



哈尔滨电气股份有限公司

HARBIN ELECTRIC COMPANY LIMITED

(Stock Code: 1133)

2024

INTERIM REPORT

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2024 INTERIM REPORT OF THE BOARD

The Board of Directors (the “Board”) of Harbin Electric Company Limited (the “Company”) hereby announces the operating results of the Company and its subsidiaries for the six months ended 30 June 2024, which were prepared in accordance with the Chinese Enterprises Accounting Standard. Such operating results have not been audited but have been reviewed by Da Hua Certified Public Accountants LLP.

Unless otherwise specified, the currency mentioned in this report was Renminbi.

INDUSTRY DEVELOPMENT AND BUSINESS REVIEW

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.

OPERATING RESULTS

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.

NEW CONTRACTS

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.

PRODUCT OUTPUT

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.

OPERATING REVENUE AND COST

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.

GROSS PROFIT AND GROSS PROFIT MARGIN

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.

EXPENSES FOR THE PERIOD

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.

ASSETS AND LIABILITIES

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.

CAPITAL AND GEARING RATIO

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.

MONETARY CAPITAL AND CASH FLOWS

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.

FUNDING SOURCE AND BORROWING STATUS

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.

MAJOR INVESTMENTS HELD, MAJOR ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND THE FUTURE PLAN ON MAJOR INVESTMENTS OR PURCHASE OF CAPITAL ASSETS

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.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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.

USE OF FUND-RAISING PROCEEDS

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 "Relevant 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:

Intended use of the 2017 Proceeds	Intended use amount of the 2017 Proceeds <i>(RMB100 million)</i>	Amount of the 2017 Proceeds used <i>(RMB100 million)</i>	Remaining amount of the 2017 Proceeds <i>(RMB100 million)</i>	Intended use time
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:

Intended use of the 2023 Proceeds	Intended use amount of the 2023 Proceeds <i>(RMB100 million)</i>	Amount of the 2023 <i>(RMB100 million)</i>	Remaining amount of the 2023 Proceeds <i>(RMB100 million)</i>	Intended use time
Ordinary administrative expenses and repayment of loans	1.97	1.97	0	
Replenishment of liquidity	15	10	5	By 31 December 2025
Total	16.97	11.97	5	

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.

TAX POLICIES

According to the provisions of Administrative Measures with regard to the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》) 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 (《高新技術企業認定管理工作指引》) 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.

SCIENTIFIC AND TECHNOLOGICAL INNOVATION

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) $2 \times 250\text{MW}/2 \times 1,125\text{MW}\cdot\text{h}$ 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.

EMPLOYEES, REMUNERATION, STOCK OPTION PLAN AND TRAINING

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.

INTERIM DIVIDEND

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

PROSPECTS

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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

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:

Name of shareholders	Class of shares	Number of shares	Capacity	Percentage to underlying share capital	Percentage to total share capital
Harbin Electric Corporation	State-owned legal person shares	1,560,705,000	Beneficial owner	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.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN SHARE CAPITAL

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).

COMPLIANCE WITH THE MODEL CODE

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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CONTINGENT LIABILITIES

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.

PLEDGE OF ASSETS

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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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.

AUDITORS

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".

SHAREHOLDERS' MEETING

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.

OTHER DISCLOSEABLE INFORMATION

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.

DOCUMENTS AVAILABLE FOR INSPECTION

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.

REVIEW REPORT

D.H.H.Z[2024]0011015718

To the Shareholders of Harbin Electric Company Limited:

We have reviewed the accompanying financial statements of Harbin Electric Company Limited (Hereafter refer to as “HEC”), which comprise the consolidated balance sheet as of June 30, 2024, the consolidated income statement from January 1, 2024 to June 30, 2024, the consolidated cash flow statement, the consolidated statement of changes in owner’s equity, and the notes to the financial statements. The preparation of these financial statements is the responsibility of managements of HEC. Our responsibility is to issue review report based on the implementation of review work.

We conducted our review in accordance with Chinese Certified Public Accountants reviewing Standards No. 2101. Those standards require that we plan and perform the review to obtain limited assurance whether the financial statements are free from material misstatements. The review is mainly limited to asking the relevant personnel of the company and implementing the analysis procedures for financial data, and the level of assurance provided is lower than the audit. We did not perform audit, and therefore do not express an audit opinion.

Based on our review, we did not notice any matter which causes us to believe that the financial statements are not prepared in accordance with International Accounting Standards, and fail to fairly reflect the financial situation, the results of operations and cash flow of the reviewed units in all material respects.

**Da Hua Certified Public Accountants
(Special General Partnership)**

**China Certified Public Accountant:
Wang lifie (Project partner)**

**China Certified Public Accountant:
Zhao tianbo**

Beijing • China

28 August, 2024

CONSOLIDATION BALANCE SHEET

For the six months ended on 30 June 2024

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

Items	Notes	June 30, 2024	January 1, 2024
Current assets:			
Cash and bank		16,336,958,594.63	18,677,316,557.23
△Settlement reserve			
△Due from banks and other financial institutions		600,000,000.00	
Transactional financial assets			603,149,819.44
☆Financial assets at fair value through profit and loss			
Derivative assets			
Notes receivable		985,137,753.53	975,331,805.68
Accounts receivable	VII(I)	7,045,940,950.53	7,161,224,594.18
Receivables for financing		13,452,951.41	10,194,291.30
Prepayments	VII(II)	8,229,621,912.93	8,015,031,909.43
△Premium receivable			
△Reinsurance premium receivable			
△Reinsurance reserve receivable			
Other receivables	VII(III)	1,404,446,938.08	1,333,103,510.85
Including: dividends receivable		260,014.64	260,014.64
△Buying back the sale of financial assets		1,462,500,000.00	1,755,000,000.00
Inventories		13,979,785,613.96	10,976,748,415.55
Including: raw materials		5,012,097,139.95	3,645,603,552.75
Merchandise inventories (finished goods)		134,522,822.16	137,250,395.45
Contract assets		8,917,804,922.82	7,736,963,131.45
Held-for-sale assets			
Current portion of non-current assets		364,577,203.79	337,633,475.40
Other current assets	VII(IV)	3,097,682,912.24	3,044,888,178.25
Total current assets		62,437,909,753.92	60,626,585,688.76

CONSOLIDATION BALANCE SHEET (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	June 30, 2024	January 1, 2024
Non-current assets:			
△Loans and advances issued		3,900,000.00	
Debt investments			
☆Available-for-sale financial assets			
Other debt investments		299,639,400.00	299,639,400.00
☆Held-to-maturity investments			
Long-term receivables		541,865,096.63	554,310,723.29
Long-term equity investments		900,402,389.92	856,602,278.38
Other equity instruments investments		683,950,871.16	677,013,691.76
Other non-current financial assets			
Investment property	VII(V)	192,745,413.32	161,372,063.62
Fixed assets	VII(V)	4,848,050,329.03	4,995,478,509.62
Including: Original value of fixed assets	VII(V)	14,429,273,933.63	14,373,767,739.57
Accumulated depreciation	VII(V)	9,533,568,554.35	9,330,672,843.67
Fixed assets depreciation reserves	VII(V)	47,655,050.25	47,708,685.42
Construction in progress			
productive biological assets	VII(V)	920,770,699.87	652,740,245.51
Oil and gas assets			
The right-of-use assets		13,156,552.81	12,392,431.86
Intangible assets		897,999,279.73	937,852,963.06
Development disbursements		154,023,006.52	132,539,393.71
Goodwill		34,516,403.61	34,516,403.61
Long-term deferred expenses		3,815,721.07	4,444,917.10
Deferred tax assets		626,116,054.70	625,356,125.13
Other non-current assets		755,261,937.60	726,109,437.30
Including: authorised reserve material			
Total non-current assets		10,876,213,155.97	10,670,368,583.95
Total assets		73,314,122,909.89	71,296,954,272.71

