

Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| t: | Notes | RMB '000,000 | December 31, 2023 |
|--|-------|----------------------|--------------------------|
| Assets | | | |
| Cash and bank | | 1,330,430 | 18,677,316,557.23 |
| Settlement reserve | | | |
| Due from banks and other financial institutions | | 00,000,000.00 | |
| Transactional financial assets | | | 603,149,819.44 |
| Financial assets at fair value through profit and loss | | | |
| Derivative assets | | | |
| Notes receivable | | ,130,330 | 975,331,805.68 |
| Accounts receivable | 11 | ,040,030 | 7,161,224,594.18 |
| Receivables for financing | | 13,420,141 | 10,194,291.30 |
| Prepayments | | ,220,212,330 | 8,015,031,909.43 |
| Premium receivable | | | |
| Reinsurance premium receivable | | | |
| Reinsurance reserve receivable | | | |
| Other receivables | | 1,404,440,300 | 1,333,103,510.85 |
| Including: dividends receivable | | 20,014,400 | 260,014.64 |
| Buying back the sale of financial assets | | 1,420,000,000.00 | 1,755,000,000.00 |
| Inventories | | 13,000,000 | 10,976,748,415.55 |
| Including: raw materials | | ,012,000,130 | 3,645,603,552.75 |
| Merchandise inventories (finished goods) | | 134,220,221 | 137,250,395.45 |
| Contract assets | | ,100,040,220,220 | 7,736,963,131.45 |
| Held-for-sale assets | | | |
| Current portion of non-current assets | | 34,203 | 337,633,475.40 |
| Other current assets | | 3,000,212,240 | 3,044,888,178.25 |
| Total Assets | | 2,430,030,220 | 60,626,585,688.76 |

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Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| | Notes | December 31, 2024 | December 31, 2023 |
|---|-------|------------------------|--------------------------|
| - | | | - |
| Loans and advances issued | | 3,000,000.00 | |
| Debt investments | | | |
| Available-for-sale financial assets | | | |
| Other debt investments | | 2,340,000.00 | 299,639,400.00 |
| Held-to-maturity investments | | | |
| Long-term receivables | | 41,000.3 | 554,310,723.29 |
| Long-term equity investments | | 00,402,300.2 | 856,602,278.38 |
| Other equity instruments investments | | 3,000.1 | 677,013,691.76 |
| Other non-current financial assets | | | |
| Investment property | | 12,441,332.32 | 161,372,063.62 |
| Fixed assets | | 4,400,032.03 | 4,995,478,509.62 |
| Including: Original value of fixed assets | | 14,422,333.3 | 14,373,767,739.57 |
| Accumulated depreciation | | 33,000.43 | 9,330,672,843.67 |
| Fixed assets depreciation reserves | | 4,000.2 | 47,708,685.42 |
| Construction in progress productive | | 20,000.0 | 652,740,245.51 |
| Biological assets | | | |
| Oil and gas assets | | | |
| The right-of-use assets | | 13,100.2 | 12,392,431.86 |
| Intangible assets | | 0,000.3 | 937,852,963.06 |
| Development disbursements | | 14,023,000.2 | 132,539,393.71 |
| Goodwill | | 34,140,300.1 | 34,516,403.61 |
| Long-term deferred expenses | | 3,100.21 | 4,444,917.10 |
| Deferred tax assets | | 2,110,040.0 | 625,356,125.13 |
| Other non-current assets | | 2,100.3 | 726,109,437.30 |
| Including: authorised reserve material | | | |
| | | <u>10,213,100.0</u> | <u>10,670,368,583.95</u> |
| | | <u>3,314,122,000.0</u> | <u>71,296,954,272.71</u> |

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Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| | Notes | December 31, 2024 | December 31, 2023 |
|---|-------|-------------------------|--------------------------|
| Short-term borrowings | | 3,440,000.00 | 3,285,133,158.88 |
| Borrowings from central bank | | | |
| Placement from banks and other financial institutions | | | |
| Transactional financial liabilities | | | |
| Financial liabilities at fair value through profit and loss | | | |
| Derivative liabilities | | | |
| Notes payable | | 2,021,000.00 | 6,146,285,172.11 |
| Accounts payable | 12 | 1,041,000.00 | 16,202,261,315.59 |
| Advances from customers | | 10,130.00 | 5,828,487.77 |
| Contract liabilities | | 24,440.00 | 23,127,922,261.64 |
| Securities sold under agreement to repurchase | | | |
| Deposits and placements from other financial institutions | | 42,300.00 | 1,149,795,320.33 |
| Securities brokering | | | |
| Securities underwriting | | | |
| Employee benefits payable | | 3,420.00 | 803,131,335.59 |
| Including: salary payable | | 1,240,441.00 | 435,130,258.92 |
| Welfare benefits payable | | | |
| #Employee bonus and welfare fund | | | |
| Taxes and surcharges payable | | 3,020,000.00 | 522,750,044.00 |
| Including: taxes payable excluding surcharges | | 331,400.00 | 495,440,387.78 |
| Other payables | | 3,044.00 | 499,208,747.36 |
| Including: dividends payable | | 11,000.00 | 2,773,165.24 |
| Fees and commissions payable | | | |
| Reinsurance amounts payable | | | |
| Held-for-sale liabilities | | | |
| Current portion of non-current liabilities | | 1,111,131,200.00 | 1,114,672,500.76 |
| Other current liabilities | | 3,000.00 | 12,381,749.42 |
| | | <u>3,440,030,222.20</u> | <u>52,869,370,093.45</u> |

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Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| | Notes | ¥ 30, 2024 | December 31, 2023 |
|-------------------------------------|-------|-----------------|-------------------|
| - | | | - |
| Reserve of insurance contract | | | |
| Long-term borrowings | | 1,043, , .31 | 1,747,981,728.52 |
| Bonds payable | | | |
| including: preferred stocks | | | |
| perpetual debts | | | |
| Lease liabilities | | 10,3 , 41. 3 | 11,007,012.24 |
| Long-term payable | | 21, 0 , 44.24 | 51,708,704.04 |
| Long-term employee benefits payable | | 31 ,213,322. | 319,894,911.90 |
| Provisions | | 1,22 ,4 ,003.13 | 1,436,167,546.71 |
| Deferred income | | 1 , 01,212.3 | 179,966,632.50 |
| Deferred tax liabilities | | , ,303. | 6,576,303.68 |
| Other non-current liabilities | | , 04, 4 . | 86,485,747.09 |
| Including: authorized reserve fund | | | |
| t - | | 2, 4,0 , 2.02 | 3,839,788,586.68 |
| t | | ,33 , 0, 4.2 | 56,709,158,680.13 |

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Harbin Electric Company Limited. (Apart from special notes: the unit of amount is RMB)

| | Notes | ¥ : 30, 2024 | December 31, 2023 |
|---|-------|-----------------|-------------------|
| Q&T . | | | — |
| Paid-in capital | | 2,23 ,2 ,000.00 | 2,236,276,000.00 |
| State-owned capital | | | |
| State-owned legal person's capital | | 1, 0, 0 ,000.00 | 1,560,705,000.00 |
| Collectively owned capital | | | |
| Private capital | | | |
| Foreign capital | | , 1,000.00 | 675,571,000.00 |
| # Less: payback capital | | | |
| Paid-in capital (share capital)-net value | | 2,23 ,2 ,000.00 | 2,236,276,000.00 |
| Other equity instruments | | | |
| Including: Preferred stock | | | |
| Perpetual debt | | | |
| Capital reserve | | ,4 1, 3,0 . | 5,496,802,270.69 |
| Less: treasury shares | | | |
| Other comprehensive income | | -14 ,1 3,0 4.04 | -128,370,784.80 |
| Including: Currency translation | | | |
| reserve | | - ,342, . 4 | -6,581,764.03 |
| Specialized reserve | | ,2 ,1 3.2 | 47,489,368.36 |
| Surplus reserve | | , 1 ,3 .2 | 956,816,359.27 |
| Including: statutory surplus reserve | | , 4,1 . 1 | 898,564,197.51 |
| Other surplus reserve | | ,2 2,1 1. | 58,252,161.76 |
| #Reserve fund | | | |
| #Corporate development | | | |
| fund | | | |
| #Return of investment | | | |
| General risk reserve | | | |
| Retained earnings | | , 2,0 0,00 . | 5,255,688,935.55 |

