement date of guarantee (execution date of agreement)	Date of agreement	Expiry date of guarantee	Type of guarantee	Principal debt	Is the guarantor provided to Related party	

Representing:

Amount of guarantees provided for shareholders, de facto controller and their related parties (C)

Balance of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)

Excess amount of aggregate guarantee over 50% of net assets (E)

Aggregate amount of the above three items (C+D+E)

V. SIGNIFICANT EVENTS (CONTINUED)

VI. Material Contracts and Implementation Thereof (Continued)

(I) Details of material guarantees executed and not yet fully performed during the Reporting Period (Continued)

External guarantees provided by the Company (excluding guarantees provided for subsidiaries)										
Guarantor	Relationship between guarantor and listed company	Guaranteed parties	Guaranteed amount	Commencement date of guarantee (execution date of agreement)	Expiry date of guarantee	Type of Principal guarantee debt	Item of guarantee (if any)	Is the guarantors the fullguaranteee fulfilled/overdue amount	Any counter guarantee	Is the
										Related
										party
										relationship

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

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.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds

(I) Overall Use of Proceeds

Unit: 0,000 yuan Currency: RMB

Sources of proceeds	Timing of proceeds receipt	Total proceeds (1)	Net proceeds (1)	Committed total investment of proceeds under the prospectus or offering document (2)	Total over-raised proceeds (3)=(1)-(2)	Total amount of proceeds accumulatedly invested as at the end of the Reporting Period (4)	Including: Accumulated investment amount of over-raised proceeds as at the end of the Reporting Period (5)	Accumulated investment progress of proceeds as at the end of the Reporting Period /% (6)=(4)/(5)	Amount of investment in the year (6)	Proportion of investment in the year /% (9)=(6)/(1)	Total amount of proceeds with the use charged
Issuance of shares to specific targets	7 April 2025	412,315.96	411,655.54	500,000.00	0	412,353.49	0	100.17	44,007.22	10.69	0
Total	/	412,315.96	411,655.54	500,000.00	0	412,353.49	0	/	44,007.22	/	/

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(I) Overall Use of Proceeds (Continued)

Other notes

1. The total amount of proceeds through the issuance of shares to specific targets was RMB4,123,189,647.33. After deducting underwriting and sponsorship fees of RMB7,021,741.38 (including value-added tax), the Company actually received cash proceeds of RMB4,116,167,905.95. The issuance expenses solely consist of underwriting fees. The actual net proceeds, calculated by deducting offering expenses (excluding tax) of RMB6,624,284.32 from the total proceeds, amounted to RMB4,116,565,363.01.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(I) Overall Use of Proceeds (Continued)

Other notes (Continued)

2. Placing of New H Shares under General Mandate

Pursuant to the general mandate granted to the Board at the extraordinary general meeting of the Company held on 14 March 2025, under the Placing Agreement entered into between the Company and CLSA Limited (as the Sole Placing Agent) on 18 September 2025, 68,000,000 H Shares were placed at the Placing Price of HK\$15.92 per Placing H Share to not less than six Placees (who and whose ultimate beneficial owners are Independent Third Parties). The Placing Price per Placing H Share represents: (a) a discount of approximately 7.98% to the closing price of HK\$17.30 per H Share as quoted on the Hong Kong Stock Exchange on 17 September 2025, being the Last Trading Day; and (b) a discount of approximately 6.81% to the average closing price of HK\$17.08 per H Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including 17 September 2025. The Placing was completed on 24 September 2025 and the total number of issued Shares of the Company increased from 3,390,360,326 Shares to 3,458,360,326 Shares.

The Placing is based on that the power generation equipment industry is currently undergoing a profound transformation driven by the “dual carbon” goals, with robust demand for renewable energy (wind power, photovoltaic, hydropower) and supporting equipment for new power systems (such as energy storage and smart grids). To maintain its leading position, the Company needs to continue making investments, and the funds raised through the Placing will provide financial support for its operational activities.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(I) Overall Use of Proceeds (Continued)

Other notes (Continued)

2. Placing of New H Shares under General Mandate (Continued)

The total proceeds and net proceeds (after deducting placement commissions and other related costs and expenses arising from the placement) amounted to approximately HK\$1,082.56 million and HK\$1,074.84 million respectively. The Company intends to use the net proceeds from the placement (after deducting placement commissions and other related costs and expenses arising from the placement) for general working capital, of which (i) approximately 50% the net proceeds from the placement (approximately HK\$537.42 million) will be used for research and development expenditure; and (ii) approximately 50% of the net proceeds from the placement (approximately HK\$537.42 million) will be used to expand the Company's sales channels. As of 31 December 2025, none of the net proceeds had been utilised. As of the end of the Reporting Period, approximately HK\$97.73 million of the aforementioned funds was utilised. The Company will plan the subsequent allocation of funds in a prudent and orderly manner in accordance with the progress of the projects.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(I) Overall Use of Proceeds (Continued)

Other notes (Continued)

2. Placing of New H Shares under General Mandate (Continued)

Details of use and application of the proceeds are as follows:

Unit: million Currency: HK\$

Intended use of proceeds	Originally allocated amount	Percentage of net proceeds	Amount		Expected utilisation schedule
			utilised as at 30 June 2026	unutilized as at 30 June 2026	
Research and development expenditure	537.42	50%	89.74	447.68	2027
Expansion of the Company's sales channels	537.42	50%	7.99	529.43	2027
	<u>1,047.84</u>	<u>100%</u>	<u>97.73</u>	<u>977.11</u>	

As at 30 June 2026, the actual and intended uses of the net proceeds from the above placing were consistent with those previously disclosed by the Company, and there were no material changes or delays.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(II) Details of fundraising projects

☒ Applicable ☐ Not applicable

1. Details of use of proceeds

☒ Applicable ☐ Not applicable

Unit: RMB0,000

Source of proceeds	Name of project	Nature of project	Whether committed investment project under the prospectus or offering document	Whether change of use involved	Total planned investment amount of proceed (1)	Amount of investment in the year	Total amount of proceeds accumulatedly invested as at the end of the Reporting Period (2)	Accumulated investment progress as at the end of the Reporting Period (%) (3)=(2)/(1)	Date on which the project is ready for the intended use	Whether the investment progress in line with the planned progress	Whether the investment progress has not met the plan	Specific reasons for the investment progress	Benefits or research and development results achieved in the project	Whether the feasibility of the project has changed significantly, if so, please specify the details	Balance as at end of the Reporting Period*
Issuance of shares to specific targets	Acquire 8.14% of the equity of Dongfang Electric Machinery held by Dongfang Electric Corporation	Other	Yes	No	73,541.53	-	73,541.53	100.00	N/A	Yes	Yes	N/A	N/A	No	0
Issuance of shares to specific targets	Acquire 8.70% of the equity of Dongfang Turbine held by Dongfang Electric Corporation	Other	Yes	No	113,340.78	-	113,340.78	100.00	N/A	Yes	Yes	N/A	N/A	No	0

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(II) Details of fundraising projects (Continued)

1. Details of use of proceeds (Continued)

Source of proceeds	Name of project	Nature of project	Whether committed investment under the prospectus or offering document	Whether change of use involved	Total planned investment amount of proceed (f)	Amount of investment in the year	Total amount of proceeds accumulatedly invested as at the end of the Reporting Period (g)	Accumulated investment progress as at the end of the Reporting Period (%) (g)-(f)/(f)	Date on which the project is ready for the intended use	Whether the investment progress is in line with the planned progress	Specific reasons for the investment progress not met the plan	Benefits or research and development results achieved in the project	Whether the feasibility of the project has changed significantly, if so, please specify the details	Balance as at end of the Reporting Period*
Issuance of shares to specific targets	Acquire 4.55% of the equity of Dongfang Boiler held by Dongfang Electric Corporation	Other	Yes	No	48,646.05	-	48,646.05	100.00	N/A	Yes	N/A	N/A	No	0
Issuance of shares to specific targets	Acquire 5.63% of the equity of Dongfang Heavy Machinery held by Dongfang Electric Corporation	Other	Yes	No	17,122.90	-	17,122.90	100.00	N/A	Yes	N/A	N/A	No	0

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(II) Details of fundraising projects (Continued)

1. Details of use of proceeds (Continued)

Source of proceeds	Name of project	Nature of project	Whether committed investment project under the prospectus or offering document	Whether charge of use involved	Total planned investment amount of proceed (1)	Total amount of proceeds accumulatedly invested as at the end of the Reporting Period (2)	Accumulated investment progress as at the end of the Reporting Period (%) (3)=(2)/(1)	Date on which the project is ready for the intended use	Whether the investment progress is in line with the planned progress	Specific reasons for the investment progress has not met the plan	Benefits or research and development results achieved in the project this year	Whether the feasibility of the project has changed significantly, if so, please specify the details	Balance as at end of the Reporting Period*
Issuance of shares to specific targets	Pumped Storage Energy Technology R&D Capacity Enhancement Project	Production and construction	Yes	No	28,927.73	29,956.17	100.10	March 2026	Yes	N/A	Note 2	No	0
Issuance of shares to specific targets	Gas Turbine Rotor Machining and Manufacturing Capacity Upgrade Project	Production and construction	Yes	No	5,464.13	5,464.13	100.00	December 2023	Yes	N/A	Note 3	No	0

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(II) Details of fundraising projects (Continued)

1. Details of use of proceeds (Continued)

Source of proceeds	Name of project	Nature of project	Whether committed investment project under the prospectus or offering document	Whether change of use involved	Total planned investment amount of proceed (f)	Total amount of proceeds accumulatedly invested as at the end of the Reporting Period (g)	Accumulated investment progress as at the end of the Reporting Period (%) (g÷(f))	Date on which the project is ready for the use	Whether the investment progress is in line with the planned progress	Specific reasons for the investment progress has not met the plan	Benefits or research and development results achieved in the project this year	Whether the feasibility of the project has changed significantly, if so, please specify the details	Balance as at end of the Reporting Period*
Issuance of shares to specific targets	Digital Workshop Construction Project of Dongfeng Turbine	Production and construction	Yes	No	26,356.38	26,356.38	100.00	December 2023	Yes	N/A	Note 4	No	0
Issuance of shares to specific targets	Digital Construction Project of Dongfeng Boiler	Production and construction	Yes	No	16,070.96	16,070.96	100.00	December 2023	Yes	N/A	Note 5	No	0

VII. Explanation of Progress in the Use of Proceeds (Continued)

(III) Details of fundraising projects (Continued)

1. *Details of use of proceeds (Continued)*

Source of proceeds	Name of project	Nature of project	Whether committed investment project	Whether prospectus change or offering of use document involved	Total planned investment amount	Amount of investment in the year	Total amount accumulatedly invested as at the end of the Reporting Period	Accumulated investment progress at the end of the Reporting Period (%) (H=20/11)	Date on which the project is intended to use	Whether the investment progress in line with the planned progress	Specific reasons for the investment progress has not met the plan	Benefits or research and development has changed significantly, Balance as at end of the Reporting details	Whether the project has been completed	
Issuance of shares to specific targets		Repayment of the loan	Yes	No	82,166.09	40,930.05	82,850.53	100.02	N/A	Yes	N/A	N/A	No	0
Total	/	/	/	/	411,656.54	44,007.22	412,353.46	/	/	/	/	/	/	/

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(II) Details of fundraising projects (Continued)

1. Details of use of proceeds (Continued)

Notes:

1. Relevant formalities for the registration of the equity transfers, namely 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, was currently completed.
2. 25 pumped-storage generating units.
3. It established a leading domestic base for the independent research, development, production and service of gas turbines, thereby supporting the industrial restructuring and transformation and upgrading of Dongfang Turbine, and meeting the demand for gas turbines in national energy development, infrastructure construction and major equipment projects.
4. It clearly accelerated the transformation of the traditional equipment manufacturing sector towards digital manufacturing and the service sector. By utilising new equipment and technologies to achieve the in-depth integration of informatisation and industrialisation, it will transition towards green and smart manufacturing, realising intelligent products, intelligent production and intelligent services, whilst gradually completing the construction of digital factories to build digital Dongfang Turbine.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(II) Details of fundraising projects (Continued)

1. Details of use of proceeds (Continued)

Notes: (Continued)

5. The digital production line for serpentine tubes produced over 6,300 tonnes throughout the year. The first saddle welding workstation in the country, at the Second Boiler Division, was commissioned, reducing waiting time and associated waste in the production of steam drum vessels, whilst increasing assembly and welding efficiency by 35%. The burner workshop's flexible machining centre for cylinder bodies covers over 85% of different materials, reducing the production time for a single cylinder by over 60%.
6. As of the end of June 2026, the committed investment funds raised for Pumped Storage Energy Technology R&D Capability Enhancement Project, Gas Turbine Rotor Machining and Manufacturing Capability Upgrade Project, Digital Workshop Construction Project of Dongfang Turbine and Digital Construction Project of Dongfang Boiler were fully invested. The interest earned on the account balances was used to permanently supplement working capital and was fully channeled into the Company's daily production and operations.
7. The total amount of proceeds accumulatively invested in Pumped Storage Energy Technology R&D Capability Enhancement Project and to supplement working capital as of the end of the Reporting Period includes interest generated on the proceeds, resulting in the investment progress at the end of the period exceeding 100%.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(II) Details of fundraising projects (Continued)

2. *Details of use of over-raised proceeds*

☐ Applicable ☒ Not applicable

3. *Specific details regarding the re-evaluation of fundraising projects during the Reporting Period*

☐ Applicable ☒ Not applicable

(III) Change or termination of fundraising projects during the Reporting Period

☐ Applicable ☒ Not applicable

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(IV) Other information on the use of proceeds during the Reporting Period

1. *Initial investment and replacement of fundraising projects*

☒ Applicable ☐ Not applicable

From 4 April 2023 to 7 April 2025, the Company utilised self-raised funds to pay a total of RMB727,422,400 towards the construction of its fundraising projects. In specific, the advance investment from self-raised funds for Pumped Storage Energy Technology R&D Capability Enhancement Project of Dongfang Electric Machinery amounted to RMB182,750,000, the advance investment from self-raised funds for Gas Turbine Rotor Machining and Manufacturing Capability Upgrade Project of Dongfang Turbine amounted to RMB74,194,000, the advance investment from self-raised funds for Digital Workshop Construction Project of Dongfang Turbine amounted to RMB310,126,300, and the advance investment from self-raised funds for Digital Construction Project of Dongfang Boiler amounted to RMB160,352,100. The use of the aforementioned self-raised funds was reviewed and confirmed by BDO China Shu Lun Pan Certified Public Accountants LLP in the Attestation Report No. ZG219893 [2025] on the Replacement of Self-Raised Funds Previously Invested in Fundraising Projects with Proceeds by Dongfang Electric Corporation Limited issued on 29 April 2025.

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(IV) Other information on the use of proceeds during the Reporting Period (Continued)

1. *Initial investment and replacement of fundraising projects (Continued)*

Pursuant to the resolution approved at the ninth meeting of the eleventh session of the Board of the Company, the Company shall use the proceeds to replace the own funds previously invested, with the amount replaced being RMB661,307,200. Particularly, RMB182,750,000 of own funds was already invested in the replacement of Pumped Storage Energy Technology R&D Capability Enhancement Project of Dongfang Electric Machinery, RMB54,641,300 of own funds was already invested in the replacement of Gas Turbine Rotor Machining and Manufacturing Capability Upgrade Project of Dongfang Turbine, RMB263,563,800 of own funds was already invested in the replacement of Digital Workshop Construction Project of Dongfang Turbine, and RMB160,352,100 of own funds was already invested in the replacement of Digital Construction Project of Dongfang Boiler. Any shortfall in the adjusted funds for the fundraising projects shall be covered by the implementing entity through self-raised funds.

2. *Use of idle proceeds to temporarily supplement working capital*

☐ Applicable ☒ Not applicable

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(IV) Other information on the use of proceeds during the Reporting Period (Continued)

3. Cash management of idle proceeds and investment in relevant products

☒ Applicable ☐ Not applicable

Unit: 0'000 yuan Currency: RMB

Date of consideration by the Board	Valid approved amount for cash management of proceeds	Commence date	Expiry date	Cash management balance at the end of Reporting Period	Whether the maximum balance during the period exceeds the authorized amount
29 April 2025	93,000	29 April 2025	28 April 2026	0	No

Other note

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

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

(IV) Other information on the use of proceeds during the Reporting Period (Continued)

3. *Cash management of idle proceeds and investment in relevant products (Continued)*

Other note (Continued)

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.

4. *Others*

☐ Applicable ☒ Not applicable

V. SIGNIFICANT EVENTS (CONTINUED)

VII. Explanation of Progress in the Use of Proceeds (Continued)

- (V) Explanation on the intermediary agency regarding irregularities identified during the verification of the storage and use of proceeds

☐ Applicable ☒ Not applicable

- (VI) Subsequent rectification for unauthorized change of the use of proceeds and illegal misappropriation of proceeds

☐ Applicable ☒ Not applicable

VIII. Explanation on Other Material Matters

☐ Applicable ☒ Not applicable

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. Changes in Ordinary Shares

(I) Table of changes in shares

During the Reporting Period, the total number of shares and share capital structure of the Company remained unchanged.

II. Particulars of Shareholders

(I) Total number of shareholders:

Total number of shareholders of ordinary shares as of the end of the Reporting Period (shareholder)	218,640
Total number of shareholders of preference shares with restoration of voting rights as at the end of Reporting Period (shareholder)	0

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

(II) Shareholdings of the top 10 shareholders, 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

Name of shareholder (Full name)	Shareholdings of top 10 shareholders (Excluding shares lent through refinancing)			Pledged, marked or frozen			
	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Period	Percentage (%)	Number of shares held subject to trading moratorium	Status of shares	Number of shares	Type of shareholder
Dongfang Electric Corporation	0	1,776,676,194	51.37	786,993,731	Nil	-	State-owned legal person
Hong Kong Securities Clearing Company Limited	+535,100	406,491,469	11.75	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)	-66,950,376	36,705,459	1.06	0	Unknown	-	State-owned legal person
Zhang Chunlei (張春雷)	+15,027,900	15,027,900	0.43	0	Unknown	-	Domestic natural person

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

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

Name of shareholder (Full name)	Shareholdings of top 10 shareholders (Excluding shares lent through refinancing)		Percentage (%)	Pledged, marked or frozen		
	Increase/ decrease during the Reporting Period	Number of shares held at the end of the Period		Number of shares held subject to trading moratorium	Status of shares	Number of shares
						Type of shareholder
Agricultural Bank of China Limited – Huitianfu Xinrui Select Flexible Allocation Hybrid Securities Investment Fund (中國農業銀行股份 有限公司－匯添富新睿精選靈活配 置混合型證券投資基金)	+1,075,500	9,318,850	0.27	0	Unknown	– Others
Bank of China Limited – Ping An Dahua Dingyue Flexible Allocation Hybrid Securities Investment Fund (中國銀 行股份有限公司－平安大華鼎越靈 活配置混合型證券投資基金)	+6,176,500	6,176,500	0.18	0	Unknown	– Others
Fullgoal Fund Management Co., Ltd. – Social Security Fund 2101 Portfolio (富爾基金管理有限公司－社保基金 2101 組合)	+5,970,531	5,970,531	0.17	0	Unknown	– Others

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

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

Name of shareholder (Full name)	Shareholdings of top 10 shareholders (Excluding shares lent through refinancing)			Pledged, marked or frozen				
	Increase/ decrease during	Number of shares held at the end of	Percentage (%)	Number of shares held subject		Status of shares	Number of shares	Type of shareholder
	the Reporting	the Period		to trading				
	Period			moratorium				
Basic Pension Insurance Fund 2005 Portfolio (基本養老保險基金二零零五組合)	+5,953,494	5,953,494	0.17	0	Unknown	-	Others	
Bank of China Limited – Ping An Xin An Hybrid Securities Investment Fund (中國銀行股份有限公司－平安鑫安混合型證券投資基金)	+5,736,753	5,736,753	0.17	0	Unknown	-	Others	
China Construction Bank Corporation Limited – Qianhai Kaiyuan Utilities Sector Equity Securities Investment Fund (中國建設銀行股份有限公司－前海開源公用事業行業股票型證券投資基金)	+5,339,663	5,339,663	0.15	0	Unknown	-	Others	

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

(II) Shareholdings of the top 10 shareholders, 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 that were not subject to trading moratorium
(Excluding shares lent through refinancing)

Name of shareholder	Number of tradable shares that were not subject to trading moratorium	Type and number of shares	
		Type of shares	Number of shares
Dongfang Electric Corporation	989,682,463	RMB ordinary shares	989,682,463
Hong Kong Securities Clearing Company Limited	406,491,469	Overseas-listed foreign shares	406,491,469
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)	36,705,459	RMB ordinary shares	36,705,459
Zhang Chunlei (張春雷)	15,027,900	RMB ordinary shares	15,027,900
Agricultural Bank of China Limited – Huitianfu Xinrui Select Flexible Allocation Hybrid Securities Investment Fund (中國農業銀行股份有限公司—匯添富新睿精選靈活配置混合型證券投資基金)	9,318,850	RMB ordinary shares	9,318,850

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

(II) Shareholdings of the top 10 shareholders, 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 that were not subject to trading moratorium
(Excluding shares lent through refinancing)

Name of shareholder	Type and number of shares		
	Number of tradable shares that were not subject to trading moratorium	Type of shares	Number of shares
Bank of China Limited – Ping An Dahua Dingyue Flexible Allocation Hybrid Securities Investment Fund (中國銀行股份有限公司－平安大華鼎越靈活配置混合型證券投資基金)	6,176,500	RMB ordinary shares	6,176,500
Fullgoal Fund Management Co., Ltd. – Social Security Fund 2101 Portfolio (富國基金管理有限公司－社保基金2101 組合)	5,970,531	RMB ordinary shares	5,970,531
Basic Pension Insurance Fund 2005 Portfolio (基本養老保險基金二零零五組合)	5,953,494	RMB ordinary shares	5,953,494

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

(II) Shareholdings of the top 10 shareholders, 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 that were not subject to trading moratorium
(Excluding shares lent through refinancing)

Name of shareholder	Type and number of shares		
	Number of tradable shares that were not subject to trading moratorium	Type of shares	Number of shares
Bank of China Limited – Ping An Xin An Hybrid Securities Investment Fund (中國銀行股份有限公司—平安鑫安混合型證券投資基金)	5,736,753	RMB ordinary shares	5,736,753
China Construction Bank Corporation Limited – Qianhai Kaiyuan Utilities Sector Equity Securities Investment Fund (中國建設銀行股份有限公司—前海開源公用事業行業股票型證券投資基金)	5,339,663	RMB ordinary shares	5,339,663
Explanation on the special repurchase accounts under the top ten shareholders	Nil		

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

(II) Shareholdings of the top 10 shareholders, 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 that were not subject to trading moratorium (Excluding shares lent through refinancing)		Type and number of shares	
Name of shareholder	Number of tradable shares that were not subject to trading moratorium	Type of shares	Number of shares
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		

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

II. Particulars of Shareholders (Continued)

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

Unit: Share

Shareholdings of the top ten shareholders subject to trading moratorium and trading moratorium					
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		Conditions of trading moratorium
			Eligible listing time	Number of new listed shares	
1	Dongfang Electric Corporation	786,993,731	See Explanations 1 and 2	0	See Explanations 1 and 2

Description of connected relationship or concert party relationship among the above shareholders The Company is not aware of any connected relationship among the above-mentioned shareholders

Explanations:

1. The shares of Dongfang Electric which were subscribed for with the target assets owned by DEC shall not be transferred in any way within 36 months from their listing date, i.e. 12 June 2018. If the closing price of Dongfang Electric 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 lockup period of Dongfang Electric shares obtained by the Company in this transaction will be automatically extended for 6 months from the original lockup period.
2. The Company issued A shares to specific targets in 2023, and 33,090,668 shares subscribed for by the controlling shareholder, Dongfang Electric Corporation, have completed the procedures for registration, custody and restrictions on sale with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 14 April 2025. Following the completion of the issuance of A shares to specific targets, the shares subscribed for by Dongfang Electric Corporation shall not be transferred for eighteen months from the date of issuance.

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

III. Interests and/or Short Position of Substantial Shareholders in the Company and Underlying Shares

To the best knowledge of the Directors, having made all reasonable enquiries, as at 30 June 2026, 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 (as 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 (%)
DEC ¹	A Share	Beneficial owner	1,776,676,194(L)	51.37	58.24
	H Share	Interest held by controlled corporation	858,800(L)	0.02	0.21
JPMorgan Chase & Co. ²	H Share	Beneficial owner/	28,892,384(L)	0.83	7.08
		investment manager/	20,469,676(S)	0.59	5.01
		secured equity holders			
Artemis Investment Management LLP	H Share	Approved lending agent	4,804,178(P)	0.13	1.17
		Beneficial owner	25,777,600(L)	0.74	6.32
The Bank of New York Mellon Corporation	H Share	Interest held by controlled corporation	22,172,481(L)	0.64	5.43
		Approved lending agent	8,088,372(P)	0.23	1.98

(L) – long position

(S) – short position

(P) – lending pool

VI. CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

III. Interests and/or Short Position of Substantial Shareholders in the Company and Underlying Shares (Continued)

Notes:

1. DEC holds 100% interests in Dongfang Electric International Investment Co., Limited (formerly known as DongFang Electric (Hong Kong) Limited) ("**Dongfang Electric International**"), and is therefore deemed to be interested in the same number of H Shares which Dongfang Electric International Investment Co., Limited (formerly known as DongFang Electric (Hong Kong) Limited) is interested in pursuant to the Hong Kong Securities and Futures Ordinance.
2. JP Morgan Chase & Co. holds shares in the Company through its interests in companies which it controls or indirectly controls.
3. 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 30 June 2026.

Save as disclosed above, as at the end of the Reporting Period, the Company was not aware of any interests or short position held by other persons (other than the Directors and chief executives of the Company) in the shares or underlying shares of the Company required to be recorded in the register of the Company pursuant to Section 336 of the Securities and Futures Ordinance.

Dongfang Electric Corporation Limited

Luo Qianyi

Chairman

25 August 2026

VII. FINANCIAL REPORT (PLEASE SEE THE CD-ROM ATTACHED)

VIII FINANCIAL REPORT

I. Audit Report

☐Applicable ☒Not applicable

DONGFANG ELECTRIC CORPORATION LIMITED

Consolidated Balance Sheet

30 June 2026

(Amounts are expressed in RMB unless otherwise stated)

Assets	Note	Balance as at 30 June 2026	Balance as at 31 December 2025
Current assets:			
Cash and cash equivalents	5.1	27,549,187,772.51	22,679,594,590.64
Clearing provision			
Funds for lending	5.2	828,700,839.00	1,016,528,514.62
Held-for-trading financial assets	5.3	1,647,233,528.45	1,832,489,719.73
Derivative financial assets			
Notes receivable	5.4	1,466,405,371.59	1,664,057,411.81
Accounts receivable	5.5	15,829,983,502.69	15,193,794,901.36
Receivables financing	5.6	1,617,538,472.37	2,885,613,858.43
Prepayments	5.7	6,016,012,765.15	6,892,713,423.33
Premiums receivable			
Reinsurance contract assets*			
Other receivables	5.8	405,838,913.54	381,686,005.06
Financial assets purchased under resale agreements	5.9	3,212,448,739.69	3,104,422,602.73
Inventories	5.10	27,740,217,508.24	26,171,153,034.44
Including: Data resources			
Contract assets	5.11	17,492,139,693.58	17,158,279,769.81
Assets held for sale			
Non-current assets due within one year	5.12	250,815,475.05	547,277,984.79
Other current assets	5.13	2,322,483,937.68	2,156,070,817.67
Total current assets		106,379,006,519.54	101,683,682,634.42
Non-current assets:			
Loans and advances	5.14	6,243,135,778.57	6,320,594,750.28
Debt investments	5.15	22,060,300,527.43	26,277,752,083.33
Other debt investments			
Long-term receivables	5.16	98,998,405.99	79,867,096.24
Long-term equity investments	5.17	3,755,954,898.39	3,623,462,354.53
Other investments in equity instruments	5.18	493,182,723.82	668,320,905.39
Other non-current financial assets			
Investment properties	5.19	215,226,452.64	227,945,511.81
Fixed assets	5.20	6,623,886,223.27	6,465,434,037.71
Constructions in process	5.21	1,435,778,782.35	1,223,323,209.77
Productive biological assets			
Oil and gas assets			
Right-of-use assets	5.22	567,584,122.07	462,832,934.96
Intangible assets	5.23	2,006,865,540.98	2,010,611,803.27
Development expenditure	6.2	1,681,635.25	1,718,130.51
Goodwill			
Long-term deferred expenses	5.24	45,790,286.80	50,817,013.80
Deferred tax assets	5.25	3,890,731,805.08	3,402,890,871.53
Other non-current assets	5.26	10,410,894,799.53	10,174,941,879.78
Total non-current assets		57,850,011,982.17	60,990,512,582.91
Total assets		164,229,018,501.71	162,674,195,217.33

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Consolidated Balance Sheet (continued)

30 June 2026

(Amounts are expressed in RMB unless otherwise stated)

Liabilities and owners' equity	Note	Balance as at 30 June 2026	Balance as at 31 December 2025
Current liabilities:			
Short-term loans	5.28	1,718,217,357.91	141,302,980.52
Loans from the central bank			
Taking from banks and other financial institutions			
Held-for-trading financial liabilities			
Derivative financial liabilities	5.29	69,286.77	
Notes payable	5.30	10,049,014,565.26	15,652,241,398.50
Accounts payable	5.31	33,153,181,534.27	28,010,087,988.08
Receipts in advance			
Contract liabilities	5.32	45,300,358,465.32	47,228,255,816.57
Financial assets sold under repurchase agreements			
Deposit taking and deposit in interbank market	5.33	5,725,646,717.70	5,695,108,815.54
Accounts payable to brokerage clients			
Accounts payable to underwriters			
Employee benefits payable	5.34	790,086,111.35	867,164,786.51
Taxes payable	5.35	660,251,510.69	875,320,541.33
Other payables	5.36	3,433,399,508.35	1,627,601,940.66
Fees and commissions payable			
Liabilities held for sale			
Non-current liabilities due within one year	5.37	1,701,572,676.50	899,617,517.45
Other current liabilities	5.38	1,341,663,422.10	1,326,771,641.90
Total current liabilities		103,873,461,156.22	102,323,473,427.06
Non-current liabilities:			
Insurance contract liabilities*			
Reinsurance contract liabilities*			
Long-term borrowings	5.39	3,883,502,903.77	4,541,776,479.47
Bonds payable			
Including: Preferred shares			
Perpetual capital securities			
Lease liabilities	5.40	425,933,906.01	373,446,220.12
Long-term payables	5.41	240,000.00	240,000.00
Long-term accrued payroll	5.42	1,017,334,749.62	1,117,977,329.21
Provisions liabilities	5.43	5,334,468,900.86	5,447,381,154.09
Deferred income	5.44	563,391,089.52	552,581,298.41
Deferred tax liabilities	5.25	157,054,495.86	149,063,975.25
Other non-current liabilities			
Total non-current liabilities		11,381,926,045.64	12,182,466,456.55
Total liabilities		115,255,387,201.86	114,505,939,883.61
Owners' equity:			
Share capital	5.45	3,458,360,326.00	3,458,360,326.00
Other equity instruments			
Including: Preferred shares			
Perpetual capital securities			
Capital reserves	5.46	15,129,227,948.52	15,125,358,937.25
Less: Treasury shares			
Other comprehensive income	5.47	-93,943,454.88	-57,902,211.11
Special reserves	5.48	135,574,616.29	128,261,532.94
Surplus reserves	5.49	1,570,862,278.17	1,568,081,202.33
General risk reserves			
Retained profits	5.50	25,917,747,128.43	25,012,399,151.70
Total owners' equity attributable to equity holders of the parent company		46,117,828,842.53	45,234,558,939.11
Non-controlling shareholders' equity		2,855,802,457.32	2,933,696,394.61
Total owners' equity		48,973,631,299.85	48,168,255,333.72
Total liabilities and owners' equity		164,229,018,501.71	162,674,195,217.33

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Parent Company's Balance Sheet

30 June 2026

(Amounts are expressed in RMB unless otherwise stated)