CONSOLIDATION BALANCE SHEET (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	June 30, 2024	January 1, 2024
Current liabilities:			
Short-term borrowings	VII(VI)	3,445,785,750.26	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		5,729,095,210.80	6,146,285,172.11
Accounts payable	VII(VII)	18,076,594,919.02	16,202,261,315.59
Advances from customers		10,199,937.29	5,828,487.77
Contract liabilities		24,754,499,728.98	23,127,922,261.64
△Securities sold under agreement to repurchase			
△Deposits and placements from other financial institutions		942,306,724.18	1,149,795,320.33
△Securities brokering			
△Securities underwriting			
Employee benefits payable		503,764,289.30	803,131,335.59
Including: salary payable		192,547,441.64	435,130,258.92
Welfare benefits payable			
#Employee bonus and welfare fund			
Taxes and surcharges payable		360,200,068.31	522,750,044.00
Including: taxes payable excluding surcharges		331,640,572.75	495,440,387.78
Other payables		503,559,544.09	499,208,747.36
Including: dividends payable		119,059,517.25	2,773,165.24

CONSOLIDATION BALANCE SHEET (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	June 30, 2024	January 1, 2024
△Fees and commissions payable			
△Reinsurance amounts payable			
Held-for-sale liabilities			
Current portion of non-current liabilities	VII(VIII)	1,111,131,292.04	1,114,672,500.76
Other current liabilities		8,365,557.98	12,381,749.42
Total current liabilities		55,445,503,022.25	52,869,370,093.45
Non-current liabilities:		—	—
△Reserve of insurance contract			
Long-term borrowings		1,043,998,877.31	1,747,981,728.52
Bonds payable			
including: preferred stocks			
perpetual debts			
Lease liabilities		10,378,541.73	11,007,012.24
Long-term payable		21,906,744.24	51,708,704.04
Long-term employee benefits payable		319,213,322.69	319,894,911.90
Provisions		1,226,488,003.13	1,436,167,546.71
Deferred income		165,901,212.35	179,966,632.50
Deferred tax liabilities		6,576,303.68	6,576,303.68
Other non-current liabilities		99,604,846.89	86,485,747.09
Including: authorized reserve fund			
Total non-current liabilities		2,894,067,852.02	3,839,788,586.68
Total liabilities		58,339,570,874.27	56,709,158,680.13

CONSOLIDATION BALANCE SHEET (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	June 30, 2024	January 1, 2024
Equity:		–	–
Paid-in capital	VII(IX)	2,236,276,000.00	2,236,276,000.00
State-owned capital			
State-owned legal person's capital	VII(IX)	1,560,705,000.00	1,560,705,000.00
Collectively owned capital			
Private capital			
Foreign capital	VII(IX)	675,571,000.00	675,571,000.00
#Less: payback capital			
Paid-in capital (share capital) – net value	VII(IX)	2,236,276,000.00	2,236,276,000.00
Other equity instruments			
Including: Preferred stock			
Perpetual debt			
Capital reserve		5,491,563,058.67	5,496,802,270.69
Less: treasury shares			
Other comprehensive income		-146,163,074.04	-128,370,784.80
Including: Currency translation reserve		-5,342,597.84	-6,581,764.03
Specialized reserve		57,266,173.29	47,489,368.36
Surplus reserve		956,816,359.27	956,816,359.27
Including: statutory surplus reserve		898,564,197.51	898,564,197.51
Other surplus reserve		58,252,161.76	58,252,161.76
#Reserve fund			
#Corporate development fund			
#Return of investment			
△General risk reserve			
Retained earnings		5,662,070,005.87	5,255,688,935.55

CONSOLIDATION BALANCE SHEET (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	June 30, 2024	January 1, 2024
Equity attributable to parent company		14,257,828,523.06	13,864,702,149.07
*Minority interests		716,723,512.56	723,093,443.51
Total owner's equity		14,974,552,035.62	14,587,795,592.58
Total liabilities and owner's equity		73,314,122,909.89	71,296,954,272.71

Corporate representative:

Chief Accountant:

Accounting Supervisor:

CONSOLIDATION INCOME STATEMENTS

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
1. Revenue	VII(X)	17,260,636,497.03	13,763,822,101.53
Including: operating revenue	VII(X)	17,043,456,548.40	13,570,864,838.58
△Interest income	VII(X)	217,179,948.63	192,957,262.95
△Premium earned			
△Fees and commissions income			
2. Total cost		16,640,870,337.70	13,535,960,537.64
Including: operating cost		15,095,612,044.43	12,116,654,139.57
△Interest expenses		6,773,783.30	3,204,427.14
△Fees and commissions expenses		23,542.84	46,177.91
△Cash surrender amount			
△Net expenses of claim settlement			
△Net provisions for insurance reserves			
△Policy dividend expenses			
△Reinsurance expenses			
Taxes and surcharges		66,711,084.29	78,784,600.20
Selling expenses		253,579,762.53	267,460,253.16
Administrative expenses	VII(XI)	658,448,508.09	627,753,050.19
Research and development expenses		413,244,085.73	350,755,734.82

CONSOLIDATION INCOME STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
Financial expenses		146,477,526.49	91,302,154.65
Including: interest expenses		78,377,903.38	120,303,704.46
Interest income		13,189,495.14	8,095,881.87
Net exchange loss ("-" for net proceeds)		61,323,866.39	-48,440,643.75
Other costs and expenses			
Add: Other income		73,253,275.19	60,068,677.92
Investment income ("-" for loss)		65,674,968.12	9,404,350.59
Including: investment income from associates and joint ventures		43,991,352.45	4,012,231.44
Income from derecognition of financial assets at amortised cost			
△ Gain on foreign exchange ("-" for loss)		223,139.23	7,305.15
Net exposure hedging returns ("-" for losses)			
Gain from fair-value changes ("-" for loss)			
Credit losses ("-" for loss)	VII(XII)	15,629,160.48	29,824,106.66
Impairment on assets ("-" for loss)	VIII(XIII)	-81,952,055.36	-222,034,440.89
Proceeds from asset disposal ("-" for loss)		2,273,384.10	215,411.63

CONSOLIDATION INCOME STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
3. Operating profits (“-” for loss)		694,868,031.09	105,346,974.95
Add: non-operating income		6,202,368.44	74,503,689.18
Including: Government grants		42,982.85	5,194.39
Less: non-operating expenses		10,589,071.52	7,035,126.99
4. Profit before tax (“-” for loss)		690,481,328.01	172,815,537.14
Less: income tax		149,407,695.17	68,415,130.06
5. Net profit (“-” for net loss)		541,073,632.84	104,400,407.08
(1) By ownership			
Net profit attributable to parent company		522,667,422.32	84,889,971.05
*Profit/loss attributable to minority share-holders		18,406,210.52	19,510,436.03
(2) By going concern basis			
Continuous operating profit and loss		541,073,632.84	104,400,407.08
Termination of the business profit and loss			
6. Other comprehensive income after tax		-17,792,289.24	-295,431,646.88
Other comprehensive income after tax attributable to parent company		-17,792,289.24	-295,431,646.88
(1) Comprehensive income not to be reclassified as profit or loss		-7,880,220.60	-134,357,761.23
1. Remeasure the change in net liabilities or net assets of defined beneficiary plans			