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Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| t: | Notes | RMB 30, 2024 | December 31, 2023 |
|----------------------|-------|--------------|-------------------|
| Total assets | | 14,202,230.0 | 13,864,702,149.07 |
| * Minority interests | | 1,231.2 | 723,093,443.51 |
| Total liabilities | | 14,420,302.2 | 14,587,795,592.58 |
| Total equity | | 3,314,122.0 | 71,296,954,272.71 |

Corporate representative:

Chief Accountant:

Accounting Supervisor:

Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| Item | Notes | Amount | Prior Period |
|--|-------|--------------|-------------------|
| 1. Revenue | | 1,203,403.03 | 13,763,822,101.53 |
| Including: operating revenue | 3 | 1,043,404.40 | 13,570,864,838.58 |
| Interest income | | 21,104.3 | 192,957,262.95 |
| Premium earned | | | |
| Fees and commissions income | | | |
| 2. Expenses | | 1,400,330.0 | 13,535,960,537.64 |
| Including: operating cost | | 1,012,044.43 | 12,116,654,139.57 |
| Interest expenses | | 3,330 | 3,204,427.14 |
| Fees and commissions expenses | | 23,42.4 | 46,177.91 |
| Cash surrender amount | | | |
| Net expenses of claim settlement | | | |
| Net provisions for insurance reserves | | | |
| Policy dividend expenses | | | |
| Reinsurance expenses | | | |
| Taxes and surcharges | | 11,042 | 78,784,600.20 |
| Selling expenses | | 23,2.3 | 267,460,253.16 |
| Administrative expenses | 4 | 44,0.0 | 627,753,050.19 |
| Research and development expenses | | 413,244,0.3 | 350,755,734.82 |
| Financial expenses | | 14,42.4 | 91,302,154.65 |
| Including: interest expenses | | 3,03.3 | 120,303,704.46 |
| Interest income | | 13,104.14 | 8,095,881.87 |
| Net exchange loss ("-" for net proceeds) | | 1,323.3 | -48,440,643.75 |
| Other costs and expenses | | | |

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Harbin Electric Company Limited. (Apart from special notes: the unit of amount is RMB)

| | Notes | Unit | Prior Period |
|---|-------|--------------|-----------------|
| Add: Other income | | 3,232.1 | 60,068,677.92 |
| Investment income (“-” for loss) | | , 4, .12 | 9,404,350.59 |
| Including: investment income from associates and joint ventures | | 43, 1,3 2.4 | 4,012,231.44 |
| Income from derecognition of financial assets at amortised cost | | | |
| Gain on foreign exchange (“-” for loss) | | 223,13 .23 | 7,305.15 |
| Net exposure hedging returns (“-” for losses) | | | |
| Gain from fair-value changes (“-” for loss) | | | |
| Credit losses (“-” for loss)) | 5 | 1 , 2 ,1 0.4 | 29,824,106.66 |
| Impairment on assets (“-” for loss) | 6 | - 1, 2,0 .3 | -222,034,440.89 |
| Proceeds from asset disposal (“-” for loss) | | 2,2 3,3 4.10 | 215,411.63 |
| 3. Total (-) | | 4, ,031.0 | 105,346,974.95 |
| Add: non-operating income | | ,202,3 .44 | 74,503,689.18 |
| Including: Government grants | | 42, 2. | 5,194.39 |
| Less: non-operating expenses | | 10, ,0 1. 2 | 7,035,126.99 |
| 4. Total (-) | | 0,4 1,32 .01 | 172,815,537.14 |
| Less: income tax | 10 | 14 ,40 , .1 | 68,415,130.06 |

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Harbin Electric Company Limited. (Apart from special notes: the unit of amount is RMB)

| Item | Notes | Amount | Prior Period |
|---|-------|--------------|-----------------|
| Net profit (-) | | 41,033,322.4 | 104,400,407.08 |
| (1) By ownership | | | |
| Net profit attributable to parent company | | 22,422.32 | 84,889,971.05 |
| *Profit/loss attributable to minority share-holders | | 1,402,210.2 | 19,510,436.03 |
| (2) By going concern basis | | | |
| Continuous operating profit and loss | | 41,033,322.4 | 104,400,407.08 |
| Termination of the business profit and loss | | | |
| Other comprehensive income after tax | | -1,220.24 | -295,431,646.88 |
| tax attributable to parent company | | -1,220.24 | -295,431,646.88 |
| (1) Comprehensive income not to be reclassified as profit or loss | | - , 0,220. 0 | -134,357,761.23 |
| 1. Remeasure the change in net liabilities or net assets of defined beneficiary plans | | | |
| 2. Shares in other comprehensive income that the investee cannot reclassify into profit or loss under the equity method | | | |
| 3. Net gain on equity instruments at fair value through other comprehensive income | | - , 0,220. 0 | -134,357,761.23 |
| 4. Fair value changes in enterprise's own credit risk | | | |
| 5. Others | | | |

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Harbin Electric Company Limited. (Apart from special notes: the unit of amount is RMB)

| | Notes | Unit | Prior Period |
|--|-------|----------------|-----------------|
| (2) Other comprehensive income to be reclassified as profit or loss | | - , 12,0 . 4 | -161,073,885.65 |
| 1. Share of other comprehensive income of an associate | | | |
| 2. Net gain on debt instruments at fair value through other comprehensive income | | | |
| 3. Gain or loss from fair value changes of available-for-sale financial assets | | | |
| 4. The amount of financial assets reclassified into other comprehensive income | | | |
| 5. Gain or loss from reclassification of held-to-maturity investments as available-for-sale financial assets | | | |
| 6. Other debt investment credit impairment provision | | | |
| 7. Cash flow hedging reserve | | -11,1 1,234. 3 | -157,915,300.84 |
| 8. Currency translation reserve | | 1,23 ,1 .1 | -3,158,584.81 |
| 9. Other profit or loss to be reclassified | | | |

* Other comprehensive income after tax attributable to minority share-holders

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Harbin Electric Company Limited. *(Apart from special notes: the unit of amount is RMB)*

| <i>t</i> | <i>Notes</i> | <i>Unit</i> | <i>Prior Period</i> |
|--|--------------|----------------------|---------------------|
| <i>t</i> | | 23,213,430.00 | -191,031,239.80 |
| Total comprehensive income attributable to parent company | | 04,133.00 | -210,541,675.83 |
| * Total consolidated income attributable to minority share-holders | | 1,402,210.20 | 19,510,436.03 |
| <i>t</i> | | | |
| Basic earnings per share | 9 | 0.23 | 0.05 |
| Diluted earnings per share | 9 | 0.23 | 0.05 |

Corporate representative:

Chief Accountant:

Accounting Supervisor:

Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| t: | Notes | X : t : | Prior Period |
|----|--|-----------------------|--------------------------|
| 1. | s t t t : | | - |
| | Cash received from sales and services | 1 , 20 , 2 , 3 . 2 | 17,460,424,872.49 |
| | Net increase in deposits and placements from financial institutions | -20 ,4 , .1 | -226,470,289.46 |
| | Net increase in due to central banks | | |
| | Net increase in placement from financial institutions | | |
| | Cash received from premiums of original insurance contracts | | |
| | Net amount of reinsurance business | | |
| | Net increase in insured's deposits and investments | | |
| | Net increase in disposal of financial assets at fair value through profit and loss | | |
| | Cash received from interests, fees and commissions | 1 ,132,1 . | 143,464,367.52 |
| | Net increase of placement from banks and other financial institutions | | |
| | Net increase in repurchasing | 300,000,000.00 | -400,000,000.00 |
| | Net cash received from agent sales of securities | | |
| | Taxes and surcharges refunds | 1 3 , , . 2 | 63,556,039.23 |
| | Other cash receipts related to operating activities | <u>1,0 3,3 ,4 .</u> | <u>605,554,205.26</u> |
| | t : t : | <u>21,03 ,41 , 0.</u> | <u>17,646,529,195.04</u> |