Assets	Note	Balance as at 30 June 2026	Balance as at 31 December 2025
Current assets:			
Cash and cash equivalents		8,820,625,086.82	7,183,353,364.72
Held-for-trading financial assets		817,265,860.26	1,028,665,428.55
Derivative financial assets			
Notes receivable			75,324,613.11
Accounts receivable	17.1	716,271,906.00	670,941,872.86
Receivables financing		158,162,544.37	95,729,722.63
Prepayments		580,817,469.68	815,105,746.58
Other receivables	17.2	20,240,469.59	19,748,873.48
Inventories		138,587,448.01	102,297,053.48
Including: Data resources			
Contract assets		2,016,918,599.10	2,323,394,896.53
Assets held for sale			
Non-current assets due within one year			
Other current assets		86,653,026.78	82,357,250.68
Total current assets		13,355,542,410.61	12,396,918,822.62
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	17.3	27,884,157,386.42	27,873,596,972.90
Other investments in equity instruments			
Other non-current financial assets			
Investment properties		3,968,615.30	4,525,295.43
Fixed assets		72,531,253.85	76,854,460.63
Constructions in process		124,072,435.87	72,662,337.39
Productive biological assets			
Oil and gas assets			
Right-of-use assets		162,612,430.24	38,236,487.97
Intangible assets		100,599,042.34	120,639,933.86
Including: Data resources			
Development expenditure			
Including: Data resources			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		146,515,943.21	146,515,943.21
Other non-current assets		1,407,011,863.94	1,933,821,733.67
Total non-current assets		29,901,468,971.17	30,266,853,165.06
Total assets		43,257,011,381.78	42,663,771,987.68

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Parent Company's Balance Sheet (Continued)

30 June 2026

(Amounts are expressed in RMB unless otherwise stated)

Liabilities and owners' equity	Note	Balance as at 30 June 2026	Balance as at 31 December 2025
Current liabilities:			
Short-term loans			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable		3,860,275,384.07	4,313,863,393.06
Receipts in advance			
Contract liabilities		4,011,393,855.06	4,928,887,459.17
Employee benefits payable		49,606,687.74	59,950,995.83
Taxes payable		8,226,991.92	3,193,071.90
Other payables		2,471,879,836.09	759,702,694.38
Liabilities held for sale			
Non-current liabilities due within one year		938,102,089.09	75,152,537.92
Other current liabilities		176,774,113.59	179,826,732.84
Total current liabilities		11,516,258,957.56	10,320,576,885.10
Non-current liabilities:			
Long-term borrowings		930,000,000.00	1,720,000,000.00
Bonds payable			
Including: Preferred shares			
Perpetual capital securities			
Lease liabilities		110,127,974.27	38,216,166.14
Long-term payables			
Long-term accrued payroll		7,854,744.22	7,958,894.01
Provisions liabilities		60,081,716.90	60,081,716.90
Deferred income		22,019,935.62	24,519,935.62
Deferred tax liabilities		69,155,980.56	69,155,980.56
Other non-current liabilities			
Total non-current liabilities		1,199,240,351.57	1,919,932,693.23
Total liabilities		12,715,499,309.13	12,240,509,578.33
Owners' equity:			
Share capital		3,458,360,326.00	3,458,360,326.00
Other equity instruments			
Including: Preferred shares			
Perpetual capital securities			
Capital reserves		17,851,176,298.97	17,851,176,298.97
Less: Treasury shares			
Other comprehensive income			
Special reserves			
Surplus reserves		1,856,458,581.37	1,856,458,581.37
Retained profits		7,375,516,866.31	7,257,267,203.01
Total owners' equity		30,541,512,072.65	30,423,262,409.35
Total liabilities and owners' equity		43,257,011,381.78	42,663,771,987.68

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Consolidated Income Statement

January- June 2026

(Amounts are expressed in RMB unless otherwise stated)

Item	Note	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Total revenue		38,624,191,006.09	38,150,951,534.17
Including: Operating revenue	5.51	38,122,958,912.16	37,623,627,306.41
Interest income	5.51	501,181,242.17	527,283,936.51
Insurance revenue			
Fee and commission income	5.51	50,851.76	40,291.25
II. Total operating costs		35,618,908,057.45	35,297,964,520.14
Including: Operating costs	5.51	32,092,819,683.15	31,805,881,127.97
Interest expenses		16,724,608.20	13,609,163.85
Fee and commission expenses		1,172,907.08	1,007,374.98
Insurance business costs			
Tax and levies	5.52	193,529,015.18	217,510,346.38
Sales expenses	5.53	332,564,498.99	317,891,455.51
Administrative expenses	5.54	1,440,309,576.17	1,372,877,949.96
R&D expenses	5.55	1,416,585,646.23	1,569,565,190.21
Financial expenses	5.56	125,202,122.45	-378,088.72
Including: Interest expenses		50,185,740.97	35,320,648.54
Interest income		32,950,783.17	49,956,678.60
Add: Other gains	5.57	273,502,793.41	249,603,044.12
Investment income (loss is indicated by “-”)	5.58	221,017,950.82	141,074,666.85
Including: Income from investments in associates and joint ventures		118,987,314.93	66,300,239.79
Derecognition of gains on financial assets measured at amortised cost			
Foreign exchange gains (loss is indicated by “-”)	5.59	-12,709,321.15	993,753.02
Gains from net exposure hedges (loss is indicated by “-”)			
Gains from changes in fair values (loss is indicated by “-”)	5.60	108,548,981.94	-75,264,776.76
Credit impairment loss (loss is indicated by “-”)	5.61	-259,185,795.44	-209,707,686.94
Impairment loss of assets (loss is indicated by “-”)	5.62	-289,233,861.05	-456,796,895.04
Gains from disposal of assets (loss is indicated by “-”)	5.63	2,306,023.42	3,496,944.88
III. Operating profit (loss is indicated by “-”)		3,049,529,720.59	2,506,386,064.16
Add: Non-operating revenue	5.64	30,540,450.87	36,676,349.66
Less: Non-operating expenses	5.65	36,412,909.88	49,091,527.20
IV. Total profit (total loss is indicated by “-”)		3,043,657,261.58	2,493,970,886.62
Less: Income tax expenses	5.66	386,060,889.89	433,127,075.60
V. Net profit (net loss is indicated by “-”)		2,657,596,371.69	2,060,843,811.02
(I) By Operating Continuity			
1. Net profit from continuing operations (loss is indicated by “-”)		2,657,596,371.69	2,060,843,811.02
2. Net profit from discontinued operations (loss is indicated by “-”)			
(II) By Ownership			
1. 1. Net profits attributable to owners of the parent company (loss is indicated by “-”)		2,713,249,266.86	1,909,795,846.06
2. Profit or loss attributable to non-controlling interest (loss is indicated by “-”)		-55,652,895.17	151,047,964.96
VI. Other comprehensive income (“OCI”) (net of tax)		-17,363,356.63	-30,623,626.98
OCI attributable to owners of the parent company (net of tax)		-8,230,485.28	-27,164,869.31
(I) OCI that will not be reclassified to profit and loss		19,835,467.71	-10,619,646.69
1. Changes from re-measurement of defined benefit plans			
2. OCI by equity method that will not be reclassified to profit and loss			
3. Changes in fair value of investment in other equity instruments		19,835,467.71	-10,619,646.69
4. Changes in fair value of the enterprise’s credit risk			
5. Financial changes of insurance contracts that will not be reclassified to profit or loss			
6. Others			
(II) OCI that will be reclassified to profit and loss		-28,065,952.99	-16,545,222.62
1. OCI by equity method that will be reclassified to profit and loss		-818,786.07	
2. Changes in fair value of other debt investment			

Item	Note	For the six months ended 30 June 2026	For the six months ended 30 June 2025
3. The amount of financial assets reclassified into OCI			
4. Credit impairment provisions for other debt investment			-1,347,742.88
5. Cash flow hedging reserves			
6. Exchange differences from translation of financial statements		-27,247,166.92	-15,197,479.74
7. Financial changes of insurance contracts that will be reclassified to profit or loss			
8. Financial changes of reinsurance contracts ceded that will be reclassified to profit or loss			
9. Others			
OCI attributable to non-controlling interest (net of tax)		-9,132,871.35	-3,458,757.67
VII. Total comprehensive income		2,640,233,015.06	2,030,220,184.04
Total comprehensive income attributable to owners of the parent company		2,705,018,781.58	1,882,630,976.75
Total comprehensive income attributable to non-controlling interest		-64,785,766.52	147,589,207.29
VIII. Earnings per share:			
(1) Basic earnings per share (<i>RMB/share</i>)	5.67	0.78	0.60
(2) Diluted earnings per share (<i>RMB/share</i>)	5.67	0.78	0.60

In case of business combination under common control, the net profit realized by the combinee before the combination in the period was RMB0; and the net profit realized by the combinee in the previous period was RMB0. The accompanying notes to the financial statements form an integral part of the financial statements.

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Parent Company's Income Statement

January- June 2026

(Amounts are expressed in RMB unless otherwise stated)

Item	Note	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Operating revenue	17.4	2,675,685,894.16	2,990,048,740.92
Less: Operating costs	17.4	2,542,803,544.81	2,889,746,032.88
Tax and levies		899,218.11	1,056,461.66
Sales expenses		25,689,912.58	21,499,368.07
Administrative expenses		153,112,924.25	148,951,649.93
R&D expenses		94,215,058.18	50,467,205.92
Financial expenses		14,858,180.59	-10,816,679.70
Including: Interest expenses		11,398,498.53	4,421,618.54
Interest income		8,418,111.87	12,080,424.99
Add: Other gains			
Investment income (loss is indicated by "-")	17.5	1,974,930,458.94	1,746,383,939.38
Including: Income from investments in associates and joint ventures		10,560,413.52	4,382,824.67
Derecognition of gains on financial assets measured at amortised cost			
Gains from net exposure hedges (loss is indicated by "-")			
Gains from changes in fair values (loss is indicated by "-")		102,472,891.71	-77,061,930.82
Credit impairment loss (loss is indicated by "-")		46,384,716.90	-14,744,309.41
Impairment loss of assets (loss is indicated by "-")		-5,391,799.39	-19,125,537.47
Gains from disposal of assets (loss is indicated by "-")			
II. Operating profit (loss is indicated by "-")		1,962,503,323.80	1,524,596,863.84
Add: Non-operating revenue		2,682,696.24	13,602,153.97
Less: Non-operating expenses		14,005,383.96	9,535,788.92
III. Total profit (total loss is indicated by "-")		1,951,180,636.08	1,528,663,228.89
Less: Income tax expenses			
IV. Net profit (net loss is indicated by "-")		1,951,180,636.08	1,528,663,228.89
(I) Net profit from continuing operations (loss is indicated by "-")		1,951,180,636.08	1,528,663,228.89
(II) Net profit from discontinued operations (loss is indicated by "-")			
V. OCI (net of tax)			
(I) OCI that will not be reclassified to profit and loss			
1. Changes from re-measurement of defined benefit plans			
2. OCI by equity method that will not be reclassified to profit and loss			
3. Changes in fair value of investment in other equity instruments			
4. Changes in fair value of the enterprise's credit risk			
5. Others			
(II) OCI that will be reclassified to profit and loss			
1. OCI by equity method that will be reclassified to profit and loss			
2. Changes in fair value of other debt investment			
3. The amount of financial assets reclassified into OCI			
4. Credit impairment provisions for other debt investment			
5. Cash flow hedging reserves			
6. Exchange differences from translation of financial statements			
7. Others			
VI. Total comprehensive income		1,951,180,636.08	1,528,663,228.89
VII. Earnings per share:			
(1) Basic earnings per share (RMB/share)			
(2) Diluted earnings per share (RMB/share)			

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Consolidated Statement of Cash Flows

January- June 2026

(Amounts are expressed in RMB unless otherwise stated)

Item	Note	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		40,802,711,604.26	36,948,483,079.09
Net increase in customer deposits and interbank deposits		-855,739,090.86	3,791,681,461.47
Net increase in borrowing from the central bank			
Net increase in loans from other financial institutions		167,490,414.37	-604,269,229.64
Net cash received from reinsurance contracts issued			
Cash received from interests, handling charges and commissions		129,298,102.99	91,751,078.94
Net increase in loans from banks and other financial institutions			
Net capital increase in repurchase business		-87,969,311.41	
Net cash received from vicariously traded securities			
Refunds of taxes and surcharges		38,775,992.44	14,017,966.03
Cash received from other operating activities	5.68	2,312,433,117.76	3,527,993,410.44
Sub-total of cash inflows from operating activities		42,507,000,829.55	43,769,657,766.33
Cash paid for goods purchased and services received		39,390,133,702.05	36,132,552,501.03
Net increase in loans and advances to customers		-2,215,799,357.15	-710,299,496.29
Net increase in deposits with central bank and with banks and other financial institutions		257,745,337.95	217,052,512.21
Cash paid for claims under insurance contracts issued			
Net cash paid under reinsurance contracts held			
Net increase in policy loans			
Net increase in loans to banks and other financial institutions			
Cash paid for interest, handling charges and commissions		993,172.13	873,775.75
Cash paid to and on behalf of employees		2,625,741,077.93	2,399,221,423.39
Cash paid for taxes and surcharges		2,058,932,940.21	2,112,248,134.54
Cash paid for other operating activities	5.68	2,111,422,606.04	4,174,475,344.64
Sub-total of cash outflows from operating activities	5.69	44,229,169,479.16	44,326,124,195.27
Net cash flows from operating activities		-1,722,168,649.61	-556,466,428.94
II. Cash flows from investing activities			
Cash received from disposal of investments		12,338,953,530.50	15,446,067,141.47
Cash received from returns on investments		14,956,749.83	1,894,647.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		464,372.55	149,376.80
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities	5.68		1,000,000.00
Sub-total of cash inflows from investing activities		12,354,374,652.88	15,449,111,165.38
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		872,991,115.08	742,155,081.68
Cash paid for investments		7,655,655,729.79	15,583,458,927.23
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities	5.68		
Sub-total of cash outflows from investing activities		8,528,646,844.87	16,325,614,008.91
Net cash flows from investing activities		3,825,727,808.01	-876,502,843.53
III. Cash flows from financing activities			
Cash from absorption of investments		11,642,000.00	4,205,967,905.95
Including: cash received by subsidiaries from the absorption of minority shareholders' investments		11,642,000.00	89,800,000.00
Cash received from borrowings		1,831,300,335.56	1,674,781,800.13
Cash received from other financing activities	5.68	2,146,468,066.16	325,150.30
Sub-total of cash inflows from financing activities		3,989,410,401.72	5,881,074,856.38
Cash paid for debt repayments		285,298,376.19	436,545,118.33
Cash paid for distribution of dividends and profits or payment of interest		89,653,361.06	175,700,346.55
Including: dividends and profits paid to minority shareholders by subsidiaries		25,108,737.30	143,837,644.35
Cash paid for other financing activities	5.68	127,698,530.81	47,736,165.88
Sub-total of cash outflows from financing activities		502,650,268.06	659,981,630.76
Net cash flows from financing activities		3,486,760,133.66	5,221,093,225.62
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		-64,001,122.89	50,776,984.51
V. Net increase in cash and cash equivalents	5.69	5,526,318,169.17	3,838,900,937.66
Plus: beginning balance of cash and cash equivalents		18,980,959,402.69	22,502,857,720.96
VI. Ending balance of cash and cash equivalents	5.69	24,507,277,571.86	26,341,758,658.62

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Parent Company's Statement of Cash Flows

January- June 2026

(Amounts are expressed in RMB unless otherwise stated)

Item	Note	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		2,441,534,377.33	2,935,275,400.43
Refunds of taxes and surcharges			3,917,573.21
Cash received from other operating activities		485,516,188.06	657,850,647.79
Sub-total of cash inflows from operating activities		2,927,050,565.39	3,597,043,621.43
Cash paid for goods purchased and services received		2,914,112,488.28	3,367,218,595.05
Cash paid to and on behalf of employees		51,289,915.86	59,001,101.51
Cash paid for taxes and surcharges		3,208,737.31	1,365,375.48
Cash paid for other operating activities		458,502,710.38	482,055,846.79
Sub-total of cash outflows from operating activities		3,427,113,851.83	3,909,640,918.83
Net cash flows from operating activities		-500,063,286.44	-312,597,297.40
II. Cash flows from investing activities			
Cash received from disposal of investments		378,900,502.14	105,395,555.55
Cash received from returns on investments		1,899,538,816.88	1,740,237,917.04
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		12,800.00	
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		2,278,452,119.02	1,845,633,472.59
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		20,088,708.20	3,477,157.57
Cash paid for investments			3,374,704,500.00
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities			
Sub-total of cash outflows from investing activities		20,088,708.20	3,378,181,657.57
Net cash flows from investing activities		2,258,363,410.82	-1,532,548,184.98
III. Cash flows from financing activities			
Cash from absorption of investments			4,116,167,905.95
Cash received from borrowings			
Cash received from other financing activities			
Sub-total of cash inflows from financing activities			4,116,167,905.95
Cash paid for debt repayments			25,240,000.00
Cash paid for distribution of dividends and profits or payment of interest		9,513,081.86	
Cash paid for other financing activities		105,000,000.00	41,545,882.20
Sub-total of cash outflows from financing activities		114,513,081.86	66,785,882.20
Net cash flows from financing activities		-114,513,081.86	4,049,382,023.75
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		-10,281,453.91	3,887,035.48
V. Net increase in cash and cash equivalents		1,633,505,588.61	2,208,123,576.85
Plus: beginning balance of cash and cash equivalents		7,180,205,148.20	5,978,621,835.59
VI. Ending balance of cash and cash equivalents		8,813,710,736.81	8,186,745,412.44

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED

Consolidated Statement of Changes in Owners' Equity

January- June 2026

(Amounts are expressed in RMB unless otherwise stated)

Item	For the six months ended 30 June 2026													
	Equity attributable to owners of the parent company												Non-controlling shareholders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained profits	Sub-total		
		Preferred shares	Perpetual capital securities	Others										
I. Balance as at 31 December 2025	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
Add: Changes in accounting policies														
Correction of accounting errors in prior periods														
Business combination under common control														
Others														
II. Balance as at 1 January 2026	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
III. Increases/decreases in the period ("+" for increases)					3,869,011.27		-36,041,243.77	7,313,083.35	2,781,075.84		905,347,976.73	883,269,903.42	-77,893,937.29	805,375,966.13
(I) Total comprehensive income							-8,230,485.28				2,713,249,266.86	2,705,018,781.58	-64,785,766.52	2,640,233,015.06
(II) Capital contributed or reduced by owners					3,869,011.27							3,869,011.27	11,242,000.00	15,111,011.27
1. Ordinary shares contributed by owners					3,869,011.27							3,869,011.27	11,242,000.00	15,111,011.27
2. Capital invested by the holders of other equity instruments														
3. Amounts of share-based payments recognised in owners' equity														
4. Others														
(III) Profit distribution											-1,832,930,972.78	-1,832,930,972.78	-27,186,005.54	-1,860,116,978.32
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk reserves														

Item	For the six months ended 30 June 2026													
	Equity attributable to owners of the parent company												Non-controlling shareholders' equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained profits	Sub-total		
		Preferred shares	Perpetual capital securities	Others										
3. Profit distributed to owners (or shareholders)											-1,832,930,972.78	-1,832,930,972.78	-27,186,005.54	-1,860,116,978.32
4. Others														
(IV) Internal carry-forward of owners' equity							-27,810,758.49		2,781,075.84		25,029,682.65			
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings							-27,810,758.49		2,781,075.84		25,029,682.65			
6. Others														
(V) Special reserves								7,313,083.35				7,313,083.35	2,835,834.77	10,148,918.12
1. Amount withdrawn in the period								36,586,233.64				36,586,233.64	5,109,071.68	41,695,305.32
2. Amount used in the period								29,273,150.29				29,273,150.29	2,273,236.91	31,546,387.20
(VI) Others														
IV. Balance as at 30 June 2026	3,458,360,326.00				15,129,227,948.52		-93,943,454.88	135,574,616.29	1,570,862,278.17		25,917,747,128.43	46,117,828,842.53	2,855,802,457.32	48,973,631,299.85

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED
Consolidated Statement of Changes in Owners' Equity (Continued)
January- June 2026

Item	For the six months ended 30 June 2025													
	Share capital	Other equity instruments			Equity attributable to owners of the parent company								Non-controlling shareholders' equity	Total owners' equity
		Preferred shares	Perpetual capital securities	Others	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained profits	Sub-total		
I. Balance as at 31 December 2025	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 accounting errors in prior periods														
Business combination under common control														
Others														
II. Balance as at 1 January 2026	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. Increases/decreases in the period ("-" for decreases)	272,860,869.00				2,795,922,510.91	-648,882.29	-27,164,869.31	17,883,036.37			543,480,634.68	3,603,631,063.94	-1,342,214,803.73	2,261,416,260.22
(I) Total comprehensive income							-27,164,869.31				1,909,795,846.06	1,882,630,976.75	147,589,207.29	2,030,220,184.04
(II) Capital contributed or reduced by owners	272,860,869.00				2,795,922,510.91	-648,882.29						3,069,432,262.20	-1,345,479,499.20	1,723,952,763.00
1. Ordinary shares contributed by owners	272,860,869.00				2,786,219,558.48							3,059,080,427.48	133,900,000.00	3,192,980,427.48
2. Capital invested by the holders of other equity instruments														
3. Amounts of share-based payments recognised in owners' equity					-631,548.29	-648,882.29						17,334.00		17,334.00
4. Others					10,334,500.72							10,334,500.72	-1,479,379,499.20	-1,469,044,998.48
(III) Profit distribution											-1,366,315,211.38	-1,366,315,211.38	-144,758,338.30	-1,511,073,549.68
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk reserves														
3. Profit distributed to owners (or shareholders)											-1,366,315,211.38	-1,366,315,211.38	-144,758,338.30	-1,511,073,549.68
4. Others														
(IV) Internal carry-forward of owners' equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserves								17,883,036.37				17,883,036.37	433,826.48	18,316,862.85
1. Amount withdrawn in the period								43,679,371.29				43,679,371.29	3,212,117.80	46,891,489.09
2. Amount used in the period								25,796,334.92				25,796,334.92	2,778,291.32	28,574,626.24
(VI) Others														
IV. Balance as at 30 June 2026	3,390,360,326.00				14,355,749,032.29		-147,247,099.58	142,076,194.13	1,424,889,201.23		23,234,085,776.73	42,399,913,430.80	3,003,750,962.05	45,403,664,392.85

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED
Parent Company's Statement of Changes in Owners' Equity
January- June 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	For the six months ended 30 June 2026										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained profits	Total owners' equity
		Preferred shares	Perpetual capital securities	Others							
I. Balance as at 31 December 2025	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
Add: Changes in accounting policies											
Correction of accounting errors in prior periods											
Others											
II. Balance as at 1 January 2026	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
III. Increases/decreases in the period ("-" for decreases)										118,249,663.30	118,249,663.30
(I) Total comprehensive income										1,951,180,636.08	1,951,180,636.08
(II) Capital contributed or reduced by owners											
1. Ordinary shares contributed by owners											
2. Capital invested by the holders of other equity instruments											
3. Amounts of share-based payments recognised in owners' equity											
4. Others											
(III) Profit distribution										-1,832,930,972.78	-1,832,930,972.78
1. Withdrawal of surplus reserves											
2. Profit distributed to owners (or shareholders)										-1,832,930,972.78	-1,832,930,972.78
3. Others											

Item	For the six months ended 30 June 2026										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained profits	Total owners' equity
		Preferred shares	Perpetual capital securities	Others							
(IV) Internal carry-forward of owners' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserves											
1. Amount withdrawn in the period											
2. Amount used in the period											
(VI) Others											
IV. Balance as at 30 June 2026	3,458,360,326.00				17,851,176,298.97				1,856,458,581.37	7,375,516,866.31	30,541,512,072.65

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

DONGFANG ELECTRIC CORPORATION LIMITED
Parent Company's Statement of Changes in Owners' Equity (Continued)
January- June 2026
(Amounts are expressed in RMB unless otherwise stated)

Item	For the six months ended 30 June 2025										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained profits	Total owners' equity
		Preferred shares	Perpetual capital securities	Others							
I. Balance as at 31 December 2025	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 accounting errors in prior periods											
Others											
II. Balance as at 1 January 2026	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. Increases/decreases in the period ("+" for increases)	272,860,869.00				3,843,055,611.72	-648,882.29				162,348,017.51	4,278,913,380.52
(I) Total comprehensive income										1,528,663,228.89	1,528,663,228.89
(II) Capital contributed or reduced by owners	272,860,869.00				3,843,055,611.72	-648,882.29					4,116,565,363.01
1. Ordinary shares contributed by owners	272,860,869.00				3,843,687,160.01						4,116,548,029.01
2. Capital invested by the holders of other equity instruments											
3. Amounts of share-based payments recognised in owners' equity					-631,548.29	-648,882.29					17,334.00
4. Others											
(III) Profit distribution										-1,366,315,211.38	-1,366,315,211.38
1. Withdrawal of surplus reserves											
2. Profit distributed to owners (or shareholders)										-1,366,315,211.38	-1,366,315,211.38
3. Others											

Item	For the six months ended 30 June 2025										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained profits	Total owners' equity
		Preferred shares	Perpetual capital securities	Others							
(IV) Internal carry-forward of owners' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserves											
1. Amount withdrawn in the period											
2. Amount used in the period											
(VI) Others											
IV. Balance as at 30 June 2026	3,390,360,326.00				16,872,048,534.38				1,713,266,580.27	7,497,202,422.04	29,472,877,862.69

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

Enterprise Principal: Luo Qianyi Accounting Principal: Lv Shuang Person in charge of the Accounting Department: Zheng Xingyi

Dongfang Electric Corporation Limited

Notes to the Financial Statements for the First Half of 2026

(Amounts are expressed in RMB unless otherwise stated)

1. Company profile

Dongfang Electric Corporation Limited (hereinafter referred to as the "Company" or "DEC") 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 Stock Exchange of Hong Kong Limited on 6 June 1994 and was listed for trading in the Shanghai Stock Exchange on 10 October 1995. 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 30 June 2026, the Company has issued a total of 3,458,360,326 shares with a registered capital of RMB3,458,360,326. Registered address: No. 18, Xixin Road, Western High-Tech District, Chengdu City, Sichuan Province. Headquarters address: No. 18, Xixin Road, Western High-Tech District, Chengdu City, Sichuan Province, and the parent company of the Company is DEC Group (hereinafter referred to as "Dongfang Electric Corporation").

The financial statements have been approved by the Board of the Company on 25 August 2026.

2. Basis of preparation of the 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 (17) and Note 3 (20)), the measurement model of investment real estate (Note 3 (16)), and the time point of revenue recognition (Note 3 (28)).

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 30 June 2026, as well as its operating results and its cash flows from January to June 2026.

3.2 Accounting period

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

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 related activities of the investee, and has the ability to use the power over the investee to influence the amount of 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 subsidiary company or business is added due to the merger of enterprises under the same control, the operating results and cash flows of the subsidiary company or business from the beginning of the current period to the end of the reporting period shall be included in the consolidated financial statements, and the relevant items of the consolidated financial statements at the beginning of the period and the comparative statements shall be adjusted. It is deemed that the consolidated reporting entity has been in existence since the time when the ultimate controlling party

begins to control it.

If the investee under the same control can be controlled due to additional investment or other reasons, the equity investment held before obtaining the control of the merged party shall be recognized from the date of obtaining the original equity and the date when the merging party and the merged party are under the same control, and the relevant profits and losses, other comprehensive income and other changes in net assets have been recognized between the date of obtaining the original equity. Offset the retained earnings at the beginning of the comparative statement period or the current profit and loss respectively.

During the reporting period, if a subsidiary or business is added due to the merger of enterprises not under the same control, it shall be included in the consolidated financial statements from the date of acquisition on the basis of the fair value of the identifiable assets, liabilities and contingent liabilities determined on the date of acquisition.

If the investee not under the same control can be controlled due to additional investment or other reasons, the equity of the acquiree held before the acquisition date shall be re-measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and its book value shall be included in the current investment income. Other comprehensive income involved in the equity of the acquiree held before the acquisition date, which may be subsequently reclassified to profit or loss, and other changes in owner's equity accounted for under the equity method shall be transferred to the investment income of the period to which the acquisition date belongs.

(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:

- i. the transactions are entered into simultaneously or by taking into account their mutual effects;
- ii. these transactions as a whole can lead to a complete commercial result;
- iii. the occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- iv. 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 3.15 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 using the spot exchange rate prevailing on the transaction date (or: using an exchange rate determined in accordance with a method deemed reasonable by the entity and approximating the spot exchange rate prevailing on the transaction date. Note: If this method is adopted, the specific method and basis used shall be clearly stated).

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 recognised.

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 amortised 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.

In accordance with the above criteria, the financial liabilities designated by the Company in this category primarily comprise: (specific description of the designation)

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 recognised 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 derecognised.

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 shall classify the transfer of financial assets into the entire transfer and the partial transfer. If the transfer of entire financial assets satisfy the criteria for derecognition, differences between the amounts of the following two items shall be recognized in profit or loss for the current period:

- 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)).

If the partial transfer of financial assets satisfy the criteria for derecognition, the book value of the entire financial assets transferred shall be split into the derecognized and recognized parts according to their respective fair value and differences between the amounts of the following two items are charged to profit or loss for the current period:

- i) The book values of the derecognised 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 considers reasonable and evidence-based information such as past events, current conditions and forecasts of future economic conditions, calculates the probability-weighted amount of the present value of the difference between the cash flow receivable under the contract and the cash flow expected to be received, and recognizes expected credit losses, with the risk of default as the weight.

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 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 certain receivable has suffered credit impairment, the Company shall make provision for the impairment of the receivables on a single basis.

Except for the above receivables for which provision for bad debts is made individually, the Company divides other financial instruments into several portfolios according to the characteristics of credit risks, and determines expected credit losses on the basis of portfolios. The portfolio categories and determination basis of the Company's provision of expected credit losses for notes receivable, accounts receivable, receivables financing, other receivables, contract assets and long-term receivables 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
4 to 5 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 Loans and advances to customers

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 calculates the credit loss by the allowance method. The provision for credit impairment includes the loss provision of loans to banks and other financial institutions, discount assets, and loans and advances to customers, as well as credit-kind financial instruments.

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, which are pass, special mention, substandard, doubtful and loss. Loans in pass category refer to loans where the borrower is able to perform relevant contract and there is no good reason to suspect that the principal and interest cannot be fully repaid in time; loans in special-mention category refer to loans where through the borrow is able to repay the principal and interest of the loans at present, some factors having adverse effect on the repayment still exist; loans in substandard category refer to loans where the borrower's ability of loan repayment has obvious problem, by which the normal operating income of the borrower cannot fully repay the principal and interest of the loans, and losses may be caused even implementing relevant guarantee; loans in doubtful category refer to loans where the borrower cannot fully repay the principal and interest of the loans and the significant losses must be caused even implementing relevant guarantee; loans in loss category refer to loans where the principle and interest cannot be collected or only the very few parts thereof can be collected after taking all possible measures or going through all necessary legal procedures.

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 (excluding 15.00)
	Special mention 15.00-25.00 (excluding 25.00)
Subprime	25.00-50.00 (excluding 50.00)
Doubtful	50.00-70.00 (excluding 70.00)
Loss	70.00-100.00

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

Assets purchased under the agreement to be sold back on a certain future date will not be recognized in the balance sheet. The cost paid for the acquisition of such assets, including accrued interest, is shown in the balance sheet as buy-back payments. The difference between the purchase price and the resale price is recognized by the effective interest rate method during the term of the agreement and included in interest income.

The assets that will be repurchased on a specified date in the future according to the agreement should not be derecognized in the balance sheet. Proceeds from sale of these assets, including accrued interest, are listed as "proceeds from sale for repurchase" in the balance sheet to reflect the economic substance of the Company's loans. The difference between the sale price and repurchase price is recognized in the agreement period under the effective interest method and included in the item of interest expenses.

Securities borrowing and lending transactions are generally secured, with securities or cash as collateral. Transfers of securities with counterparties are reflected in the balance sheet only when the risks and benefits associated with ownership of securities are transferred simultaneously. Cash paid or cash collateral received is recognized as an asset or liability, respectively.