CONSOLIDATION INCOME STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
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		-7,880,220.60	-134,357,761.23
☆4. Fair value changes in enterprise's own credit risk			
5. Others			
(2) Other comprehensive income to be reclassified as profit or loss		-9,912,068.64	-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			

CONSOLIDATION INCOME STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
7. Cash flow hedging reserve		-11,151,234.83	-157,915,300.84
8. Currency translation reserve		1,239,166.19	-3,158,584.81
9. Other profit or loss to be reclassified			
*Other comprehensive income after tax attributable to minority shareholders			
7. Total comprehensive income		523,281,343.60	-191,031,239.80
Total comprehensive income attributable to parent company		504,875,133.08	-210,541,675.83
*Total consolidated income attributable to minority shareholders		18,406,210.52	19,510,436.03
8. Earnings per share:	VII(XVII)		
Basic earnings per share		0.23	0.05
Diluted earnings per share		0.23	0.05

Corporate representative:

Chief Accountant:

Accounting Supervisor:

CONSOLIDATION CASH FLOW STATEMENT

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
1. Cash flows from operating activities:		–	–
Cash received from sales and services		19,520,528,773.72	17,460,424,872.49
△Net increase in deposits and placements from financial institutions		-207,488,596.15	-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		159,132,169.69	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		183,889,756.82	63,556,039.23
Other cash receipts related to operating activities		1,083,355,456.58	605,554,205.26
Total cash inflows from operating activities		21,039,417,560.66	17,646,529,195.04

CONSOLIDATION CASH FLOW STATEMENT (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
Cash paid for goods and services		18,027,909,009.62	13,338,955,050.96
△Net increase in loans and advances		3,900,000.00	-377,781,081.22
△Net increase in deposits with central banks and other financial institutions		67,729,863.07	66,385,578.28
△Cash paid for claim settlements on original insurance contracts			
△Net increase of due from banks and other financial institutions		600,000,000.00	
△Cash paid for interest, fees and commissions		2,516,961.65	2,281,487.46
△Cash paid for policy dividends			
Cash paid to and for employees		1,402,549,110.39	1,302,683,475.43
Taxes and surcharges cash payments		575,160,064.85	780,663,854.53
Other cash payments related to operating activities		1,789,800,319.81	1,211,166,192.14
Total cash outflows from operating activities		22,469,565,329.39	16,324,354,557.58
Net cash flows from operating activities		-1,430,147,768.73	1,322,174,637.46

CONSOLIDATION CASH FLOW STATEMENT (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
2. Cash flows from investing activities:		–	–
Cash received from withdraw of investments		1,200,000,000.00	585,669,693.39
Cash received from investment income		7,812,364.21	2,349,267.69
Net cash received from disposal of fixed assets,intangible assets and other long-term assets		5,767,400.00	2,970,905.76
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts related to investing activities		947,537.23	3,853,540.97
Total cash inflows from investing activities		1,214,527,301.44	594,843,407.81
Cash paid for fixed assets,intangible assets and other long-term assets		582,090,642.83	425,654,336.40
Cash payments for investments		634,763,129.56	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			
Total cash outflows from investing activities		1,216,853,772.39	913,735,148.40
Net cash flows from investing activities		-2,326,470.95	-318,891,740.59

CONSOLIDATION CASH FLOW STATEMENT (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
3. Cash flows from financing activities:		–	–
Cash received from investments by others			14,666,520.00
Including: cash received by subsidiaries from minority shareholders' investments			
Cash received from borrowings		530,521,394.92	1,130,464,608.16
Other cash receipts related to other financing activities		119,164,845.15	
Total cash inflows from financing activities		649,686,240.07	1,145,131,128.16
Cash repayments for debts		1,226,164,164.53	1,057,424,723.53
Cash payments for distribution of dividends, profit and interest expenses		83,234,952.43	117,917,596.69
Including: dividends or profit paid by subsidiaries to minority shareholders		650,000.00	3,230,729.26
Other cash payments related to financing activities		16,311,186.33	8,638,419.31
Total cash outflows from financing activities		1,325,710,303.29	1,183,980,739.53
Net cash flows from financing activities		-676,024,063.22	-38,849,611.37

CONSOLIDATION CASH FLOW STATEMENT (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Notes	Current Period	Prior Period
4. Effect of foreign exchange rate changes on cash and cash equivalents		-57,414,204.55	12,228,747.81
5. Net increase in cash and cash equivalents		-2,165,912,507.45	976,662,033.31
Add: beginning balance of cash and cash equivalents		17,364,232,108.35	16,291,936,468.18
6. Ending balance of cash and cash equivalents		15,198,319,600.90	17,268,598,501.49

Corporate representative:

Chief Accountant:

Accounting Supervisor:

CONSOLIDATION STATEMENTS OF CHANGES IN EQUITY

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Current period											
	Equity attributable to parent company					Equity attributable to non-controlling interests						
	Paid-in capital	Prefixed stock	Other equity instruments	Capital reserve	Less: treasury shares	Other comprehensive income	Specialized reserve	Surplus reserve	Retained earnings	Subtotal	Minority interests	Total owner's equity
1. Ending balance of last year	2,288,276,000.00	-	-	5,465,802,270.69	-	-128,370,784.80	47,749,888.56	958,816,353.27	5,253,888,935.55	13,864,702,149.07	723,093,443.51	1,387,756,592.53
Add: increase/decrease due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Increase/decrease due to corrections of errors in Prior Period	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
2. Beginning balance of current year	2,288,276,000.00	-	-	5,465,802,270.69	-	-128,370,784.80	47,749,888.56	958,816,353.27	5,253,888,935.55	13,864,702,149.07	723,093,443.51	1,387,756,592.53
3. Increase/decrease to current year "•" for decrease												
(1) Total comprehensive income	-	-	-	-5,239,212.02	-	-1,792,289.24	9,776,804.93	-	405,381,070.32	383,165,273.99	-5,369,930.95	385,756,443.04
(2) Owner's contributions and withdrawals of capital	-	-	-	-	-	-1,792,289.24	-	-	822,657,422.32	504,075,133.08	18,406,210.52	522,281,343.60
2. Capital contributed by other equity instruments holders	-	-	-	-	-	-	-	-	-	-	-	-
1. Common stock contributed by owners	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recognized in owner's equity	-	-	-	-5,239,212.02	-	-	-	-	-	-5,239,212.02	-14,706,516.98	-18,945,724.00
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(3) Accrual and utilization of specialized reserve	-	-	-	-5,239,212.02	-	-	-	-	-	-5,239,212.02	-14,706,516.98	-18,945,724.00
1. Accrual of specialized reserve	-	-	-	-	-	-	9,776,804.93	-	-	9,776,804.93	10,819,510.49	10,819,510.42
2. Utilization of specialized reserve	-	-	-	-	-	-	18,100,744.79	-	-	18,100,744.79	13,316,396.80	13,316,396.80
(4) Profit distribution	-	-	-	-	-	-	-3,233,693.66	-	-	-3,233,693.66	-173,141.52	-3,407,081.38
1. Appropriation of surplus reserve	-	-	-	-	-	-	-	-	-116,238,832.00	-116,238,832.00	-11,112,194.98	-127,359,488.98
Including statutory surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
Discretionary surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
Reserve fund	-	-	-	-	-	-	-	-	-	-	-	-
#Corporate development fund	-	-	-	-	-	-	-	-	-	-	-	-
#Return of investment	-	-	-	-	-	-	-	-	-	-	-	-
2. Accrual of general risk reserve	-	-	-	-	-	-	-	-	-	-	-	-
3. Distribution to owners/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. Ending balance of current year	2,288,276,000.00	-	-	5,460,563,058.67	-	-146,163,074.04	57,666,173.29	958,816,353.27	5,662,070,053.87	14,257,238,320.05	716,723,912.56	14,974,552,056.62

