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哈尔滨电气股份有限公司

HARBIN ELECTRIC COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1133)

INTERIM RESULTS ANNOUNCEMENT 2025

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 2025, which were prepared in accordance with the Chinese Enterprises Accounting Standard. Such operating results have not been audited but have been reviewed by ShineWing Certified Public Accountants LLP.

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

CONSOLIDATED BALANCE SHEET

June 30, 2025

Prepared by: Harbin Electric Company Limited

Item	Notes	June 30, 2025	December 31, 2024
Current assets:		–	–
Monetary fund		17,913,530,103.70	16,048,827,239.42
Settlement reserves		0.00	0.00
Lendings to banks and other financial institutions		0.00	0.00
Financial assets held for trading		402,427,530.23	2,000,000.00
Derivative financial assets		0.00	0.00
Notes receivable		864,571,134.73	1,176,243,029.41
Accounts receivable	Note 8	5,344,263,790.50	5,154,322,130.03
Receivables financing		42,901,122.43	12,182,047.12
Advances to suppliers		7,922,074,571.50	8,654,036,152.62
Premiums receivable		0.00	0.00
Reinsurance accounts receivable		0.00	0.00
Reinsurance contract reserves receivable		0.00	0.00
Other receivables		1,420,938,868.13	1,127,949,613.15
Including: Interest receivable		12,946,827.81	9,019,882.59
Dividends receivable		8,842,879.26	4,681,732.00
Financial assets held under resale agreements		877,500,000.00	585,000,000.00
Inventories		16,848,478,602.13	14,581,779,526.11
Including: Data resources		0.00	0.00
Contract assets		10,940,244,356.45	9,879,012,182.45
Held-for-sale assets		0.00	0.00
Non-current assets due within one year		427,069,948.17	388,621,352.19
Other current assets		4,678,918,488.60	2,598,821,957.53
Total current assets		67,682,918,516.57	60,208,795,230.03

CONSOLIDATED BALANCE SHEET (CONTINUED)*June 30, 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	June 30, 2025	December 31, 2024
Non-current assets:		–	–
Disbursement of loans and advances to customers		0.00	0.00
Debt investments		0.00	0.00
Other debt investments		1,027,842,339.17	310,836,000.00
Long-term receivables		509,462,457.76	440,694,572.78
Long-term equity investments		936,620,243.42	889,675,508.19
Other equity instrument investments		697,565,303.52	702,075,378.54
Other non-current financial assets		0.00	0.00
Investment properties		199,411,050.24	211,509,903.78
Fixed assets		5,810,366,682.31	5,418,092,753.77
Construction in progress		1,056,907,306.97	1,273,841,923.69
Bearer biological assets		0.00	0.00
Oil and gas assets		0.00	0.00
Right-of-use assets		9,304,097.93	14,101,369.55
Intangible assets		943,755,014.55	959,594,909.77
Including: Data resources		0.00	0.00
Development expenditures		62,618,074.80	72,971,700.57
Including: Data resources		0.00	0.00
Goodwill		9,087,591.69	9,087,591.69
Long-term deferred expenses		15,115,401.80	17,175,078.23
Deferred tax assets		582,269,996.25	603,821,319.51
Other non-current assets		866,788,912.44	813,881,914.07
Including: Physical assets reserve specifically authorized		0.00	0.00
Total non-current assets		12,727,114,472.85	11,737,359,924.14
Total assets		80,410,032,989.42	71,946,155,154.17