Borrowed securities are not recognized in the balance sheet. If such securities are sold to third parties, the liability to repay the bonds is recognised 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 goods in transit, raw materials, revolving materials, finished goods in stock, products in process, goods dispatched, and goods sent out for processing.

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

When inventory is dispatched, it is valued using the weighted average method or the specific identification method.

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 "10.6 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. 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.

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.

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.

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

Expenditure incurred by the Company in the course of its research and development activities includes relevant staff remuneration for personnel engaged in R&D, materials consumed, and related depreciation and amortisation charges. This primarily comprises: 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.

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) In respect of the technology, it is feasible to finish the intangible asset for use or sale;
- (2) It has the intention to complete the intangible asset and use or sell it;
- (3) The ways whereby the intangible assets are to generate economic benefits, including those whereby it is able to prove that there is a potential market for the products manufactured by applying this intangible asset or that there is a potential market for the intangible assets; if the intangible assets will be used internally, its usefulness shall be proved;
- (4) With the support of sufficient technologies, financial resources and other resources, it is able to finish the development of the intangible assets, and it is able to use or sell the intangible asset; and;
- (5) The expenditure attributable to the development stage of the intangible asset can be measured reliably.

Where it is not possible to distinguish between expenditure incurred during the research phase and that incurred during the development phase, all research and development expenditure incurred shall be recognised in profit or loss for the period.

3.21 Impairment of long-term assets

Where there are indications of impairment on long-term equity investments, investment property measured with cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with limit useful life, oil and gas properties and other long-term assets on the balance sheet date, impairment test should be made. If the results of the impairment test indicate that the recoverable amount of the assets is lower than the book value thereof, the difference between the recoverable amount and the book value is as a basis for a provision for impairment and included in the impairment loss. The recoverable amount is the higher of the net amount of the fair value of the asset less disposal expenses or the present value of its estimated future cash flows. The provision for asset impairment is calculated based on the individual assets and recognized. If it is difficult to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the asset group that the asset belongs to. The asset group refers to a minimum asset group which can generate cash inflows independently.

For goodwill formed as a result of enterprise merger, intangible assets with uncertain service life and intangible assets that have not reached the usable state, no matter whether there are signs of impairment, impairment tests shall be conducted at least at the end of each year.

The Company conducts an impairment test for the goodwill. The book value of goodwill arising from business combinations is amortized to relevant asset groups with a reasonable method since the date of acquisition; or amortized to relevant combination of asset groups if it is difficult to be amortized to relevant asset groups. The relevant asset group or asset group combination is the asset group or asset group combination that can benefit from the synergies of the business combination. When making an impairment test on the relevant asset groups or combination of asset groups containing goodwill, if any indication shows that the asset groups or combinations of asset groups related to the goodwill may be impaired, the Company shall first conduct an impairment test on the asset groups or combinations of asset groups not containing goodwill, calculate the recoverable amount and compare it with the relevant book value to recognize the corresponding impairment loss. Then conduct an impairment test on the asset group or asset group combination containing goodwill, and compare its book value with the recoverable amount. If the recoverable amount is lower than the book value, the amount of impairment loss shall first offset the book value of the goodwill allocated to the asset group or asset group combination.

The book value of other assets shall be deducted in proportion to the proportion of the book value of other assets except goodwill in the asset group or asset group combination. The abovementioned impairment loss will not be reversed in the subsequent accounting periods once being recognized.

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

The Company has presented contract assets or contract liabilities in the balance sheet based on the connection between the fulfilment of performance obligations and payment of the customers. A contract liability represents the obligation to transfer goods or services to a customer for which the Company has received a consideration or an amount of consideration that is due from the customer. A contract asset and a contract liability under the same contract are accounted for and presented on a net basis.

3.24 Employee compensation

3.24.1 Accounting treatment of short-term compensation

During the accounting period of an employee's providing services, the Company should recognize the actual short-term compensation as liabilities and shall include it into the current gains and losses or relevant asset costs.

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 compensation 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 plans

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 and loss or costs associated with assets. 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

The Company, according to the formula determined based on estimated total welfare unit method, recognizes the welfare obligations arising from defined benefit plan to the period of receiving services from employees and includes them into the current profit and loss or relevant asset costs.

The deficit or surplus arising from the difference between the present value under defined benefit plan and the fair value of assets under defined benefit plan is recognized as the net liability or net asset of the defined benefit plan. For a surplus

of defined benefit plans, the Company should measure the net asset of such defined benefit plans at the lower of the surplus of such defined benefit plans and asset thereof.

All obligations under the defined benefit plan, including the estimated payment obligation within 12 months following the annual report period during which the employees provide service, are discounted to the present value at the market return of the national debt corresponding to the period and currencies of the obligations under the defined benefit plan or high-quality corporate bonds active on the market on the balance sheet date.

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 related assets cost; 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 shall be 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 projected liabilities when the following conditions are simultaneously met:

- (1) This obligation is a present obligation of the Company;
- (2) The performance of this obligation may very probably lead to the flow of economic interests out of the Company;
- (3) The amount of the obligation can be measured reliably.

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.

Provisions for financial guarantee contracts and loan commitments that are subsequently measured on an expected credit loss basis are presented under estimated liabilities.

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 payments

The Company's share-based payments are transactions in which the Company grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employees or other parties. The Company's share-based payments include 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. Where the interval between the transfer of control and the customer's payment does not exceed one year, the Company, in accordance with the provisions of the standard, opts for simplified accounting treatment and disregards the financing component involved.

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:

- The customer obtains and consumes the economic benefits brought by the Company's performance at the same time of the Company's performance.
- The customer can control the goods under construction during the performance of the company.
- 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:

- The cost is directly related to a current or expected contract.
- The cost increases the resources used by the enterprise to fulfill its performance obligations in the future.
- 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 refer to the monetary assets and non-monetary assets obtained by the company free of charge from the government. It is divided into government subsidy related to assets and government subsidy related to earnings.

Government grants related to assets refers to the government subsidy obtained by the company for the purchase and construction or the formation of long-term assets. Government grants related to income refer to government grants other than those related to assets.

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 used to offset the book value of relevant assets or recognized as deferred income. Where the government subsidies are recognized as related to deferred assets, they will be used to offset the book value of relevant assets or recognized as deferred income. Where such grants are recognized as the deferred income, they will be included in the current profit or loss in accordance with the reasonable and systematic methods within useful lives of related assets (Where such grants are related to the daily activities of the Company, they will be included in other income; where such grants are not related to the daily activities of the Company, they will be included in non-operating income);

The government grants associated with income that are used to recover relevant costs or losses of the Company in subsequent period are recognized as deferred income and included in the current profit or loss when relevant costs or losses are recognized (Where such grants are related to the daily activities of the Company, they will be included in other income; where such grants are not related to the daily activities of the Company, they will be included in non- operating income) or the expenses for offsetting relevant costs or losses; The grants used to compensate for the relevant costs or losses incurred by the Company will be directly included in the current profits or losses (Where such grants are related to the daily activities of the Company, they will be included in other income; where such grants are not related to the daily activities of the Company, they will be included in non-operating income) or the expenses for offsetting relevant costs or losses. Government subsidies measured in nominal amounts shall be directly recorded into current profits and 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. However, in the case of leases where the Company is the lessee, the Company has chosen

not to split them, and has combined the various lease components and the related non-lease components into a single lease.

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 "3.21 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 with lower value 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

If 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 financing 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 financing lease, regardless of whether the ownership is ultimately transferred. Operating lease refers to the leases other than financing 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 rental 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 financial leases and derecognizes financial 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 the interest expenses in each lease term based on a fixed periodic interest rate. The derecognition and impairment of finance lease receivables shall be accounted for in accordance with "3.10 Financial Instruments" herein.

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-and-leaseback deals

The Company evaluates and determines whether the transfer of assets in the sale-and-leaseback transaction is a sale in accordance with the principles described in "3.28 Revenue" herein.

(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 "3.32 Lease- 3.32.1 The Company 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 the lessor

If the asset transfer in the sale-and-leaseback transaction belongs to sales, the Company, as the lessor, conducts accounting treatment over asset purchases, and performs accounting treatment for asset lease in accordance with the aforementioned policy of "2. The Company acts as the lessor"; if the asset transfer in the sale-and-leaseback transaction does not belong to the sale, the Company, as the lessor, will not confirm the transferred assets but recognizes a financial asset equivalent to the transfer income. Please refer to Note "3.10 Financial Instruments" for the accounting treatment for financial assets.

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) 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 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.

3.36 Segment reporting

The Company determines operating segments based on internal organization structure, management requirements and internal reporting system, determines reporting segments based on operating segments, and disclose the information of the segments.

An operating segment is a constituent part meeting the following conditions within the Company: (1) the constituent part can generate income and expenses in routine activities; (2) the Company's management is able to regularly evaluate the

operating results of this constituent part so as to determine the resources allocation and assess its performance; (3) the Company is able to obtain the financial position, operating results, cash flows and other relevant accounting information of this constituent part. If two or more operating segments have similar economic characteristics, and have met a certain condition, they will be merged into one operating segment.

3.37 Method for determining the importance criteria and the basis for selection

Items	Importance
Significant accounts receivable for which provision for doubtful accounts is made individually	RMB10 million
Significant recoveries or reversals of bad debt provisions during the current period	RMB10 million
Significant write-offs of receivables during the current period	RMB5 million
Significant construction in progress	RMB40 million
Significant accounts payable aged over one year or past due	RMB10 million
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 RMB100 million

3.38 Changes in significant accounting policies and accounting estimates

3.38.1 Changes in significant accounting policies

None.

3.38.2 Changes in significant accounting estimates

None.

4 Taxation

4.1 Main tax types and tax rates

Tax Type	Tax basis	Applicable tax rate	Remarks
Value-added tax ("VAT")	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) Limited (hereinafter referred to as Dongfang India) is 18%.
Urban 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:

Taxpayer name	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 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
Xinjiang Dongfang Wind Power New Energy Co., Ltd. (hereinafter referred to as Dongfang Xinjiang New Energy)	15
Dongfang Wind Power (Burjin) New Energy Co., Ltd. (hereinafter referred to as Dongfang Burjin New Energy)	15
Dongfang Electric (Tianjin) Wind Power Blade Engineering Co., LTD. (hereinafter referred to as Dongfang Tianjin Blade)	15

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Taxpayer name	Income tax rate (%)
Dongfang Wind Power (Tangshan) New Energy Co., LTD. (hereinafter referred to as Dongfang Tangshan New Energy)	20
Huaihua Dongfang Wind Power New Energy Co., LTD. (hereinafter referred to as Dongfang Huaihua New Energy)	20
Dongfang Electric (Golmud) New Energy Co., LTD. (hereinafter referred to as Dongfang Golmud New Energy)	20
Dongfang Electric Wind Power (Nimu) Co., LTD. (hereinafter referred to as Dongfang Nimu Wind Power)	20
Rushan Dongfang Wind Power Equipment Manufacturing Co., LTD. (hereinafter referred to as Dongfang Rushan Wind Power)	20
Dongfang Electric Energy Equipment (Changji) Co., LTD. (hereinafter referred to as Dongfang Changji Energy)	20
Mengcheng Dongfang Wind Power New Energy Equipment Co., LTD. (hereinafter referred to as Dongfang Mengcheng New Energy)	20
Dongxia (Jiangsu) Smart Energy Co., LTD. (hereinafter referred to as Dongxia Jiangsu Smart Energy)	20
Dongfang Electric Wind Power (Baotou) Co., LTD. (hereinafter referred to as Dongfang Baotou Wind Power)	20
Dongfang Wind Power (Qingxian) New Energy Co., LTD. (hereinafter referred to as Dongfang Qingxian New Energy)	20
Dongfang Wind Power (Ruoqiang) New Energy Co., LTD. (hereinafter referred to as Dongfang Ruoqiang New Energy)	20
Ruoqiang Dongxin New Energy Co., LTD. (hereinafter referred to as Ruoqiang Dongxin New Energy)	20
Dongtang (Tangshan Caofeidian District) New Energy Co., LTD. (hereinafter referred to as Dongtang Tangshan New Energy)	20
Liaocheng Dongguan New Energy Co., Ltd. (hereinafter referred to as Liaocheng Dongguan New Energy)	20
Qingxian Dongtai Energy Manufacturing Co., LTD. (hereinafter referred to as Qingxian Dongtai Energy)	20
Dongfang Wind Power New Energy (Chongqing) Co., Ltd. (hereinafter referred to as Dongfang Chongqing New Energy)	20
Dongfang Wind Power (Qingdao) New Energy Co., Ltd. (hereinafter referred to as Dongfang Qingdao New Energy)	20
Dongfang Electric Wind Power Equipment (Lincheng) Co., Ltd. (hereinafter referred to as Dongfang Lincheng Wind Power)	20
Dongfang Electric Wind Power Equipment (Luanping) Co., Ltd. (hereinafter referred to as Dongfang Luanping Wind Power)	20
Dongfang Wind Power (Chengdu) New Energy Technology Research Co., Ltd. (hereinafter referred to as Dongfang Chengdu New Energy)	20
Dongfang Electric (Guangzhou) Heavy Machinery Co., LTD. (hereinafter referred to as Dongfang Heavy Machinery)	15
DongFang Electric Autocontrol Engineering Co., LTD. (hereinafter referred to as Dongfang Autocontrol)	15
Dongfang Electric Qineng (Shenzhen) Technology Co., LTD. (hereinafter referred to as Dongfang Qineng)	15
Dongfang Hitachi (Chengdu) Electronic Control Equipment Co., LTD. (hereinafter referred to as Dongfang Hitachi)	15
Dongfang Electric Zhongneng Industrial Control Network Security Technology (Chengdu) Co., LTD. (hereinafter referred to as Dongfang Zhongneng)	15
DEC Project Cargo Logistics Co., Ltd. (hereinafter referred to as DEC Project Cargo Logistics)	15
DEC Electric Power Engineering Design Co., Ltd. (hereinafter referred to as DEC Design)	15
Dongfang Electric (Wuhan) Nuclear Equipment Co., LTD. (hereinafter referred to as Dongfang Wuhan Nuclear)	15
Dongfang Electric Corporation Research Institute of Science and Technology Co., LTD. (hereinafter referred to as Dongfang Research Institute)	15
Dongfang Electric Yangtze River Delta (Hangzhou) Innovation Research Institute Co., Ltd. (hereinafter referred to as Dongchang Research Institute)	15
PT. Dongfang Electric Indonesia (hereinafter referred to as Dongfang Indonesia Company)	22
Nam Mang 1 Power Co., LTD. (hereinafter referred to as Nam Mang Company)	0
Other enterprises within the scope of merger of the Company	25

4.2 Tax incentives and exemptions

1. The Company

According to Article 1 of the Announcement on Extending the Enterprise Income Tax Policyfor 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 1 January 2021 to 31 December 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]*. The Company meets the preferential conditions and implements the preferential tax rate of 15.00%.

2. Dongfang Boiler

(1) Dongfang Boiler

On 12 December 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 1 January 2021 to 31 December 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%. 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 Turbine

On 6 December 2024, the company obtained the high-tech enterprise certification, the certificate number is GR202451004730, 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%.

4. Dongfang Electric Machinery

(1) Dongfang Electric Machinery

On 6 December 2024, the company obtained the high-tech enterprise certification, 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

On 2 December 2025, the company obtained the high-tech enterprise certification, the certificate number is GR202551000799, 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%.

5. Dongfang Wind Power

(1) Dongfang Wind Power, Dongfang Liangshan Wind Power, Dongfang Jiuquan Wind Power, Dongfang Xinjiang New Energy and 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 Ministry of Finance and Taxation Administration of the People's Republic of China), from 1 January 2021 to 31 December 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 aforementioned company meets the preferential conditions and implements the preferential tax rate of 15.00%.

(2) Dongfang Tianjin Blade

In December 2025, the company obtained the high-tech enterprise certification, the certificate number is GR202512001170, 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) Dongxia Jiangsu Smart Energy, Dongfang Baotou Wind Power, Dongfang Qingxian New Energy, Dongfang Ruoqiang New Energy, Dongtang Tangshan New Energy, Dongfang Huaihua New Energy, Dongfang Tangshan New Energy, Liaocheng Dongguan New Energy, Qingxian Dongtai Energy, Dongfang Chongqing New Energy, Ruoqiang Dongxin New Energy, Dongfang Golmud New Energy, Dongfang Nimu Wind Power, Dongfang Mengcheng New Energy, Dongfang Qingdao New Energy, Dongfang Lincheng Wind Power, Dongfang Luanping Wind Power, Dongfang Chengdu New Energy, Dongfang Rushan Wind Power and Dongfang Changji 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 31 December 2027.

6. Dongfang Heavy Machinery

On 19 December 2025, the company obtained the high-tech enterprise certification, the certificate number is GR202544006703, 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%.

7. Dongfang Autocontrol

(1) In October 2023, the company obtained the high-tech enterprise certification, the certificate number is GR202351001111, 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 Qineng

On 26 December 2024, the company obtained the high-tech enterprise certification, the certificate number is GR202444202528, 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 Hitachi

On 6 December 2024, the company obtained the high-tech enterprise certification, the certificate number is GR202451002701, 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%.

(4) Dongfang Zhongneng

In December 2025, it passed the high-tech enterprise certificate renewal and filing, and obtained the high-tech enterprise certificate numbered GR202551003643 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. 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%.

8. DEC Project 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 1 January 2021 to 31 December 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.

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]*. The company meets the preferential conditions and implements the preferential tax rate of 15.00%.

9. DEC Design

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 1 January 2021 to 31 December 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%.

10. Dongfang Wuhan Nuclear

On 19 December 2025, the company obtained the high-tech enterprise certification, the certificate number is GR202542004521, 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%.

11. Dongfang Research Institute

(1) Dongfang Research Institute. In December 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%.

(2) Dongchang Research Institute. In December 2024, it obtained its High-Tech Enterprise Certificate, with certificate number GR202433010424 and a validity period of 3 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 Hydrogen Energy

In December 2025, the company obtained the high-tech enterprise certification, the certificate number is GR202551003288, 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%.

13. Dongfang Indonesia Company

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.

14. Nam Mang Company According to the relevant provisions of the Franchise Operation Agreement signed by the Company and the Lao Government on 9 January 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.

4.2 Other preferential tax policies

(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 1 January 2023 to 31 December 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 1 January 2024, and 31 December 2027, with a unit value not exceeding RMB5 million, 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 funds

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Cash on hand	56,384.74	81,245.96
Bank deposits	27,376,017,527.61	21,517,655,596.58
Other monetary funds	173,113,860.16	1,161,857,748.10
Deposits with DEC Finance		
Total	27,549,187,772.51	22,679,594,590.64
Including: Total amount of deposit abroad	170,636,247.27	270,314,157.96
Deposited abroad with restrictions on repatriation of funds		

5.2 Loans to banks and other financial institutions

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Lending to other banks		
Lending to non-bank financial institutions	843,603,339.00	1,024,807,562.42
Less: provision for loan loss	14,902,500.00	8,279,047.80
Book value of lending fund	828,700,839.00	1,016,528,514.62

5.3 Financial assets held for trading

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Financial assets measured at fair value through the current profit or loss	1,647,233,528.45	1,832,489,719.73
Including: Debt instrument investment	317,730,400.00	313,293,300.00
Equity instrument investment	819,109,604.75	1,030,798,989.14
Others	510,393,523.70	488,397,430.59
Total	1,647,233,528.45	1,832,489,719.73

Remarks of financial assets held for trading:

1. The item "Others" at the beginning of the period refers to the fund of RMB488,397,430.59.
2. The item "Others" at the end of the period refers to the fund of RMB510,393,523.70.

Financial assets held for trading are analysed as follows:

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Listed financial assets		
China (except Hong Kong)	819,109,604.75	1,030,798,989.14
Sub-total	819,109,604.75	1,030,798,989.14

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Non-listed financial assets	828,123,923.70	801,690,730.59
Total	1,647,233,528.45	1,832,489,719.73

Remarks:

The Company holds the following listed financial assets: 68,219,187.00 shares of domestic listing RMB ordinary shares (A share) without restricted circulation in Sichuan New Energy Power Co., Ltd., accounting for 3.6952% of the share capital of the investee; 308,315.00 unrestricted domestic listed RMB ordinary shares (A shares) of Chongqing Gas Corporation Co., LTD., accounting for 0.0198% of the invested unit's share capital; 301,994.00 shares of domestic listing RMB ordinary shares (A share) without restricted circulation in Chongqing Iron & Steel Co., Ltd., accounting for 0.0034% of the share capital of the investee.

5.4 Notes receivable

5.4.1 Presentation of the notes receivable by category

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Bank acceptance bills	872,467,512.92	1,200,580,395.68
Commercial acceptance bills	593,937,858.67	463,477,016.13
Total	1,466,405,371.59	1,664,057,411.81

5.4.2 Notes receivable are classified and disclosed based on the bad debt provision method

Category	Balance as at 30 June 2026					Balance as at 31 December 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Proportion of provision (%)		Amount	Percentage (%)	Amount	Proportion of provision (%)	
Provision for bad debts on an individual basis	1,534,217,067.69	100.00	67,811,696.10	4.42	1,466,405,371.59	1,747,401,766.25	100.00	83,344,354.44	4.77	1,664,057,411.81
Provision for bad debts based on credit risk characteristics										
Total	1,534,217,067.69	100.00	67,811,696.10		1,466,405,371.59	1,747,401,766.25	100.00	83,344,354.44		1,664,057,411.81

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5.4.3 Provision for bad debts: accruals, reversals, and recoveries for the current period

Category	Balance as at 31 December 2025	Amount of change for this period				Balance as at 30 June 2026
		Accrual	Recoveries or reversals	Carry forward or write off	Other changes	
Notes receivable	83,344,354.44	-15,532,658.34				67,811,696.10
Total	83,344,354.44	-15,532,658.34				67,811,696.10

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

Item	Amount derecognised as at 30 June 2026	Amount not derecognised as at 30 June 2026
Bank acceptance bills	1,180,422,996.99	291,489,737.35
Commercial acceptance bills		278,590,825.66
Total	1,180,422,996.99	570,080,563.01

5.5 Accounts receivable

5.5.1 Aging of accounts receivable

Age of account	Balance as at 30 June 2026	Balance as at 31 December 2025
Within 1 year (including 1 year)	10,887,015,176.69	11,180,787,048.80
1 to 2 years	3,732,217,212.14	3,183,756,121.65
2 to 3 years	1,863,484,622.09	1,462,207,374.07
3 to 4 years	1,549,068,696.35	1,395,603,521.61
4 to 5 years	627,149,060.67	631,251,693.86
More than 5 years	1,382,628,412.79	1,315,285,498.16
Sub-total	20,041,563,180.73	19,168,891,258.15
Less: Provision for bad debts	4,211,579,678.04	3,975,096,356.79
Total	15,829,983,502.69	15,193,794,901.36

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5.5.2 Accounts receivable are classified and disclosed based on the bad debt provision method

Category	Balance as at 30 June 2026					Balance as at 31 December 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Proportion of provision (%)		Amount	Percentage (%)	Amount	Proportion of provision (%)	
Provision for bad debts on an individual basis	1,657,164,143.43	8.27	1,415,110,916.38	85.39	242,053,227.05	1,605,726,424.98	8.38	1,369,279,836.56	85.27	236,446,588.42
Provision for bad debts based on credit risk characteristics	18,384,399,037.30	91.73	2,796,468,761.66	15.21	15,587,930,275.64	17,563,164,833.17	91.62	2,605,816,520.23	14.84	14,957,348,312.94
Aging analysis combination	18,384,399,037.30		2,796,468,761.66		15,587,930,275.64	17,563,164,833.17		2,605,816,520.23		14,957,348,312.94
Total	20,041,563,180.73	100.00	4,211,579,678.04		15,829,983,502.69	19,168,891,258.15	100.00	3,975,096,356.79		15,193,794,901.36

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Important accounts receivable with an individual provision for bad debts

Name	Balance as at 30 June 2026			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision
Entity 1	260,609,954.94	51,174,926.65	19.64	The owner cannot recover on time due to financial constraints
Entity 2	218,649,909.69	218,649,909.69	100.00	The owner cannot recover on time due to financial constraints
Entity 3	207,813,892.00	207,813,892.00	100.00	It has entered bankruptcy liquidation procedures
Entity 4	86,071,624.73	86,071,624.73	100.00	It has entered bankruptcy liquidation procedures
Entity 5	81,577,339.71	81,577,339.71	100.00	The owner cannot recover on time due to financial constraints
Entity 6	73,350,230.21	73,350,230.21	100.00	The owner cannot recover on time due to financial constraints
Entity 7	72,745,660.29	72,745,660.29	100.00	It has entered bankruptcy liquidation procedures
Entity 8	70,135,640.25	63,122,076.23	90.00	The owner cannot recover on time due to financial constraints
Entity 9	62,333,640.00	62,333,640.00	100.00	The owner cannot recover on time due to financial constraints
Entity 10	45,617,395.43	45,617,395.43	100.00	It has entered bankruptcy liquidation procedures
Entity 11	31,972,958.25	28,775,662.43	90.00	The owner cannot recover on time due to financial constraints
Entity 12	29,300,000.00	29,300,000.00	100.00	The owner cannot recover on time due to financial constraints
Entity 13	27,632,480.00	27,632,480.00	100.00	The owner cannot recover on time due to financial constraints
Entity 14	26,315,106.57	11,951,890.65	45.42	The owner cannot recover on time due to financial constraints
Entity 15	25,592,879.77	23,033,591.79	90.00	The owner cannot recover on time due to financial constraints
Entity 16	25,122,142.87	25,122,142.87	100.00	It has entered bankruptcy liquidation procedures
Entity 17	19,969,838.00	19,969,838.00	100.00	The owner cannot recover on time due to financial constraints
Entity 18	18,792,350.25	16,913,115.23	90.00	The owner cannot recover on time due to financial constraints
Entity 19	18,250,000.00	18,250,000.00	100.00	It has entered bankruptcy liquidation procedures
Entity 20	16,789,858.49	16,789,858.49	100.00	The owner cannot recover on time due to financial constraints
Entity 21	16,529,760.00	16,529,760.00	100.00	The owner cannot recover on time due to financial constraints
Entity 22	15,151,220.00	15,151,220.00	100.00	The owner cannot recover on time due to financial constraints
Entity 23	15,030,213.78	15,030,213.78	100.00	The owner cannot recover on time due to financial constraints
Entity 24	13,278,000.00	11,950,200.00	90.00	The owner cannot recover on time due to financial constraints
Entity 25	11,550,000.00	10,395,000.00	90.00	The owner cannot recover on time due to financial constraints
Entity 26	11,463,428.06	11,463,428.06	100.00	It has entered bankruptcy liquidation procedures
Entity 27	11,184,000.00	10,065,600.00	90.00	The owner cannot recover on time due to financial constraints
Entity 28	11,153,236.76	11,153,236.76	100.00	The owner cannot recover on time due to financial constraints
Entity 29	10,310,000.00	10,310,000.00	100.00	The owner cannot recover on time due to financial constraints
Total	1,534,292,760.05	1,292,243,933.00		

Provision for bad debts based on credit risk characteristics:

Combined provision items:

Name	Balance as at 30 June 2026		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Within 1 year	10,770,359,407.57	538,514,349.16	5.00
1-2 years	3,604,371,526.71	360,437,152.84	10.00
2-3 years	1,638,582,528.77	327,716,505.76	20.00
3-4 years	953,756,048.59	381,502,419.39	40.00
4-5 years	458,062,382.58	229,031,191.43	50.00
More than 5 years	959,267,143.08	959,267,143.08	100.00
Total	18,384,399,037.30	2,796,468,761.66	

5.5.3 Provision for bad debts: accruals, reversals, and recoveries for the current period

Category	Balance as at 31 December 2025	Amount of change for this period				Balance as at 30 June 2026
		Accrual	Recoveries and reversals	Carry forward or write off	Other changes	
Accounts receivable	3,975,096,356.79	314,944,796.60	78,220,799.85	1,507,571.46	1,266,895.96	4,211,579,678.04
Total	3,975,096,356.79	314,944,796.60	78,220,799.85	1,507,571.46	1,266,895.96	4,211,579,678.04

Significant recoveries or reversals:

Name	Recoveries or reversals	Reason for reversals	Method of recovery	Determine the basis and reasonableness of the original bad debt provision
Entity 1	18,000,000.00	Recovery of funds	Cash recovery	Expected to be irrecoverable
Entity 2	16,330,336.19	Recovery of funds	Cash recovery	Expected to be irrecoverable
Entity 3	14,344,200.00	Recovery of funds	Cash recovery	Expected to be irrecoverable
Entity 4	10,800,000.00	Recovery of funds	Cash recovery	Expected to be irrecoverable
Total	59,474,536.19			

5.5.4 Accounts receivable actually written off in the current period

Item	Amount of write-off
Accounts receivable actually been written off	1,507,571.46

5.5.5 Top five accounts receivable and contract assets of ending balance collected by debtor

Name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balances of accounts receivable and contract assets	Percentage of the total balance of accounts receivable and contract assets at the end of the period (%)	Closing balances of provisions for bad debts on accounts receivable and provisions for impairment of contract assets
Entity 1	446,135,589.83	1,103,477,778.35	1,549,613,368.18	3.06	263,834,151.11
Entity 2	73,984,627.77	850,588,078.62	837,349,118.32	1.82	8,690,450.82
Entity 3	296,141,424.34	488,843,698.61	784,985,122.95	1.55	31,735,273.31
Entity 4	303,351,387.54	445,374,380.28	748,725,767.82	1.48	56,824,485.71
Entity 5	125,781,657.35	539,494,525.58	665,276,182.93	1.31	315,323,327.54
Total	1,245,394,686.83	3,427,778,461.44	4,585,949,560.20	9.22	676,407,688.49

5.6 Receivables financing

5.6.1 Presentation of receivables financing by category

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Notes receivable	1,617,538,472.37	2,885,613,858.43
Total	1,617,538,472.37	2,885,613,858.43

5.7 Prepayments

5.7.1 Presentation of prepayments by aging

Aging	Balance as at 30 June 2026		Balance as at 31 December 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	4,626,593,314.11	76.91	5,612,300,216.80	81.42
1 to 2 years	930,315,040.33	15.46	943,405,252.81	13.69
2 to 3 years	369,422,936.89	6.14	237,884,109.91	3.45
More than 3 years	89,681,473.82	1.49	99,123,843.81	1.44
Total	6,016,012,765.15	100.00	6,892,713,423.33	100.00

5.7.2 Top five prepayments in terms of the ending balance collected by the prepaid object

Prepaid object	Balance as at 30 June 2026	Percentage of the total balance of prepayments at the end of the period (%)
Entity 1	557,965,225.68	9.27
Entity 2	400,819,366.63	6.66
Entity 3	298,440,804.60	4.96
Entity 4	137,234,239.68	2.28
Entity 5	133,407,911.31	2.22
Total	1,527,867,547.90	25.39

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5.8 Other receivables

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Interest receivable		
Dividends receivable	35,356,397.37	4,210,670.09
Other receivables	370,482,516.17	377,475,334.97
Total	405,838,913.54	381,686,005.06

5.8.1 Dividends receivable

(1) Details of dividends receivable

Items (or investees)	Balance as at 30 June 2026	Balance as at 31 December 2025
Within 1 year	31,145,727.28	
Over 1 year	21,586,036.03	21,586,036.03
Sub-total	52,731,763.31	21,586,036.03
Less: Provision for bad debts	17,375,365.94	17,375,365.94
Total	35,356,397.37	4,210,670.09

(2) Significant dividends receivable with aging over one year

Items (or investees)	Balance as at 30 June 2026	Aging	Reason for non-recovery	Whether impairment occurs and the reasons for it
Huadian Longkou Wind Power Co., Ltd.	4,210,670.09	1-2 years	The investee enterprises are strapped for cash	No, it will be paid after receiving state subsidies
Inner Mongolia Energy Power Generation Hongnijing Wind Power Co., Ltd.	10,086,426.90	More than 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 aging

Aging	Balance as at 30 June 2026	Balance as at 31 December 2025
Within 1 year (including 1 year)	261,727,782.81	211,933,471.38
1 to 2 years	64,668,665.79	129,041,733.06
2 to 3 years	32,737,191.47	27,228,184.29
3-4 years	28,727,237.49	36,185,486.58
4-5 years	32,226,599.24	26,006,431.39
More than 5 years	228,829,063.48	230,721,294.92
Sub-total	648,916,540.28	661,116,601.62
Less: Provision for bad debts	278,434,024.11	283,641,266.65
Total	370,482,516.17	377,475,334.97