CONSOLIDATION STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

For the six months ended on 30 June 2024
(Apart from special notes: the unit of amount is RMB)

Items	Equity attributable to parent company										Total owners' equity			
	One equity instruments					Prior period								
	Paid-in capital	Preferred stock	Perpetual bonds	Others	Capital reserve	Loss: treasury shares	Other comprehensive income	Specialized reserve	Surplus reserve	General risk provision		Retained earnings	Subtotal	Minority interests
1. Ending balance of last year Add: increase/decrease due to changes in accounting policies Less: decrease/increase to corrections of errors in Prior Period Others	1,706,523,000.00	-	-	-	4,338,736,392.12	-	49,765,047.57	45,479,801.06	888,849,702.10	-	4,686,535,292.71	11,727,949,835.56	645,912,117.38	12,373,361,952.94
2. Beginning balance of current year	1,706,523,000.00	-	-	-	4,338,736,392.12	-	49,765,047.57	45,479,801.06	888,849,702.10	-	4,686,535,292.71	11,727,949,835.56	645,912,117.38	12,373,361,952.94
3. Increase/decrease to current year **, for decrease														
(1) Total comprehensive income														
(2) Owner's contributions and withdrawals of capital														
2. Capital stock contributed by owners														
2. Capital stock 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) Profit distribution														
1. Appropriation of surplus reserve including: statutory 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. Reserve of loss by surplus reserve														
4. Defered benefit plan charges carried forward to retained earnings														
5. Other comprehensive income carried forward to retained earnings														
6. Others														
4. Ending balance of current year	1,706,523,000.00	-	-	-	4,338,736,392.12	-245,666,599.31	53,231,654.36	888,849,702.10	888,849,702.10	4,783,485,253.76	11,525,210,013.03	709,536,740.67	12,247,746,753.70	

Corporate representative:

Chief Accountant:

Accounting Supervisor:

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

I. INFORMATION ABOUT THE COMPANY

(I) Company Profile

Harbin Electric Company Limited (the “Company”) was initially and was formed through the restructuring of Harbin Electric Corporation (“HE Corporation”) and its three affiliates: Harbin Electrical Machinery Works, Harbin Boiler Works and Harbin Turbine Works (the “three major power factories”). 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

II. SCOPE OF CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2024 the company scope of consolidated financial statements had the company are as follows:

Name of subsidiaries

Harbin Boiler Factory Co., Ltd.
Harbin Electric Factory Co., Ltd.
Harbin Steam Turbine Factory Co., Ltd.
Harbin Electric International Engineering Co., Ltd.
Harbin Electric Group (Qinhuangdao) Heavy Equipment Co., Ltd.
Harbin Power Station Valve Co., Ltd. of Harbin Electric Group
Harbin Electric Group Finance Co., Ltd.
Harbin Electric Power Technology & Trade Co., Ltd.
Harbin Electric Group Shanxi Environmental Engineering Co., Ltd.
Harbin Harbin Electric Co., Ltd.
Harbin Electric Leasing (Tianjin) Co., Ltd.
Harbin Electric Group Biomass Power Generation
(Wangkui) Co., Ltd.
Harbin Electric Group Biomass Power Generation (Dehui) Co., Ltd.
Harbin Electric Science and Technology Co., Ltd
Harbin Electric Materials Co., Ltd

Compared with the previous period, the number of subjects included in the consolidated financial statements in this period increased by 2 and decreased by 2.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

III. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

(I) Basis of preparation

Based on going concern and actual transactions and events, the Company prepared financial statements in accordance with the basic and specific standards of the Accounting Standards for Business Enterprises, the Application Guidance for Accounting Standard for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as “CAS”), and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting issued by the China Securities Regulatory Commission, and Hong Kong Stock Exchange’s Rules Governing the Listing of Securities and the Hong Kong Companies Ordinance.

(II) Going concern

The company has continuous operation capability for at least 12 months from the end of the reporting period, and has no major issues affecting its ability to continue to operate. Therefore, the financial statements are prepared on the basis of the going concern assumption.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

- (I) Statement of compliance with corporate accounting standards

The Company have formulated certain specific accounting policies and accounting estimates in accordance with the production and operation characteristics, which are mainly reflected in the valuation method of inventory, the method of calculating and calculating the expected credit loss of receivables, the depreciation of fixed assets and the amortization of intangible assets, the timing of revenue recognition, etc.

- (II) Statement of compliance with corporate accounting standards

The financial statements prepared by the company are following the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the financial status, operating results, cash flow and other relevant information of the company and its subsidiaries.

- (III) Accounting period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

- (IV) Reporting currency

The reporting currency of the Company is Renminbi (“CNY”).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(V) Accounting basis and valuation principles

The Company is based on accrual basis of accounting. The company generally adopts historical cost when measuring accounting elements. The company will provide special explanations for the measurement of other attributes such as replacement cost, net realizable value, present value or fair value according to the standards.

(VI) Accounts receivable

Receivables include accounts receivable, other receivables, etc. The accounts receivable formed by the Company's external sales of goods or provision of labor services shall be deemed as the initial recognition amount based on the fair value of the contract or agreement receivable from the purchaser. The receivables are presented using the effective interest method and the amortized cost less the provision for bad debts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VI) Accounts receivable (Continued)

(1) Accounts receivable

For accounts receivable, whether it contains significant financing components, the company always measures its loss reserves in accordance with the amount of expected credit losses for the entire life period, and the increase or reversal of the loss provision resulting therefrom is included into the current profit and loss as an impairment loss or gain.

In the scope of consolidation, the enterprises involved in the provision of bad debt provision using the expected credit loss model include: Harbin Electric Co., Ltd. and all subsidiaries.

The company combines the accounts receivable based on similar credit risk characteristics (ageing), and based on all reasonable and supportable information, including forward-looking information, the ratio of the provision for bad debts of the accounts receivable is estimated as follows:

Ageing	Ratio (%)
Within 1 year (Including 1 year)	0-5
1 – 2 years	5-25
2 – 3 years	50
3 – 4 years	80
4 – 5 years	80
Over 5 years	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VI) Accounts receivable (Continued)

(1) *Accounts receivable (Continued)*

If there is objective evidence showing that a certain account receivable has been credit-impaired, the company shall make a provision for bad debts for the single account receivable and confirm expected credit losses.

The scope of accounts receivable without provision for bad debts:

- ① Accounts receivable between related parties.
- ② Other receivables, such as deposits, deposits and other receivables to relevant national industry authorities, industry associations and other institutions, and temporary loans, reserve funds and other receivables that occur for business operations by internal departments of the enterprise or in-service employees Unless there is solid evidence showing that there is a sign of impairment, no impairment provision may be made.