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Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| | Notes | Amount | Prior Period |
|--|-------|----------------------------|--------------------------------|
| Cash paid for goods and services | | 1,020,000.2 | 13,338,955,050.96 |
| Net increase in loans and advances | | 3,000,000.00 | -377,781,081.22 |
| Net increase in deposits with central banks and other financial institutions | | 2,300.00 | 66,385,578.28 |
| Cash paid for claim settlements on original insurance contracts | | | |
| Net increase of due from banks and other financial institutions | | 00,000,000.00 | |
| Cash paid for interest, fees and commissions | | 2,100.00 | 2,281,487.46 |
| Cash paid for policy dividends | | | |
| Cash paid to and for employees | | 1,402,411.3 | 1,302,683,475.43 |
| Taxes and surcharges cash payments | | 1,004.00 | 780,663,854.53 |
| Other cash payments related to operating activities | | 1,003,100.00 | 1,211,166,192.14 |
| | | <u>22,403,320.3</u> | <u>16,324,354,557.58</u> |
| | | <u><u>-1,430,140.3</u></u> | <u><u>1,322,174,637.46</u></u> |

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Harbin Electric Company Limited. (Apart from special notes: the unit of amount is RMB)

| Notes | Notes | Prior Period |
|--|---------------------------|-------------------------------|
| 2. | | - |
| Cash received from withdraw of investments | 1,200,000,000.00 | 585,669,693.39 |
| Cash received from investment income | , 12,3 4.21 | 2,349,267.69 |
| Net cash received from disposal of fixed assets,intangible assets and other long-term assets | , ,400.00 | 2,970,905.76 |
| Net cash received from disposal of subsidiaries and other business units | | |
| Other cash receipts related to investing activities | 4 , 3 .23 | 3,853,540.97 |
| | <u>1,214, 2 ,301.44</u> | <u>594,843,407.81</u> |
| Cash paid for fixed assets,intangible assets and other long-term assets | 2,0 0, 42. 3 | 425,654,336.40 |
| Cash payments for investments | 34, 3,12 . | 400,407,200.00 |
| Net increase in pledged loans | | |
| Net cash paid for acquiring subsidiaries and other business units | | 87,673,612.00 |
| Other cash payments related to investing activities | | |
| | <u>1,21 , 3, 2.3</u> | <u>913,735,148.40</u> |
| | <u><u>-2,32 ,4 0.</u></u> | <u><u>-318,891,740.59</u></u> |

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Harbin Electric Company Limited. (Apart from special notes: the unit of amount is RMB)

| | Notes | 2017 | Prior Period |
|--|-------|----------------------|-------------------------|
| 3. Cash received from investments by others | | | 14,666,520.00 |
| Including: cash received by subsidiaries from minority shareholders' investments | | | |
| Cash received from borrowings | | 30,213,402 | 1,130,464,608.16 |
| Other cash receipts related to other financing activities | | 11,144,401 | |
| | | <u>42,357,803</u> | <u>1,145,131,128.16</u> |
| Cash repayments for debts | | 1,221,414,303 | 1,057,424,723.53 |
| Cash payments for distribution of dividends, profit and interest expenses | | 3,234,243 | 117,917,596.69 |
| Including: dividends or profit paid by subsidiaries to minority shareholders | | 0,000.00 | 3,230,729.26 |
| Other cash payments related to financing activities | | 1,311,133 | 8,638,419.31 |
| | | <u>1,322,103,033</u> | <u>1,183,980,739.53</u> |
| | | <u>-2,024,032</u> | <u>-38,849,611.37</u> |

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Harbin Electric Company Limited. (Apart from special notes: the unit of amount is RMB)

| | Notes | Amount | Prior Period |
|---|-------|---------------|-------------------|
| 4. Cash and cash equivalents | | - 414,204. | 12,228,747.81 |
| · Decrease in cash and cash equivalents | | -2,112,014 | 976,662,033.31 |
| Add: beginning balance of cash and cash equivalents | | 1,342,321,013 | 16,291,936,468.18 |
| · Increase in cash and cash equivalents | | 1,131,000 | 17,268,598,501.49 |

Corporate representative:

Chief Accountant:

Accounting Supervisor:

Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| Items | 2014 | | 2013 | | 2012 | |
|--|------------|------------|----------|------------|----------|------------|
| | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| 1. Add: increase/decrease due to changes in accounting policies | 223,200.00 | | 4,022.00 | | 2,033.33 | |
| Increase/decrease due to corrections of errors in Prior Period | | | | | | |
| Others | | | | | | |
| 2. Total comprehensive income | 223,200.00 | | 4,022.00 | | 2,033.33 | |
| 3. Owner's contributions and withdrawals of capital | | | | | | |
| (1) Common stock contributed by owners | | | | | | |
| (2) Capital contributed by other equity instrument holders | | | | | | |
| (3) Share-based payment recorded in owner's equity | | | | | | |
| (4) Others | | | | | | |
| (5) Accrual and utilization of specialized reserve | | | | | | |
| 1. Accrual of specialized reserve | | | | | | |
| 2. Utilization of specialized reserve | | | | | | |
| (6) Profits distribution | | | | | | |
| 1. Appropriation of surplus reserve | | | | | | |
| Including: statutory surplus reserve | | | | | | |
| Discretionary surplus reserve | | | | | | |
| Reserve fund | | | | | | |
| Corporate development fund | | | | | | |
| Return of investment | | | | | | |
| 2. Accrual of general risk reserve | | | | | | |
| 3. Distribution to owner/shareholder | | | | | | |
| 4. Others | | | | | | |
| (7) Transfer within owner's equity | | | | | | |
| 1. Capital reserve transferred to paid-in capital | | | | | | |
| 2. Surplus reserve transferred to paid-in capital | | | | | | |
| 3. Recover of loss by surplus reserve | | | | | | |
| 4. Defined benefit plan changes carried forward to retained earnings | | | | | | |
| 5. Other comprehensive income carried forward to retained earnings | | | | | | |
| 6. Others | | | | | | |
| 4. Total | 223,200.00 | | 4,022.00 | | 2,033.33 | |

Corporate representative:

Chief Accountant:

Accounting Supervisor:

Harbin Electric Company Limited.

(Apart from special notes: the unit of amount is RMB)

| | Prior period | | | | | | | | | | Total owner's equity | | |
|--|---------------------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------------|----------------------------|---------------------|-----------------|------------------------|----------------------|----------------|--------------------|
| | Equity attributable to parent company | | | | | | | | | | | | |
| | Paid-in capital | Preferred stock | Other equity instruments | | Capital reserve | Less: treasury shares | Other comprehensive income | Specialized reserve | Surplus reserve | General risk provision | Retained earnings | Subtotal | Minority interests |
| | | | | Perpetual bonds | Others | | | | | | | | |
| 1. | 1,706,523,000.00 | - | - | - | - | 4,338,736,992.12 | 49,765,047.57 | 45,479,801.06 | 888,849,702.10 | 4,698,595,292.71 | 11,727,949,833.56 | 645,912,117.38 | 12,373,861,952.94 |
| Add: | | | | | | | | | | | | | |
| increase/decrease due to changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase/decrease due to corrections of errors in Prior Period | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. | 1,706,523,000.00 | | | | | 4,338,736,992.12 | 49,765,047.57 | 45,479,801.06 | 888,849,702.10 | 4,698,595,292.71 | 11,727,949,833.56 | 645,912,117.38 | 12,373,861,952.94 |
| 3. | | | | | | | | | | | | | |
| (1) Total comprehensive income | | | | | | | -295,431,646.88 | 7,801,853.30 | | 84,890,551.54 | -202,739,242.04 | 63,624,623.29 | -139,114,618.75 |
| (2) Owner's contributions and withdrawals of capital | | | | | | | -295,431,646.88 | | | 84,890,551.54 | -210,541,095.34 | 19,510,436.03 | -191,030,659.31 |
| 1. Common stock contributed by owners | | | | | | | | | | | | | |
| 2. Capital contributed by other equity instruments holders | | | | | | | | | | | | | |
| 3. Share-based payment recorded in owner's equity | | | | | | | | | | | | | |
| 4. Others | | | | | | | | | | | | | |
| (3) Accrual and utilization of specialized reserve | | | | | | | | | | | | | |
| 1. Accrual of specialized reserve | | | | | | | | | | | | | |
| 2. Utilization of specialized reserve | | | | | | | | | | | | | |
| (4) Profits distribution | | | | | | | | | | | | | |
| 1. Appropriation of surplus reserve | | | | | | | | | | | | | |
| Including: statutory surplus reserve | | | | | | | | | | | | | |
| Discretionary surplus reserve | | | | | | | | | | | | | |
| Reserve fund | | | | | | | | | | | | | |
| Corporate development fund | | | | | | | | | | | | | |
| Return of investment | | | | | | | | | | | | | |
| 2. Accrual of general risk reserve | | | | | | | | | | | | | |
| 3. Distribution to owner/shareholder | | | | | | | | | | | | | |
| 4. Others | | | | | | | | | | | | | |
| (5) Transfer within owner's equity | | | | | | | | | | | | | |
| 1. Capital reserve transferred to paid-in capital | | | | | | | | | | | | | |
| 2. Surplus reserve transferred to paid-in capital | | | | | | | | | | | | | |
| 3. Recover of loss by surplus reserve | | | | | | | | | | | | | |
| 4. Defined benefit plan changes carried forward to retained earnings | | | | | | | | | | | | | |
| 5. Other comprehensive income carried forward to retained earnings | | | | | | | | | | | | | |
| 6. Others | | | | | | | | | | | | | |
| 4. | 1,706,523,000.00 | | | | | 4,338,736,992.12 | -245,666,599.31 | 53,281,654.36 | 888,849,702.10 | 4,783,485,844.25 | 11,525,210,593.52 | 709,536,740.67 | 12,234,747,334.19 |