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(2) Disclosure by method of provision for bad debts

Category	Balance as at 30 June 2026					Balance as at 31 December 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Proportion of provision (%)		Amount	Percentage (%)	Amount	Proportion of provision (%)	
Provision for bad debts on an individual basis	170,382,342.92	26.26	157,321,266.52	92.33	13,061,076.40	173,075,696.43	26.18	160,166,403.10	92.54	12,909,293.33
Provision for bad debts based on credit risk characteristics	478,534,197.36	73.74	121,112,757.59	25.31	357,421,439.77	488,040,905.19	73.82	123,474,863.55	25.30	364,566,041.64
Including: Aging analysis combination	478,534,197.36		121,112,757.59		357,421,439.77	488,040,905.19		123,474,863.55		364,566,041.64
Total	648,916,540.28	100.00	278,434,024.11		370,482,516.17	661,116,601.62	100.00	283,641,266.65		377,475,334.97

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Significant other receivables for which bad debt provision is made on an individual basis:

Name	Balance as at 30 June 2026				Balance as at 31 December 2025	
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision	Book balance	Provision for bad debts
China Science and Technology Securities Co., Ltd.	146,064,314.06	146,064,314.06	100.00	Expected to be irrecoverable	146,064,314.06	146,064,314.06
Natural Resources and Planning Construction Bureau of the Chengdu Municipal Administrative Committee, Tianfu New District, Sichuan	12,327,367.50			Government funding carries a lower level of risk	12,327,367.50	
Total	158,391,681.56	146,064,314.06			158,391,681.56	146,064,314.06

Provision for bad debts based on credit risk characteristics:

Combined provision items:

Name	Balance as at 30 June 2026		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Within 1 year (including 1 year)	261,460,479.74	13,073,161.60	5.00
1 to 2 years	64,412,756.58	6,450,359.11	10.00
2 to 3 years	31,980,974.97	6,396,194.99	20.00
3-4 years	28,727,237.49	11,490,894.99	40.00
4-5 years	16,501,203.39	8,250,601.71	50.00
More than 5 years	75,451,545.19	75,451,545.19	100.00
Total	478,534,197.36	121,112,757.59	

(3) Provision for bad debts

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in 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 31 December 2025	123,474,863.55		160,166,403.10	283,641,266.65
In the current period, balance as at 31 December 2025				
- Transfer to Phase 2				
- Transfer to Phase 3				
- Reversal from Phase 2				
- Reversal from Phase 1				
Provision in the current period	-2,362,105.96			-2,362,105.96
Reversal in the current period			2,845,136.58	2,845,136.58

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment incurred)	
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at 30 June 2026	121,112,757.59		157,321,266.52	278,434,024.11

(4) Details of the provision for bad debts recognised, reversed, or recovered during the current period

Category	Balance as at 31 December 2025	Amount of change for this period				Balance as at 30 June 2026
		Accrual	Recoveries or reversals	Carry forward or write off	Other changes	
Other receivables	283,641,266.65	-2,362,105.96	2,845,136.58			278,434,024.11
Total	283,641,266.65	-2,362,105.96	2,845,136.58			278,434,024.11

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In particular, the amount of bad debt provisions reversed or recovered during the current period is significant:

Name	Recoveries or reversals	Reason for reversals	Method of recovery	Determine the basis and reasonableness of the original bad debt provision
Dongfang Electric New Energy Equipment (Hangzhou) Co., LTD.	2,845,136.58	Bankruptcy distribution	Cash recovery	Bankruptcy liquidation
Total	2,845,136.58			

(5) Classification by nature of funds

Nature of money	Book balance as at 30 June 2026	Book balance as at 31 December 2025
Security deposit and quality guarantee	224,638,448.85	230,690,774.03
Cash for use	67,484,168.54	49,467,970.13
Payment in advance	9,407,522.85	9,604,383.24
Other operating business receivables	47,962,409.83	59,287,860.02
Others	20,989,966.10	28,424,347.55
Total	370,482,516.17	377,475,334.97

(6) Other receivables in the top five of the ending balance collected by the debtor

Name	Nature of money	Balance as at 30 June 2026	Aging	Percentage of the total balance of other receivables at the end of the period (%)	Ending balance of provision for bad debts
Entity 1	Investment	146,064,314.06	More than 5 years	22.51	146,064,314.06
Entity 2	Security deposit and quality guarantee	23,785,000.00	1-2 years	3.67	2,378,500.00
Entity 3	Security deposit and quality guarantee	20,000,000.00	3-4 years	3.08	8,000,000.00
Entity 4	Others	19,500,000.00	More than 5 years	3.01	19,500,000.00
Entity 5	Security deposit	16,134,536.00	Within 1 year	2.49	806,726.80
Total		225,483,850.06		34.76	176,749,540.86

5.9 Financial assets purchased under resale agreements

Category	Balance as at 30 June 2026	Balance as at 31 December 2025
Bond	3,212,448,739.69	3,104,422,602.73
Others		
Total	3,212,448,739.69	3,104,422,602.73

5.10 Inventories

5.10.1 Classification of inventories

Category	Balance as at 30 June 2026			Balance as at 31 December 2025		
	Book balance	Provision for depreciation of inventories/provision for impairment of contract performance cost	Book value	Book balance	Provision for depreciation of inventories/provision for impairment of contract performance cost	Book value
Raw materials	4,806,254,949.95	307,114,807.85	4,499,140,142.10	4,422,519,276.07	288,417,902.61	4,134,101,373.46
Revolving materials	61,800,597.18	4,034,999.43	57,765,597.75	56,657,435.33	4,034,999.43	52,622,435.90
Products in process	22,446,443,891.07	505,360,850.23	21,941,083,040.84	21,300,587,892.43	694,130,413.16	20,606,457,479.27
Finished goods in stock	731,477,497.58	5,860,311.84	725,617,185.74	956,290,065.24	388,272.62	955,901,792.62
Contract performance cost	530,009,621.19	13,398,079.38	516,611,541.81	438,997,575.50	16,927,622.31	422,069,953.19
Total	28,575,986,556.97	835,769,048.73	27,740,217,508.24	27,175,052,244.57	1,003,899,210.13	26,171,153,034.44

5.10.2 Provision for depreciation of inventories and provision for impairment of contract performance cost

Category	Balance as at 31 December 2025	Increase in the period		Decrease in the period		Balance as at 30 June 2026
		Accrual	Others	Reversal or write-off	Others	
Raw materials	288,417,902.61	21,851,589.76		3,154,684.52		307,114,807.85
Revolving materials	4,034,999.43					4,034,999.43
Products in process	694,130,413.16	7,356,880.87		196,126,443.80		505,360,850.23
Finished goods in stock	388,272.62	5,533,068.33		61,029.11		5,860,311.84
Contract performance cost	16,927,622.31			3,529,542.93		13,398,079.38
Total	1,003,899,210.13	34,741,538.96		202,871,700.36		835,769,048.73

5.11 Contract assets

5.11.1 Breakdown of contract assets

Item	Balance as at 30 June 2026			Balance as at 31 December 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Payments for completed but not settled project	9,236,011,619.84	629,790,558.09	8,606,221,061.75	8,937,574,943.95	548,005,853.71	8,389,569,090.24
Contract quality guarantee deposit	2,882,066,628.51	479,172,595.43	2,402,894,033.08	2,765,243,017.73	496,487,033.59	2,268,755,984.14
Pre-acceptance payment	7,247,710,708.39	764,686,109.64	6,483,024,598.75	7,174,098,737.16	674,144,041.73	6,499,954,695.43
Total	19,365,788,956.74	1,873,649,263.16	17,492,139,693.58	18,876,916,698.84	1,718,636,929.03	17,158,279,769.81

5.11.2 Provision for impairment of contract assets in the period

Item	Balance as at 31 December 2025	Amount of change for this period				Balance as at 30 June 2026
		Accrual	Reversal	Carry forward/write off	Other changes	
Payments for completed but not settled project	548,005,853.71	81,460,730.78			-323,973.60	629,790,558.09
Contract quality guarantee deposit	496,487,033.59	-17,314,438.16				479,172,595.43
Pre-acceptance payment	674,144,041.73	90,542,067.91				764,686,109.64
Total	1,718,636,929.03	154,688,360.53			-323,973.60	1,873,649,263.16

5.12 Non-current assets due within one year

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Long-term receivables due within one year	65,815,475.05	152,146,984.79
Loans and advances due within one year		395,131,000.00
Debt investment due within one year	185,000,000.00	
Total	250,815,475.05	547,277,984.79

5.13 Other current assets

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Prepaid taxes and overpaid taxes	807,729,466.64	934,627,210.81
Loans and advances (short-term)	1,133,500,000.00	954,715,000.00
Discount assets	376,151,685.88	263,078,551.26
Others	5,102,785.16	3,650,055.60
Total	2,322,483,937.68	2,156,070,817.67

5.14 Loans and advances

5.14.1 Loans and advances, presented by individual and enterprise

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Personal loans and advances		
Credit card		
House mortgage		
Others		
Loans and advances to enterprises	6,888,466,992.60	6,897,365,391.75
State-owned enterprises	6,888,466,992.60	6,897,365,391.75

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Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Private enterprises		
Others		
Total loans and advances	6,888,466,992.60	6,897,365,391.75
Less: provision for loan loss	645,331,214.03	576,770,641.46
Including: provision made on individual basis		
Provision made on portfolio basis	645,331,214.03	576,770,641.46
Book value of loans and advances	6,243,135,778.57	6,320,594,750.29

5.14.2 Distribution of loans by industry

Industry distribution	Balance as at 30 June 2026	Percentage (%)	Balance as at 31 December 2025	Percentage (%)
Agriculture, animal husbandry and fishery				
Extractive industry				
Real estate industry				
Building industry				
Finance and insurance				
Power equipment industry	6,582,066,992.60	95.55	6,210,865,391.75	90.05
Other business services	139,400,000.00	2.02	686,500,000.00	9.95
Other industries	167,000,000.00	2.43		
Total loans and advances	6,888,466,992.60		6,897,365,391.75	
Less: provision for loan loss	645,331,214.03	9.37	576,770,641.46	8.36
Including: provision made on individual basis				
Provision made on portfolio basis	645,331,214.03	9.37	576,770,641.46	8.36
Book value of loans and advances	6,243,135,778.57		6,320,594,750.29	

5.14.3 Distribution of loans by region

Regional distribution	Balance as at 30 June 2026	Percentage (%)	Balance as at 31 December 2025	Percentage (%)
South China	202,307,292.48	2.94	239,090,436.44	3.47
North China	2,321,288,000.00	33.70	2,079,227,400.00	30.15
Southwest China	306,400,000.00	4.45	686,500,000.00	9.95
East China	1,936,556,899.08	28.11	1,613,325,782.00	23.39
Central China	833,000,000.00	12.09	808,780,000.00	11.73
Northwest China	1,288,914,801.04	18.71	1,470,441,773.31	21.32
Total loans and advances	6,888,466,992.60	100	6,897,365,391.75	100
Less: provision for loan loss	645,331,214.03	9.37	576,770,641.46	8.36
Including: provision made on individual basis				
Provision made on portfolio basis	645,331,214.03	9.37	576,770,641.46	8.36
Book value of loans and advances	6,243,135,778.57	90.63	6,320,594,750.29	91.64

5.14.4 Distribution of loans issued by way of guarantee

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Credit loans	3,760,556,492.48	6,374,486,219.33
Guaranteed loans	1,228,638,800.00	
Loan with collateral	1,899,271,700.12	522,879,172.42
Including: Mortgage loan		
Pledged loan	1,899,271,700.12	522,879,172.42
Discount		
Total loans and advances	6,888,466,992.60	6,897,365,391.75
Less: provision for loan loss	645,331,214.03	576,770,641.46
Including: provision made on individual basis		
Provision made on portfolio basis	645,331,214.03	576,770,641.46
Book value of loans and advances	6,243,135,778.57	6,320,594,750.29

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5.14.5 Provision for losses on loans

(1) Changes in reserve for loan losses

Credit risk and expected credit losses on loans and advances

Item	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment incurred)	
Book balance	6,888,466,992.60			6,888,466,992.60
Provision for losses	645,331,214.03			645,331,214.03
Book value	6,243,135,778.57			6,243,135,778.57

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

Provision for losses	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in 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 31 December 2025	576,770,641.46			576,770,641.46
In the current period, balance as at 31 December 2025				
- Transfer to Phase 2				
- Transfer to Phase 3				
- Reversal from Phase 2				
- Reversal from Phase 1				
Provision in the current period	68,560,572.57			68,560,572.57
Reversal in the current period				
- Reversal arising from the recovery of previously written-off loans and advances				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at 30 June 2026	645,331,214.03			645,331,214.03

5.15 Debt investments

5.11.1 Breakdown of debt investment

Item	Balance as at 30 June 2026			Balance as at 31 December 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Interbank certificate of deposit	20,647,635,688.85	27,216,000.00	20,620,419,688.85	24,558,145,821.77	3,549,000.00	24,554,596,821.77
Corporate bonds	904,196,075.39	66,750,000.00	837,446,075.39	899,928,860.74	66,750,000.00	833,178,860.74
Financial bonds	806,423,352.56	60,000,000.00	746,423,352.56	916,065,605.15	67,500,000.00	848,565,605.15
Government bonds	41,011,410.63		41,011,410.63	41,410,795.67		41,410,795.67
Sub-total	22,399,266,527.43	153,966,000.00	22,245,300,527.43	26,415,551,083.33	137,799,000.00	26,277,752,083.33
Less: due within one year	200,000,000.00	15,000,000.00	185,000,000.00			
Total	22,199,266,527.43	138,966,000.00	22,060,300,527.43	26,415,551,083.33	137,799,000.00	26,277,752,083.33

Changes in the provision for impairment of debt investments during the current period

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026
Debt investments	137,799,000.00	1,167,000.00		138,966,000.00
Total	137,799,000.00	1,167,000.00		138,966,000.00

5.15.2 Reserve for impairment of debt investments

Provision for impairment	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in 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 31 December 2025	137,799,000.00			137,799,000.00
In the current period, balance as at 31 December 2025				
- Transfer to Phase 2				
- Transfer to Phase 3				
- Reversal from Phase 2				
- Reversal from Phase 1				
Provision in the current period	1,167,000.00			1,167,000.00
Reversal in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at 30 June 2026	138,966,000.00			138,966,000.00

5.16 Long-term receivables

5.16.1 Breakdown of long-term receivables

Item	Balance as at 30 June 2026			Balance as at 31 December 2025			Discount rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Finance lease receivables							
Of which: unrealised finance income							
Goods sold on instalment terms	393,406,378.27	228,592,497.23	164,813,881.04	465,090,807.44	233,076,726.41	232,014,081.03	
Rendering of services with payment by installments							
Sub-total	393,406,378.27	228,592,497.23	164,813,881.04	465,090,807.44	233,076,726.41	232,014,081.03	
Less: due within one year	260,374,103.21	194,558,628.16	65,815,475.05	364,814,934.96	212,667,950.17	152,146,984.79	
Total	133,032,275.06	34,033,869.07	98,998,405.99	100,275,872.48	20,408,776.24	79,867,096.24	

5.16.2 Provision for bad debts of long-term receivables

Category	Balance as at 31 December 2025	Amount of change for this period				Balance as at 30 June 2026
		Accrual	Recoveries or reversals	Carry forward or write off	Other changes	
Long-term receivables	20,408,776.24	13,625,092.82				34,033,869.06
Total	20,408,776.24	13,625,092.82				34,033,869.06

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5.17 Long-term equity investments

5.17.1 Long-term equity investments

Investee	Balance as at 31 December 2025 (book value)	Impairment provision as at 31 December 2025	Increases/decreases in the current period								Balance as at 30 June 2026 (book value)	Impairment provision as at 30 June 2026
			Increase in investments	Decrease in investments	Profit or loss on investments recognised under the equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividends or profit declared to be distributed	Provision for impairment made	Others		
1. Joint ventures												
MHPS Dongfang Boiler Co., Ltd.	252,077,561.34				15,250,000.00			11,579,122.99			255,748,438.35	
Framatome Dongfang Reactor Coolant Pumps Company Limited	147,465,517.63				20,038,616.48						167,504,134.11	
Sub-total	399,543,078.97				35,288,616.48			11,579,122.99			423,252,572.46	
2. Associates												
Fujian Fuzhou MinTou Offshore Wind Power Convergence Station Co., Ltd.	7,000,000.00										7,000,000.00	
Mulei East New Energy Co., Ltd.	492,644,550.13				-7,692,231.14					33,578,924.23	451,373,394.76	
Three Gorges New Energy Power Generation (Manyu) Co. LTD.	70,540,597.82				2,993,746.77						73,534,344.59	
Liangshan Xinhe Wind Power Development Co., Ltd.	2,450,000.00										2,450,000.00	
Huaneng (Lingcheng District, Dezhou City) 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 Huineng Dongfang Energy Co., Ltd.	6,000,000.00		10,700,000.00								16,700,000.00	
Changji Wanxin Wind Power Co., Ltd.	909,846,800.00				10,488,961.34					-1,806,751.81	918,529,009.53	
Leshan Dongle Dajian Lifting Co., Ltd.	7,008,821.49				86,408.04			53,900.00			7,041,329.53	
Sichuan Dongfang Development Clean Energy Co., Ltd.	43,209,373.89				1,167.35						43,210,541.24	
Hunan Ping An Environmental Protection Co., Ltd.	17,950,000.00				-3,205,510.68						14,744,489.32	

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Investee	Balance as at 31 December 2025 (book value)	Impairment provision as at 31 December 2025	Increases/decreases in the current period								Balance as at 30 June 2026 (book value)	Impairment provision as at 30 June 2026
			Increase in investments	Decrease in investments	Profit or loss on investments recognised under the equity method	Adjustment to other comprehensive income	Other equity changes	Cash dividends or profit declared to be distributed	Provision for impairment made	Others		
Sichuan Shuzhi Supply Chain Technology Co. LTD.	8,636,347.69				7,025.89						8,643,373.58	
Sichuan Xingweilan Technology Co., Ltd.	11,814,448.79				-452,525.38						11,361,923.41	
Mitsubishi Heavy Industries Dongfang Gas	838,223,380.78				53,410,000.00						891,633,380.78	
Sichuan Dongshu New Materials Co., Ltd.	132,172,095.68				784,720.41	-818,786.07	3,869,011.27				136,007,041.29	
Deyang Guangda Dongqi New Materials Co., Ltd.	390,374,329.80				19,768,461.24			24,500,000.00		-4,067,000.00	381,575,791.04	
Sichuan Dongneng Energy Company Limited	17,036,447.26				1,372.74						17,037,820.00	
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	20,698,939.91				1,566,016.07						22,264,955.98	
Huadian Longkou Wind Power Co., Ltd.	93,704,091.68				2,755,000.00						96,459,091.68	
China United Heavy Gas Turbine Technology Co., LTD	132,757,050.64				3,138,224.28						135,895,274.92	
Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.		13,725,971.47										13,725,971.47
Inner Mongolia Mengneng Ulan New Energy Co., Ltd.		27,120,000.00										27,120,000.00
Huaneng Changjiang Oriental (Beijing) Environmental Protection Technology Service Co., Ltd.			340,000.00								340,000.00	
Inner Mongolia New Jinshan Carbon Fiber Co., Ltd.			75,000,702.76								75,000,702.76	
Dongfang Zhongheng (Chengdu) New Energy Technology Co., Ltd.					47,861.52						47,861.52	
Sub-total	3,223,919,275.56	40,845,971.47	86,040,702.76		83,698,698.45	-818,786.07	3,869,011.27	24,553,900.00		39,452,676.04	3,332,702,325.93	40,845,971.47
Total	3,623,462,354.53	40,845,971.47	86,040,702.76		118,987,314.93	-818,786.07	3,869,011.27	36,133,022.99		39,452,676.04	3,755,954,898.39	40,845,971.47

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5.18 Other equity instrument investments

5.18.1 Breakdown of other equity instrument investments

Category/Item	Balance as at 31 December 2025	Gain or loss accumulated in other comprehensive income as at 31 December 2025	Addition during the period	Changes in fair value during the period			Disposal during the period	Other changes	Balance as at 30 June 2026	Cumulative gains or losses transferred from other comprehensive income to retained earnings during the period	Gain or loss accumulated in other comprehensive income as at 30 June 2026	Specified reasons
				Changes relating to investments held as at 30 June 2026	Changes relating to investments derecognised during the period	Sub-total						
Harbin Neng Chuang Technology Co. LTD	6,575,900.00	1,575,900.00							6,575,900.00		1,575,900.00	Strategic holding
China Datang Group Science and Technology Innovation Co. LTD	11,875,252.10	-8,124,747.90	10,000,000.00						21,875,252.10		-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.	534,893,610.87	-5,106,382.92		-5,602,935.57		5,602,935.57	191,535,246.00		337,755,429.30	27,810,758.49	-38,520,076.98	Strategic holding
Zhejiang Yuhuan Huadian Wind Power Co. LTD	94,869,000.00								94,869,000.00			Strategic holding
Sichuan Huatian Group Co. LTD		-81,914.82									-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.	737,400.00	481,000.00							737,400.00		481,000.00	Strategic holding
Yaxia National Hydropower Technology Innovation Center Co., Ltd.			12,000,000.00						12,000,000.00			Strategic holding
Total	668,320,905.39	-11,256,145.64	22,000,000.00	-5,602,935.57		5,602,935.57	191,535,246.00		493,182,723.82	27,810,758.49	-44,669,839.70	

5.19 Investment properties

5.19.1 Investment properties measured under cost model

Item	Buildings and constructions	Land use right	Constructions in process	Total
1. Original book value				
(1) Balance as at 31 December 2025	522,182,298.55	19,012,760.71		541,195,059.26
(2) Increase in the period	108,749.67			108,749.67
- Outsourcing				
- Others	108,749.67			108,749.67
(3) Decrease in the period	373,249.54			373,249.54
- Disposal	373,249.54			373,249.54
- Others				
(4) Balance as at 30 June 2026	521,917,798.68	19,012,760.71		540,930,559.39
2. Accumulated depreciation and amortisation				
(1) Balance as at 31 December 2025	300,187,677.79	7,961,178.73		308,148,856.52
(2) Increase in the period	12,347,960.28	221,644.25		12,569,604.53
- Provision or amortisation	12,347,960.28	221,644.25		12,569,604.53
- Others				
(3) Decrease in the period	115,045.23			115,045.23
- Disposal	115,045.23			115,045.23
- Others				
(4) Balance as at 30 June 2026	312,420,592.84	8,182,822.98		320,603,415.82
3. Provision for impairment				
(1) Balance as at 31 December 2025	5,100,690.93			5,100,690.93
(2) Increase in the period				
- Provision				
- Others				
(3) Decrease in the period				
- Disposal				
- Others				
(4) Balance as at 30 June 2026	5,100,690.93			5,100,690.93
4. Book value				
(1) Book value as at 30 June 2026	204,396,514.91	10,829,937.73		215,226,452.64
(2) Book value as at 31 December 2025	216,893,929.83	11,051,581.98		227,945,511.81

5.20 Fixed assets

5.20.1 Fixed assets and disposal of fixed assets

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Fixed assets	6,613,252,670.85	6,453,440,048.42
Disposal of fixed assets	10,633,552.42	11,993,989.29
Total	6,623,886,223.27	6,465,434,037.71

5.20.2 Breakdown of fixed assets

Item	Land assets	Buildings and constructions	Machinery equipment	Transportation facilities	Instrument and apparatus, electronic equipment and others	Total
1. Original book value						
(1) Balance as at 31 December 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) Increase in the period		136,306,085.43	363,703,234.84	26,655,382.99	113,477,439.57	640,142,142.83
- Purchase		2,809,812.81	25,972,879.09	19,153,697.53	13,464,598.77	61,400,988.20
- Transfer-in of construction in progress		133,496,272.62	337,730,355.75	7,501,685.46	100,012,840.80	578,741,154.63
- Increase from business combination						
- Others						

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Item	Land assets	Buildings and constructions	Machinery equipment	Transportation facilities	Instrument and apparatus, electronic equipment and others	Total
(3) Decrease in the period		10,750,003.84	64,295,693.54	41,908,954.44	35,638,073.75	152,592,725.57
- Disposal or scrapping		5,831,494.52	52,318,872.35	41,821,405.49	35,610,365.82	135,582,138.18
- Others		4,918,509.32	11,976,821.19	87,548.95	27,707.93	17,010,587.39
(4) Balance as at 30 June 2026	17,915,996.06	8,100,725,302.51	9,900,160,659.24	314,857,698.67	2,371,863,025.35	20,705,522,681.83
2. Accumulated depreciation						
(1) Balance as at 31 December 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
(2) Increase in the period		175,481,133.90	153,193,074.85	11,055,709.19	110,059,053.74	449,788,971.68
- Provision		175,395,360.47	153,193,074.85	11,055,709.19	110,059,053.74	449,703,198.25
- Others		85,773.43				85,773.43
(3) Decrease in the period		4,958,672.22	56,844,902.11	22,583,861.18	37,496,346.00	121,883,781.51
- Disposal or scrapping		3,492,118.22	47,195,406.49	22,513,006.48	37,496,118.29	110,696,649.48
- Others		1,466,554.00	9,649,495.62	70,854.70	227.71	11,187,132.03
(4) Balance as at 30 June 2026		4,795,170,190.48	7,344,121,499.62	226,050,464.61	1,626,414,342.90	13,991,756,497.61
3. Provision for impairment						
(1) Balance as at 31 December 2025		72,666,863.06	22,054,150.94	118,991.45	5,841,903.26	100,681,908.71
(2) Increase in the period				1,705,700.31		1,705,700.31
- Provision				1,705,700.31		1,705,700.31
- Others						
(3) Decrease in the period			126,879.65	1,705,700.31	41,515.69	1,874,095.65
- Disposal or scrapping			97,729.65	1,705,700.31	41,515.69	1,844,945.65
- Others			29,150.00			29,150.00
(4) Balance as at 30 June 2026		72,666,863.06	21,927,271.29	118,991.45	5,800,387.57	100,513,513.37
4. Book value						
(1) Book value as at 30 June 2026	17,915,996.06	3,232,888,248.97	2,534,111,888.33	88,688,242.61	739,648,294.88	6,613,252,670.85
(2) Book value as at 31 December 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

Remark: The land assets in the fixed assets of the Company represent the land ownership acquired by Dongfang India Company in India.

5.20.3 Temporarily idle fixed assets

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remarks
Machinery equipment	56,522,636.54	52,231,707.34	79,962.72	4,210,966.48	
Transportation facilities	939,486.39	718,968.06		220,518.33	
Total	57,462,122.93	52,950,675.40	79,962.72	4,431,484.81	

5.20.4 Disposal of fixed assets

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Machinery equipment	7,973,626.71	8,761,483.56
Buildings and constructions	57,240.79	910,178.34
Transportation facilities	1,154,045.31	876,215.77
Electronic equipment	677,939.41	647,718.90
Instrument and apparatus	417,199.63	415,155.24
Others	353,500.57	383,237.48

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Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Total	10,633,552.42	11,993,989.29

5.20.5 Fixed assets with certificates of title uncompleted

Item	Book value	Reason for failure to complete the formalities for the certificate of title
Production base phrase I in Hulun Buir	12,570,191.24	In progress
Construction of Auxiliary Facilities at the Partition Panel Plant	388,873.80	In progress
Support Facilities for the Industrial Turbines Division	871,715.06	In progress
Hazardous Waste Storage Facility in Deyang	1,474,582.16	In progress
Deyang Hydrogen Energy Park	3,543,425.76	In progress
Real estate Title certificate of Chengdu No.2 Building	66,840,595.35	In progress
Hazardous Waste Temporary Storage Facility in Zigong	1,519,894.65	In progress

5.21 Construction in progress

5.21.1 Construction in progress and project materials

Item	Balance as at 30 June 2026			Balance as at 31 December 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Constructions in process	1,436,832,931.54	1,084,798.67	1,435,748,132.87	1,224,377,358.96	1,084,798.67	1,223,292,560.29
Project materials	30,649.48		30,649.48	30,649.48		30,649.48
Total	1,436,863,581.02	1,084,798.67	1,435,778,782.35	1,224,408,008.44	1,084,798.67	1,223,323,209.77

5.21.2 Breakdown of construction in progress

Item	Balance as at 30 June 2026			Balance as at 31 December 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Large-Scale Compressor Comprehensive Testing Platform	74,673,234.79		74,673,234.79	49,263,841.66		49,263,841.66
High-Power Gas Turbine Burner Test Platform at the Quanzhong Laboratory	69,111,505.98		69,111,505.98	69,087,921.08		69,087,921.08
Project to Enhance the Testing Capabilities of the Main Nuclear Pump	61,415,015.59		61,415,015.59	59,145,015.59		59,145,015.59
Green Smart Coil Digital Workshop	59,300,087.07		59,300,087.07	30,514,750.44		30,514,750.44
Joint Plant Expansion Project	56,951,254.08		56,951,254.08	28,889,028.02		28,889,028.02
Golmud Base	54,666,059.88		54,666,059.88	54,666,059.88		54,666,059.88
Gantry Milling Machine	44,525,244.53		44,525,244.53	33,013,810.19		33,013,810.19
260 Boring Machine	40,399,194.96		40,399,194.96	37,613,487.27		37,613,487.27
Tangshan Wind Power Base	34,345,653.89		34,345,653.89	18,603,015.94		18,603,015.94
Qingdao Wind Power Base	33,769,196.67		33,769,196.67	17,602,280.74		17,602,280.74
Madian Hydrogen Refuelling Station	30,643,072.65		30,643,072.65	28,613,114.17		28,613,114.17
Four high-precision five-axis machining centers at the Blade Plant	22,286,801.52		22,286,801.52			
Reinforcement of Bays 2 and 3 in the Motor Division	20,813,841.67		20,813,841.67	16,958,823.64		16,958,823.64
Public Service Platform Empowering Digital Transformation of the Industrial Chain	21,438,089.30		21,438,089.30	13,985,250.57		13,985,250.57
CNC Wire and Bar Forming Robot	20,405,614.66		20,405,614.66	20,371,684.81		20,371,684.81
Extension of Heavy-duty Workshop and Cleanroom	20,269,492.04		20,269,492.04	444,871.04		444,871.04
R&D test bed for main helium fans of high temperature gas-cooled reactor	19,630,593.54		19,630,593.54	24,158,713.83		24,158,713.83
Inorganic spraying and thermal spraying digital production line of gas turbine	18,628,417.81		18,628,417.81	17,838,486.20		17,838,486.20

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Item	Balance as at 30 June 2026			Balance as at 31 December 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Jinsha 110kV Substation Refurbishment and Associated Construction Works	18,619,469.02		18,619,469.02			
Reinforcement of Bay 2 of the Large Electric Machinery Workshop	18,408,604.34		18,408,604.34	14,991,439.28		14,991,439.28
Intelligent Computing Power and Management Platform	16,256,637.17		16,256,637.17	16,256,637.17		16,256,637.17
Full-Scale Laboratory Gas Turbine Spray Coating Production Line	15,927,433.63		15,927,433.63			
Independently Controlled Application Servers and Storage	15,131,150.45		15,131,150.45			
Pipe Storage System Prior to Butt Welding	15,098,230.09		15,098,230.09	15,098,230.09		15,098,230.09
Sub-total for other items	634,119,036.21	1,084,798.67	633,034,237.54	657,260,897.35	1,084,798.67	656,176,098.68
Total	1,436,832,931.54	1,084,798.67	1,435,748,132.87	1,224,377,358.96	1,084,798.67	1,223,292,560.29

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5.21.3 Changes in important projects of construction in progress in the current period