(2) *Other accounts receivable*

For the measurement of impairment loss of other accounts receivable, the measurement method of impairment loss of the aforementioned financial assets (excluding accounts receivable) shall be used for treatment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Revenue

1. On the contract start date, the enterprise shall evaluate the contract and identify the individual performance obligations included in the contract, and determine whether each individual performance obligation is fulfilled within a certain period of time, or is performed at a certain point in time, and then, when each individual performance obligation is fulfilled, the income is separately recognized.

The performance obligation refers to the commitment of the enterprise in the contract to transfer the goods to the customer clearly. The performance obligation includes both the commitments specified in the contract and the commitments that the client reasonably expects the company to perform when the contract is concluded due to the company's publicly announced policies, specific statements or past practices. The initial activities that an enterprise should undertake to perform a contract usually do not constitute a performance obligation unless the activity transfers the promised goods to the customer.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Revenue (Continued)

1. (Continued)

The enterprise shall measure the income according to the transaction price allocated to each individual performance obligation. The company shall determine the transaction price in accordance with the terms of the contract and in combination with its previous practices. When determining the transaction price, the enterprise should consider the impact of variable consideration, major financing components in the contract, non-cash consideration, and customer consideration.

2. If one of the following conditions is met, it is a performance obligation to be performed within a certain period of time; otherwise, it is a performance obligation at a certain point in time:

- ① The customer obtains and consumes the economic benefits brought by the performance of the enterprise at the same time as the company performs the contract.
- ② The customer can control the goods under construction in the process of corporate performance.
- ③ The goods produced during the performance of the enterprise have irreplaceable uses, and the enterprise has the right to receive payment for the part of the performance that has been completed so far throughout the contract period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Revenue (Continued)

3. Confirmation of performance obligation income performed at a certain point in time

For performance obligations performed at a certain point in time, the enterprise shall earn income when the customer obtains control of the relevant commodity. In determining whether a customer has acquired control of a commodity, the company should consider the following signs:

- ① The enterprise has the current right to collect the goods, that is, the customer has a current payment obligation for the goods.
- ② The enterprise has transferred the legal title of the commodity to the customer, that is, the customer already owns the legal title of the commodity.
- ③ The enterprise has transferred the physical goods to the customer, that is, the customer has possessed the goods in kind.
- ④ The enterprise has transferred the main risks and rewards of ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of ownership of the goods.
- ⑤ The customer has accepted the goods.
- ⑥ Other indications that the customer has obtained control of the commodity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

IV. DESCRIPTION OF IMPORTANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

(VII) Revenue (Continued)

4. Confirmation of performance obligation income performed during a certain period of time

For performance obligations performed within a certain period of time, the enterprise shall confirm the income according to the progress of the performance during the period, unless the performance of the performance cannot be reasonably determined. Enterprises should consider the nature of the goods and use the output method or input method to determine the appropriate performance schedule. Among them, the output method is based on the value of the goods that have been transferred to the customer to determine the performance of the customer; the input method is based on the company's commitment to fulfill the performance obligations. For similar performance obligations in similar situations, companies should use the same method to determine the progress of compliance.

When the performance of the performance cannot be reasonably determined, if the costs incurred by the enterprise are expected to be compensated, the revenue shall be recognized according to the amount of costs incurred, until the performance of the performance can be reasonably determined.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

V. DESCRIPTION OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND CORRECTION OF MAJOR PREVIOUS ERRORS

(I) Changes in accounting policies

There is no change in important accounting policies in this period.

(II) Change in accounting estimates

There is no change in important accounting estimates in this period.

(III) Important corrections of prior period errors

No corrections to prior period accounting errors using the retrospective restatement method occurred during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VI. TAXATION

The principal taxable items of the Company and its subsidiaries are as follows:

(I) Turnover tax and additional taxes

Tax Type	Tax basis	Tax rate	Note
Value-added Tax ("VAT")	The output tax is calculated on the basis of the sales goods and taxable service income calculated according to the tax law. After deducting the input tax amount that is allowed to be deducted in the current period, the difference is partly due to the value-added tax.	3%, 6%, 9%, 10%, 13%	
City maintenance and construction tax	Actual paid turnover tax	7%	
Corporate income tax	Calculated based on taxable income	15%, 25%	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

VI. TAXATION (CONTINUED)

(II) Tax incentives

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 16 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.

(III) Hong Kong profits tax

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VI. TAXATION (CONTINUED)

- (IV) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS

(I) Accounts receivable

1. Accounts receivable shown by classification

Type	30 June, 2024				31 December, 2023			
	Carrying Amount		Bad debt provision		Carrying Amount		Bad debt provision	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
		(%)		(%)		(%)		(%)
Accounts receivable individually accruing bad debt provision	1,519,588,405.98	13.31	899,380,745.56	59.19	2,001,911,361.77	17.38	982,578,676.02	49.08
Accounts receivable accruing bad debt provision in credit risk characteristic portfolio	9,898,440,575.86	86.69	3,472,707,285.75	35.08	9,516,708,949.04	82.62	3,374,817,040.61	35.46
Total	11,418,028,981.84	100	4,372,088,031.31	38.29	11,518,620,310.81	100	4,357,395,716.63	37.83

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

2. Accounts receivable individually accruing bad debt provision

Debtor	Accounts receivable	Bad debt provision	Percentage (%)	Reason
Harbin Guanghan Power Technology Development Co., Ltd	336,010,000.00	57,093,406.24	16.99	Judging by future recyclability
The 703rd Research Institute of China State Shipbuilding Corporation	317,600,996.90	53,281,505.00	16.78	Judging by future recyclability
Ministry of Water Resources and Irrigation of the Republic of Sudan	281,793,007.71	281,793,007.71	100.00	Judging by future recyclability
Coastal Energy Corporation of India	136,211,823.71	136,211,823.71	100.00	Judging by future recyclability
Kolin company, owner of the Speedhorse project in Turkey	75,487,005.87	8,008,780.20	10.61	Judging by future recyclability
Linyi Hengxin Energy Group Co., Ltd	69,139,000.00	69,139,000.00	100.00	Judging by future recyclability
Sudan National Electricity Company	55,587,828.73	55,587,828.73	100.00	Judging by future recyclability
Sudan Power Dam Department	39,569,768.39	39,569,768.39	100.00	Judging by future recyclability

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

2. Accounts receivable individually accruing bad debt provision (Continued)

Debtor	Accounts receivable	Bad debt provision	Percentage (%)	Reason
Yunnan Huadian Zhenxiong Power Generation Co., Ltd	34,000,000.00	34,000,000.00	100.00	Judging by future recyclability
Datang Environmental Industry Group Co., Ltd. Leizhou Project Branch	27,384,367.22	25,986,367.22	94.89	Judging by future recyclability
PowerChina Shandong Electric Power Construction Co., Ltd	17,500,000.00	17,500,000.00	100.00	Judging by future recyclability
Inner Mongolia Hongyu Technology Co., Ltd	17,479,632.85	17,479,632.85	100.00	Judging by future recyclability
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

2. Accounts receivable individually accruing bad debt provision (Continued)

Debtor	Accounts receivable	Bad debt provision	Percentage (%)	Reason
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	1,519,588,405.98	899,380,745.56	—	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(I) Accounts receivable (Continued)

3. Accounts receivable accruing bad debt provision in credit risk characteristic portfolio

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

Age	30 June, 2024			31 December, 2023		
	Amount	Percentage (%)	Bad debt Provision	Amount	Percentage (%)	Bad debt Provision
Within one year	4,057,198,097.49	8.12	329,462,350.50	4,273,253,210.83	4.95	211,685,577.58
One to two years	2,040,442,550.36	25.98	530,193,626.24	1,609,775,648.45	24.71	397,731,007.43
Two to three years	980,724,049.39	53.52	524,879,801.23	1,012,387,350.16	48.44	490,402,864.02
Over three years	2,820,075,878.62	74.05	2,088,171,507.78	2,621,292,739.60	86.79	2,274,997,591.58
Total	9,898,440,575.86	35.08	3,472,707,285.75	9,516,708,949.04	35.46	3,374,817,040.61

4. Provision, transfer and recovery of bad debts in the period

Net value of provision, transfer and recovery of bad debts in the period was 14,692,314.68 yuan.