Corporate representative:

Chief Accountant:

Accounting Supervisor:

1.

Harbin Electric Company Limited (the “Company”) was initially and was formed through the restructuring of Harbin Electric Corporation (“HEC”) and its three affiliates: Harbin Electrical Machinery Works, Harbin Boiler Works and Harbin Turbine Works (the “Subsidiaries”). The Company was established in Harbin on October 6, 1994. The reconstruction and listing of its shares in Hong Kong with limited liabilities has been approved by the State Commission for Restructuring the Economic Systems on November 5, 1994.

The parent company of the company is Harbin Electric Corporation.

The Company is engaged in manufacturing of power generator and generator units, its principal businesses are production and sales of power generator and turn-key construction of power station projects.

2.

Unless the financial instruments are measured at fair value, the consolidated financial statements are measured by historical cost method.

The accounting policies and calculation methods adopted in the consolidated financial statements as at 30 June 2024 are in line with the compilation of the annual financial statements of the Company for the year ended 31st December, 2023

3.

1) ,

1) ,

The company confirmed six reports' division which was based on inter-corporation structure and corporate governance as following: Thermal power host equipment division, hydropower stations in the host equipment division, engineering services division, power plant auxiliary and supporting products, nuclear power products division, ac/dc motor and others. The individual report of the company offers the different products and services, or operating activities in different area. Due to different divisions need different technique and market strategy, the company's managements report the operating activities of every division respectively and evaluate the operating outcomes regularly to decide how to allocate the resources and evaluate its performance.

The transfer price of divisions should decide by the actual price and the indirectly expenses of divisions should allocate by ratios. The assets should allocate by the operating of the divisions and its locations. The liabilities of divisions include the liabilities which related to the operating activities of the divisions. If several divisions bear the related expenses together, the divisions bear the liabilities together.

2) 表 附 注

(1)

| | 2024 年 1 月 1 日至 6 月 30 日止期间 | | 2023 年 1 月 1 日至 6 月 30 日止期间 | |
|----------------------|-----------------------------|--------------|-----------------------------|----------------|
| 项目 | 人民币元 | 美元 | 人民币元 | 美元 |
| (I) 营业利润 | 11,331,133.00 | 2,343,032.4 | 2,343,032.4 | 490,324.0 |
| 包括：外部交易收入 | 0,402.0 | 0,021.0 | 2,141,112.30 | 450,303.0 |
| 分部交易收入 | 2,223,424.0 | 211,310.4 | 4,020,213.1 | 840,021.0 |
| (II) 对联营企业和合营企业的投资收益 | 2,232,302.0 | 1,000.4 | 14,024.0 | 3,000.0 |
| (III) 资产减值损失 | -4,114,010.0 | -2,032,410.0 | -3,040.0 | -22,212,022.21 |
| (IV) 信用损失 | 2,000.0 | 122,000.0 | 1,240.0 | 1,334,301.4 |
| (V) 折旧和摊销费用 | 24,211.40 | 11,032.0 | 4,040.4 | 12,400.4 |
| (VI) 利润总额 | 3,000.0 | 24,204.0 | 114,203.3 | 24,242.2 |
| (VII) 所得税费用 | 1,203.0 | 3,310.4 | 1,400.33 | 40,042.1 |
| (VIII) 净利润 | 4,342.3 | 20,224.03 | 24,323.0 | 224,113.0 |
| (IX) 总资产 | 442,444.1 | 2,022.1 | 13,240,213.031 | 30,041,111.1 |
| (X) 总负债 | 1,011,212.0 | 2,110.1 | 10,103,033.0 | 23,033,000.0 |

(2)

| | 2024 年 1 月 1 日至 6 月 30 日止期间 | | 2023 年 1 月 1 日至 6 月 30 日止期间 | |
|----------------------|-----------------------------|------------------|-----------------------------|-------------------|
| 项目 | 人民币元 | 美元 | 人民币元 | 美元 |
| (I) 营业利润 | 10,473,181,551.04 | 494,350,081.09 | 1,887,141,988.86 | 4,950,480,697.76 |
| 包括：外部交易收入 | 6,702,033,488.35 | 493,385,479.30 | 1,811,101,325.64 | 4,757,301,808.25 |
| 分部交易收入 | 3,771,148,062.69 | 964,601.79 | 76,040,663.22 | 193,178,889.51 |
| (II) 对联营企业和合营企业的投资收益 | 3,225,736.53 | 152,259.67 | 581,239.12 | 1,524,746.45 |
| (III) 资产减值损失 | -130,603,024.74 | -6,164,661.19 | -23,533,102.21 | -61,733,652.75 |
| (IV) 信用损失 | 23,392,334.22 | 1,104,153.72 | 4,215,018.70 | 11,057,127.05 |
| (V) 折旧和摊销费用 | 232,914,067.25 | 10,993,897.84 | 41,968,327.77 | 110,094,204.76 |
| (VI) 利润总额 | 146,920,717.90 | 6,934,881.10 | 26,473,355.25 | 69,446,726.81 |
| (VII) 所得税费用 | 40,239,835.76 | 1,899,381.38 | 7,250,736.88 | 19,020,631.82 |
| (VIII) 净利润 | 106,680,882.13 | 5,035,499.72 | 19,222,618.37 | 50,426,095.00 |
| (IX) 总资产 | 64,370,379,761.55 | 3,047,820,026.38 | 11,634,809,755.82 | 30,521,233,409.24 |
| (X) 总负债 | 51,092,760,708.55 | 2,411,655,930.56 | 9,206,304,081.51 | 24,150,610,246.79 |

4.