Project name	Budget	Balance as at 31 December 2025	Increase in the period	Amount transferred into fixed assets in the current period	Other decreases in the period	Balance as at 30 June 2026	Proportion of accumulative project investments in budget (%)	Project progress	Accumulated capitalization amount of interest	Including: capitalization amount of interest in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Large-Scale Compressor Comprehensive Testing Platform	376,800,000.00	49,263,841.66	30,276,649.77	4,867,256.64		74,673,234.79	21.11	21.11				Self-finance
High-Power Gas Turbine Burner Test Platform at the Quanzhong Laboratory	331,400,000.00	69,087,921.08	23,584.90			69,111,505.98	20.85	20.85				Self-finance
Project to Enhance the Testing Capabilities of the Main Nuclear Pump	193,500,000.00	59,145,015.59	2,270,000.00			61,415,015.59	31.74	31.74				Self-finance
Green Smart Coil Digital Workshop	106,000,000.00	30,514,750.44	31,015,336.63	2,230,000.00		59,300,087.07	58.05	58.05				Self-finance
Joint Plant Expansion Project	88,980,000.00	28,889,028.02	28,062,226.06			56,951,254.08	64.00	64.00				Self-finance
Golmud Base	91,026,699.00	54,666,059.88				54,666,059.88	60.05	60.05				Self-finance
Gantry Milling Machine	90,000,000.00	33,013,810.19	11,511,434.34			44,525,244.53	49.47	49.47				Self-finance
260 Boring Machine	50,000,000.00	37,613,487.27	2,785,707.69			40,399,194.96	80.80	80.80				Self-finance
Tangshan Wind Power Base	94,720,000.00	18,603,015.94	15,742,637.95			34,345,653.89	36.26	36.26	14,873.93	14,873.93	2.60	Self-finance and loans
Qingdao Wind Power Base	99,980,000.00	17,602,280.74	16,166,915.93			33,769,196.67	33.78	33.78				Self-finance
Madian Hydrogen Refuelling Station	33,776,775.00	28,613,114.17	2,029,958.48			30,643,072.65	90.72	90.72				Self-finance
Four high-precision five-axis machining centers at the Blade Plant	116,000,000.00		22,729,219.56		442,418.04	22,286,801.52	19.59	19.59				Self-finance
Reinforcement of Bays 2 and 3 in the Motor Division	26,000,000.00	16,958,823.64	3,855,018.03			20,813,841.67	80.05	80.05				Self-finance

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Project name	Budget	Balance as at 31 December 2025	Increase in the period	Amount transferred into fixed assets in the current period	Other decreases in the period	Balance as at 30 June 2026	Proportion of accumulative project investments in budget (%)	Project progress	Accumulated capitalization amount of interest	Including: capitalization amount of interest in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Public Service Platform Empowering Digital Transformation of the Industrial Chain	41,050,000.00	13,985,250.57	7,842,838.73	390,000.00		21,438,089.30	53.17	53.17				Self-finance
CNC Wire and Bar Forming Robot	26,000,000.00	20,371,684.81	33,929.85			20,405,614.66	78.48	78.48				Self-finance
Extension of Heavy-duty Workshop and Cleanroom	128,689,797.71	444,871.04	19,824,621.00			20,269,492.04	15.75	15.75				Self-finance
R&D test bed for main helium fans of high temperature gas-cooled reactor	53,500,000.00	24,158,713.83	85,000.00	4,613,120.29		19,630,593.54	45.32	45.32				Self-finance
Inorganic spraying and thermal spraying digital production line of gas turbine	219,740,000.00	17,838,486.20	10,686,287.03	7,255,569.72	2,640,785.70	18,628,417.81	12.98	12.98				Self-finance
Jinsha 110kV Substation Refurbishment and Associated Construction Works	29,600,000.00		18,619,469.02			18,619,469.02	62.90	62.90				Self-finance
Reinforcement of Bay 2 of the Large Electric Machinery Workshop	22,500,000.00	14,991,439.28	3,417,165.06			18,408,604.34	81.82	81.82				Self-finance
Intelligent Computing Power and Management Platform	17,530,000.00	16,256,637.17				16,256,637.17	92.74	92.74				Self-finance
Full-Scale Laboratory Gas Turbine Spray Coating Production Line	80,870,000.00		15,927,433.63			15,927,433.63	19.70	19.70				Self-finance
Independently Controlled Application Servers and Storage	20,000,000.00		15,131,150.45			15,131,150.45	75.66	75.66				Self-finance
Pipe Storage System Prior to Butt Welding	26,336,283.19	15,098,230.09				15,098,230.09	57.33	57.33				Self-finance
Total		567,116,461.61	258,036,584.11	19,355,946.65	3,083,203.74	802,713,895.33			14,873.93	14,873.93		

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5.22 Right-of-use assets

5.22.1 Breakdown of right-of-use assets

Item	Buildings and constructions	Machinery equipment	Total
1. Original book value			
(1) Balance as at 31 December 2025	827,519,578.49	52,535,097.31	880,054,675.80
(2) Increase in the period	194,723,698.28	1,511,160.08	196,234,858.36
- New leases	194,723,698.28	1,511,160.08	196,234,858.36
- Others			
(3) Decrease in the period	151,556,283.70		151,556,283.70
- Disposal or expiry	151,556,283.70		151,556,283.70
- Others			
(4) Balance as at 30 June 2026	870,686,993.07	54,046,257.39	924,733,250.46
2. Accumulated depreciation			
(1) Balance as at 31 December 2025	394,564,096.96	22,657,643.88	417,221,740.84
(2) Increase in the period	83,466,066.53	2,555,050.45	86,021,116.98
- Provision	83,466,066.53	2,555,050.45	86,021,116.98
- Others			
(3) Decrease in the period	146,093,729.43		146,093,729.43
- Disposal or expiry	146,093,729.43		146,093,729.43
- Others			
(4) Balance as at 30 June 2026	331,936,434.06	25,212,694.33	357,149,128.39
3. Provision for impairment			
(1) Balance as at 31 December 2025			
(2) Increase in the period			
- Provision			
- Others			
(3) Decrease in the period			
- Transfer to fixed assets			
- Disposal or expiry			
- Others			
(4) Balance as at 30 June 2026			
4. Book value			
(1) Book value as at 30 June 2026	538,750,559.01	28,833,563.06	567,584,122.07
(2) Book value as at 31 December 2025	432,955,481.53	29,877,453.43	462,832,934.96

5.23 Intangible assets

5.23.1 Breakdown of intangible assets

Item	Land use right	Non-patent technologies	Software	Patent right	Others	Total
1. Original book value						
(1) Balance as at 31 December 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) Increase in the period	80,411,432.44		35,734,681.15	908,387.81	20,940.59	117,075,441.99
- Purchase	80,411,432.44		2,502,157.31	622,592.27		83,536,182.02
- Transfer-in of construction in progress			33,232,523.84	285,795.54	20,940.59	33,539,259.97
- Others						
(3) Decrease in the period	21,085,428.92		795,948.73	64,228.22	20,698,249.82	42,643,855.69
- Disposal	20,773,215.10		510,373.51	17,220.00		21,300,808.61
- Others	312,213.82		285,575.22	47,008.22	20,698,249.82	21,343,047.08
(4) Balance as at 30 June 2026	1,602,619,440.84	341,529,546.45	727,576,994.26	242,442,473.87	651,759,757.28	3,565,928,212.70
2. Accumulated amortisation						
(1) Balance as at 31 December 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
(2) Increase in the period	17,427,859.13	82,274.74	43,709,213.21	14,033,703.23	13,151,020.23	88,404,070.54
- Provision	17,427,859.13	82,274.74	43,709,213.21	14,033,703.23	13,151,020.23	88,404,070.54
- Others						
(3) Decrease in the period	1,783,776.22		1,028,773.82	59,674.14	7,353,997.77	10,226,221.95
- Disposal	1,783,776.22		1,028,773.82	59,674.14	7,353,997.77	10,226,221.95
- Portions that have lapsed and been derecognised						
- Others						

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Item	Land use right	Non-patent technologies	Software	Patent right	Others	Total
(4) Balance as at 30 June 2026	369,858,419.47	340,810,838.14	455,425,204.26	148,866,919.20	244,067,976.29	1,559,029,357.36
3. Provision for impairment						
(1) Balance as at 31 December 2025	33,314.36					33,314.36
(2) Increase in the period						
- Provision						
- Others						
(3) Decrease in the period						
- Disposal						
-Portions that have lapsed and been derecognised						
- Others						
(4) Balance as at 30 June 2026	33,314.36					33,314.36
4. Book value						
(1) Book value as at 30 June 2026	1,232,727,707.01	718,708.31	272,151,790.00	93,575,554.67	407,691,780.99	2,006,865,540.98
(2) Book value as at 31 December 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

5.23.2 Land use right without a certificate of title

Item	Book value	Reason for failure to complete the formalities for the certificate of title
Deyang city urban and rural Luhe village	431,245.02	In progress
Hanjiang Road, Deyang City	2,722,087.55	In progress
Chengdu Jinniu Shengdeng Township	1,535,012.31	In progress
Deyang City Lushan south west side	1,462,783.72	In progress
Huashan South Road, Deyang City	775,336.15	In progress
Land Use Rights for Yuhe Street	17,613,097.63	In progress
Total	24,539,562.38	

5.24 Long-term deferred expenses

Item	Balance as at 31 December 2025	Increase in the period	Amount amortised in the current period	Other decreases	Balance as at 30 June 2026
Sporadic projects	50,817,013.80	1,533,293.45	5,564,869.99	995,150.46	45,790,286.80
Total	50,817,013.80	1,533,293.45	5,564,869.99	995,150.46	45,790,286.80

5.25 Deferred income tax assets and deferred income tax liabilities

5.25.1 Deferred income tax assets without offset

Item	Balance as at 30 June 2026		Balance as at 31 December 2025	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	10,995,524,676.61	1,853,298,283.15	10,017,353,565.27	1,688,516,853.66
Deductible losses	177,003,051.51	26,959,174.92	193,867,026.68	29,546,534.16
Provisions liabilities	5,950,114,370.75	921,180,404.06	6,019,485,400.54	924,704,115.81
Employee benefits payable	1,254,319,470.07	192,265,791.78	1,361,637,386.05	208,363,775.59
Unrealised profits of internal transactions	677,058,910.03	101,477,023.37	441,493,621.19	66,224,043.17
Government grants	372,108,260.97	55,962,915.97	366,153,476.71	55,111,431.81
Accounts payable	3,053,866,605.62	465,951,627.46	2,606,441,299.25	398,856,161.08
Changes in fair value	4,698,629.44	704,794.42	9,805,012.36	1,470,751.86
Overseas enterprise income tax to be offset	13,982,540.13	2,097,381.02	13,982,540.13	2,097,381.02
Lease liabilities	533,825,981.61	96,903,481.00	640,892,529.39	111,517,897.08
Revenue from projects with a construction period exceeding 12 months	1,550,811,181.06	232,621,677.16		
Others	55,298,340.17	8,294,751.03	30,486,798.11	4,491,206.59
Total	24,638,612,017.97	3,957,717,305.34	21,701,598,655.68	3,490,900,151.83

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5.25.2 Unoffset deferred income tax liabilities

Item	Balance as at 30 June 2026		Balance as at 31 December 2025	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Depreciation of fixed assets	453,567,377.32	69,106,926.57	456,240,891.77	69,701,039.50
Changes in fair value	353,679,112.95	56,265,979.31	347,243,919.83	54,657,181.03
Right-of-use assets	498,989,837.18	97,060,692.47	603,250,739.96	112,715,035.02
Others	10,709,318.49	1,606,397.77		
Total	1,316,945,645.94	224,039,996.12	1,406,735,551.56	237,073,255.55

5.25.3 Deferred tax assets or liabilities presented on a net basis after offsetting

Item	As at 30 June 2026		As at 31 December 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	66,985,500.26	3,890,731,805.08	88,009,280.30	3,402,890,871.53
Deferred tax liabilities	66,985,500.26	157,054,495.86	88,009,280.30	149,063,975.25

5.25.4 Details of unrecognised deferred income tax assets

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Deductible temporary difference	506,394,361.89	510,207,637.64
Deductible losses	1,524,604,181.12	1,830,439,433.68
Total	2,030,998,543.01	2,340,647,071.32

5.25.5 Deductible losses of unrecognised deferred income tax assets will be expired in the following years

Year	Balance as at 30 June 2026	Balance as at 31 December 2025	Remarks
2026	42,210,748.51	42,210,748.51	
2027	448,494,919.99	448,494,919.99	
2028	193,400,548.67	193,400,548.67	
2029	88,737,291.54	88,737,291.54	
2030 and beyond	751,760,672.41	1,057,595,924.97	
Total	1,524,604,181.12	1,830,439,433.68	

5.26 Other non-current assets

Item	Balance as at 30 June 2026			Balance as at 31 December 2025		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Reclassification of contract assets	11,314,672,315.88	1,261,430,981.62	10,053,241,334.26	10,950,143,933.63	1,148,197,705.42	9,801,946,228.21
Prepayment for acquisition of long-term assets				28,116,464.43		28,116,464.43
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	357,653,465.27		357,653,465.27	344,879,187.14		344,879,187.14
Total	12,081,688,781.15	1,670,793,981.62	10,410,894,799.53	11,732,502,585.20	1,557,560,705.42	10,174,941,879.78

Note: Dongfang Electric New Energy Equipment (Hangzhou) Co., LTD. (hereinafter referred to as Hangzhou New Energy) entered bankruptcy procedure in 2017 and was struck off the register in 2026; the financial write-off process for the provision for impairment of assets is currently underway.

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5.27 Assets whose ownership or use rights are restricted

Item	As at 30 June 2026				As at 31 December 2025				
	Book balance	Book value	Restricted type	Restrictions	Book balance	Book value	Restricted type	Restrictions	
Cash and cash equivalents	3,041,910,200.65	3,041,910,200.65	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	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	
Notes receivable	590,718,012.95	570,080,563.01	Pledge	Discounting of bills of exchange; endorsement not yet recognized	281,773,214.31	267,709,553.62	Pledge	Discounting of bills of exchange; endorsement not yet recognized	
Fixed assets	1,374,727.85	66,605.49	Mortgage	Loan Collateral	1,374,727.85	68,736.39	Mortgage	Loan Collateral	
Intangible assets	667,663,416.04	404,066,853.47	Mortgage	Loan Collateral	667,663,416.04	430,445,520.02	Mortgage	Loan Collateral	
Total	4,301,666,357.49	4,016,124,222.62			4,624,675,219.82	4,372,087,671.65			

5.28 Short-term borrowings

5.28.1 Classification of short-term borrowings

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Loan pledged	183,548,557.91	81,302,980.52
Mortgage loan		
Guaranteed loans		
Credit borrowings	1,534,668,800.00	60,000,000.00
Total	1,718,217,357.91	141,302,980.52

5.29 Derivative financial liabilities

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Forward exchange settlement	69,286.77	
Total	69,286.77	

Note: In order to effectively minimise the impact of foreign exchange rate fluctuations on the Company's financial position and operating results, the Company prudently utilises hedging instruments, such as forward exchange settlement, for hedging purposes to manage the risk of exchange rate fluctuations.

5.30 Notes payable

Category	Balance as at 30 June 2026	Balance as at 31 December 2025
Bank acceptance bills	4,017,681,742.17	8,009,600,977.02
Commercial acceptance bills	6,031,332,823.09	7,642,640,421.48
Total	10,049,014,565.26	15,652,241,398.50

5.31 Accounts payable

5.31.1 Presentation of accounts payable

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Within 1 year (including 1 year)	27,991,752,021.70	23,672,337,436.88
1-2 years (including 2 years)	2,401,817,414.49	1,798,792,334.81
2-3 years (including 3 years)	920,399,580.94	995,343,944.25
Over 3 years	1,839,212,517.14	1,543,614,272.14
Total	33,153,181,534.27	28,010,087,988.08

5.32 Contract liabilities

5.32.1 Breakdown of contract liabilities

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Within 1 year (including 1 year)	32,896,172,487.81	36,019,411,227.52
Over 1 year	12,404,185,977.51	11,208,844,589.05
Total	45,300,358,465.32	47,228,255,816.57

5.33 Absorption of deposits and interbank deposits

Item	Balance as at 30 June 2026	Balance as at 1 January 2025
Demand deposits	2,623,046,717.70	5,243,508,815.54
Including: Company	2,623,046,717.70	5,243,508,815.54
Time deposits (including the call deposits)	3,102,600,000.00	451,600,000.00
Other deposits (including outward remittance, remittance payable, etc.)		
Total	5,725,646,717.70	5,695,108,815.54

5.34 Employee benefits payable

5.34.1 List the salary payable to employees

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026
Short-term compensation	337,137,140.78	2,178,198,633.26	2,205,509,831.51	309,825,942.53
Post-employment benefits - defined contribution plans	283,472,784.20	277,884,136.10	277,882,781.86	283,474,138.44
Dismissal benefits	246,554,861.53	133,797,307.45	183,566,138.60	196,786,030.38

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026
Other benefits maturing within one year				
Total	867,164,786.51	2,589,880,076.81	2,666,958,751.97	790,086,111.35

5.34.2 Presentation of short-term compensation

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026
(1) Salaries, bonuses, allowances and subsidies		1,579,407,096.77	1,579,407,096.77	
(2) Employee welfare fees	22,765,430.78	113,815,301.36	115,955,040.58	20,625,691.56
(3) Social insurance premiums	117,086,275.27	201,145,098.75	208,811,406.82	109,419,967.20
Including: medical insurance premium and maternity insurance premium	208,467.77	133,846,166.12	133,846,166.12	208,467.77
Work-related injury insurance premium	68,886.75	10,144,105.22	10,144,105.22	68,886.75
Others	116,808,920.75	57,154,827.41	64,821,135.48	109,142,612.68
(4) Housing provident fund	326,660.00	207,744,393.64	207,747,610.13	323,443.51
(5) Labor union expenditures and employee education funds	195,299,486.66	65,236,539.37	82,744,926.57	177,791,099.46
(6) Short-term compensated absences				
(7) Short-term profit sharing plan				
(8) Other short-term remuneration	1,659,288.07	10,850,203.37	10,843,750.64	1,665,740.80
Total	337,137,140.78	2,178,198,633.26	2,205,509,831.51	309,825,942.53

5.34.3 Presentation of defined contribution plans

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026
Basic endowment insurance premium	187,385.60	267,621,740.20	267,621,740.20	187,385.60
Unemployment insurance premium	7,026.96	10,252,495.90	10,252,495.90	7,026.96
Enterprise annuity payment	283,278,371.64	9,900.00	8,545.76	283,279,725.88
Total	283,472,784.20	277,884,136.10	277,882,781.86	283,474,138.44

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.

5.35 Taxes payable

Tax and fee items	Balance as at 30 June 2026	Balance as at 31 December 2025
Enterprise income tax	432,559,724.04	481,655,392.47
Value-added tax	156,022,381.29	275,305,580.52
Personal income tax	14,925,079.41	53,042,384.24
Urban maintenance and construction tax	15,497,805.09	23,984,416.18
Education surcharge	10,715,529.50	16,878,509.67
Property tax	10,963,816.28	942,253.63
Land use tax	1,537,125.72	726,031.39
Resource tax	137,719.99	137,719.99
Other taxes and fees	17,892,329.37	22,648,253.24
Total	660,251,510.69	875,320,541.33

5.36 Other payables

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Interest payable		
Dividends payable	1,838,329,092.76	4,876,982.40
Other payables	1,595,070,415.59	1,622,724,958.26
Total	3,433,399,508.35	1,627,601,940.66

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5.36.1 Dividends payable

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Ordinary share dividends	1,838,329,092.76	4,876,982.40
Dividends on preferred shares and perpetual capital securities classified as equity instruments		
Total	1,838,329,092.76	4,876,982.40

5.36.2 Other payables

(1) Presentation of other payables by nature

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Margin and deposit	565,404,123.48	583,334,112.66
Agency fund	401,375,417.34	238,270,901.56
Equity purchase price payable	44,315,280.97	149,315,280.97
Advance money payable	298,710,582.26	300,332,917.75
Lease, service and minor purchase payables	43,195,427.17	78,838,212.87
Social insurance premium and housing provident fund undertaken by individuals	87,646,236.50	92,098,319.19
Others	154,423,347.87	180,535,213.26
Total	1,595,070,415.59	1,622,724,958.26

5.37 Non-current liabilities due within one year

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Long-term borrowings due within one year	947,187,873.24	221,276,752.94
Lease liabilities due within one year	154,477,161.44	89,167,183.74
Provisions liabilities due within one year	599,907,641.82	585,729,542.85
Other long-term liabilities due within one year		3,444,037.92
Total	1,701,572,676.50	899,617,517.45

5.38 Other current liabilities

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Pending resale tax	875,762,832.33	1,062,187,519.77
Notes receivable endorsed but not yet mature without termination of recognition at the end of the period	462,222,584.38	264,584,122.13
Agency liabilities	3,678,005.39	
Total	1,341,663,422.10	1,326,771,641.90

5.39 Long-term borrowings

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Loan pledged	2,432,837,745.92	2,337,669,198.12
Mortgage loan	255,788,714.94	291,121,649.92
Guaranteed loans		
Credit borrowings	2,142,064,316.15	2,134,262,384.37
Sub-total	4,830,690,777.01	4,763,053,232.41
Less: Due within one year	947,187,873.24	221,276,752.94
Total	3,883,502,903.77	4,541,776,479.47

Note: For details on the repayment terms of long-term borrowings, please refer to Note 10.

5.40 Lease liabilities

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Lease payment	664,819,944.58	546,435,741.12
Less: unrecognised financing expense	84,408,877.13	83,822,337.26
Non-current liabilities reclassified to maturity within one year	154,477,161.44	89,167,183.74
Total	425,933,906.01	373,446,220.12

Note: For details on the repayment terms of lease liabilities, please refer to Note 10.

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5.41 Long-term payables

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
Long-term payables		
Special payables	240,000.00	240,000.00
Total	240,000.00	240,000.00

5.41.1 Special payables

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026	Forming reason
Funds for energy conservation and emission reduction of the central state-owned capital management budget	140,000.00			140,000.00	Not yet used up
Funds allocated for urban light rail vehicle AC transmission project	100,000.00			100,000.00	Not yet used up
Total	240,000.00			240,000.00	

5.42 Long-term accrued payroll

5.42.1 Breakdown of long-term accrued payroll

Item	Balance as at 30 June 2026	Balance as at 31 December 2025
1. Post-employment benefits - net liabilities of defined benefit plans		
2. Dismissal benefits	850,789,636.23	928,767,838.92
3. Other long-term benefits	166,545,113.39	189,209,490.29
Total	1,017,334,749.62	1,117,977,329.21

5.43 Provisions liabilities

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026	Forming reason
Pending litigation					
Product quality guarantee deposit	4,118,766,662.32	571,705,158.41	637,763,168.50	4,052,708,652.23	
Onerous contract to be performed	1,077,387,049.73	131,542,720.14	165,962,734.94	1,042,967,034.93	
Others	251,227,442.04	15,773,928.90	28,208,157.24	238,793,213.70	
Total	5,447,381,154.09	719,021,807.45	831,934,060.68	5,334,468,900.86	

5.44 Deferred income

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026	Forming reason
Government grants relating to assets	291,334,117.47	18,541,231.14	23,659,686.94	286,215,661.67	
Government grants relating to income	260,435,459.04	67,945,478.60	51,205,509.79	277,175,427.85	
Others	811,721.90		811,721.90		
Total	552,581,298.41	86,486,709.74	75,676,918.63	563,391,089.52	

5.45 Share capital

Item	Balance as at 31 December 2025	Increase(+) and decrease(-) in this period					Balance as at 30 June 2026
		Issuance of new shares	Bonus shares	Conversion of capital reserves into shares	Others	Sub-total	
Shares in total	3,458,360,326.00						3,458,360,326.00

5.46 Capital reserves

Item	Balance as at 31 December 2025	Increase in the period	Decrease in the period	Balance as at 30 June 2026
Capital (share capital) premium	15,012,515,672.75	3,869,011.27		15,016,384,684.02
Other capital reserves	112,843,264.50			112,843,264.50
Total	15,125,358,937.25	3,869,011.27		15,129,227,948.52

Other explanations, including changes in the increase or decrease of the current period and reasons for the changes:

The increase in capital reserve of RMB3,869,011.27 resulted from a capital injection by the controlling shareholder of the Company into Dongshu New Materials, an affiliated company of Dongfang Turbine.

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5.47 Other comprehensive income

Item	Balance as at December 31, 2025	Amount for the current period						Balance as at June 30, 2026
		Pre-tax amount incurred in the current period	Less: amount previously included in the other comprehensive income and currently transferred to the profit or loss	Less: income tax expenses	Amount after tax attributable to the parent company	Amount after tax 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 or loss	-1,369,280.61	22,207,822.92		2,372,355.21	19,835,467.71		27,810,758.49	-9,344,571.39
Including: Changes in remeasurement of the defined benefit plan								
Other comprehensive income that cannot be transferred to profit or loss under the equity method								
Changes in fair value of other equity instrument investments	-1,369,280.61	22,207,822.92		2,372,355.21	19,835,467.71		27,810,758.49	-9,344,571.39
Changes in fair value of the Company's own credit risk								
2. Other comprehensive income that will be reclassified into profit or loss	-56,532,930.50	-			-28,065,952.99	-9,132,871.35		-84,598,883.49
Including: Other comprehensive income that can be transferred to profit or loss under the equity method	1,360,631.18	-818,786.07			-818,786.07			541,845.11
Changes in fair value of other creditor's right investment								
Amount of financial assets reclassified into other comprehensive income								
Other debt investment credit impairment provisions	-3,809.46							-3,809.46
Cash flow hedging reserves								
Differences on translation of foreign currency financial statements	-57,889,752.22	-			-27,247,166.92	-9,132,871.35		-85,136,919.14
Total other comprehensive income	-57,902,211.11	14,991,001.42		2,372,355.21	-8,230,485.28	-9,132,871.35	27,810,758.49	-93,943,454.88

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5.48 Special reserves

Item	Balance as at December 31, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2026
Work safety expenses	128,261,532.94	36,586,233.64	29,273,150.29	135,574,616.29
Total	128,261,532.94	36,586,233.64	29,273,150.29	135,574,616.29

5.49 Surplus reserves

Item	Balance as at December 31, 2025	Increase in the current period	Decrease in the current period	Balance as at June 30, 2026
Statutory surplus reserves	1,568,081,202.33	2,781,075.84		1,570,862,278.17
Total	1,568,081,202.33	2,781,075.84		1,570,862,278.17

5.50 Undistributed profits

Item	First half of year 2026	Amount for the year ended December 31, 2025
Undistributed profits at the end of the previous year before adjustment	25,012,399,151.70	22,690,605,142.05
Total adjustment to undistributed profits at the beginning of the year ("+" for increase and "-" for decrease)		
Undistributed profits at the beginning of the year after adjustment	25,012,399,151.70	22,690,605,142.05
Plus: net profit attributable to owners of the parent company in the current period	2,713,249,266.86	3,831,301,222.13
Carryforward of other comprehensive income for retained earnings	25,029,682.65	
Less: Withdrawal of statutory surplus reserves		143,192,001.10
Withdrawal of general risk reserves		
Common stock dividends payable	1,832,930,972.78	1,366,315,211.38
Common stock dividends transferred to share capital		
Others		
Undistributed profits at the end of the period	25,917,747,128.43	25,012,399,151.70

5.51 Operating income and operating costs

5.51.1 Operating revenue and operating costs

Item	Amount for the period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Principal business operations	37,862,143,573.20	31,964,473,351.96	37,356,037,058.24	31,761,317,378.63
Other businesses	260,815,338.96	128,346,331.19	267,590,248.17	44,563,749.34
Total	38,122,958,912.16	32,092,819,683.15	37,623,627,306.41	31,805,881,127.97

5.51.2 Overview of interest and fee income and expenses

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Expense	Income	Expense
Interest income	501,181,242.17	16,724,608.20	527,283,936.51	13,609,163.85
Fee and commission income	50,851.76	1,172,907.08	40,291.25	1,007,374.98
Total	501,232,093.93	17,897,515.28	527,324,227.76	14,616,538.83

5.51.3 Operating revenue and operating costs by segment

Item	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Energy Equipment Manufacturing	29,446,397,691.27	25,299,226,023.32	28,324,238,939.84	24,422,764,089.94
Including: Coal-fired power	14,956,301,488.55	11,981,772,630.64	12,899,345,026.83	10,526,744,652.12
Hydroelectric power	2,958,113,337.96	2,692,156,605.37	1,918,935,149.99	1,705,803,328.39
Nuclear power	2,740,109,814.84	2,327,712,996.67	2,685,269,609.62	2,288,229,791.13
Natural gas-fired power	3,481,475,618.33	3,183,965,907.31	2,784,249,302.08	2,459,218,024.56
Wind power	5,286,855,130.71	5,092,778,750.44	7,976,282,942.33	7,383,548,120.61
Manufacturing Services	6,271,256,142.63	4,225,170,190.34	7,114,801,453.46	5,179,186,710.99

Item	Amount for the current period		Amount for the previous period	
	Revenue	Cost	Revenue	Cost
Including: Power Plant Services	3,271,871,610.53	2,088,867,905.96	2,773,499,067.71	1,798,990,183.41
Modern Financial Services	501,232,093.93	17,897,515.28	527,324,227.76	14,616,538.83
Emerging Industries	2,906,537,172.19	2,586,320,984.77	2,711,911,140.87	2,218,546,865.87
Total	38,624,191,006.09	32,110,717,198.43	38,150,951,534.17	31,820,497,666.80

Note: If the Company expects that the period between when the Company transfers a promised good to a customer and when the customer pays for that good will be one year or less, the Company simplifies its practical operations in accordance with the standards and needs not to consider the significant financing component.

5.52 Taxes and surcharges

Item	First half of year 2026	First half of year 2025
Urban maintenance and construction tax	51,275,855.38	64,133,848.27
House property tax	46,705,058.08	35,969,433.26
Educational surtax	22,013,357.21	27,618,004.16
Stamp duty	40,202,723.18	52,629,503.83
Land use tax	18,108,895.19	17,919,141.90
Local educational surtax	14,709,302.60	18,411,168.75
Other taxes	513,823.54	829,246.21
Total	193,529,015.18	217,510,346.38

5.53 Selling and distribution expenses

Item	First half of year 2026	First half of year 2025
Employee compensation	253,822,226.68	231,380,351.91
Travel expenses	43,346,225.20	42,655,463.34
Business entertainment expenses	6,118,833.06	16,310,050.30
Others	29,277,214.05	27,545,589.96
Total	332,564,498.99	317,891,455.51

5.54 General and administrative expenses

Item	First half of year 2026	First half of year 2025
Employee compensation	768,779,607.99	662,940,933.16
Repair charges	122,037,802.18	208,998,994.43
Depreciation costs	168,206,830.98	131,787,428.01
Work safety expenses	41,522,742.92	48,129,201.60
Travel expenses	26,178,983.01	28,017,958.22
Property management fees	45,005,106.67	40,072,701.92
Amortization of intangible assets	30,770,788.69	26,953,834.78
Others	237,807,713.73	225,976,897.84
Total	1,440,309,576.17	1,372,877,949.96

Other notes: The general and administrative expenses of the period include fees of RMB2.31 million paid to the domestic annual report auditing accounting firm and RMB0.42 million paid to the internal control auditing accounting firm. The general and administrative expenses of the last period included fees of RMB2.11 million paid to the domestic annual report auditing accounting firm and RMB0.40 million paid to the internal control auditing accounting firm.