5. Accounts receivable actually written off in the current period

There are no accounts receivable that have been actually written off in this period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(II) Prepayments

Age	30 June, 2024			31 December, 2023		
	Carrying Amount		Bad debt provision	Carrying Amount		Bad debt provision
	Amount	Percentage (%)		Amount	Percentage (%)	
Less than a year	7,157,652,491.24	86.90	5,078,421.56	6,923,120,286.79	86.30	5,078,421.56
One to two years	747,022,108.08	9.07		737,720,596.96	9.20	
Two to three years	230,839,396.16	2.80		257,279,041.53	3.21	
Over three years	100,918,956.81	1.23	1,732,617.80	103,723,023.51	1.29	1,732,617.80
Total	8,236,432,952.29	100.00	6,811,039.36	8,021,842,948.79	100.00	6,811,039.36

(III) Other receivables

Items	30 June, 2024	31 December, 2023
Interest receivable	28,291,339.54	32,817,261.82
Dividends receivable	260,014.64	260,014.64
Other receivables	1,375,895,583.90	1,300,026,234.39
Total	1,404,446,938.08	1,333,103,510.85

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(III) Other receivables (Continued)

1. Interest receivable

Items	30 June, 2024	31 December, 2023
Term deposits	28,291,339.54	32,817,261.82
Total	28,291,339.54	32,817,261.82

2. Dividends receivable

Items	30 June, 2024	31 December, 2023	Reasons for non-recovery	Whether impairment has occurred and the basis for judging it
Dividends receivable less than one year old	260,014.64	260,014.64		
Heilongjiang Xintianhadian New Energy Investment Co., Ltd	260,014.64	260,014.64	Dividends were not paid	No
Dividends receivable that are more than one year old				
Total	260,014.64	260,014.64		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(III) Other receivables (Continued)

3. Details of other receivables

(1) Classification disclosure of other receivables

Type	30 June, 2023				31 December, 2022			
	Carrying Amount		Bad debt provision		Carrying Amount		Bad debt provision	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
		(%)		(%)		(%)		(%)
Other receivable individually accruing bad debt provision	1,409,261,983.59	79.92	170,766,988.58	12.12	1,422,555,489.93	80.68	198,110,869.91	13.93
Other receivable accruing bad debt provision in credit risk characteristic portfolio	354,031,836.72	20.08	216,631,247.83	61.19	287,236,694.77	16.29	211,655,080.40	73.69
Total	1,763,293,820.31	100.00	387,398,236.41	—	1,709,792,184.70	96.97	409,765,950.31	—

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(III) Other receivables (Continued)

3. Details of other receivables (Continued)

(2) Other receivables accruing bad debt provision by applying aging analysis

Age	30 June, 2024			31 December, 2023		
	Amount		Bad debt Provision	Amount		Bad debt Provision
	Amount	Percentage (%)		Amount	Percentage (%)	
Within one year	104,008,745.22	3.40	3,541,284.15	45,584,458.34	4.99	2,273,990.06
One to two years	7,500,093.69	8.16	611,680.36	3,657,961.80	24.45	894,439.01
Two to three years	21,141,835.63	48.41	10,234,471.30	21,964,502.09	49.94	10,969,932.30
Over three years	221,381,162.18	91.36	202,243,812.02	216,029,772.54	91.43	197,516,719.03
Total	354,031,836.72	—	216,631,247.83	287,236,694.77	—	211,655,080.40

(3) Provision, transfer and recovery of bad debts in the period

Net value of provision, transfer and recovery of bad debts in the period was -22,367,713.90 yuan.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(IV) Other current assets

Items	30 June, 2024	31 December, 2023
Entrust loans	225,000,000.00	225,000,000.00
Deductible input tax and prepay VAT	533,600,012.24	464,826,783.76
Other debt investments	2,339,082,900.00	2,339,082,902.00
Bills of acceptance for bill pools		15,404,221.89
Others		574,270.60
Total	3,097,682,912.24	3,044,888,178.25

(V) Changes in investment real estate, fixed assets, intangible assets and other long term assets.

For the six months ended June 30, 2024, The Group has disposed of certain plant and machinery equipment with a carrying amount of RMB8,379,473.27 (six months ended 30 June 2023: RMB3,704,175.88) in exchange for proceeds of RMB5,986,000.72 (Six months ended June 30, 2023: RMB5,425,058.86), and the income from the disposal were approximately RMB2,273,384.10 (six months ended 30 June 2023: income of RMB215,411.57).

For the six months ended June 30, 2024, the Group spent approximately RMB582,090,642.83 (six months ended 30 June 2023: RMB425,654,336.40), which was mainly used for construction in progress, machinery and equipment, transportation equipment, etc. and increased production capacity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VI) Short-term borrowings

Items	30 June, 2023	31 December, 2022
Pledged loan		
Credit loan	3,445,785,750.26	3,285,133,158.88
Total	3,445,785,750.26	3,285,133,158.88

(VII) Accounts payable

Items	30 June, 2024	31 December, 2023
Within 1 year	13,632,590,154.60	9,958,348,393.50
1-2 years	2,451,876,389.38	4,510,840,294.16
2-3 years	860,378,512.11	836,619,752.62
Over 3 years	1,131,749,862.93	896,452,875.31
Total	18,076,594,919.02	16,202,261,315.59

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(VIII) Non-current liabilities within one year

Items	30 June, 2024	31 December, 2023
Long-term loans due within 1 year	1,110,594,868.22	1,073,498,269.83
Long-term payables due within 1 year		40,101,383.33
Lease liabilities due within 1 year	536,423.82	1,072,847.60
Total	1,111,131,292.04	1,114,672,500.76

(IX) Share capital

Shareholder's name	30 June, 2024		Increase during the period	Decrease during the period	31 December, 2023	
	Investment amount	proportion (%)			Investment amount	proportion (%)
Harbin Electric Corporation	1,560,705,000.00	69.79			1,560,705,000.00	69.79
Overseas-listed shares	675,571,000.00	30.21			675,571,000.00	30.21
Total	2,236,276,000.00	100.00			2,236,276,000.00	100.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Incomes and division's documents

1. *Basis of reporting division and accounting policy*

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Incomes and division's documents (Continued)