For the six months ended 30 June 2024, the amount of management expenses was RMB658,448,508.09 (for the six months ended June 30, 2023, the amount of management expenses was RMB627,753,050.19). Mainly for labor costs, depreciation and amortization expenses, etc.

| 项目 | 2024 年 1 月 1 日至 6 月 30 日止期间 | 2023 年 1 月 1 日至 6 月 30 日止期间 |
|------|-----------------------------|-----------------------------|
| 坏账损失 | 1,203.0 | 29,824,106.66 |
| 合计 | 1,203.0 | 29,824,106.66 |

| t: | RMB 't RMB : 2024 | January to June in 2023 |
|-----------------------------------|----------------------|----------------------------|
| Inventory price loss | - ,3 3,314.31 | -20,048,274.85 |
| Impairment loss of Contract asset | - 4, , 41.0 | -201,975,817.49 |
| Fixed asset impairment loss | | -10,348.55 |
| | <hr/> | <hr/> |
| Total | - 1, 2,0 .3 | -222,034,440.89 |
| | <hr/> <hr/> | <hr/> <hr/> |

| t: | RMB 't RMB : 2024 |
|---|----------------------|
| Net profit | 41,0 3, 32. 4 |
| Income tax expenses | 14 ,40 , .1 |
| Withdrawing depreciation of fixed assets | 444, 0 , 2 . 2 |
| Withdrawing amortization intangible assets | 23,3 ,3 . 2 |
| Withdrawing amortization of long-term deferred expenses | 3, . 0 |
| Interests and investment income | , 0 , . |
| Interests income of finance company | 21 ,1 , 4 . 3 |
| Interests expenses | ,3 ,104.12 |
| Interests expenses of finance company | , 3, 3.30 |
| Profit before tax and amortization depreciation | 4 , 0 , 02.1 |
| | <hr/> <hr/> |

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The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

AS of 31 December 2023, the dividend pershare was RMB0.052.

| t: | RMB 't RMB : 2024 | January to June in 2023 |
|--|----------------------|----------------------------|
| Net profit attributable to common shareholders of the Company | 22, ,422.32 | 84,889,971.05 |
| Weighted average number of ordinary shares outstanding during the period | 2,23 ,2 ,000.00 | 1,706,523,000.00 |
| Earnings per share | 0.23 | 0.05 |
| | <hr/> <hr/> | <hr/> <hr/> |

10.

1) t s

According to the relevant provisions of the “Enterprise Income Tax Law”, high-tech enterprises that are supported by the state are subject to a corporate income tax rate of 15%.

On 7 October 2023, the Company obtained the High and New Technology Enterprise certificate (Number: GR202323000783) jointly issued by the Heilongjiang Science and Technology Bureau, Heilongjiang Finance Bureau, Heilongjiang State Tax Bureau, and Heilongjiang Local Tax Bureau, for an effective period of three years, pursuant to which enterprise income tax will be charged at the rate of 15% during the period.

Except for certain subsidiaries enjoying a corporate income tax rate of 15% (six months ended June 30, 2024: 15%), other subsidiaries located in China should be subject to a corporate income tax rate of 25% (as of 2) For the six months ended June 30, 2024: 25%) Chinese corporate income tax is paid.

2) t t

The Group did not earn any income subject to Hong Kong Profits Tax from January to June 2024. Therefore, no provision for Hong Kong Profits Tax has been made.

3) In accordance with the Circular of the State Administration of Taxation on the issue of the payment of corporate income tax on dividends paid by the Chinese resident enterprises to the shareholders of non-resident enterprises of overseas H shares on 6 November 2008 [2008] No. 897 issued by the State Administration of Taxation. The Chinese resident enterprises shall pay the enterprise income tax at the rate of 10% of the annual dividend of the H-share non-resident enterprise shareholders. Accordingly, the Company shall pay the enterprise income tax at the rate of 10% of the annual dividend of H shares non-resident enterprise shareholders.

11.



| | 30 June, 2024 | | 31 December, 2023 | | | | | |
|---|-------------------|----------------|-------------------|----------------|--------------------------|----------------|-------------------------|----------------|
| | RMB million | | RMB million | | Carrying Amount | | Bad debt provision | |
| | Amount | Percentage (%) | Amount | Percentage (%) | Amount | Percentage (%) | Amount | Percentage (%) |
| Accounts receivable individually accruing bad debt provision | 1,134,400 | 13.31 | 3,304,000 | 1.1 | 2,001,911,361.77 | 17.38 | 982,578,676.02 | 49.08 |
| Accounts receivable accruing bad debt provision in credit risk characteristic portfolio | 1,440,000 | 34.20 | 2,031.31 | 3.0 | 9,516,708,949.04 | 82.62 | 3,374,817,040.61 | 35.46 |
| Total | 11,410,214 | 43.20 | 2,031.31 | 3.0 | 11,518,620,310.81 | - | 4,357,395,716.63 | - |

| | RMB million | | RMB million | | Percentage (%) | Judging by future recyclability |
|--|----------------|----------------|----------------|----------------|----------------|---------------------------------|
| | Amount | Percentage (%) | Amount | Percentage (%) | | |
| Harbin Guanghan Power Technology Development Co., Ltd | 336,010,000.00 | 57.09 | 336,010,000.00 | 16.99 | 16.99 | Judging by future recyclability |
| The 703rd Research Institute of China State Shipbuilding Corporation | 317,600,996.90 | 53.28 | 317,600,996.90 | 16.78 | 16.78 | Judging by future recyclability |
| Ministry of Water Resources and Irrigation of the Republic of Sudan | 281,793,007.71 | 281.79 | 281,793,007.71 | 100.00 | 100.00 | Judging by future recyclability |
| Coastal Energy Corporation of India | 136,211,823.71 | 136.21 | 136,211,823.71 | 100.00 | 100.00 | Judging by future recyclability |
| Kolin company, owner of the Speedhorse project in Turkey | 75,487,005.87 | 8.01 | 8,008,780.20 | 10.61 | 10.61 | Judging by future recyclability |
| Linyi Hengxin Energy Group Co., Ltd | 69,139,000.00 | 69.14 | 69,139,000.00 | 100.00 | 100.00 | Judging by future recyclability |
| Sudan National Electricity Company | 55,587,828.73 | 55.59 | 55,587,828.73 | 100.00 | 100.00 | Judging by future recyclability |
| Sudan Power Dam Department | 39,569,768.39 | 39.57 | 39,569,768.39 | 100.00 | 100.00 | Judging by future recyclability |
| Yunnan Huadian Zhenxiong Power Generation Co., Ltd | 34,000,000.00 | 34.00 | 34,000,000.00 | 100.00 | 100.00 | Judging by future recyclability |
| Datang Environmental Industry Group Co., Ltd. Leizhou Project Branch | 27,384,367.22 | 25.99 | 25,986,367.22 | 94.89 | 94.89 | Judging by future recyclability |
| PowerChina Shandong Electric Power Construction Co., Ltd | 17,500,000.00 | 17.50 | 17,500,000.00 | 100.00 | 100.00 | Judging by future recyclability |
| Inner Mongolia Hongyu Technology Co., Ltd | 17,479,632.85 | 17.48 | 17,479,632.85 | 100.00 | 100.00 | Judging by future recyclability |

| | Unit | Unit | | |
|--|-------------------------|-----------------------|--------|---------------------------------|
| | | | (%) | |
| Sudan Dam Department Thermal Power Company | 16,226,569.77 | 16,226,569.77 | 100.00 | Judging by future recyclability |
| Ordos Green Energy Optoelectronics Co., Ltd | 8,420,000.00 | 8,420,000.00 | 100.00 | Judging by future recyclability |
| Yunnan Kenfeng Agricultural Machinery Equipment Co., Ltd | 7,975,437.26 | 7,975,437.26 | 100.00 | Judging by future recyclability |
| Datong Coal Mine Group Shuozhou Coal and Power Co., Ltd | 6,118,528.00 | 6,118,528.00 | 100.00 | Judging by future recyclability |
| Beijing Huafu Engineering Co., Ltd | 4,727,200.00 | 4,727,200.00 | 100.00 | Judging by future recyclability |
| Inner Mongolia Chuangyuan Metal Co., Ltd | 4,503,260.07 | 3,910,260.07 | 86.83 | Judging by future recyclability |
| Others | 63,853,979.50 | 56,351,630.41 | 88.25 | Judging by future recyclability |
| Total | <u>1,519,588,405.98</u> | <u>899,380,745.56</u> | | |

(3) Accounts receivables accruing bad debt provision by applying aging analysis:

| | 30 June, 2024 | | | 31 December, 2023 | | |
|--------------------|---------------|-----------------|-----|-------------------------|-------------------------|----------------|
| | Unit | Unit | (%) | Amount | Bad debt Provision | Percentage (%) |
| Within one year | 4,010.4 | 32,423.0 | .12 | 4,273,253,210.83 | 211,685,577.58 | 4.95 |
| One to two years | 2,040,442.03 | 30,132.24 | 2. | 1,609,775,648.45 | 397,731,007.43 | 24.71 |
| Two to three years | 0,24,04.3 | 24,01.23 | 3.2 | 1,012,387,350.16 | 490,402,864.02 | 48.44 |
| Over three years | 2,20,0.2 | 2,011.0 | 4.0 | 2,621,292,739.60 | 2,274,997,591.58 | 86.79 |
| Total | <u>,440.</u> | <u>3,420.2.</u> | | <u>9,516,708,949.04</u> | <u>3,374,817,040.61</u> | <u>-</u> |

12.

| | 30 June, 2024 | 31 December, 2023 |
|---------------|-------------------|--------------------------|
| Within 1 year | 13,32,014.0 | 9,958,348,393.50 |
| 1-2 years | 2,41,3.3 | 4,510,840,294.16 |
| 2-3 years | 0,3,12.11 | 836,619,752.62 |
| Over 3 years | 1,131,4,2.3 | 896,452,875.31 |
| Total | <u>1,0,4,1.02</u> | <u>16,202,261,315.59</u> |



In the first half of 2024, the national economy operated generally stable while making progress, new kinetic energy accelerated and new progress was made in high-quality development. In terms of the power industry, the national power supply was safe and stable, power consumption was growing steadily and rapidly, power supply and demand were generally balanced, and the green and low-carbon transformation of power continued to advance.