5.55 Research and development expenditure

Item	First half of year 2026	First half of year 2025
Employee compensation	654,840,999.79	673,032,683.18
Materials expenses	97,897,559.24	185,084,861.31
Testing and quality assurance expenses	111,404,445.32	152,908,290.51
External commission fees and cooperation and exchange expenses	197,825,921.94	217,359,358.44
Depreciation expenses	96,090,092.83	71,627,372.01
Others	258,526,627.11	269,552,624.76
Total	1,416,585,646.23	1,569,565,190.21

5.56 Finance expenses

Item	First half of year 2026	First half of year 2025
Interest expenses	50,185,740.97	35,320,648.54
Less: Interest revenue	32,950,783.17	49,956,678.60
Profit or loss on exchange	68,095,153.26	-31,787,201.86
Others	39,872,011.39	46,045,143.20
Total	125,202,122.45	-378,088.72

5.57 Other income

Item	First half of year 2026	First half of year 2025
Government grants	121,821,174.06	113,132,738.04
Advanced manufacturing enterprise value-added tax allowance	147,954,586.66	130,996,786.68
Handling charges for withdrawal of individual income tax	3,659,857.69	1,781,788.76
Others	67,175.00	3,691,730.64
Total	273,502,793.41	249,603,044.12

5.58 Investment income

Item	First half of year 2026	First half of year 2025
Long-term equity investment income calculated by the equity method	118,987,314.93	62,487,920.61
Investment income from financial assets held for trading during the holding period	5,821,405.30	6,679,955.37
Investment income from disposal of financial assets held for trading	65,028,042.14	
Investment income during the holding period of other equity instrument investments	9,956,196.57	13,531,969.85
Investment income from creditor's right investment during the holding period	16,316,829.92	21,082,215.89
Investment income arising from debt restructuring	15,989,626.19	35,587,852.63
Others	-11,081,464.23	1,704,752.50
Total	221,017,950.82	141,074,666.85

5.59 Foreign exchange gains

Item	First half of year 2026	First half of year 2025
Foreign exchange	-12,709,321.15	993,753.02
Total	-12,709,321.15	993,753.02

5.60 Income from changes in fair value

Sources of income from changes in fair value	First half of year 2026	First half of year 2025
Financial assets held for trading	108,618,268.71	-75,264,776.76
Derivative financial instruments	-69,286.77	
Total	108,548,981.94	-75,264,776.76

5.61 Losses from credit impairment

Item	First half of year 2026	First half of year 2025
Losses from bad debts of accounts receivable	236,723,996.75	176,235,342.13
Losses from bad debts of notes receivable	-15,532,658.34	-12,136,713.89
Losses from bad debts of accounts receivable financing		-1,467,170.56
Losses from bad debts of other receivables	-5,207,242.54	9,913,819.66
Losses from impairment of creditor's right investment	16,167,000.00	
Losses from bad debts of long-term receivables	-4,484,229.18	-15,110,283.62
Losses from impairment of credit assets	54,376,301.46	52,272,693.22
Impairment loss on entrusted loans	-16,017,020.57	
Impairment loss on off-balance-sheet credit exposures	-6,840,352.14	
Total	259,185,795.44	209,707,686.94

Other notes:

1. Losses from bad debts of long-term receivables include the portion presented within non-current assets due within one year; losses from impairment of credit assets include the portion presented within placements with banks, other current assets and current portion of non-current assets..

5.62 Losses from asset impairment

Item	First half of year 2026	First half of year 2025
Loss from inventory depreciation and losses from impairment of contract performance cost	19,169,864.15	36,359,103.67
Loss from impairment of fixed assets	1,705,700.31	957,458.66
Losses from impairment of contract assets	267,921,636.74	419,480,332.71
Loss from impairment of prepayments	436,659.85	
Total	289,233,861.05	456,796,895.04

Other notes:

1. Losses from impairment of contract assets include the portion of contract assets with a remaining maturity of over one year that are presented within other non-current assets based on liquidity classification.

5.63 Income from asset disposal

Item	First half of year 2026	First half of year 2025	Amount included in non-recurring profit or loss in the current period
Income from disposal of non-current assets	2,306,023.42	3,496,944.88	2,306,023.42
Total	2,306,023.42	3,496,944.88	2,306,023.42

5.64 Non-operating revenue

Item	First half of year 2026	First half of year 2025	Amount included in non-recurring profit or loss in the current period
Government grants unrelated to the enterprise's ordinary activities		298,092.41	
Gains from disposal of non-current assets	310,482.00	124,050.74	310,482.00
Compensation income from breach of contracts	18,930,879.08	25,201,759.28	18,930,879.08
Others	11,299,089.79	11,052,447.23	11,299,089.79
Total	30,540,450.87	36,676,349.66	30,540,450.87

5.65 Non-operating expenses

Item	First half of year 2026	First half of year 2025	Amount included in non-recurring profit or loss in the current period
Losses from disposal of non-current assets	4,714,870.18	3,815,672.73	4,714,870.18
External donations	27,957,994.31	21,983,824.01	27,957,994.31
Penalties and late payment surcharges	3,617,629.50	22,507,405.51	3,617,629.50
Others	122,415.89	784,624.95	122,415.89
Total	36,412,909.88	49,091,527.20	36,412,909.88

5.66 Income tax expenses

5.66.1 Table of income tax expenses

Item	First half of year 2026	First half of year 2025
Current income tax expenses	868,283,658.04	558,567,226.55
Deferred income tax expenses	-482,222,768.15	-125,440,150.95
Total	386,060,889.89	433,127,075.60

Adjustment process of accounting profit and income tax expenses

Item	First half of year 2026
Total profits	3,043,657,261.58
Income tax expenses calculated at statutory [or applicable] tax rate	456,548,589.24
Effect of the application of different tax rates by subsidiaries	-25,212,782.09
Effect of adjustments to the income tax for the prior periods	79,123,623.59
Effect of non-taxable income	-45,495,005.44
Effect of non-deductible costs, expenses and losses 19,211,380.68	-1,995,005.41
Effect of using the deductible losses related to deferred income tax assets unrecognized in previous periods	33,941,894.52
Effect of deductible temporary differences or losses from deferred income tax assets unrecognized in the current period	

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Item	First half of year 2026
Effect of Tax Rate Change on Opening Balances of Deferred Tax Assets and Liabilities	
Tax preference	-110,850,424.52
Income tax expenses	386,060,889.89

5.67 Earnings per share

5.67.1 Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to the common stockholder of the parent company by the weighted average of the Company's outstanding common stock.

Item	First half of year 2026	First half of year 2025
Consolidated net profit attributable to the common stockholder of the parent company	2,713,249,266.86	1,909,795,846.06
Weighted average of the Company's outstanding common stock	3,458,360,326.00	3,208,453,080.00
Basic earnings per share	0.78	0.60
Including: Basic earnings per share from going concern	0.78	0.60
Basic earnings per share from discontinued operation		

5.67.2 Diluted earnings per share

Diluted earnings per share is calculated by dividing the consolidated net profit (diluted) attributable to the common stockholder of the parent company by the weighted average(diluted)of the Company's outstanding common stock.

Item	First half of year 2026	First half of year 2025
Consolidated net profit attributable to the common stockholder of the parent company (diluted)	2,713,249,266.86	1,909,795,846.06
Weighted average of the Company's outstanding common stock (diluted)	3,458,360,326.00	3,208,453,080.00
Diluted earnings per share	0.78	0.60
Including: Diluted earnings per share from going concern	0.78	0.60
Diluted earnings per share from discontinued operation		

5.68 Items in the statement of cash flows

5.68.1 Cash related to operating activities

(1) Cash received from other operating activities

Item	First half of year 2026	First half of year 2025
Security deposit	1,754,359,709.89	2,605,007,572.18
Interest income	52,161,310.10	182,094,417.39
Government grants	136,914,098.13	91,186,893.89
Premium subsidy		
Compensation	75,617,993.12	37,630,362.14
Advance payment for collection	84,290,231.16	11,737,968.92
Appropriation		1,233,039.14
Recovery of the arrears	2,920,584.76	99,747.48
Penalty income	2,296,720.13	1,877,352.72
Cash received from operating lease of fixed assets and investment properties	5,194,874.71	4,869,046.83
Purchase under resale agreements		
Funds related to the project		30,501,285.31
Tax refund	127,819,926.73	79,913,425.18
Others	70,857,669.03	481,842,299.26
Total	2,312,433,117.76	3,527,993,410.44

(2) Cash paid for other operating activities

Item	First half of year 2026	First half of year 2025
Purchase interbank certificates of deposit		39,804,428.99
Operating expenses	1,133,838,213.72	1,227,452,245.69
Security deposit payment	705,974,865.81	2,543,202,538.49
Pay the allowance	98,462,178.50	63,121,449.27

Item	First half of year 2026	First half of year 2025
Advance payments on behalf of others		
Others	173,147,348.01	300,894,682.20
Total	2,111,422,606.04	4,174,475,344.64

5.68.2 Cash related to investing activities

(1) Cash received for other investing activities

Item	First half of year 2026	First half of year 2025
Construction funds for the training base		1,000,000.00
Total		1,000,000.00

5.68.3 Cash related to financing activities

(1) Cash received for other financing activities

Item	First half of year 2026	First half of year 2025
Bill discounting	586,468,066.16	325,150.30
Factoring financing	60,000,000.00	
Letter-of-credit discounting	1,500,000,000.00	
Total	2,146,468,066.16	325,150.30

(2) Cash paid for other financing activities

Item	First half of year 2026	First half of year 2025
Pay the rental fee	22,698,530.81	47,736,165.88
Repayment of group capital contribution	105,000,000.00	
Total	127,698,530.81	47,736,165.88

5.69. Supplementary information to the statement of cash flows

5.69.1. Supplementary information on the statement of cash flows

Supplementary information	Amount for the period	Amount for the previous period
1. Adjustment of net profit to cash flows from operating activities		
Net profit	2,657,596,371.69	2,060,843,811.02
Add: Credit impairment losses	289,233,861.05	209,707,686.94
Provision for impairment of assets	259,185,795.44	456,796,895.04
Depreciation of fixed assets	462,272,802.78	408,296,448.82
Depreciation of productive biological assets		
Depletion of oil and gas assets		
Depreciation of right-of-use assets	86,021,116.98	69,168,919.49
Amortisation of intangible assets	88,404,070.54	70,757,319.95
Amortisation of long-term amortised expenses	5,564,869.99	2,494,530.25
Loss on disposal of fixed assets, intangible assets and other long-lived assets (Gain is represented by a "-" sign)	-2,306,023.42	-3,496,944.88
Loss on retirement of fixed assets (gains are recognized with a "-" sign)	4,245,888.18	3,406,818.72
Loss on fair value changes (gains are recognised with a "-" sign)	-108,548,981.94	75,264,776.76
Finance costs (gains are represented by a "-" sign)	118,280,894.23	3,533,446.68
Losses on investments (gains are represented by a "-" sign)	-221,017,950.82	-141,074,666.85
Decrease in deferred income tax assets (increase is represented by a "-" sign)	-487,840,933.55	-119,500,703.81
Increase in deferred income tax liabilities (decrease is indicated by a "-")	7,990,520.61	-5,939,447.14
Decrease in inventories (increase is indicated by a "-")	-1,400,934,312.40	-5,601,481,720.45
Decrease in operating receivables (increase is represented by a "-")	-1,280,970,097.00	-7,275,735,712.29
Increase in operating accounts payable (decrease is indicated by a "-")	-2,199,346,541.97	9,230,492,112.81
Othes		
Net cash flows from operating activities	-1,722,168,649.61	-556,466,428.94
2. Significant investing and financing activities that do not involve cash receipts and payments		
Debt-to-capital conversion		
Convertible bonds due within one year		

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Supplementary information	Amount for the period	Amount for the previous period
Acquisition of right-of-use assets by assuming lease liabilities		
3. Net change in cash and cash equivalents		
Cash balance at end of year	24,507,277,571.86	26,341,758,658.62
Less: Cash balance at beginning of year	18,980,959,402.69	22,502,857,720.96
Add: Cash equivalents balance at end of year		
Less: Cash equivalents balance at beginning of year		
Net increase in cash and cash equivalents	5,526,318,169.17	3,838,900,937.66

5.69.2 Composition of cash and cash equivalents

Item	Closing balance	Balance as at December 31, 2025
I. Cash	24,507,277,571.86	18,980,959,402.69
Including: Cash on hand	56,384.74	81,245.96
Digital currency that can be used for payments at any time		
A bank deposit readily available for payment	1,970,330,250.86	3,432,809,880.56
Other monetary funds readily available for payment	235,936.94	31,511,212.92
Funds deposited with the central bank that can be used for payments	22,555,644.07	17,621,742.62
Deposit interbank funds	22,514,099,355.25	15,498,935,320.63
Interbank lending		
II. Cash equivalents		
Including: Investments in bonds maturing within three months		
III. Cash and cash equivalents balance as at the end of the period	24,507,277,571.86	18,980,959,402.69
Including: Cash and cash equivalents held but not available for use by the parent company or other subsidiaries in the Group		

5.70. Monetary items in foreign currency

5.70.1. Monetary items in foreign currency

Item	Foreign currency balance at the end of the period	Converted exchange rates	Balance of RMB translation at the end of the period
Monetary funds			2,078,024,874.50
Including: USD	203,678,756.40	6.8109	1,387,235,641.94
EUR	52,152,986.96	7.7671	405,077,465.03
INR	1,303,342,798.72	0.0720	93,892,815.22
IDR	140,830,022,214.05	0.0004	53,633,705.66
AED	110,833.70	1.8511	205,159.83
ETB	176,210,467.52	0.0430	7,568,239.58
Bosnia and Herzegovina mark	4,003,201.81	3.9624	15,862,126.73
RUX	92,521.24	0.0883	8,166.85
HKD	3,633.84	0.8686	3,156.17
CAD	9.01	4.7847	43.11
LAK	17,722,354,595.45	0.0003	5,381,747.42
MYR	20,004.60	1.6734	33,476.10
BDT	10,991,978.16	0.0554	608,955.59
JPY	418,694,290.88	0.0420	17,604,001.46
CHF	5,280.02	8.4228	44,472.55
RSD	1,223,886.69	0.0662	81,020.32
LKR	10,155,423.99	0.0203	205,748.89
Iraqi Dinar	133,403,181.38	0.0052	693,563.14
GBP	2.02	9.0145	18.21
VND	6,085,254,448.60	0.0003	1,576,506.87
Others	88,308,843.83		88,308,843.83
Accounts receivable			850,315,193.98
Including: USD	116,663,584.69	6.8109	794,584,008.95
EUR	151,172.15	7.7671	1,174,169.21
INR	55,442,832.45	0.0720	3,994,101.65
IDR	128,783,459,536.81	0.0004	49,045,892.73
Others	1,517,021.44		1,517,021.44
Other receivables			14,700,209.70
Including: USD	1,142,119.97	6.8109	7,778,864.89
HKD	146,387.43	0.8686	127,144.80

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Item	Foreign currency balance at the end of the period	Converted exchange rates	Balance of RMB translation at the end of the period
EUR	3,629.70	7.7671	28,192.24
INR	982,651.03	0.0720	70,790.18
VND	1,027,778,592.66	0.0003	266,266.60
Bosnia and Herzegovina mark	24,053.25	3.9624	95,307.64
ETB	49,954,454.25	0.0430	2,145,543.81
LAK	111,930.71	0.0003	33.99
LKR	10,088,107.11	0.0203	204,385.05
BDT	5,594,054.51	0.0554	309,910.62
IDR	337,077,197.77	0.0004	128,372.48
AED	52,621.45	1.8511	97,405.46
Iraqi Dinar	14,924,852.86	0.0052	77,594.31
MYR	23,345.28	1.6734	39,066.46
RSD	873,848.48	0.0662	57,848.07
Others	3,273,483.10		3,273,483.10
Long-term accounts receivable			272,921,488.95
Including: USD	40,071,281.17	6.8109	272,921,488.95
Accounts payable			367,034,798.89
Including: USD	13,872,822.49	6.8109	94,486,406.70
HKD	29,713.23	0.8686	25,807.43
JPY	88,772,305.39	0.0420	3,732,431.58
EUR	21,221,488.29	7.7671	164,829,421.71
GBP	1,417,070.57	9.0145	12,774,182.63
CHF	22,633.12	8.4228	190,634.26
VND	397,418,805.73	0.0003	102,959.29
Bosnia and Herzegovina mark	341,633.91	3.9624	1,353,676.54
ETB	109,986,812.11	0.0430	4,723,933.58
LKR	371,161.90	0.0203	7,519.74
BDT	24,593,465.34	0.0554	1,362,477.98
TRY	13,741.03	0.1458	2,003.58
IDR	56,162,246,271.40	0.0004	21,388,829.87
RUX	147,207.66	0.0883	12,994.02
Others	62,041,519.98		62,041,519.98
Other payables			523,018,713.29
Including: USD	3,607,837.07	6.8109	24,572,617.51
HKD	21,139.42	0.8686	18,360.64
JPY	80,286.36	0.0420	3,375.64
EUR	251,196.74	7.7671	1,951,070.22
INR	31,222,971.96	0.0720	2,249,302.90
LKR	125,000.00	0.0203	2,532.50
BDT	3,567,144.40	0.0554	197,619.80
IDR	11,114,037.39	0.0004	4,232.67
EGP	4,905.95	0.1384	679.13
Others	349,906.30		349,906.30
Long-term loan			246,834,507.99
Including: USD	36,241,100.00	6.8109	246,834,507.99

5.71 Rental

5.71.1 As the tenant

Item	Amount for the current period	Amount for the previous period
Interest expense on lease liabilities	6,422,651.06	3,365,271.39
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	30,128,355.05	25,690,835.56
Total cash outflows related to leases	118,787,400.09	87,543,428.54

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Future annual cash outflows in respect of leases to which the Company has committed but which have not yet commenced and are not included in the measurement of lease liabilities are as follows:

Remaining lease term	Undiscounted lease payables
Within 1 year	133,350.00
1 to 2 years	158,550.00
2 to 3 years	
3 years or more	
Total	291,900.00

5.71.2 As the landlord

(1) Operating lease

	Amount for the current period	Amount for the previous period
Operating lease revenue	9,958,431.51	11,417,735.53
Including: Income relating to variable lease payments not included in lease receivables		

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	4,611,325.43	2,855,634.07
1 to 2 years	3,021,600.24	3,625,306.19
2 to 3 years	3,449,638.73	3,021,600.24
3 to 4 years	1,818,000.00	3,449,638.73
4 to 5 years	1,818,000.00	1,818,000.00
5 years or more	2,034,480.00	2,034,480.00
Total	16,753,044.40	16,804,659.23

6. Research and Development Expenditures (R&D)

6.1 Research and Development Expenditures (R&D)

Item	Amount for the current period	Amount for the previous period
Employee Compensation	655,008,738.21	672,980,897.47
Materials Used	99,676,218.42	185,086,386.45
Depreciation and Amortization	135,645,307.92	87,603,540.72
Others	535,660,345.24	634,049,401.62
Total	1,425,990,609.79	1,579,720,226.26
Of which: Expensed R&D Expenditures	1,416,585,646.23	1,569,565,190.21
Capitalized R&D Expenditures	9,404,963.56	10,155,036.05

6.2 Development expenses

Item	Balance at the end of 2025	Amount added this period		Amount reduced this period		Closing balance
		Internal development expenses	Others	Recognized as an intangible asset	Others	
Basic research and development projects	1,718,130.51	16,976.93		19,348.13	34,124.06	1,681,635.25
Subtotal	1,718,130.51	16,976.93		19,348.13	34,124.06	1,681,635.25
Less: Allowance for impairment						
Total	1,718,130.51	16,976.93		19,348.13	34,124.06	1,681,635.25

7. Changes in scope of consolidation

7.1. Changes in scope of consolidation for other reasons

Serial number	Name of the Company	Form/loss of control
1	Dongfang Huineng (Hami) New Energy Co., Ltd.	Investing in the establishment of a subsidiary
2	Dongfang Electric Wind Power Equipment (Anguo) Co., Ltd. Investing in	Investing in the establishment of a subsidiary
3	Tacheng Dongxin New Energy Co., Ltd.	Investing in the establishment of a subsidiary
4	Dongfang Wind Power (Shuangliao) New Energy Co., Ltd.	Investing in the establishment of a subsidiary

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Serial number	Name of the Company	Form/loss of control
5	Dongfang Electric Harneng Technology (Hangzhou) Co., Ltd.	Investing in the establishment of a subsidiary
6	Dongfang Electric (Zhengding) Power Technology Co., Ltd.	Investing in the establishment of a subsidiary
7	Mengcheng Donghua New Energy Technology Co., Ltd.	Dissolve a subsidiary
8	Dongfang Electric Hydrogen Energy (Ya'an) Co., Ltd.	Dissolve a subsidiary

8. Rights and interests in other entities

8.1 Interest in subsidiaries

8.1.1 Composition of enterprise groups

Name of subsidiary	Type of enterprise	Paid-in capital	Principal place of business	Place of incorporation	Nature of business	Percentage of shareholding (%)		Method of acquisition
						Direct	Indirect	
Dongfang Electric Machinery Company Limited	Limited Liability Company	375,232.94	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	100.00		Establishment of investment
Dongfang Turbine Co., Ltd.	Limited Liability Company	607,489.50	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	100.00		Establishment of investment
DongFang Boiler (Group) Co., Ltd.	Limited Liability Company	193,747.86	Zigong, Sichuan	Zigong, Sichuan	General Equipment Manufacturing	99.91		Establishment of investment
Dongfang Electric (Chengdu) Hydrogen Technology Co., Ltd.	Limited Liability Company	25,563.40	Chengdu, Sichuan	Chengdu, Sichuan	General Equipment Manufacturing	26.58	26.82	Establishment of investment
Dongfang Electric Wind Power Co., Ltd.	Limited Liability Company	43,812.16	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	41.19	38.24	Establishment of investment
Dongfang Electric International Corporation	Limited Liability Company	100,352.00	Chengdu, Sichuan	Chengdu, Sichuan	Engineering Services	100.00		Establishment of investment
Dongfang Electric Power Engineering Design Co., Ltd.	Limited Liability Company	25,000.00	Chengdu, Sichuan	Chengdu, Sichuan	Engineering Services	14.50	75.83	Establishment of investment
DongFang Electric Auto Control Engineering Co. Ltd.	Limited Liability Company	104,106.75	Deyang, Sichuan	Deyang, Sichuan	Manufacture of electrical machinery and equipment	45.05	54.85	Establishment of investment
Dongfang Electric Group (Sichuan) Products Co., Ltd.	Limited Liability Company	32,393.96	Chengdu, Sichuan	Chengdu, Sichuan	Commodity Distribution	100.00		Establishment of investment
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	Limited Liability Company	127,947.97	Guangzhou, Guangdong	Guangzhou, Guangdong	General Equipment Manufacturing	55.96	12.72	Establishment of investment
Dongfang (Wuhan) Nuclear Equipment Co., Ltd.	Limited Liability Company	52,566.00	Wuhan, Hubei	Wuhan, Hubei	General Equipment Manufacturing	100.00		Establishment of investment
Dongfang Electric Group Finance Co., Ltd.	Limited Liability Company	209,500.11	Chengdu, Sichuan	Chengdu, Sichuan	Financial Services	95.00		Establishment of investment
Dongfang Electric Group Science and Technology Research Institute Co., Ltd.	Limited Liability Company	36,727.05	Chengdu, Sichuan	Chengdu, Sichuan	Technical Services	91.90		Establishment of investment
Dongfang Electric (Chengdu) Innovation Technology Development Co., Ltd.	Limited Liability Company	60,000.00	Chengdu, Sichuan	Chengdu, Sichuan	Service Industry	100.00		Establishment of investment
Dongfang Electric (India) Co., Ltd.	Limited Liability Company	12,938.35	India	India	Service Industry	100.00		Establishment of investment

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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	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.
2	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.

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	-37,988,237.13	521,137.58	8,814,942.60
Dongfang Electric Wind Power Co., Ltd.	20.57	-67,791,564.05		323,754,580.52
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	31.32	21,281,661.24	30,397,234.10	570,460,479.62
Dongfang Electric Group Finance Co., Ltd.	5.00	8,965,536.84	6,660,673.57	202,972,058.99

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8.1.4 Main financial information of important non-wholly owned subsidiaries

Name of subsidiary	Closing balance						As at December 31, 2025					
	Total current assets	Non-current assets	Total assets	Total current liabilities	Non-current liabilities	Total liabilities	Total current assets	Non-current assets	Total assets	Total current liabilities	Non-current liabilities	Total liabilities
DongFang Boiler (Group) Co., Ltd.	25,931,716,651.26	5,435,463,325.56	31,367,179,976.82	19,940,105,451.04	937,046,566.89	20,877,152,017.93	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.	21,728,513,335.56	9,084,066,950.40	30,812,580,285.96	23,216,793,315.82	5,739,942,033.09	28,956,735,348.91	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.	3,643,236,477.66	696,348,790.27	4,339,585,267.93	2,152,849,106.65	279,326,042.53	2,432,175,149.18	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.	33,562,490,320.09	28,976,172,698.27	62,538,663,018.36	58,477,379,029.27	36,529,504.90	58,513,908,534.17	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

Name of subsidiary	Amount for the period				Amount for the previous period			
	Total operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Total operating income	Net profit	Total comprehensive income	Cash flow from operating activities
DongFang Boiler (Group) Co., Ltd.	10,848,860,946.26	706,904,921.20	706,904,921.20	1,669,890,553.64	9,434,132,144.00	457,300,914.60	457,300,914.60	-662,803,833.20
Dongfang Electric Wind Power Co., Ltd.	5,515,701,020.54	-301,965,573.83	-301,965,573.83	-5,308,183,510.38	8,509,216,593.19	229,885,003.17	229,885,003.17	-2,850,807,588.14
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	905,609,685.03	64,744,938.35	64,744,938.35	-260,659,750.03	1,022,264,640.91	43,351,424.06	43,351,424.06	-206,443,738.74
Dongfang Electric Group Finance Co., Ltd.	522,394,666.96	179,310,736.76	179,310,736.76	2,988,016,867.26	542,614,733.46	179,170,704.70	179,170,704.70	467,788,688.67

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	Whether they are strategic to the activities of the Company
				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	

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8.2.2 Main financial information of important joint ventures

	Closing balance/Amount for the period		Balance as at December 31, 2025/Amount for the previous period	
	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.
Current assets	2,859,816,430.06	1,170,061,432.27	1,759,681,674.34	975,432,104.00
Including: Cash and cash equivalents	582,390,830.39	203,808,317.86	192,474,231.08	289,172,077.72
Non-current assets	173,147,671.69	257,095,169.91	179,401,074.61	230,751,071.96
Total assets	3,032,964,101.75	1,427,156,602.18	1,939,082,748.95	1,206,183,175.96
Current liabilities	2,473,048,898.58	857,701,035.54	1,384,944,342.36	685,749,198.62
Non-current liabilities	47,671,434.37	201,831,622.07	49,901,896.27	207,294,861.18
Total liabilities	2,520,720,332.95	1,059,532,657.61	1,434,846,238.63	893,044,059.80
Minority shareholders' equity				
Attributable to shareholders' equity of the company	512,243,768.80	367,623,944.57	504,236,510.32	313,139,116.16
Share of net assets in proportion to shareholding	256,121,884.40	183,811,972.29	252,118,255.16	156,569,558.08
Matters of adjustment	-373,446.05	-16,307,838.18		-9,104,040.45
- Goodwill				
- Unrealized profit from internal trading				
- Others	-373,446.05	-16,307,838.18		-9,104,040.45
Book value of equity investment in joint venture	255,748,438.35	167,504,134.11	252,118,255.16	147,465,517.63
Fair value of equity investment of joint venture with public quotation				
Operating income	1,049,981,240.47	234,503,178.35	896,539,297.36	154,597,269.80
Financial expenses	-327,746.02	1,893,789.54	-163,718.24	-6,123,855.89
Income tax expenses	0.00	8,915,510.05	91,345.69	6,248,253.99
Net profit	31,463,324.99	50,521,223.61	24,000,000.00	35,406,667.60
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income	31,463,324.99	50,521,223.61	24,000,000.00	35,406,667.60
Dividends received from joint venture in the current period	11,579,122.99			

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8.2.3. Main financial information of important associated enterprises

	Closing balance/Amount for the period				Balance as at December 31, 2025/Amount for the previous period			
	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.
Current assets	1,360,898,686.78	2,438,286,781.49	636,179,328.71	1,781,373,487.81	1,427,298,761.43	2,252,102,519.87	610,464,155.43	1,357,014,094.16
Non-current assets	2,872,846,704.55	836,734,252.32	3,708,072,665.97	388,868,501.04	2,716,997,280.51	757,980,396.29	3,740,092,540.79	409,073,813.62
Total assets	4,233,745,391.33	3,275,021,033.81	4,344,251,994.68	2,170,241,988.85	4,144,296,041.94	3,010,082,916.16	4,350,556,696.22	1,766,087,907.78
Current liabilities	59,426,134.74	1,317,458,499.59	1,114,111,956.13	1,474,741,285.84	39,320,622.37	1,188,973,250.27	1,127,694,005.38	1,155,468,411.03
Non-current liabilities	2,296,083,008.04	120,597,316.01	2,263,574,005.14	21,483,606.13	2,257,334,314.04	110,449,703.76	2,266,906,952.12	7,644,940.29
Total liabilities	2,355,509,142.78	1,438,055,815.60	3,377,685,961.27	1,496,224,891.97	2,296,654,936.41	1,299,422,954.03	3,394,600,957.50	1,163,113,351.32
Minority shareholders' equity				156,508,432.02				159,974,471.97
Attributable to shareholders' equity of the company	1,878,236,248.55	1,836,965,218.21	966,566,033.41	517,508,664.86	1,847,641,105.53	1,710,659,962.13	955,955,738.72	443,000,084.49

	Closing balance/Amount for the period				上年年末余额/上期金额			
	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.
Share of net assets in proportion to shareholding	916,722,257.71	891,633,380.78	417,794,470.53	136,007,041.29	905,344,141.71	838,223,381.44	468,418,311.97	132,172,095.68
Matters of adjustment								
- Goodwill								
- Unrealized profit from internal trading	1,806,751.82		33,578,924.23				413,239,423.66	
- Others							-446,364,645.39	
Book value of equity investment in joint venture	918,529,009.53	891,633,380.78	451,373,394.76	136,007,041.29	905,344,141.71	838,223,380.78	501,543,533.70	132,172,095.68
Fair value of equity investment of joint venture with public quotation								
Operating income	21,641,815.27	480,925,495.15	80,558,575.22	1,297,855,910.36		329,438,855.87	13,470,394.58	1,016,992,919.02
Net profit	21,406,043.55	126,305,256.08	9,845,386.91	1,727,415.19		52,352,000.00	12,707,021.67	3,455,978.07
Net profit from discontinued operations								
Other comprehensive income								
Total comprehensive income	21,406,043.55	126,305,256.08	9,845,386.91	1,727,415.19		52,352,000.00	12,707,021.67	3,455,978.07
Dividends received from joint venture in the current period								

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	Remarks
Government subsidies included in deferred earnings	86,486,709.74	60,281,198.08	
Government subsidies included in other income	61,539,975.98	61,539,975.98	Excluding amount transferred from deferred income
Government subsidies included in non-operating income			
Total	148,026,685.70	121,821,174.06	

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, 2026, 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	1,534,217,067.69	67,811,696.10
Receivables financing	1,617,538,472.37	
Accounts receivable	20,041,563,180.73	4,211,579,678.04
Other receivables	648,916,540.28	278,434,024.11
Purchase and resale of financial assets	3,212,448,739.69	
Investment in debt (including amounts due within one year)	22,399,266,527.43	153,966,000.00

Subjects of study	Balance of book value	Provision for impairment losses
Long-term receivables (including amounts due within one year)	393,406,378.27	228,592,497.23
Issue loans and advances	6,888,466,992.60	645,331,214.03
Total	56,735,823,899.06	5,585,715,109.51

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 June 30, 2026, the loan line provided by the bank is sufficient to meet its own financing needs.

The financial liabilities held by the Company are analyzed as follows according to the maturity of the undiscounted remaining contractual obligations:

Item	Closing balance					Total undiscounted contract amount
	Immediate repayment	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	
Shortterm borrowing		1,718,217,357.91				1,718,217,357.91
Notes payable		10,049,014,565.26				10,049,014,565.26
Accounts payable		33,153,181,534.27				33,153,181,534.27
Other payables		3,433,399,508.35				3,433,399,508.35
Noncurrent liabilities due within one year		1,701,572,676.50				1,701,572,676.50
Long-term borrowings				1,176,834,507.99	2,706,668,395.78	3,883,502,903.77
Lease liabilities			187,287,526.85	155,055,777.79	83,590,601.37	425,933,906.01
Total		50,055,385,642.29	187,287,526.85	1,331,890,285.78	2,790,258,997.15	54,364,822,452.07

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

Interest rate risk refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market rate.

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, and maintains an appropriate mix of fixed-rate and floating-rate instruments through regular review and monitoring. Where necessary, the Company uses interest rate swaps to hedge interest rate risk.

The Company's exposure to changes in cash flows of financial instruments arising from interest rate movements relates primarily to floating-rate bank borrowings. It is the Company's policy to maintain these borrowings at floating rates so as to eliminate fair value risk arising from interest rate movements.