1. Report Division Financial Information

(1) Divisional financial information in January 1, 2024 to June 30, 2024

Items	New power	Green and low-	Clean and	Others	Offsetting	Total
	system with new energy as the main body	carbon drive system	efficient industrial system			
(I) Operating income	11,833,871,813.73	500,275,021.05	2,357,843,776.55	5,465,803,992.45	-2,897,158,106.75	17,260,636,497.03
Including: external transaction income	9,607,496,888.28	500,275,021.05	2,146,112,730.42	5,006,751,857.28		17,260,636,497.03
Segments transaction income	2,226,374,925.45		211,731,046.13	459,052,135.17	-2,897,158,106.75	
(II) Income on investment in joint ventures and joint ventures	25,827,323.02	1,090,985.54	5,146,988.24	11,926,055.65		43,991,352.45
(III) Impairment on assets	-48,114,051.70	-2,032,410.97	-9,588,390.48	-22,217,202.21		-81,952,055.36
(IV) Credit losses	2,889,592.00	122,060.78	575,851.24	1,334,301.46	10,707,355.00	15,629,160.48
(V) Depreciation and amortization charges	274,762,151.40	11,606,372.60	54,755,870.74	126,874,500.49	-389,382.69	467,609,512.54
(VI) Total profit	573,076,000.66	24,207,604.87	114,205,232.63	264,624,261.25	-285,631,771.40	690,481,328.01
(VII) Income tax expense	87,717,257.83	3,705,310.84	17,480,700.33	40,504,426.17		149,407,695.17
(VIII) Net profit	485,358,742.83	20,502,294.03	96,724,532.30	224,119,835.08	-285,631,771.40	541,073,632.84
(IX) Total assets	66,442,264,464.81	2,806,622,651.55	13,240,921,380.31	30,680,459,711.15	-39,856,145,297.93	73,314,122,909.89
(X) Total liabilities	51,078,119,251.25	2,157,617,709.81	10,179,083,550.33	23,585,893,593.96	-28,661,143,231.08	58,339,570,874.27

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(X) Incomes and division's documents (Continued)

1. Report Division Financial Information (Continued)

(2) Divisional financial information in January 1, 2023 to June 30, 2023

Items	New power system with new energy as the main body	Green and low-carbon drive system	Clean and efficient industrial system	Others	Offsetting	Total
(I) Operating income	10,473,181,551.04	494,350,081.09	1,887,141,988.86	4,950,480,697.76	-4,041,332,217.21	13,763,822,101.53
Including: external transaction income	6,702,033,488.35	493,385,479.30	1,811,101,325.64	4,757,301,808.25		13,763,822,101.53
Segments transaction income	3,771,148,062.69	964,601.79	76,040,663.22	193,178,889.51	-4,041,332,217.21	
(II) Income on investment in joint ventures and joint ventures	3,225,736.53	152,259.67	581,239.12	1,524,746.45	-1,471,750.33	4,012,231.44
(III) Impairment on assets	-130,603,024.74	-6,164,661.19	-23,533,102.21	-61,733,652.75		-222,034,440.89
(IV) Credit losses	23,392,334.22	1,104,153.72	4,215,018.70	11,057,127.05	-9,944,527.03	29,824,106.66
(V) Depreciation and amortization charges	232,914,067.25	10,993,897.84	41,968,327.77	110,094,204.76	-3,471,287.94	392,499,209.68
(VI) Total profit	146,920,717.90	6,934,881.10	26,473,355.25	69,446,726.81	-76,960,143.92	172,815,537.14
(VII) Income tax expense	40,239,835.76	1,899,381.38	7,250,736.88	19,020,631.82	4,544.22	68,415,130.06
(VIII) Net profit	106,680,882.13	5,035,499.72	19,222,618.37	50,426,095.00	-76,964,688.14	104,400,407.08
(IX) Total assets	64,570,379,761.55	3,047,820,026.38	11,634,809,755.82	30,521,233,409.24	-40,442,864,685.64	69,331,378,267.34
(X) Total liabilities	51,092,760,708.55	2,411,655,930.56	9,206,304,081.51	24,150,610,246.79	-29,764,699,453.77	57,096,631,513.64

(XI) Administrative expenses

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XII) Credit impairment losses

Items	January to June in 2023	January to June in 2022
Bad debt loss	15,629,160.48	29,824,106.66
Total	15,629,160.48	29,824,106.66

(XIII) Impairment on assets

Items	January to June in 2023	January to June in 2022
Inventory price loss	-7,373,314.31	-20,048,274.85
Impairment loss of Contract asset	-74,578,741.05	-201,975,817.49
Fixed asset impairment loss		-10,348.55
Total	-81,952,055.36	-222,034,440.89

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XIV) Assets with limited ownership or use rights

Items	Closing book value	Reason
Monetary funds	1,138,638,993.73	Acceptance of money received, deposit of reserve deposits of the Central Bank, etc.
Fixed assets	62,607,932.16	Note 1
Intangible assets	22,271,142.94	Note 1

Note 1: The main reason is that Harbin Electric Machinery (Zhenjiang) Co., Ltd. signed three contracts with Zhenjiang Branch of Bank of China Co., Ltd. in 2014. The maximum amount of mortgage contracts, respectively: 1) with 17 sets of machinery and equipment as collateral contract number: 150319582E14061201-3, the maximum amount of the mortgage contract with the contract value of 29,937,700.00 yuan, has been repaid on September 2, 2016, and the mortgage registration has been cancelled; 2) With housing and buildings as collateral contract number: 150319582E14061201-2, the contract amount of 54,967,600.00 yuan the maximum amount of mortgage contract; 3) the mortgage contract with the land contract number: 150319582E14061201-1 and the maximum contract amount of 21,991,830.00 yuan. Including: Mortgage contract with house construction as collateral, contract number 150319582E14061201-2 expires on June 1, 2017, and mortgage contract with land as collateral, contract number 150319582E14061201-1 on June 1, 2017. Expiry; Because the relevant obligations have not been lifted, the mortgage contract is still effective.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XV) Profit before tax and amortization depreciation

Items	January to June in 2023
Net profit	541,073,632.84
Income tax expenses	149,407,695.17
Withdrawing depreciation of fixed assets	444,609,527.72
Withdrawing amortization intangible assets	23,389,367.52
Withdrawing amortization of long-term deferred expenses	973,996.90
Interests and investment income	78,506,556.78
Interests income of finance company	217,179,948.63
Interests expenses	78,368,104.12
Interests expenses of finance company	6,773,783.30
Profit before tax and amortization depreciation	948,909,602.16

(XVI) Dividend

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VII. NOTES TO KEY ITEMS IN CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(XVII) Earnings per share

Items	January to June in 2023	January to June in 2022
Net profit attributable to common shareholders of the Company	522,667,422.32	84,889,971.05
Weighted average number of ordinary shares outstanding during the period	2,236,276,000.00	1,706,523,000.00
Earnings per share	0.23	0.05

Note: There were no issued and outstanding ordinary shares with a potential dilutive effect for the six months ended June 30, 2024 and 2023, and diluted earnings per share were the same as basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VIII. RELATED PARTY AND TRANSACTION

(I) Transaction information for related party

The transaction price of the transaction between the company and the related party is the price agreed between the parties and is consistent with the transaction price of the non-related party.

1. For subsidiaries that have a control relationship and have been included in the scope of the company's consolidated financial statements, their mutual transactions and parent-subsidary transactions have been offset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

VIII. RELATED PARTY AND TRANSACTION (CONTINUED)

(I) Transaction information for related party (Continued)

2. *Continuing Connected Transaction and Connected Transaction*

The Company entered into the Entrusted Management Agreement with Harbin Electric Group Co., Ltd. on March 25, 2022. The Agreement is valid from March 23, 2022 to March 22, 2025.