In the first half of 2024, the installed power capacity continued the trend of green and low-carbon development, China's newly installed power generation capacity reached 153 million kilowatts, representing a year-on-year increase of 18.78 million kilowatts, of which newly installed non-fossil energy power generation capacity reached 136 million kilowatts, accounting for 89% of the newly installed generation capacity in total. As of 30 June 2024, the total installed capacity of power generation on a consolidated basis in China was 3.07 billion kilowatts, representing a year-on-year increase of 14.1%, of which coal power was 1.17 billion kilowatts, representing a year-on-year increase of 2.5%, accounting for 38.1% of the total installed power generation capacity; the installed non-fossil energy power generation capacity reached 1.71 billion kilowatts, representing a year-on-year increase of 24.2%, accounting for 55.7% of the total installed capacity.

In the first half of 2024, with the joint efforts of all staff and closely focusing on the annual work arrangement, the Company better coordinated development and safety, and comprehensively deepened the improvement of quality and efficiency. The operating income continued to grow year-on-year, and the net profit attributable to owners of the parent company increased significantly compared with the same period last year. The market orders for major products maintained a good level, and the business development made steady progress.

For the six months ended 30 June 2024, the Company recorded an operating revenue of RMB17,043.46 million, representing an increase of 25.59% as compared with the same period last year. The Company recorded a net profit attributable to owners of the parent company of RMB522.67 million, representing an increase of 515.70% as compared with the same period last year. Earnings per share were RMB0.23, representing an increase of RMB0.18 as compared with the same period last year. The Company's total equity attributable to the owners of the parent company at the end of the period was RMB14,257.83 million, representing an increase of RMB393.13 million over the beginning of the year; and net assets per share were RMB6.38, representing an increase of RMB0.18 over the beginning of the year.

For the six months ended 30 June 2024, the amount of formal contracts signed of the Company realized RMB26.025 billion, representing a year-on-year decrease of 20.13%, of which new-type power equipment amounted to RMB19.466 billion, representing a year-on-year increase of 2.84% (including RMB10.834 billion and a year-on-year decrease of 6.85% for coal power equipment, RMB4.466 billion and a year-on-year increase of 16.91% for hydropower equipment, RMB3.057 billion and a year-on-year increase of 19.98% for nuclear power equipment); green and low carbon driven equipment amounted to RMB623 million, representing a year-on-year decrease of 52.73%; clean and efficient industrial system amounted to RMB2.678 billion, representing a year-on-year decrease of 24.14%; EPC and trading amounted to RMB282 million, representing a year-on-year decrease of 95.13%; and modern manufacturing and service industry amounted to RMB2.976 billion, representing a year-on-year decrease of 1.33%.

For the six months ended 30 June 2024, the value of export contracts by the Company amounted to RMB1.136 billion, representing a year-on-year decrease of 84.57%.

The main reason for the decrease in the amount of formal contracts signed for green low-carbon drive equipment is that upon the transfer of 51% equity in Harbin Electric Power Equipment Company Limited* by the Company, the motor business orders were no longer included in the Company's orders; The reason for the decrease in the amount of formal contracts signed for EPC and trading is that the entry into force of EPC contracts is unbalanced, and there are no EPC projects in force at present.

The capacity of the Company's power equipment produced during the six months ended 30 June 2024 was 14,470 MW, representing an increase of 12.8% as compared with the same period last year, and among which water turbine generators sets generated a total of 4,090 MW, representing an increase of 78.0% as compared with the same period last year; steam turbine generators generated a total of 10,380 MW, representing a decrease of 1.5% as compared with the same period last year; utility boilers for power stations generated a total of 3,110 MW, representing a decrease of 57.7% as compared with the same period last year, and steam turbines for power stations generated a total of 9,150 MW, representing an increase of 33.5% as compared with the same period last year.



For the six months ended 30 June 2024, the Company recorded an operating revenue of RMB17,043.46 million, representing a year-on-year increase of 25.59% as compared with the same period last year. In particular, new-type power equipment was RMB9,607.50 million, representing a year-on-year increase of 43.35% (including RMB5,873.53 million and a year-on-year increase of 44.75% for coal power equipment, RMB1,355.95 million and a year-on-year increase of 15.36% for hydropower equipment, RMB1,515.71 million and a year-on-year increase of 18.66% for nuclear power equipment); green and low carbon driven equipment was RMB500.28 million, representing a year-on-year increase of 1.40%; clean and efficient industrial system was RMB2,146.11 million, representing a year-on-year increase of 18.50%; EPC and trading was RMB2,999.63 million, representing a year-on-year increase of 2.15%; and modern manufacturing and service industry was RMB1,574.85 million, representing a year-on-year increase of 4.71%.

The Company recorded an export turnover of RMB2,633.93 million, accounting for 15.45% of the operating revenue. The exports were mainly to Asia, accounting for 11.46% of the operating revenue and 74.18% of the export turnover.

The operating cost of the Company was RMB15,095.61 million, representing an increase of 24.59% as compared with the same period last year.

For the six months ended 30 June 2024, the Company realized a gross profit from operating business of RMB1,947.84 million, representing an increase of 33.95% as compared with the same period last year. The gross profit margin was 11.43%, representing an increase of 0.71 percentage point as compared with the same period last year. In particular, the gross profit from new-type power equipment was RMB952.06 million and the gross profit margin was 9.91%, representing a year-on-year increase of 2.27 percentage points (including RMB1,223.59 million, 21.38% and a year-on-year increase of 9.29 percentage points for coal power equipment, RMB133.38 million, 9.98% and a year-on-year increase of 1.13 percentage points for hydropower equipment, RMB16.30 million, 1.15% and a year-on-year increase of 4.69 percentage points for nuclear power equipment); the gross profit from green and low carbon driven equipment was RMB66.10 million and the gross profit margin was 13.21%, representing a year-on-year decrease of 0.89 percentage point; the gross profit from clean and efficient industrial system was RMB74.76 million and the gross profit margin was 3.48%, representing a year-on-year increase of 0.04 percentage point; the gross profit from EPC and trading was RMB128.36 million and the gross profit margin was 4.28%, representing a year-on-year increase of 0.12 percentage point; the gross profit from modern manufacturing and service industry was RMB762.64 million and the gross profit margin was 48.43%, representing a year-on-year increase of 3.09 percentage points.

The slight increase in the Company's gross profit margin was mainly due to the increase in gross profit of conventional hydroelectric and thermal products executed during the period as compared with the same period last year.

For the six months ended 30 June 2024, the Company incurred expenses for the current period of RMB1,471.75 million, representing an increase of RMB134.48 million as compared with the same period last year. In particular, distribution expenses incurred amounted to RMB253.58 million, representing a decrease of RMB13.88 million as compared with the same period last year; administrative expenses incurred amounted to RMB658.45 million, representing an increase of RMB30.70 million as compared with the same period last year; R&D expenses incurred amounted to RMB413.24 million, representing an increase of RMB62.49 million as compared with the same period last year; financial costs incurred amounted to RMB146.48 million, representing an increase of RMB55.18 million as compared with the same period last year.

The significant increase in the Company's financial costs was mainly due to the exchange gains and losses resulting from the fluctuations in forward exchange settlement rate; and the significant increase in the Company's R&D expenses was mainly due to the continuous increase in investment in scientific and technological innovation of the Company.