As at 30 June 2026, with all other variables held constant, if interest rates on floating-rate borrowings were to increase or decrease by 100 basis points, the Company's net profit would decrease or increase by RMB 29,535,029.03 (30 June 2025: RMB 3,194,582.47).

(2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value of a financial instrument or its future cash flows will fluctuate due to changes in foreign exchange rates.

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 RMB. As of June 30, 2026, the assets and liabilities of the Company are all in RMB, 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

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foreign currency balances may have an impact on the Company's operating results. See Note 5.71 for the foreign currency monetary assets and liabilities held by the Japanese company as of June 30, 2026.

The Company continuously monitors the magnitude of foreign-currency transactions, foreign-currency assets and liabilities to minimise its exposure to foreign exchange risk. In addition, the Company may enter into forward foreign exchange contracts or currency swap contracts to mitigate foreign exchange risk. During the current and prior periods, the Company did not enter into any forward foreign exchange contracts or currency swap contracts.

As at 30 June 2026, with all other variables held constant, if the Renminbi were to appreciate or depreciate by 5% against foreign currencies, the Company's net profit would increase or decrease by RMB 103,953,687.35 (30 June 2025: RMB 98,239,102.27).

(3) Other price risks

Other price risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices other than those arising from foreign exchange risk and interest rate risk.

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

Item	Fair value at the end of the period			
	The first level of fair value measurement	The second level of fair value measurement	The third level of fair value measurement	Total
I. Measurement at fair value on an ongoing basis				
◆ Financial assets held for trading	1,647,233,528.45			1,647,233,528.45
1. Financial assets measured at fair value with changes recognized in profit or loss	1,647,233,528.45			1,647,233,528.45
(1) Investments in Debt Instruments	317,730,400.00			317,730,400.00
(2) Investments in equity instruments	819,109,604.75			819,109,604.75
(3) Derivative financial assets				
(4) Others	510,393,523.70			510,393,523.70
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			1,617,538,472.37	1,617,538,472.37
◆ Other debt investments				
◆ Investments in other equity instruments	337,755,429.30		155,427,294.52	493,182,723.82
◆ 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				
Total assets measured at fair value on an ongoing basis	1,984,988,957.75		1,772,965,766.89	3,757,954,724.64

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◆ Financial liabilities held for trading	69,286.77			69,286.77
I. Financial liabilities held for trading				
(1) Trading bonds issued				
(2) Derivative financial liabilities	69,286.77			69,286.77
(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	69,286.77			69,286.77
II. 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

Item	Fair value at the end of the period	Valuation Techniques	Unobservable input values
Accounts Receivable Financing	1,617,538,472.37	Discounted Cash Flow Method	Expected future cash flows and a discount rate that reflects the corresponding level of risk
Investments in other equity instruments	155,427,294.52	Market Approach/Cost Approach	Price-to-Book Ratio, Price-to-Sales Ratio, Price-to-Earnings Ratio, Liquidity Discount / Original Investment Cost
Total	1,772,965,766.89		

12 Related parties and related transactions

12.1 Parent company of the Company

Name of parent 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	561,687.13	51.37	51.37

Note: The above shareholding ratio is the shareholding ratio directly held by the parent company, and the shareholding ratio of 0.028% held by Dongfang Electric International Investment Co., Ltd. ("Dongfang International Investment"), a subsidiary of the parent company, has not been calculated on a consolidated basis.

Description of the company's parent company:

Established on November 6, 1984, Dongfang Electric Corporation is an enterprise under the supervision of State-owned Assets Supervision and Administration Commission of the State Council. As of June 30, 2026, the registered capital of Dongfang Electric Corporation is RMB5.617 billion, and Dongfang Electric Corporation holds 51.37% of the shares of 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

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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 company
Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	Joint Venture
MHI Power Dongfang Boiler Co., Ltd.	Joint Venture
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	Associated company
Hunan Pingan Environmental Protection Co., Ltd.	Associated company
Huadian Longkou Wind Power Co., Ltd.	Associated company
Huaneng (Lingcheng District, Dezhou City) Clean Energy Co., Ltd.	Associated company
Huaneng (Pingyuan) Clean Energy Co., Ltd.	Associated company
Huaneng Changjiang Dongfang (Beijing) Environmental Technology Services Co., Ltd.	Associated company
Mulei Dongji New Energy Co., Ltd.	Subsidiary of an associate
Mulei East New Energy Co., Ltd.	Associated company
Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.	Associated company
Inner Mongolia Mengneng Ulan New Energy Co., Ltd.	Associated company
Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	Associated company
Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	Associated company
China United Heavy Duty Gas Turbine Technology Co., Ltd.	Associated company

12.4. Other related parties

Names of other related parties	Relationship between other related parties and the Company
Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology 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 Group (Chengdu) Shared Services 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 Investment Management 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 (Zhangbei County) 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 Financial Leasing (Shanghai) 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 Oil & Gas Engineering and Technology Service Co., Ltd.	受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
Quzhou Huihe New Energy Technology 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
Honghua International Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Sichuan Honghua Petroleum Equipment 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
Dongfang Electric Group Smart Light Energy 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
Honghua (China) Investment Co., Ltd	Other entities controlled by the same parent company and ultimate controlling party

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Names of other related parties	Relationship between other related parties and the Company
Dongfang Feiyuan (Shandong) Electronic Materials 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
Qinhuangdao Hongju Photovoltaic Power Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Gansu Hongteng Oil & Gas Equipment Manufacturing 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
Honghua Huyi Finance Leasing (Shanghai) Co., Ltd.	Other entities controlled by the same parent company and ultimate controlling party
Hanzheng Testing Technology 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 (Tongliao) Wind Power Engineering Technology Co., Ltd.	A subsidiary in bankruptcy liquidation
Dongfang Electric(Yixing)MAGI Solar Power Technology Co., Ltd.	A subsidiary in bankruptcy liquidation and controlled by the same parent company and ultimate controlling party
China Western Power Industrial Co., Ltd.	Investors with significant influence

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		20,150,649.90	8,072,509.51
Dongfang Electric Corporation	Receipt of Services and Energy	20,150,649.90	8,072,509.51
Joint ventures and associated enterprises		1,173,983,115.85	1,564,299,001.41
Deyang Guangda Dongqi New Materials Co., Ltd.	Purchase of goods	706,527,372.62	666,260,562.57
MHI Power Dongfang Boiler Co., Ltd.	Purchase of goods	269,496,981.42	654,439,468.69
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	Purchase of goods	100,493,271.62	75,234,763.33
Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	Purchase of goods	97,465,490.19	168,364,206.82
Other enterprises controlled by the same parent company and ultimate controlling party		569,782,302.32	387,226,540.85
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Purchase of goods	84,615.38	
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Receipt of Services and Energy	21,627,764.15	16,701,109.85
Dongfang Electric Group Digital Technology Co., Ltd.	Purchase of goods	176,740,782.31	
Dongfang Electric Group Digital Technology Co., Ltd.	Receipt of Services and Energy	112,026,333.57	41,624,545.08
Dongfang Electric Group Smart Light Energy Co., Ltd. Purchase	Purchase of goods	1,645,100.38	
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	Purchase of goods	101,527.61	
Hanzheng Testing Technology Co., Ltd.	Purchase of goods	5,445,377.59	
Hanzheng Testing Technology Co., Ltd.	Receipt of Services and Energy	3,378,049.24	7,263,035.45
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Receipt of Services and Energy	172,871.20	
Sichuan Dongshu New Materials Co., Ltd.	Purchase of goods	157,024,350.91	207,559,760.41
Sichuan Honghua Electric Co., Ltd.	Purchase of goods	32,176,575.02	23,404,921.13
Sichuan Honghua Petroleum Equipment Co., Ltd.	Purchase of goods	59,358,954.96	90,673,168.93
Total		1,763,916,068.07	1,959,598,051.77

List of goods sold/services provided

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Related parties	Content of related party transactions	Amount for the current period	Amount for the previous period
Parent company and ultimate controlling party		342,081.90	
DongFang Electric Corporation	Other Sales	342,081.90	
Joint ventures and associated enterprises		508,459,856.45	312,160,906.32
Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	Sale of goods	2,312,353.98	
Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	Sale of goods	35,033,333.31	53,535,695.36
MHI Power Dongfang Boiler Co., Ltd.	Providing services and energy		72,199,823.08
Mulei Dongji New Energy Co., Ltd.	Providing services and energy	7,129,081.77	
Mulei East New Energy Co., Ltd.	Sale of goods		153,601,415.09
Mulei East New Energy Co., Ltd.	Providing services and energy	42,325,429.25	
Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	Sale of goods	14,117,048.95	15,454,942.99
Deyang Guangda Dongqi New Materials Co., Ltd.	Providing services and energy	15,000,312.48	15,942,968.74
Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	Sale of goods		110,092.92
Huaneng (Pingyuan) Clean Energy Co., Ltd.	Sale of goods	259,385,557.52	
Huaneng (Lingcheng District, Dezhou City) Clean Energy Co., Ltd.	Sale of goods	89,261,107.96	
Huaneng Changjiang Dongfang (Beijing) Environmental Technology Services Co., Ltd.	Sale of goods	42,681,560.43	
Huadian Longkou Wind Power Co., Ltd.	Sale of goods	1,214,070.80	1,016,814.16
China United Heavy Duty Gas Turbine Technology Co., Ltd.	Sale of goods		299,153.98
Other enterprises controlled by the same parent company and ultimate controlling party		132,087,043.57	427,042,101.67
Dongfang Electric Group Smart Light Energy Co., Ltd.	Sale of goods	20,065.28	17,329.11
Dongyao New Energy (Zhangbei County) Co., Ltd.	Sale of goods		23,596,802.03
Dongyao New Energy (Zhangbei County) Co., Ltd.	Providing services and energy		33,561,408.77
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	Sale of goods	12,300.25	8,087.75
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	Sale of goods	14,689,504.80	43,593,612.73
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	Providing services and energy	14,401,708.04	14,538,457.57
Quzhou Huihe New Energy Technology Co., Ltd.	Sale of goods		60,619.47
Sichuan Dongshu New Materials Co., Ltd.	Sale of goods	1,785,348.72	
Sichuan Dongshu New Materials Co., Ltd.	Providing services and energy	120,741.74	130,328.68
Sichuan Honghua Electric Co., Ltd.	Sale of goods	72,327.43	25,725,164.32
Sichuan Honghua Electric Co., Ltd.	Providing services and energy	2,994,573.80	
Honghua International Co., Ltd.	Sale of goods	867,256.64	
Honghua International Co., Ltd.	Providing services and energy	220,202.84	
Sichuan Honghua Petroleum Equipment Co., Ltd.	Sale of goods	27,118,613.81	55,217,810.07
Sichuan Honghua Petroleum Equipment Co., Ltd.	Providing services and energy	51,804,150.27	
Sichuan Honghua Petroleum Equipment Co., Ltd.	Other sales	10,188.68	
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Sale of goods	7,178.48	
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Providing services and energy	62,368.97	35,628.32
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Sale of goods	15,750,220.81	229,795,635.35
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Providing services and energy	111,504.42	
Hanzheng Testing Technology Co., Ltd.	Sale of goods	18,238.42	
Hanzheng Testing Technology Co., Ltd.	Providing services and energy		59,854.86
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	Providing services and energy		701,362.64
Dongfang Electric Investment Management Co., Ltd.	Sale of goods	84,941.15	
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Sale of goods	135,148.67	
Dongfang Electric Group Digital Technology Co., Ltd.	Sale of goods	1,734,511.51	
Dongfang Electric Group Digital Technology Co., Ltd.	Providing services and energy	65,948.84	
Total		640,888,981.92	739,203,007.99

(1) Related interest income

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Related parties	Content of related party transactions	Amount for the current period	Amount for the previous period
Joint ventures and associated enterprises		7,017,855.30	
Mulei East New Energy Co., Ltd.	Interest income	5,008,105.92	
Mulei Dongji New Energy Co., Ltd.	Interest income	2,009,749.38	
Other enterprises controlled by the same parent company and ultimate controlling party		23,330,641.59	23,730,753.95
Honghua (China) Investment Co., Ltd.	Interest income	2,211,693.35	8,118,836.09
Sichuan Honghua Petroleum Equipment Co., Ltd.	Interest income	11,430,607.98	4,037,905.91
Sichuan Dongshu New Materials Co., Ltd.	Interest income	3,966,600.00	5,333,807.98
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	Interest income	1,009,790.33	766,837.00
Quzhou Huihe New Energy Technology Co., Ltd.	Interest income	939,179.06	1,364,758.30
Luquan Dongdian Solar Power Generation Co., Ltd.	Interest income		2,187,767.89
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Interest income	2,777,697.52	1,851,926.19
Sichuan Honghua Electric Co., Ltd.	Interest income	472,756.80	68,914.59
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	Interest income	522,316.55	
Total		30,348,496.89	23,730,753.95

(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		13,736,778.18	12,142,750.70
DongFang Electric Corporation	Interest expense	13,736,778.18	12,142,750.70
Other enterprises controlled by the same parent company and ultimate controlling party		2,714,396.40	1,668,658.52
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	Interest expense	14,970.95	10,624.98
Dongfang Electric Group Smart Light Energy Co., Ltd.	Interest expense	294,029.42	715,133.99
Dongfang Electric Investment Management Co., Ltd.	Interest expense	16,649.56	13,691.96
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	Interest expense	290,610.65	201,093.06
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	Interest expense	16,002.19	1,955.37
Honghua Financial Leasing (Shanghai) Co., Ltd.	Interest expense	178,174.86	203,332.82
Sichuan Dongshu New Materials Co., Ltd.	Interest expense	57,443.73	29,648.86
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	Interest expense	28,330.83	20,653.75
Quzhou Huihe New Energy Technology Co., Ltd.	Interest expense	2,573.38	11,715.96
Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	Interest expense	147,963.25	137,741.16
Sichuan Honghua Electric Co., Ltd.	Interest expense	76,117.91	0.20
Honghua (China) Investment Co., Ltd.	Interest expense	5,539.94	460.98
Sichuan Honghua Petroleum Equipment Co., Ltd.	Interest expense	78,428.14	39,949.49
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Interest expense	341,666.88	5,134.56
Honghua International Co., Ltd.	Interest expense	24087.09	0.10
Dongyao New Energy (Zhangbei County) Co., Ltd.	Interest expense	85,240.86	109,631.11
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	Interest expense	17,014.72	70,864.33
Luquan Dongdian Solar Power Generation Co., Ltd.	Interest expense	37,641.53	49,130.41
Dongyao New Energy (Qijing) Co., Ltd.	Interest expense	3,170.05	4,075.56
Honghua Hui Financial Leasing (Shanghai) Co., Ltd.	Interest expense	124.00	4,790.67
Qinhuangdao Hongju Photovoltaic Power Co., Ltd.	Interest expense	413.30	229.07
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Interest expense	45,054.17	
Dongfang Electric Group Digital Technology Co., Ltd.	Interest expense	919,500.62	
Hanzheng Testing Technology Co., Ltd.	Interest expense	11,337.00	
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	Interest expense	6,875.01	2,823.85
Dongyao New Energy (Fuyang) Co., Ltd.	Interest expense	15,436.36	35,976.28
Joint ventures and associated enterprises		29,931.24	1,866.60
MHPS Dongfang Boiler Co., LTD.	Interest expense		1,866.60
Mulei East New Energy Co., Ltd.	Interest expense	24,075.02	
Mulei Dongji New Energy Co., Ltd.	Interest expense	5,856.22	
Total		16,481,105.82	13,813,275.82

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12.5.2 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
Dongfang Electric Corporation Co. Ltd.	Leasing of fixed assets	342,081.90	
Sichuan Dongshu New Materials Co., Ltd.	Leasing of fixed assets		
Hanzheng Testing Technology Co., Ltd.	Leasing of fixed assets		59,854.86
Deyang Guangda Dongqi New Materials Co., Ltd.	Leasing of fixed assets		372,927.09
Honghua International Co., Ltd.	Car rental	96,362.84	89,872.56
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	Car rental	111,504.42	111,504.42
Sichuan Honghua Petroleum Equipment Co., Ltd.	Car rental	525,305.62	462,548.68
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	Car rental	62,368.97	
Dongfang Electric Group Digital Technology Co., Ltd.	Car rental	57,099.22	

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Company 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			39,290,190.52	411,589.77	173,873,320.75	4,037,343.72		45,951,760.10		

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12.5.3 Related guarantee

Company as the guarantor:

The guaranteed party	Amount guaranteed	Commencement date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	16,000,000.00	2016/1/19	2026/1/19	Yes
Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.	16,000,000.00	2016/6/29	2026/6/29	Yes
Inner Mongolia Mengneng Ulan New Energy Co., Ltd.	36,000,000.00	2016/8/26	2026/8/26	Yes
Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	24,500,000.00	2016/9/22	Termination date of long-term service agreement	No
Total	92,500,000.00			

Note: The principal debts in respect of the guarantees provided by the Company for Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd., Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd. and Inner Mongolia Mengneng Ulan New Energy Co., Ltd. had been fully settled as at the end of the current period, and the formalities for deregistration of the equity pledge registration are in progress.

12.5.4 Related party capital lending

Related parties	Amount borrowed	Date of commencement	Date of maturity
Pull in			
DongFang Electric Corporation	60,000,000.00	2023/8/22	2026/8/22
DongFang Electric Corporation	790,000,000.00	2024/6/21	2027/6/21
DongFang Electric Corporation	280,000,000.00	2025/9/2	2028/9/2
DongFang Electric Corporation	400,000,000.00	2025/9/29	2028/9/29
DongFang Electric Corporation	71,708,500.00	2023/12/25	2026/8/20
DongFang Electric Corporation	250,000,000.00	2025/12/25	2028/12/25
Total	1,851,708,500.00		
Take out			
Sichuan Honghua Petroleum Equipment Co., Ltd.	42,000,000.00	2026/2/10	2027/2/10
Sichuan Honghua Petroleum Equipment Co., Ltd.	32,000,000.00	2026/3/18	2027/3/18
Sichuan Honghua Petroleum Equipment Co., Ltd.	18,000,000.00	2026/3/30	2027/3/30
Sichuan Honghua Petroleum Equipment Co., Ltd.	40,000,000.00	2026/4/29	2027/4/29
Sichuan Honghua Petroleum Equipment Co., Ltd.	7,113,234.76	2026/5/8	2027/4/29
Sichuan Honghua Petroleum Equipment Co., Ltd.	43,552,917.10	2026/5/14	2027/4/29
Sichuan Honghua Petroleum Equipment Co., Ltd.	9,333,848.14	2026/5/21	2027/4/29
Sichuan Honghua Petroleum Equipment Co., Ltd.	22,000,000.00	2026/6/29	2027/6/29
Sichuan Dongshu New Materials Co., Ltd.	40,000,000.00	2026/1/29	2027/1/29
Sichuan Dongshu New Materials Co., Ltd.	20,000,000.00	2026/2/28	2027/2/28
Sichuan Dongshu New Materials Co., Ltd.	30,000,000.00	2026/3/30	2027/3/30
Sichuan Dongshu New Materials Co., Ltd.	50,000,000.00	2026/6/26	2027/6/26
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	3,000,000.00	2026/4/20	2027/4/20
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	10,000,000.00	2026/3/18	2027/3/18
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	20,000,000.00	2026/3/31	2027/3/18
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	12,000,000.00	2026/4/29	2027/4/29
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	10,000,000.00	2026/2/10	2027/2/10
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	20,000,000.00	2026/6/16	2027/6/16
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	15,000,000.00	2026/6/16	2027/6/16
Sichuan Honghua Electric Co., Ltd.	49,000,000.00	2026/5/12	2027/5/12
Quzhou Huihe New Energy Technology Co., Ltd.	4,985,636.53	2026/1/29	2036/6/30
Honghua (China) Investment Co., Ltd.	139,400,000.00	2026/1/22	2029/1/22
Total	637,385,636.53		

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12.6. Related party receivables and payables and other unsettled items

12.6.1. Absorb monetary funds from related parties

Related party	Type of currency	Amount at the end of the current year (original currency)	Amount at the end of the current year (equivalent to RMB)	Amount at the end of last year (original currency)	Amount at the end of last year (equivalent to RMB)
Parent company and ultimate controlling party			3,967,782,535.46		4,189,605,705.20
DongFang Electric Corporation	RMB	3,872,655,852.49	3,885,318,432.62	4,105,017,779.73	4,105,017,779.73
DongFang Electric Corporation	USD	12,107,666.07	82,464,102.84	12,034,476.08	84,587,925.47
Joint ventures and associated enterprises		30,552,008.29	30,552,008.29	24,919,130.69	24,919,130.69
MHI Power Dongfang Boiler Co., Ltd.	RMB	1,184,234.89	1,184,234.89	1,194,229.86	1,194,229.86
Mulei Dongji New Energy Co., Ltd.	RMB	6,129,381.96	6,129,381.96	10,584.42	10,584.42
Mulei East New Energy Co., Ltd.	RMB	23,238,391.44	23,238,391.44	23,714,316.41	23,714,316.41
Other enterprises controlled by the same parent company and ultimate controlling party		1,635,575,701.84	1,635,575,701.84	1,346,371,721.37	1,346,371,721.37
Dongfang Electric Investment Management Co., Ltd.	RMB	5,624,956.84	5,624,956.84	7,532,387.79	7,532,387.79
Sichuan Dongshu New Materials Co., Ltd.	RMB	32,148,271.68	32,148,271.68	32,736,441.26	32,736,441.26
Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	RMB	9,756,366.40	9,756,366.40	10,036,546.17	10,036,546.17
Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	RMB	22,866,974.21	22,866,974.21	36,086,706.03	36,086,706.03
Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	RMB	84,527,287.88	84,527,287.88	62,827,856.70	62,827,856.70
Dongfang Electric Group Smart Light Energy Co., Ltd.	RMB	126,934,777.45	126,934,777.45	154,705,316.50	154,705,316.50
Dongfang Electric (Jiuquan) Photovoltaic Power Generation Technology Co., Ltd.	RMB	11,456,766.46	11,456,766.46	17,921,469.42	17,921,469.42
Quzhou Huihe New Energy Technology Co., Ltd.	RMB	3,518,639.91	3,518,639.91	1,040,735.32	1,040,735.32
Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	RMB	59,231,507.30	59,231,507.30	57,104,756.64	57,104,756.64
Dongyao New Energy (Zhangbei County) Co., Ltd.	RMB	39,248,381.52	39,248,381.52	34,178,426.42	34,178,426.42
Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	RMB	20,647,597.40	20,647,597.40	36,160,197.91	36,160,197.91
Sichuan Honghua Electric Co., Ltd.	RMB	42,582,164.87	42,582,164.87	189,940,295.98	189,940,295.98
Sichuan Honghua Petroleum Equipment Co., Ltd.	RMB	408,031,410.19	408,031,410.19	85,657,066.69	85,657,066.69
Honghua International Co., Ltd.	RMB	229,036,978.72	229,036,978.72	4,254,430.67	4,254,430.67
Honghua (China) Investment Co., Ltd.	RMB	8,455,629.02	8,455,629.02	2,624,209.49	2,624,209.49
Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	RMB	35,526,741.75	35,526,741.75	199,805,973.37	199,805,973.37
Dongyao New Energy (Fuyang) Co., Ltd.	RMB	7,536,189.90	7,536,189.90	10,711,621.18	10,711,621.18
Dongyao New Energy (Qijing) Co., Ltd.	RMB	164,047.73	164,047.73	3,562,208.18	3,562,208.18
Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	RMB	6,595,386.55	6,595,386.55	21,824,400.34	21,824,400.34
Qinhuangdao Hongji Photovoltaic Power Co., Ltd.	RMB	416.54	416.54	221,031.66	221,031.66
Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	RMB	4,490,850.21	4,490,850.21	819,669.62	819,669.62
Luquan Dongdian Solar Power Generation Co., Ltd.	RMB	10,210,765.22	10,210,765.22	28,709,629.10	28,709,629.10
Honghua Financial Leasing (Shanghai) Co., Ltd.	RMB	54,031,639.87	54,031,639.87	19,059,145.29	19,059,145.29
Honghua Huyi Financial Leasing (Shanghai) Co., Ltd.	RMB	122,731.58	122,731.58	122,607.58	122,607.58
Hanzheng Testing Technology Co., Ltd.	RMB	15,207,651.09	15,207,651.09	13,726,897.93	13,726,897.93
Dongfang Electric Group Digital Technology Co., Ltd.	RMB	397,621,571.55	397,621,571.55	315,001,694.13	315,001,694.13
Subsidiaries controlled by the same parent company and ultimate controlling party and in bankruptcy liquidation		1.13	1.13	1.13	1.13
Dongfang Electric (Yixing) MAGI Solar Power Technology Co., Ltd.	RMB	1.13	1.13	1.13	1.13
Subsidiaries in bankruptcy liquidation			85.74		83.79
Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd.	RMB	15.29	15.29	15.24	15.24
Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd.	EUR	7.70	59.81	7.70	57.95
Dongfang Electric (Tongliao) Wind Power Engineering Technology Co., Ltd.	RMB	10.64	10.64	10.60	10.60

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12.6.2. Receivable items

Name of items	Related party	Closing balance		Balance as at December 31, 2025	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
Accounts receivable					
	Parent company and ultimate controlling party	4,000.00	2,000.00	5,040,000.00	2,520,000.00
	Dongfang Electric Corporation	4,000.00	2,000.00	5,040,000.00	2,520,000.00
	Joint ventures and associated enterprises	908,000,189.32	129,537,477.40	774,856,174.21	111,826,192.05
	Deyang Guangda Dongqi New Materials Co., Ltd.	6,272,700.45	313,635.02	191,068.00	9,553.40
	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	3,845,637.08	1,207,094.92	4,596,577.20	683,288.02
	MHI Power Dongfang Boiler Co., Ltd.	49,340,703.25	4,852,925.71	96,683,706.63	6,540,669.97
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	3,954,276.00	251,628.80	2,122,618.37	106,130.92
	Hunan Pingan Environmental Protection Co., Ltd.	6,479,330.42	1,295,866.08	6,479,330.42	1,295,866.08
	Huadian Longkou Wind Power Co., Ltd.	6,147,500.00	385,675.00	4,775,600.00	317,080.00
	Huaneng (Lingcheng District, Dezhou City) Clean Energy Co., Ltd.	6,051,833.99	302,591.70		
	Huaneng (Pingyuan) Clean Energy Co., Ltd.	17,586,340.80	879,317.04		
	Huaneng Changjiang Dongfang (Beijing) Environmental Technology Services Co., Ltd.	48,230,163.28	2,411,508.16		
	Mulei Dongji New Energy Co., Ltd.	48,686,423.45	2,434,321.17	21,029,176.49	1,051,458.83
	Mulei East New Energy Co., Ltd.	641,775,025.19	57,933,863.65	560,145,081.79	37,889,866.48
	Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.	22,394,129.50	20,525,795.88	22,525,129.50	20,532,345.88
	Inner Mongolia Mengneng Ulan New Energy Co., Ltd.	32,627,840.00	30,072,795.75	32,660,840.00	29,795,817.87
	Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	7,731,338.30	6,326,611.12	13,070,936.30	11,516,209.12
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	6,539,060.91	326,953.06	182,109.51	9,105.48
	China United Heavy Duty Gas Turbine Technology Co., Ltd.	337,886.70	16,894.34	10,394,000.00	2,078,800.00
	Other enterprises controlled by the same parent company and ultimate controlling party	184,571,541.55	14,287,019.27	266,130,779.09	18,083,614.06
	Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	6,859,033.00	871,369.66	12,210,373.60	888,718.22
	Dongfang Electric (Jiuquan) New Energy Co., Ltd.	503,994.81	503,994.81	503,994.81	503,994.81
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.			368,600.00	18,430.00
	Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	102,152.00	5,107.60		
	Dongfang Electric Group Digital Technology Co., Ltd.	13,119,004.99	814,675.25	11,347,052.74	726,077.64
	Dongfang Electric Investment Management Co., Ltd.	51,675.00	2,583.75	4,704.85	235.24
	Dongyao New Energy (Qijing) Co., Ltd.	3,747,982.00	749,596.40	985,500.00	197,100.00
	Dongyao New Energy (Zhangbei County) Co., Ltd.	1,212,368.63	60,618.43	1,212,399.99	60,620.00
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	18,432,645.37	921,632.25	88,236,091.66	4,411,804.59
	Honghua Oil & Gas Engineering Services Limited			88,108.20	4,405.41
	Honghua Oil & Gas Engineering and Technology Service Co., Ltd.	29,700.00	1,485.00	51,417.99	2,570.90
	Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	56,328,063.69	4,936,500.26	101,047,026.60	8,153,828.06
	Quzhou Huihe New Energy Technology Co., Ltd.			5,603,418.14	280,170.91
	Sichuan Honghua Electric Co., Ltd.	12,989,585.41	1,856,999.65	22,106,881.98	1,522,106.47

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Name of items	Related party	Closing balance		Balance as at December 31, 2025	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	Honghua International Co., Ltd.	650,790.50	32,539.53	646,362.13	32,318.11
	Sichuan Honghua Petroleum Equipment Co., Ltd.	69,738,546.15	3,489,616.68	20,513,554.80	1,220,969.12
	Sichuan Dongshu New Materials Co., Ltd.	806,000.00	40,300.00	1,205,291.60	60,264.58
	Subsidiaries in bankruptcy liquidation	77,102,532.25	77,102,532.25	89,397,696.88	89,397,696.88
	Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd.	77,102,532.25	77,102,532.25	89,397,696.88	89,397,696.88
Notes receivable					
	Joint ventures and associated enterprises	73,314,519.37	2,785,000.00	89,328,724.95	1,536,820.49
	MHI Power Dongfang Boiler Co., Ltd.	73,314,519.37	2,785,000.00	89,328,724.95	1,536,820.49
	Other enterprises controlled by the same parent company and ultimate controlling party	8,430,221.56		78,843,503.27	
	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	
	Sichuan Honghua Electric Co., Ltd.	12,190.40		12,116,991.35	
	Sichuan Honghua Petroleum Equipment Co., Ltd.	8,418,031.16		6,487,057.24	
Payment in advance					
	Joint ventures and associated enterprises	37,747,919.29		9,511,801.22	
	MHI Power Dongfang Boiler Co., Ltd.	28,428,354.00		247,929.22	
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	9,319,565.29		9,263,872.00	
	Other enterprises controlled by the same parent company and ultimate controlling party	56,069,228.68		109,291,107.28	
	Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	75,000.00			
	Dongfang Electric Group Digital Technology Co., Ltd.	48,568,534.34		105,937,286.53	
	Sichuan Honghua Petroleum Equipment Co., Ltd.	7,425,694.34		3,353,820.75	
Other receivables					
	Parent company and ultimate controlling party	1,161,803.20	58,090.15	3,194,258.85	159,712.94
	DongFang Electric Corporation	1,161,803.20	58,090.15	3,194,258.85	159,712.94
	Joint ventures and associated enterprises	1,637,537.72	118,639.39	801,689.45	40,084.47
	Deyang Guangda Dongqi New Materials Co., Ltd.	323,511.26	22,547.76	156,246.46	7,812.32
	MHI Power Dongfang Boiler Co., Ltd.	5,505.12	275.26		
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	546,848.67	36,650.86		
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	576,883.61	45,156.38	460,653.93	23,032.70
	China United Heavy Duty Gas Turbine Technology Co., Ltd.	184,789.06	14,009.13	184,789.06	9,239.45
	Other enterprises controlled by the same parent company and ultimate controlling party	804,237.10	42,116.32	612,696.39	32,539.28