The Company signed the Financial Services Framework Agreement with Harbin Electric Group Co., Ltd. on December 20, 2022. The contract is valid from December 31, 2022 to December 30, 2025.

The Company signed K Product and Service Framework Agreement with Harbin Electric Group Co., Ltd. on December 20, 2022. The contract is valid from January 1, 2023 to December 31, 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VIII. RELATED PARTY AND TRANSACTION (CONTINUED)

(I) Transaction information for related party (Continued)

2. *Continuing Connected Transaction and Connected Transaction (Continued)*

(1) Transaction information for products and services

Related party	January to June in 2024	January to June in 2023
Sales of goods – Company under the same control	1,285,501.20	
Purchase – Company under the same control	151,183,524.17	15,038,031.44
Service expense – Company under the same control	15,307,555.51	14,068,821.06

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VIII. RELATED PARTY AND TRANSACTION (CONTINUED)

(I) Transaction information for related party (Continued)

2. *Continuing Connected Transaction and Connected Transaction (Continued)*

(2) Interests to be paid for absorbing deposits

Related party	January to June in 2024	January to June in 2023
Holding company	5,221,547.95	
Company under the same control	619,170.69	
Total	5,840,718.64	

(3) Entrusted loan interest income

Related party	January to June in 2024	January to June in 2023
Company under the same control	65,804,357.30	66,836,094.17
Total	65,804,357.30	66,836,094.17

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VIII. RELATED PARTY AND TRANSACTION (CONTINUED)

(I) Transaction information for related party (Continued)

2. *Continuing Connected Transaction and Connected Transaction (Continued)*

(4) Entrusted management fee

Related party		January to June in 2024	January to June in 2023
Harbin Electric Corporation	Entrusted management fee	1,640,000.00	1,640,000.00
Total		1,640,000.00	1,640,000.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VIII. RELATED PARTY AND TRANSACTION (CONTINUED)

(I) Transaction information for related party (Continued)

2. *Continuing Connected Transaction and Connected Transaction (Continued)*

(5) Remuneration of key management

Items	January to June in 2024	January to June in 2023
Remuneration of key management	9,463,623.98	7,336,661.88

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

VIII. RELATED PARTY AND TRANSACTION (CONTINUED)

(I) Transaction information for related party (Continued)

3. Accounts receivable and payable for related party

(1) Accounts receivable

Items	Related party	30 June, 2024		30 June, 2023	
		Carrying Amount	Bad debt allowance	Carrying Amount	Bad debt allowance
Account receivables	Company under the same control	733,517.40		1,168,574.90	
Payment in advanced	Company under the same control	14,295,145.39		57,581,577.62	
Other receivables	Company under the same control	3,511,503.05		618,178.04	
Other current assets	Company under the same control	225,000,000.00		225,000,000.00	
Contract assets	Company under the same control	69,300,935.34		11,589,815.15	
Interest receivable	Company under the same control	1,765,777.78		266,623.61	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)

VIII. RELATED PARTY AND TRANSACTION (CONTINUED)

(I) Transaction information for related party (Continued)

3. *Accounts receivable and payable for related party (Continued)*

(2) Account payable Items

Items	Related party	30 June, 2023	30 June, 2022
Deposit taking	Holding company	629,756,550.52	949,525,798.24
	Company under the same control	204,672,753.03	199,113,430.58
Short-term loan	Holding company	3,255,766,308.88	2,848,133,158.88
	Company under the same control		204,393.76
Notes payable	Holding company		
	Company under the same control		204,393.76
Accounts received in advance	Holding company		
	Company under the same control	40,632,049.77	36,537,076.29
Accounts payable	Holding company		
	Company under the same control	350,959,989.26	248,461,240.22
Other payables	Holding company	6,995,504.60	6,995,504.60
	Company under the same control		56,199.12
Interest payable	Holding company	6,832,992.65	7,770,333.11
	Company under the same control	410,203.03	1,120,645.79
Long-term payables	Holding company	1,000,000.00	1,000,000.00
Special payables	Holding company	2,500,000.00	2,500,000.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the six months ended on 30 June 2024

(Unless otherwise stated, all amounts are denominated in CNY)

IX. SHARE-BASED PAYMENT

None.

X. CONTINGENCIES

(I) Contingent liabilities

1. Contingent liabilities formed by providing debt guarantee for other companies

As of June 30, 2024, the companies provided loan guarantee are as follows:

No	Guarantee company	Name	Guaranteed		Category	Anti-guarantee method	Amount	Increasing in this year	Situation of Guaranteed	Overdue situation	Sued situation
			Nature	Method							
		Total				1,306,767,865.17	206,000,000.00				
1	Harbin Electric Co., Ltd	Harbin Electric International Engineering Co., Ltd	State-owned holdings	Joint and several liability guarantee	Credit Guarantees	No Counter-Warranties	1,100,767,865.17		Normal operations	No	No
2	Harbin Electric Machinery Factory Co., Ltd	Harbin Large Electric Machinery Research Institute Co., Ltd	State-owned enterprises	Joint and several liability guarantee	Performance Bonds	No Counter-Warranties	6,000,000.00	6,000,000.00	Normal operations	No	No
3	Harbin Electric Machinery Factory Co., Ltd	Harbin Electric Machinery Factory (Zhenjiang) Co., Ltd	State-owned enterprises	Joint and several liability guarantee	Performance Bonds	No Counter-Warranties	190,000,000.00	190,000,000.00	Normal operations	No	No
4	Harbin Electric Machinery Factory Co., Ltd	Harbin National Hydropower Equipment Engineering Technology Research Center Co., Ltd	State-owned enterprises	Joint and several liability guarantee	Performance Bonds	No Counter-Warranties	10,000,000.00	10,000,000.00	Normal operations	No	No

(II) Contingent asset

As of June 30, 2024, the company has no contingent assets that need to be stated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*For the six months ended on 30 June 2024
(Unless otherwise stated, all amounts are denominated in CNY)*

XI. EVENTS AFTER THE BALANCE SHEET DATA

As of the approval date of the financial report, the company has no undisclosed balance sheet events that need be disclosed.

Harbin Electric Co., Ltd

August 28 2024

INFORMATION ON THE COMPANY

REGISTERED NAME OF THE COMPANY

哈爾濱電氣股份有限公司

ENGLISH NAME OF THE COMPANY

Harbin Electric Company Limited

REGISTERED ADDRESS OF THE COMPANY

1399 Chuangxinyi Road
Songbei District
Harbin
Heilongjiang Province
People's Republic of China
Taxpayer's Identification Number:
91230100127575573H

OFFICE ADDRESS OF THE COMPANY

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Mr. Cao Zhi-an

AUTHORISED REPRESENTATIVES

Mr. Huang Wei
Mr. Ai Li-song

COMPANY SECRETARY

Mr. Ai Li-song

JOINT COMPANY SECRETARY

Mr. Tung Tat Chiu, Michael

AUDITORS

Dahua

Certified Public Accountants LLP

LEGAL ADVISORS

as to PRC Law

Haiwen Partners

LISTING INFORMATION

H Shares

The Stock Exchange of Hong Kong
Limited

Stock Code: 1133

DEPOSITARY

The Bank of New York

SHARE REGISTER AND TRANSFER OFFICE

Hong Kong Registrars Limited