As at 30 June 2024, the total assets of the Company amounted to RMB73,314.12 million, representing an increase of RMB2,017.17 million or 2.83% over the beginning of the period, among which the current assets were RMB62,437.91 million, accounting for 85.16% of the total assets, and the non-current assets were RMB10,876.21 million, accounting for 14.84% of the total assets. The total liabilities of the Company amounted to RMB58,339.57 million, representing an increase of RMB1,630.41 million or 2.88% over the beginning of the period, which was mainly due to the increase in contract liabilities (advances from customers), among which the current liabilities were RMB55,445.50 million, accounting for 95.04% of the total liabilities, and the non-current liabilities were RMB2,894.07 million, accounting for 4.96% of the total liabilities. As at 30 June 2024, the gearing ratio of the Company was 79.57%, representing a decrease of 2.78 percentage points as compared with the same period last year.

As at 30 June 2024, the gearing ratio of the Company (calculated as non-current liabilities over total shareholders' equity) was 0.19:1 as compared to 0.26:1 at the beginning of the period.

As at 30 June 2024, the monetary capital of the Company was RMB16,336.96 million, representing a decrease of RMB2,340.36 million or 12.53% as compared to the beginning of the period. During the period, the net cash flow generated from operating activities of the Company was RMB-1,430.15 million, which was mainly due to the expansion of the production scale of its subsidiaries, which made large payments for purchases, outsourced processing and other operational payment for goods based on the production progress, while investing activities generated net cash flow of RMB-2.33 million and financing activities generated net cash flow of RMB-676.02 million.

The Company currently has four funding sources for operation and development, namely shareholder's funds, trade receivables from customers, bank borrowings and entrusted loan of national funds. The Company arranges borrowings based on each specific project. Except for some exceptions, loans will be raised individually by the Company's subsidiaries. However, prior approval from the parent company is required in respect of borrowings raised for capital investments. As at 30 June 2024, the Company's total borrowings amounted to RMB5,600.92 million, all of which amounts were borrowed from various financial institutions, such as commercial banks and state-funded entrusted loans, at LPR. Among those borrowings, the amount repayable within one year amounted to RMB4,556.92 million, representing an increase of RMB157.11 million as compared with the beginning of the year; the borrowings repayable after one year amounted to RMB1,044.00 million, representing a decrease of RMB703.98 million as compared to the beginning of the year. As at 30 June 2024, the Company's contracted liabilities were RMB24,754.50 million, representing an increase of RMB1,626.58 million from that at the beginning of the period.

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For the six months ended 30 June 2024, the Company had made fixed assets investments of RMB653.3590 million, which were mainly utilized for investment in technical measures and technical transformation for maintaining the normal production and operation of nuclear power industry layout capability guarantee project, pumped storage capacity enhancement project and state-level power generation equipment research centre R&D base construction project and subsidiaries. There is no significant change in the 2024 investment plan of the Company.

Save as disclosed above, the Company did not have any other major investment, significant acquisition or disposal of subsidiaries, or approve any other major investment or plan on acquisition of capital assets during the period.

The export business and the businesses settled in foreign currencies and all deposits denominated in foreign currencies of the Company are exposed to exchange risk. As at 30 June 2024, the Company's deposits denominated in foreign currencies were equivalent to approximately RMB437.51 million. To avoid the risk of exchange rate fluctuation in the foreign exchange market, the Company has signed contracts of Forward FX sales and purchase with banks for some future foreign currency receivables of overseas projects.

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As of 30 June 2024, the funds raised by the Company's domestic share subscription in 2017 (the "2017 Proceeds") remained unused at RMB96 million (the "Remaining Funds") for the nuclear power technology upgrade project. The Relevant Funds were originally planned to be fully used by 31 December 2023 and the projects have been clearly identified, however, based on the progress of the projects, the Relevant funds will be fully used by 31 December 2024.

The use of the 2017 Proceeds is as follows:

| | 2017 | 2018 | 2019 | |
|--|------------------|------------------|------------------|---------------------|
| | (RMB100 million) | (RMB100 million) | (RMB100 million) | |
| Gas turbine joint venture project | 1.8 | 1.8 | 0 | |
| Nuclear power technology upgrade project | 4.86 | 3.9 | 0.96 | By 31 December 2024 |
| Purchase of raw materials for production and operation of nuclear power industry | 3 | 3 | 0 | |
| Purchase of raw materials for production and operation of gas turbine industry | 1.47 | 1.47 | 0 | |
| Implementation of financial leasing business | 1.54 | 1.54 | 0 | |
| Total | 12.67 | 11.71 | 0.96 | |

As of 30 June 2024, RMB1,197 million of the funds raised by the Company's domestic share subscription in 2023 (the "2023 Proceeds") has been used, and the remaining RMB0.5 billion will be used for liquidity for the Company's daily operations in the next year in accordance with the plan.

The use of the 2023 Proceeds is as follows:

| As at 30 June 2023 | Use of Proceeds | | |
|---|------------------|------------------|------------------|
| | 2023 | 2023 | 2023 |
| | (RMB100 million) | (RMB100 million) | (RMB100 million) |
| Ordinary administrative expenses and repayment of loans | 1.97 | 1.97 | 0 |
| Replenishment of liquidity | 15 | 10 | 5 |
| Total | <u>16.97</u> | <u>11.97</u> | <u>5</u> |

By 31 December 2025

All the funds raised from the issuance of shares and bonds in the previous years had been fully used. During the reporting period, the Company had no raised funds.

According to the provisions of Administrative Measures with regard to the Recognition of High and New Technology Enterprises (《高新技术企业认定管理办法》) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration for Taxation of the PRC on 14 April 2008 and the Administrative Guidance with regard to the Recognition of High and New Technology Enterprises (《高新技术企业认定管理工作指引》) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on 8 July 2008, corporations including the Company and five of its subsidiaries, namely Harbin Electrical Boiler Company Limited, Harbin Machinery Company Limited, Harbin Turbine Company Limited, Harbin Electric Corporation (QHD) Heavy Equipment Company Limited and HE Harbin Power Plant Valve Company Limited were re-recognised as High and New Technology Enterprises, and shall continue to be entitled to a 15% preferential income tax rate.

Under the Opinions of Central Committee of the Communist Party of China and the State Council on the Comprehensive Revitalization of Historical Industrial Bases of the Northeast Regions 《(中共中央國務院關於全面振興東北地區等老工業基地的若干意見)》 in 2016, the Company will continue to enjoy the relevant favourable policies in supporting such revitalization for historical industrial bases of the northeast regions.

In accordance with regulations of the State Administration of Taxation, the rate for tax rebate applicable to the Company's new export products contracts is mainly 13% effective from 1 April 2019.

In accordance with the relevant requirements of the Announcement of the General Administration of Taxation of the Ministry of Finance on the Expansion of the Scope of the Policy on the Refund of Value Added Tax Credits (財政部稅務總局關於擴大全額退還增值稅留抵稅額政策行業範圍的公告) in 2022, the Company is entitled to a refund of the newly-added credits and a one-time refund of the existing tax credits.



The Company has always placed scientific and technological innovation at the core of enterprise development, comprehensively planned and promoted scientific and technological innovation, accelerated the creation of new productive forces, and identified its position, value and role in serving the national strategies. The Company continued to integrate into the national scientific and technological innovation system, strengthened the construction of national-level scientific and technological innovation platforms, and built a complete, functional, flexible, synergistic and efficient scientific and technological innovation system; continuously increased the investment in scientific research, with an investment intensity of 3.6% in the first half of the year, strengthened the research and development of authentic and lead-edge technologies, and made solid progress in 9 key core technology research and development project tasks, 5 research and development tasks of innovation alliances of central enterprises, 17 major scientific and technological projects; deepened the openness and cooperation in scientific and technological innovation, successfully passed the acceptance of the ultra-low-load steady combustion scientific research platform and the flue gas molten salt thermal storage scientific research platform jointly constructed with Huairou Laboratory (懷柔實驗室), and entered into a strategic cooperation agreement with Laoshan Laboratory (嶗山實驗室) to join hands in serving the strategic task of “Transparent Ocean (透明海洋)”; and joined six innovation alliances of central enterprises, such as the new energy storage, to better carry out upstream and downstream research cooperation in the industry chain.