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Name of items	Related party	Closing balance		Balance as at December 31, 2025	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	12,696.39	2,539.28	12,696.39	2,539.28
	Dongfang Electric Group Digital Technology Co., Ltd.	45,165.60	2,258.28		
	Dongfang Electric Group Smart Light Energy Co. Ltd.	189,039.74	9,451.99		
	Sichuan Dongshu New Materials Co. Ltd.	557,335.37	27,866.77	600,000.00	30,000.00
	Subsidiaries in bankruptcy liquidation			2,845,136.58	2,845,136.58
	Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd.			2,845,136.58	2,845,136.58
Contract assets					
	Parent company and ultimate controlling party	2,518,000.00	1,259,000.00		
	Dongfang Electric Corporation	2,518,000.00	1,259,000.00		
	Joint ventures and associated enterprises	99,818,522.51	5,739,406.97	15,864,339.48	1,444,242.82
	MHI Power Dongfang Boiler Co., Ltd.	7,455,263.32	988,578.33	12,595,155.53	1,408,915.40
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	510,922.00	25,546.10	172,693.56	35,327.42
	Huaneng (Lingcheng District, Dezhou City) Clean Energy Co., Ltd.	20,173,010.41	1,008,650.52		
	Huaneng (Pingyuan) Clean Energy Co., Ltd.	58,621,136.00	2,931,056.80		
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	5,202,438.57		1,589,596.41	
	Mulei Dongji New Energy Co., Ltd.			1,506,893.98	
	Mulei East New Energy Co., Ltd.	7,855,752.21	785,575.22		
	Other enterprises controlled by the same parent company and ultimate controlling party	35,900,687.81	560,585.13	43,154,740.02	1,459,679.28
	Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.	2,742,645.30			
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	11,400.00	570.00		
	Dongfang Electric Group Digital Technology Co., Ltd.	540,850.00	53,847.50	540,850.00	53,847.50
	Dongyao New Energy (Fuyang) Co., Ltd.			2,078,404.01	
	Dongyao New Energy (Qijing) Co., Ltd.			2,762,482.00	552,496.40
	Dongyao New Energy (Zhangbei County) Co., Ltd.	24,651,521.82		27,311,629.52	133,005.39
	Quzhou Huihe New Energy Technology Co., Ltd.			2,341,054.40	234,105.44
	Sichuan Dongshu New Materials Co., Ltd.			180,000.00	18,000.00
	Sichuan Honghua Electric Co., Ltd.	4,958,961.66	356,402.18	4,945,011.06	318,459.10
	Sichuan Honghua Petroleum Equipment Co., Ltd.	2,995,309.03	149,765.45	2,995,309.03	149,765.45
Other non-current assets					
	Joint ventures and associated enterprises	70,580,693.57	5,427,998.09	42,962,061.49	4,328,804.88
	MHI Power Dongfang Boiler Co., Ltd.	15,186,577.28	1,338,592.26	18,845,683.47	1,410,498.35
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.			263,582.71	13,179.14
	Huadian Longkou Wind Power Co., Ltd.	114,900.00	5,745.00	114,900.00	5,745.00

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Name of items	Related party	Closing balance		Balance as at December 31, 2025	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	Huaneng (Lingcheng District, Dezhou City) Clean Energy Co., Ltd.	10,086,505.19	504,325.26		
	Huaneng (Pingyuan) Clean Energy Co., Ltd.	29,310,568.00	1,465,528.40		
	Mulei Dongji New Energy Co., Ltd.	3,031,100.90	151,555.05	3,031,100.90	151,555.05
	Mulei East New Energy Co., Ltd.	4,000,000.00	200,000.00	11,855,752.21	985,575.22
	Inner Mongolia Mengneng Sanshengtai Wind Power Generation Co., Ltd.	29,097.50	1,454.88	29,097.50	1,454.88
	Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd.	23,944.70	1,197.24	23,944.70	1,197.24
	China United Heavy Duty Gas Turbine Technology Co., Ltd.	8,798,000.00	1,759,600.00	8,798,000.00	1,759,600.00
	Other enterprises controlled by the same parent company and ultimate controlling party	3,493,000.47	233,529.69	6,822,477.93	392,648.90
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	147,093.00	14,709.30	158,493.00	7,924.65
	Dongfang Electric Group Digital Technology Co., Ltd.	2,328,499.90	167,950.01	2,230,500.00	163,050.01
	Dongyao New Energy (Fuyang) Co., Ltd.			3,403,926.76	170,196.34
	Sichuan Honghua Electric Co., Ltd.	1,017,407.57	50,870.38	1,029,558.17	51,477.90
	Subsidiaries in bankruptcy liquidation	409,363,000.00	409,363,000.00	409,363,000.00	409,363,000.00
	Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd.	409,363,000.00	409,363,000.00	409,363,000.00	409,363,000.00
Entrusted loans					
	Subsidiaries in bankruptcy liquidation	379,309,493.88	379,309,493.88	395,326,514.45	395,326,514.45
	Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd.	379,309,493.88	379,309,493.88	395,326,514.45	395,326,514.45
Issue loans and advances					
	Joint ventures and associated enterprises	452,714,801.04	67,907,220.16	634,241,773.31	95,136,265.99
	Mulei East New Energy Co., Ltd.	452,714,801.04	67,907,220.16	453,381,390.42	68,007,208.56
	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	306,400,000.00	45,960,000.00	1,220,857,782.00	214,541,400.00
	Honghua (China) Investment Co., Ltd.	139,400,000.00	20,910,000.00	464,860,000.00	111,566,400.00
	Quzhou Huihe New Energy Technology Co., Ltd.			69,497,782.00	
	Sichuan Honghua Petroleum Equipment Co., Ltd.	167,000,000.00	25,050,000.00	686,500,000.00	102,975,000.00
Other current assets					
	Other enterprises controlled by the same parent company and ultimate controlling party	1,339,000,000.00	205,500,000.00	1,114,900,000.00	160,185,000.00
	Sichuan Honghua Electric Co., Ltd.	84,000,000.00	12,600,000.00	35,000,000.00	5,250,000.00
	Sichuan Dongshu New Materials Co., Ltd.	280,000,000.00	42,000,000.00	230,000,000.00	34,500,000.00
	Sichuan Honghua Petroleum Equipment Co., Ltd.	734,000,000.00	110,100,000.00	614,900,000.00	92,235,000.00
	Dongfang Feiyuan (Shandong) Electronic Materials Co., Ltd.	72,000,000.00	10,800,000.00	78,000,000.00	11,700,000.00
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	125,000,000.00	30,000,000.00	110,000,000.00	16,500,000.00

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Name of items	Related party	Closing balance		Balance as at December 31, 2025	
		Balance of book value	Provision for bad debts	Balance of book value	Provision for bad debts
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	44,000,000.00		47,000,000.00	
Discounted assets					
	Joint ventures and associated enterprises	500,000.00		400,000.00	
	MHI Power Dongfang Boiler Co., Ltd.	500,000.00		400,000.00	
	Other enterprises controlled by the same parent company and ultimate controlling party	92,999,724.89	21,648,067.08	121,989,662.28	18,298,449.34
	Sichuan Honghua Petroleum Equipment Co., Ltd.	1,296,740.84	194,511.13		
	Sichuan Honghua Electric Co., Ltd.	6,168,446.87	925,267.03	693,020.00	103,953.00
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	85,534,537.18	20,528,288.92	121,296,642.28	18,194,496.34

12.6.3. Items payable

Name of items	Related party	Balance at end of the period	Balance at the end of last year
Accounts payable			
	Parent company and ultimate controlling party	9,166,858.20	6,965,427.20
	Dongfang Electric Corporation	9,166,858.20	6,965,427.20
	Joint ventures and associated enterprises	1,446,000,916.88	1,425,803,444.00
	Deyang Guangda Dongqi New Materials Co., Ltd.	462,257,222.59	383,027,283.23
	MHI Power Dongfang Boiler Co., Ltd.	765,366,174.17	863,001,505.41
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	60,192,258.30	16,784,497.54
	Hunan Pingan Environmental Protection Co., Ltd.	8,560,470.00	9,260,470.00
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	149,624,791.82	153,729,687.82
	Other enterprises controlled by the same parent company and ultimate controlling party	306,708,754.03	294,293,848.38
	Dongfang Electric Group (Chengdu) Shared Services Co., Ltd.	713.27	324,993.66
	Dongfang Electric Group Digital Technology Co., Ltd.	44,528,247.16	58,087,160.47
	Dongfang Electric Group Smart Light Energy Co., Ltd.	11,913,887.71	13,741,043.43
	Gansu Hongteng Oil & Gas Equipment Manufacturing Co., Ltd.	2,179,398.30	2,064,672.10
	Hanzheng Testing Technology Co., Ltd.	3,573,766.70	5,524,376.13
	Honghua Offshore Oil & Gas Equipment (Jiangsu) Co., Ltd.	2,927,809.03	3,117,465.81
	Sichuan Dongshu New Materials Co., Ltd.	146,052,113.99	107,564,957.98
	Sichuan Honghua Electric Co., Ltd.	21,725,267.58	25,110,343.06
	Sichuan Honghua Petroleum Equipment Co., Ltd.	73,807,550.29	78,758,835.74
	Investors with significant influence	1,280,148.23	1,582,288.39
	China Western Power Industrial Co., Ltd.	1,280,148.23	1,582,288.39
Other payables			
	Parent company and ultimate controlling party	141,288,696.13	235,556,623.88
	DongFang Electric Corporation	141,288,696.13	235,556,623.88
	Joint ventures and associated enterprises	63,573,864.07	99,438,322.03
	Deyang Guangda Dongqi New Materials Co., Ltd.	3,759,968.76	3,470,279.16
	MHI Power Dongfang Boiler Co., Ltd.	59,813,895.31	95,968,042.87
	Other enterprises controlled by the same parent company and ultimate controlling party	1,811,320.76	1,827,538.24
	Dongfang Electric Group Digital Technology Co., Ltd.	1,811,320.76	1,820,670.76
	Dongfang Electric Group Smart Light Energy Co., Ltd.		6,867.48

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Name of items	Related party	Balance at end of the period	Balance at the end of last year
	Subsidiaries under the control of the same parent company and ultimate controlling party and in bankruptcy liquidation		127,240.00
	Dongfang Electric New Energy Equipment (Hangzhou) Co., Ltd.		127,240.00
	Investors with significant influence	27,407.73	27,407.73
	China Western Power Industrial Co., Ltd.	27,407.73	27,407.73
Contract liability			
	Joint ventures and associated enterprises	433,199,840.10	537,625,771.98
	Deyang Guangda Dongqi New Materials Co., Ltd.	65,262.24	
	Framatome Dongfang Reactor Coolant Pumps Co., Ltd.	63,094,842.76	70,922,657.67
	MHI Power Dongfang Boiler Co., Ltd.	43,028,739.62	18,073,102.75
	Henan Dongfang Boiler Chengfa Environmental Protection Equipment Co., Ltd.	120,000.00	241,316.00
	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.	29,499,302.65	76,902,922.01
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	148,798,396.45	95,232,217.49
	Mulei Dongji New Energy Co., Ltd.	148,593,296.38	136,794,851.63
	Other enterprises controlled by the same parent company and ultimate controlling party	54,293,419.58	100,660,802.95
	Dongfang Electric (Jiuquan) Comprehensive Smart Energy Technology Co., Ltd.		2,053,041.33
	Dongfang Electric (Leshan) Eban High Purity Materials Co., Ltd.	44.95	44.95
	Dongfang Electric Group Digital Technology Co., Ltd.	1,030,592.95	153,496.59
	Dongfang Electric Investment Management Co., Ltd.		36,191.15
	Dongyao New Energy (Zhangbei County) Co., Ltd.	6,739,567.03	6,739,567.03
	Honghua Financial Leasing (Shanghai) Co., Ltd.	26,988,403.58	26,988,403.58
	Qinhuangdao Juxing Photovoltaic Power Co., Ltd.	18,809,385.76	62,622,746.11
	Quzhou Huihe New Energy Technology Co., Ltd.		1,004,203.72
	Honghua International Co., Ltd.		490,000.00
	Sichuan Honghua Petroleum Equipment Co., Ltd.	725,425.31	573,108.49
Lease liabilities			
	Parent company and ultimate controlling party	111,595,480.76	39,243,907.76
	DongFang Electric Corporation	111,595,480.76	39,243,907.76
Non-current liabilities due within one year			
	Parent company and ultimate controlling party	1,003,792,506.32	149,263,942.65
	DongFang Electric Corporation	1,003,792,506.32	149,263,942.65
	Joint ventures and associated enterprises	452,961.49	
	MHI Power Dongfang Boiler Co., Ltd.	44,070.80	
	Mitsubishi Heavy Industries Dongfang Gas Turbine (Guangzhou) Co., Ltd.	408,890.69	
	Other enterprises controlled by the same parent company and ultimate controlling party	974,099.08	974,099.08
	Dongyao New Energy (Qijing) Co., Ltd.	974,099.08	974,099.08
Long-term borrowings			
	Parent company and ultimate controlling party	930,000,000.00	1,851,708,500.00
	DongFang Electric Corporation	930,000,000.00	1,851,708,500.00

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 June 30, 2026

Capital expenditure commitments signed but not recognized in the financial statements:

Item	Amount as at June 30, 2026	Amount as at January 1, 2026
Basic infrastructure	384,089,688.50	420,209,865.34
Equipment	717,196,467.64	840,866,919.84
Total	1,101,286,156.14	1,261,076,785.18

As of June 30, 2026, the Company has a total of RMB1,101,286,156.14 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	1,121,046,651.96	736,956,963.46	384,089,688.50	2026 and subsequent years
The Company and its subsidiaries	Equipment	1,510,698,257.33	793,501,789.69	717,196,467.64	2026 and subsequent years
	Total	2,631,744,909.29	1,530,458,753.15	1,101,286,156.14	

(2) Lease contracts signed and being or to be performed and their financial impact

As of June 30, 2026, the Company's minimum future rent payable for the following periods under the irrevocable operating lease as the lessee is summarized as follows:

Item	Closing balance	Opening balance
Within 1 year	325,804,176.97	613,067,409.71
The second year	105,837,062.46	141,829,994.84
The third year	77,612,901.28	96,936,305.32
The fourth year	71,595,237.23	83,329,987.87
The fifth year	34,473,698.00	62,309,098.00
Over five years	36,285,278.00	28,102,958.00

14.1.2. The Company shall also explain that it has no commitments that need to be disclosed

None.

14.2. Contingent Events

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 June 30, 2026, the Company has provided the following guarantees for related parties:

Name of the guaranteed entity	Matters of guarantee	Amount	Term
Dongfang Mitsubishi	Performance guarantee	24,500,000.00	Termination date of longterm service agreement
Total		24,500,000.00	

Description: Long-term Management Agreement for M701F Gas Turbine Components, Component Maintenance and Technical Consulting Services proposed to be entered into between Dongfang Mitsubishi and CNOOC Zhuhai Gas Power Co., LTD., Zhongshan Jiaming Power Co., LTD., CNOOC Fujian Gas Power Co., LTD., and Guangdong Huizhou Gas Power Co., LTD. (collectively, the "Owners") (hereinafter referred to as the Gas Turbine Long-term Service Agreement), the Gas Turbine Long-term Service Agreement involves 12 units, and the owner requires the parent company of Dongfang Mitsubishi (Mitsubishi Hitachi Electric Power System Co., Ltd. and the company) to sign the Parent Company Guarantee Agreement to guarantee the performance of the agreement by Oriental Mitsubishi. The total amount of guarantee for this long-term service agreement is 50 million RMB, and the company will provide 24.5 million RMB of guarantee according to the proportion of equity held by Dongfang Mitsubishi. Guarantee Period: After the expiration or termination of the Gas Turbine Long-term Service Agreement, the guarantee liability shall have full effect to the extent that the Seller's

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obligations or liabilities under the contract continue until the Seller's obligations and liabilities under or in connection with the contract (including but not limited to guarantee obligations) have been performed without defect.

(2) Issue letters of guarantee and letters of credit

As of June 30, 2026, the status of letters of guarantee issued by the Company:

Name of company	Type of business	Type of currency	Balance as at June 30, 2026 (equivalent to RMB)
Company	Letter of guarantee	RMB	3,873,898,370.84
Dongfang Electric Machine	Letter of guarantee	RMB	8,153,792,611.59
Dongfang Electric Machine	Letter of guarantee	USD	513,777,260.91
Dongfang Electric Machine	Letter of guarantee	VES	2,673,849.22
Dongfang Turbine	Letter of guarantee	RMB	7,484,471,099.26
Dongfang Turbine	Letter of guarantee	EUR	1,349,851.98
Dongfang Boiler	Letter of guarantee	RMB	6,217,037,472.86
Dongfang Boiler	Letter of guarantee	USD	4,248,911.86
Dongfang Wind Power	Letter of guarantee	RMB	4,838,003,624.75
Dongfang International	Letter of guarantee	RMB	908,722,632.97
Dongfang International	Letter of guarantee	USD	227,986,016.52
Dongfang International	Letter of guarantee	EUR	74,227,878.51
Dongfang International	Letter of guarantee	VND	25,628,231.60
Dongfang Heavy Machinery	Letter of guarantee	RMB	916,629,434.39
Dongfang Heavy Machinery	Letter of guarantee	EUR	1,006,852.00
Dongfang Automation	Letter of guarantee	RMB	106,670,090.16
Dongfang Research Institute	Letter of guarantee	RMB	23,528,146.28
Dongfang Products	Letter of guarantee	RMB	40,731,250.41
Dongfang Martial Arts	Letter of guarantee	RMB	209,173,472.09
Dongfang Design	Letter of guarantee	RMB	260,082,944.58
Dongfang Design	Letter of guarantee	USD	2,730,550.97
Dongfang Hydrogen	Letter of guarantee	RMB	6,814,500.00

Outstanding letters of credit:

As of June 30, 2026, the status of irrevocable letters of credit issued by the Company:

Name of company	Type of business	Type of currency	Balance as at June 30, 2026 (equivalent to RMB)
Dongfang Electric Machinery	Letter of credit	USD	10,017,928.05
Dongfang Electric Machinery	Letter of credit	JYP	54,994,823.00
Dongfang Electric Machinery	Letter of credit	EUR	44,335,069.73
Dongfang Electric Machinery	Letter of credit	CHF	11,103,912.01
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	347,517,225.93
Dongfang Boiler	Letter of credit	EUR	3,985,718.52
Dongfang Wind Power	Letter of credit	RMB	1,500,000,000.00
Dongfang International	Letter of credit	USD	34,795,238.77
Dongfang International	Letter of credit	EUR	10,346,068.00

14.2.2 Others

None.

15. Post balance sheet events

15.1. Important non-adjustment events

None.

15.2. Profit distribution

None.

15.3. Notes to other post-balance sheet events

None.

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.

16.5.2 Report financial information of the division

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

Item	Energy Equipment Manufacturing	Manufacturing Services	Emerging Industries	Summary	Offset against	Total
Total operating income	33,757,517,527.75	8,189,459,077.33	4,565,466,077.62	46,512,442,682.70	7,888,251,676.61	38,624,191,006.09
Including: Income from foreign transactions	29,446,397,691.27	6,271,256,142.63	2,906,537,172.19	38,624,191,006.09		38,624,191,006.09
Revenue from inter-segment transactions	4,311,119,836.48	1,918,202,934.70	1,658,928,905.43	7,888,251,676.61		7,888,251,676.61
Operating costs	29,935,691,939.88	6,083,447,898.90	3,980,896,628.48	40,000,036,467.26	7,889,319,268.83	32,110,717,198.43
Offset of costs	4,636,465,916.56	1,858,277,708.56	1,394,575,643.71	7,889,319,268.83		7,889,319,268.83
Expenses for the period				3,219,548,150.27	-95,113,693.57	3,314,661,843.84
Operating profit (loss)	4,147,171,667.95	2,046,085,952.29	320,216,187.42	6,513,473,807.66	3,463,944,087.07	3,049,529,720.59
Total assets				164,229,018,501.71		164,229,018,501.71
Including: The amount of a single asset with significant impairment loss						
Total liabilities				115,255,387,201.86		115,255,387,201.86
Additional Information						
Capital expenditure						
Impairment losses recognised in the current period				-831,488,026.55	-283,068,370.06	-548,419,656.49
Among them: goodwill impairment apportionment						
Depreciation and amortization expense				642,262,860.29		642,262,860.29
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	Closing balance	Balance as at December 31, 2025
Within 1 year (inclusive)	421,196,398.62	337,269,143.04
1-2 years	177,686,265.24	224,564,305.47
2 to 3 years	76,075,855.81	26,667,875.02
3 to 4 years	142,675,424.34	197,055,322.85
4-5 years	19,503,498.73	17,721,636.67
More than 5 years	111,021,921.57	145,822,563.50
Sub-total	948,159,364.31	949,100,846.55
Less: Provision for bad debts	231,887,458.31	278,158,973.69
Total	716,271,906.00	670,941,872.86

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

17.1.2 Accounts receivable shall be classified and disclosed according to the bad debt provision method

Category

Category	Balance as at June 30, 2026					Balance as at December 31, 2025				
	Book balance		Provision for bad debts		Value	Book balance		Provision for bad debts		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	948,159,364.31	100.00	231,887,458.31	24.46	716,271,906.00	949,100,846.55	100.00	278,158,973.69	29.31	670,941,872.86
Total	948,159,364.31	100.00	231,887,458.31		716,271,906.00	949,100,846.55	100.00	278,158,973.69		670,941,872.86

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

Provision for bad debts according to the combination of credit risk characteristics:

Aging analysis combination:

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Withdrawal ratio (%)
Within 1 year (inclusive)	421,196,398.62	21,059,819.94	5.00
1-2 years	177,686,265.24	17,768,626.53	10.00
2 to 3 years	76,075,855.81	15,215,171.16	20.00
3 to 4 years	142,675,424.34	57,070,169.73	40.00
4-5 years	19,503,498.73	9,751,749.38	50.00
Over 5 years	111,021,921.57	111,021,921.57	100.00
Total	948,159,364.31	231,887,458.31	

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
China Datang International Trading Corporation	78,294,963.17	332,023,311.40	410,318,274.57	9.47	70,958,748.16
China Nuclear Power Engineering Co., Ltd.	53,011,499.49	351,988,945.24	405,000,444.73	9.35	6,920,060.64
Northwest Electric Power Engineering Contracting Co., Ltd.	77,383,367.73	278,885,899.65	356,269,267.38	8.22	38,163,722.61
China Nuclear Power Engineering Co., Ltd.	102,563,290.85	275,179,333.26	377,742,624.11	8.72	5,215,164.52
China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd.	11,774,657.62	193,222,024.31	204,996,681.93	4.73	82,717,502.13
Total	323,027,778.86	1,431,299,513.86	1,754,327,292.72	40.49	203,975,198.06

17.2 Other receivables

Item	Balance as at June 30, 2026	Balance as at December 31, 2025
Interest receivable		
Dividends receivable	4,210,670.09	4,210,670.09
Other receivables	16,029,799.50	15,538,203.39
Total	20,240,469.59	19,748,873.48

17.2.1 Dividends receivable

(1) Details of dividends receivable

Project (or invested entity)	Closing balance	Opening balance
Huadian Longkou Wind Power Company Limited	4,210,670.09	4,210,670.09
Inner Mongolia Energy Power Hongnijing Wind Power Co., Ltd	10,086,426.90	10,086,426.90
Inner Mongolia Mengneng Sanshengtai Wind Power Co., Ltd	3,460,131.28	3,460,131.28
Inner Mongolia Mengneng Ulan New Energy Co., Ltd	3,828,807.76	3,828,807.76
Sub-total	21,586,036.03	21,586,036.03
Less: Provision for bad debts	17,375,365.94	17,375,365.94
Total	4,210,670.09	4,210,670.09

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

17.2.2 Other receivables

(1) Disclosure by account age

Age of account	Balance as at June 30, 2026	Balance as at December 31, 2025
Within 1 year	4,819,795.65	4,875,019.24
1 – 2 years	3,116,140.89	3,365,207.92
2 - 3 years	4,291,832.27	3,027,455.66
3 - 4 years	4,768,841.24	5,098,467.24
4 - 5 years	4,703,392.62	4,794,406.28
Over 5 years	13,649,927.82	13,507,979.56
Sub-total	35,349,930.49	34,668,535.90
Less: Provision for bad debts	19,320,130.99	19,130,332.51
Total	16,029,799.50	15,538,203.39

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

(2) Disclosure by method of provision for bad debts

Category	Balance as at June 30, 2026					Balance as at December 31, 2025				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts on an individual basis										
Provision for bad debts on portfolio basis of credit risk characteristics	35,349,930.49	100.00	19,320,130.99	54.65	16,029,799.50	34,668,535.90	100.00	19,130,332.51	55.18	15,538,203.39
Total	35,349,930.49	100.00	19,320,130.99		16,029,799.50	34,668,535.90	100.00	19,130,332.51		15,538,203.39

Provision for bad debts according to the combination of credit risk characteristics:

Aging analysis combination:

Name	Closing balance		
	Other accounts receivable	Accounts receivable Provision for bad debts	Withdrawal ratio (%)
Within 1 year (inclusive)	4,819,795.65	240,989.79	5.00
1-2 years	3,116,140.89	311,614.11	10.00
2-3 years	4,291,832.27	858,366.45	20.00
3-4 years	4,768,841.24	1,907,536.50	40.00
4-5 years	4,703,392.62	2,351,696.32	50.00
Over 5 years	13,649,927.82	13,649,927.82	100.00
Total	35,349,930.49	19,320,130.99	

(3) Provision for bad debts:

Provision for bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment)	
Balance as at December 31, 2025	19,130,332.51			19,130,332.51
In the current period, balance as at December 31, 2025				
- Transfer to Phase 2				
- Transfer to Phase 3				
- Reversal from Phase 2				
- Reversal from Phase 1				
Provision in the current period	189,798.48			189,798.48
Reversal in the current period				
Write-off in the current period				
Charge-off in the current period				
Other changes				
Balance as at June 30, 2026	19,320,130.99			19,320,130.99

Note on the basis for classification by stages and the provisioning ratios for bad-debt reserves:

(4) Top 5 of other receivables as at June 30, 2026, presented by debtor

Entity name	Nature of payment	Balance as at June 30, 2026	Aging	Proportion in the total ending balance of other receivables (%)	Ending balance of provision for bad debts
Dongfang Electric (India) Co., Ltd.	Advance payment	18,191,705.08	1-5 years	51.46	8,632,652.84
Dongfang Turbine Co., Ltd.	Advance payment	6,161,251.28	1-5 years	17.43	5,268,643.33
Dongfang Electric Machinery Company Limited	Advance payment	3,367,946.64	2-5 years	9.53	2,885,716.59
China Coal Tendering Co., Ltd.	Provisions	1,409,000.00	4-5 years	3.99	704,500.00
Beijing Guodian Engineering Bidding Co., Ltd.	Guarantee deposit and quality guarantee	830,189.00	2-3 years	2.35	166,037.80
Total		29,960,092.00		84.76	17,657,550.56

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

17.3 Long-term equity investments

Item	Closing balance			As at December 31, 2025		
	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	27,484,298,885.71		27,484,298,885.71
Investment in joint ventures and joint ventures	440,704,472.18	40,845,971.47	399,858,500.71	430,144,058.66	40,845,971.47	389,298,087.19
Total	27,925,003,357.89	40,845,971.47	27,884,157,386.42	27,914,442,944.37	40,845,971.47	27,873,596,972.90

17.3.1 Invest in subsidiaries

Invested entity	Balance as at December 31, 2025	The balance of impairment provisions at the end of the previous year	Changes in current period				Closing balance	Closing balance of impairment provision
			Additional investment	Reduce investment	Provision for impairment in the current period	Other		
Dongfang Electric Corporation Dongfang Boiler Co., Ltd.	5,959,565,517.83						5,959,565,517.83	
Dongfang Turbine Co., Ltd.	7,752,379,999.71						7,752,379,999.71	
Dongfang Electric Machinery Company Limited	4,638,692,600.00						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.	525,660,000.00						525,660,000.00	
Dongfang (Guangzhou) Heavy Machinery Co., Ltd.	910,688,292.37						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.	1,609,966,967.29						1,609,966,967.29	
Dongfang Electric Corporation Finance Co., Ltd.	2,867,031,546.59						2,867,031,546.59	
Dongfang Electric (Sichuan) Supplies Co., Ltd.	409,061,568.69						409,061,568.69	
Sichuan Dongfang Electric automatic control Engineering Co., Ltd.	570,700,921.44						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.	110,196,447.38						110,196,447.38	
Total	27,484,298,885.71						27,484,298,885.71	

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

17.3.2 Investments in associates and joint ventures

Invested entity	Balance as at December 31, 2025	The balance of impairment provisions at the end of the previous year	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 ventures												
Framatome Dongfang Reactor Coolant Pumps Company Limited	147,465,517.63				20,038,616.48						167,504,134.11	
Sub-total	147,465,517.63				20,038,616.48						167,504,134.11	
2. Associates												
Huadian Longkou Wind power Co., Ltd.	93,704,091.68				2,755,000.00						96,459,091.68	
China United Heavy Gas Turbine Technology Co., Ltd.	132,757,050.64				3,138,224.28						135,895,274.92	
Inner Mongolia Mengneng Sansheng Tai Wind Power Co., Ltd.		13,725,971.47										13,725,971.47
Inner Mongolia Mengneng Ulan New Energy Co., Ltd.		27,120,000.00										27,120,000.00
Dongfang Electric (Chengdu) Hydrogen Energy Technology Co., Ltd.	15,371,427.24				-15,371,427.24							
Sub-total	241,832,569.56	40,845,971.47			-9,478,202.96						232,354,366.60	40,845,971.47
Total	389,298,087.19	40,845,971.47			10,560,413.52						399,858,500.71	40,845,971.47

17.4. Operating income and operating costs

17.4.1. Operating income and operating cost

Item	Amount for the period		Amount for the previous period	
	Income	Cost	Income	Cost
Principal business operations	2,675,468,283.17	2,542,246,864.68	2,989,452,053.24	2,889,189,352.75
Other businesses	217,610.99	556,680.13	596,687.68	556,680.13
Total	2,675,685,894.16	2,542,803,544.81	2,990,048,740.92	2,889,746,032.88

17.5. Investment income

Item	Amount for the period	Amount for the previous period
Long-term equity investment income calculated by cost method	1,896,098,935.78	1,738,237,361.48
Long-term equity investment income calculated by equity method	10,560,413.52	4,382,824.67
Investment income from disposal of long-term equity investments		
Investment income of a trading financial asset during the holding period		
Investment income from disposal of trading financial assets	65,028,042.14	
Others	3,243,067.50	3,763,753.23
Total	1,974,930,458.94	1,746,383,939.38

18. Supplementary information

18.1. Statement of non-recurring profit and loss for the current period

Item	Amount	Explanation
Gains and losses on disposal of illiquid assets, including the write-off portion of the provision for asset impairment	-2,098,364.76	
Government grants included in the profit or loss of the current period, except those closely related to the normal business operation of the Company, in accordance with the provisions of national policies, enjoyed in accordance with the determined standards and having a continuous impact on the profit or loss of the Company	110,033,458.94	
In addition to the effective hedging business related to the normal operation of the company, the fair value change gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities	167,211,117.75	
Capital occupation fees charged to non-financial enterprises included in current profits and losses		
Profit or loss on investment or management of assets entrusted to others		
Gains and losses from external entrusted loans		
Loss of assets caused by force majeure factors, such as natural disasters		
Reversal of provision for impairment of receivables separately tested for impairment	97,082,957.00	
The investment cost of an enterprise acquiring a subsidiary, an associated enterprise or a joint venture is less than the income generated by the fair value of the identifiable net assets of the invested entity at the time of acquiring the investment		
The current net profit or loss of a subsidiary arising from a business combination under the same control from the beginning of the period to the combination date		
Gains and losses on exchange of non-monetary assets		
Debt restructuring gains and losses	15,011,032.71	
A one-time expense incurred by an enterprise due to the relevant business activities no longer continuing, such as the expenditure of settling employees		
One-time impact on current profit and loss due to adjustment of laws and regulations such as taxation and accounting		
Share payment expenses recognized in a lump sum due to cancellation or modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of Employee benefit payable after the vesting date		
Gains and losses arising from changes in fair value of investment real estate measured using the fair value model for subsequent measurement		
Gains arising from transactions at significantly unfair prices		
Profit or loss arising from contingencies unrelated to the normal operation of the Company's business		
Income from custodian fees obtained from entrusted operations		
Other non-operating income and expenses other than the above items	-1,468,070.83	
Other profit or loss items that meet the definition of non-recurring profit or loss		
Sub-total	385,772,130.81	

DONGFANG ELECTRIC CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2026

Item	Amount	Explanation
Income tax impact	32,852,831.09	
Impact of minority shareholders' equity (after tax)	5,308,284.45	
Total	347,611,015.27	

18.2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	5.86	0.78	0.78
Net profit attributable to common shareholders of the company after deducting non-recurring gains and losses	5.11	0.68	0.68

Dongfang Electric Corporation Limited

August 28, 2026