In the first half of 2024, both the world’s largest single-unit capacity Zala 500MW impact hydroturbine model and the world’s largest Yinjiang Hydropower Station through-flow unit runner with a diameter of 7.95 meters independently researched and developed by the Company successfully passed the acceptance; the assembly line of the first prototype of China’s self-developed 300MW class F heavy-duty gas turbine, in which the Company participated in construction, were rolled off in Lingang, Shanghai; and the core components of the world’s first 100,000-kilowatt dual-tower-in-one “solar thermal energy storage +” thermal absorber were manufactured and shipped. The Company signed a contract for 1 set of 300MW variable-speed pumped storage unit of Taian Phase II, the first (set) of major technical equipment project in the national energy field; won the bid for the first one million double-reheat Datang Leizhou unit blended biomass scientific and technological innovation project; won the bid for complete sets of heat exchanger system equipment of Jiangsu Guoxin Suyan (Huai’an) $2 \times 250\text{MW}/2 \times 1125\text{MW} \cdot \text{h}$ compressed air energy storage project; and won the bid for the 100MW molten salt linear Fresnel solar thermal project steam generator (SGS) system equipment of the “Solar Thermal +” project of Longyuan Power. Four achievements were selected for the “Recommended Catalog of Scientific and Technological Innovation Achievements of Central Enterprises (2023 Edition)” (《中央企業科技創新成果推薦目錄(2023年版)》); and three projects were successfully selected as one of the top ten scientific and technological innovations in the national power generation equipment industry in 2023.

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As at 30 June 2024, the Company has a total of 11,094 employees, and the total remuneration amounted to RMB959.92 million.

In order to incentivize key employees, the Company has implemented the share appreciation rights incentive plan.

In the first half of 2024, there was no significant change in the Company’s remuneration policy.

In the first half of 2024, the Company organized 482 classes in total for training and trained 21,527 persons.



The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

According to the forecast of China Electricity Council (CEC), the newly installed capacity in 2024 is basically equivalent to that of 2023, and by the end of 2024, China's installed power generation capacity is expected to reach approximately 3.3 billion kilowatts, representing a year-on-year increase of 13%. The installed capacity of non-fossil energy generating power will total to approximately 1.9 billion kilowatts, accounting for 57.5% of the total installed capacity. In particular, the total installed capacity of grid-connected wind power and solar power will reach approximately 1.35 billion kilowatts, accounting for more than 40% of the total installed capacity for the first time; and thermal power will reach 1.46 billion kilowatts, including 1.2 billion kilowatts of coal-fired power, accounting for less than 37% of the total installed capacity.

In the second half of 2024, the Company will continue to accelerate its transformation and upgrading in serving the national strategies, accelerate the development of new energy industries such as compressed air energy storage and photovoltaic power generation to better promote the development of pumped storage, clean and efficient coal power, fourth-generation nuclear power and other industries; accelerate the renewal and technological transformation of advanced equipment, build high-quality digitalization transformation projects, and accelerate the integration of intelligent operation and maintenance of power generation equipment; further improve quality and efficiency in playing an important role for stable growth, coordinate the management of lean cost, the improvement of comprehensive gross profit margin, and the reduction in gearing ratio, make every effort to seize the opportunities of high-quality orders, coordinate the development of key projects and equipment delivery, improve the contractual capacity, improve the reliability of the operating units, and comprehensively enhance the safety management capability and the level of intrinsic safety; pay close attention to the technology, quality, and service during the development of the new productive forces, insist on enhancing core competitiveness through technological innovation, establish a sound mechanism for the transformation of scientific and technological innovation achievements, and deepen the concept of user-centered service by strengthening quality source governance with scientific methods and approaches. technological innovation to enhance core competitiveness, establish and improve the mechanism for transforming scientific and technological innovation achievements, accelerate the construction of scientific research platforms and infrastructures such as hydraulic turbine laboratories, strengthen the governance of quality sources in a scientific way and method, deepen the concept of user-centeredness, and effectively carry out services throughout the entire process of project execution; and continue to inject strong momentum in deepening reform, comprehensively improve the level of marketization, legalization and internationalization, and strive to We will continue to inject strong impetus in deepening reform, comprehensively improve the level of marketization, legalization and internationalization, strive to improve the “four-in-one” risk management system of law, compliance, risk, and internal control, and intensify the reform of the market-oriented operation mechanism, focus on improving the level of lean management and deepen the reform, comprehensively stimulate the vitality and momentum, and improve the level of efficiency and effectiveness with better results in return for shareholders.

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As at 30 June 2024, the total number of share capital of the Company was 2,236,276,000 shares, including 1,560,705,000 state-owned legal person shares and 675,571,000 overseas H shares. The interests and short positions of shareholders holding 5% or more of the issued share capital of relevant class of share of the Company, which were required to be recorded under the register of interests and short positions kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (the “SFO”), are set out as follows:

Long positions in the shares of the Company:

| Shareholder | Class of shares | Number of shares | Percentage of issued share capital | Percentage of voting rights |
|-----------------------------|---------------------------------|------------------|------------------------------------|-----------------------------|
| Harbin Electric Corporation | State-owned legal person shares | 1,560,705,000 | 100% | 69.79% |

Save as disclosed above, as at 30 June 2024, the Company did not receive any notification about the interests or short positions in shares or underlying shares of the Company, which are required to be entered in the register pursuant to Section 336 of the SFO.

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As at 30 June 2024, none of the Directors, Supervisors and senior management of the Company and their associates had any interest and short position in the shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

As at 30 June 2024, the Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules as its code of conduct for securities transactions by Directors. The Company, having made enquiry to the Directors, confirms that all Directors have complied with the provisions of the Model Code for Securities Transactions by Directors of Listed Issuers throughout the period.

As at 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

As at 30 June 2024, the guarantees provided by the Company to its subsidiaries and the guarantees between subsidiaries of the Company amounted to RMB1,306.77 million in aggregate. There was no external guarantee of the Company.

As at 30 June 2024, the Company pledged its assets of RMB84.88 million (as at 30 June 2023: RMB88.79 million) to secure loans for liquidity.



For the accounting period ended 30 June 2024, the Company had been in compliance with the rules set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules, and, where appropriate, has adopted the recommended best practices as specified therein. The terms of office of the members of the ninth session of the Board and the ninth session of the supervisory committee of the Company expired on 28 January 2024, and the change in the composition of the new sessions of the Board and the supervisory committee was postponed, as Harbin Electric Corporation, the controlling shareholder of the Company, is still considering the candidates for the members of the new sessions of the Board and the supervisory committee; on 20 March 2024, Mr. Zhang Ying-jian has resigned as an executive Director due to job changes, and the number of the Board members has fallen below the quorum as required under the Articles of Association of the Company.

The Audit Committee of the Company has reviewed and approved the interim report of the Company for the six months ended 30 June 2024. Members of the Audit Committee of the Company include: Mr. Tang Zhi-hong, Mr. He Yu, Mr. Hu Jian-min, and Mr. Pan Qi-long.

Dahua Certified Public Accountants LLP, the Company's auditor, has carried out a review of the unaudited interim report of the Company for the six months ended 30 June 2024 in accordance with the requirements of "China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statement".

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On 24 May 2024, the annual general meeting, the H shares class meeting and the domestic shares class meeting of the Company were convened in Harbin, the PRC. The results of relevant meetings had been published on the websites of the Hong Kong Stock Exchange and the Company.

As at 30 June 2024, the Company did not have any information which was required to be disclosed pursuant to Rules 40.3(a) to (i) under Appendix D2 of the Listing Rules.

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The Articles of Association of the Company and the original copies of the interim report and the reviewed financial statements for the six months ended 30 June 2024 are available for inspection at the head office of the Company at 1399 Chuangxinyi Road, Songbei District, Harbin, the PRC.

By Order of the Board

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Company Secretary

Harbin, the PRC, 28 August 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Cao Zhi-an and Mr. Huang Wei; and the independent non-executive Directors of the Company are Mr. He Yu, Mr. Hu Jian-min, Mr. Tang Zhi-hong and Mr. Pan Qi-long.