CONSOLIDATED BALANCE SHEET (CONTINUED)*June 30, 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	June 30, 2025	December 31, 2024
Current liabilities:			
Short-term borrowings		3,626,492,748.76	4,481,698,651.76
Borrowings from the central bank		0.00	0.00
Borrowings from banks and other financial institutions		0.00	0.00
Financial liabilities held for trading		0.00	0.00
Derivative financial liabilities		0.00	0.00
Notes payable		5,181,085,997.53	2,341,448,365.28
Accounts payable	Note 9	19,509,454,390.11	16,569,328,453.81
Advances from customers		6,521,100.67	7,175,123.84
Contract liabilities		29,055,919,606.07	26,481,644,744.09
Financial assets sold under repurchase agreements		0.00	0.00
Customer bank deposits and interbank deposits		770,534,679.82	727,588,443.98
Employee compensation payable		588,791,070.84	962,479,143.31
Taxes payable		504,273,988.76	626,360,758.54
Other payables		1,417,818,863.46	462,897,601.30
Including: Interest payable		15,231,035.20	13,333,263.26
Dividends payable		510,408,535.08	2,773,883.08
Held-for-sale liabilities		0.00	0.00
Non-current liabilities due within one year		735,988,645.48	381,970,747.45
Other current liabilities		9,236,548.03	149,804,765.63
Total current liabilities		<u>61,406,117,639.53</u>	<u>53,192,396,798.99</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)*June 30, 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	June 30, 2025	December 31, 2024
Non-current liabilities:		—	—
Long-term borrowings		650,275,872.22	810,487,077.31
Bonds payable		0.00	0.00
Including: Preferred stock		0.00	0.00
Perpetual bonds		0.00	0.00
Lease liabilities		12,792,866.84	8,944,355.89
Long-term payables		21,322,155.57	21,448,357.35
Long-term employee compensation payable		279,248,478.23	279,889,194.63
Estimated liabilities		1,002,825,395.78	1,165,215,245.78
Deferred income		198,639,777.47	175,116,522.09
Deferred tax liabilities		6,628,015.07	9,765,881.47
Other non-current liabilities		10,634,422.20	93,030,491.94
Total non-current liabilities		<u>2,182,366,983.38</u>	<u>2,563,897,126.46</u>
Total liabilities		<u>63,588,484,622.91</u>	<u>55,756,293,925.45</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)*June 30, 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	June 30, 2025	December 31, 2024
Shareholders' equity		—	—
Share capital		2,236,276,000.00	2,236,276,000.00
Other equity instruments		0.00	0.00
Including: Preferred stock		0.00	0.00
Perpetual bonds		0.00	0.00
Capital reserves		5,491,563,058.67	5,491,563,058.67
Less: Treasury stocks		0.00	0.00
Other comprehensive income		-17,522,025.30	-102,281,657.96
Special reserves		75,219,446.09	60,940,261.82
Surplus reserves		973,010,437.91	973,010,437.91
General risk reserves		0.00	0.00
Retained earnings		7,364,157,846.98	6,823,254,033.56
Total shareholders' equity attributable to the parent company		16,122,704,764.35	15,482,762,134.00
Non-controlling interests		698,843,602.16	707,099,094.72
Total shareholders' equity		16,821,548,366.51	16,189,861,228.72
Total liabilities and shareholders' equity		80,410,032,989.42	71,946,155,154.17

CONSOLIDATED INCOME STATEMENT

January to June 2025

Prepared by: Harbin Electric Company Limited

Item	Notes	January to June 2025	January to June 2024
I. Total operating revenue		22,696,104,178.47	17,260,636,497.03
Including: Operating revenue	Note 1	22,474,007,780.48	17,043,456,548.40
Interest income		222,095,831.95	217,179,948.63
Fee and commission income		566.04	0.00
II. Total operating cost		21,442,004,500.37	16,640,870,337.70
Including: Operating cost		19,766,182,792.21	15,109,770,138.64
Interest expenses		2,326,441.12	6,773,783.30
Fee and commission expenses		42,007.72	23,542.84
Taxes and surcharges		98,183,589.17	66,711,084.29
Selling expenses		238,976,218.92	239,421,668.32
Administrative expenses	Note 2	758,385,864.32	658,448,508.09
R&D expenses		432,061,486.86	413,244,085.73
Financial expenses		145,846,100.05	146,477,526.49
Add: Other income		126,367,654.23	73,253,275.19
Investment Income		135,387,812.97	65,674,968.12
Income from changes in fair value		-5,830,192.40	0.00
Credit impairment loss	Note 3	-196,485,698.47	15,629,160.48
Asset impairment loss	Note 4	-93,274,801.94	-81,952,055.36
Income from assets disposal		2,408,683.04	2,273,384.10

CONSOLIDATED INCOME STATEMENT (CONTINUED)*January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	January to June 2025	January to June 2024
III. Operating profit		1,222,779,847.09	694,868,031.09
Add: Non-operating revenue		14,383,265.51	6,202,368.44
Less: Non-operating expenses		9,727,397.14	10,589,071.52
IV. Total profit		1,227,435,715.46	690,481,328.01
Less: Income tax expenses	Note 7	171,103,088.32	149,407,695.17
V. Net profit		1,056,332,627.14	541,073,632.84
(I) Classified according to operating continuity		1,056,332,627.14	541,073,632.84
1. Net profit from going concern		1,056,332,627.14	541,073,632.84
2. Net profit from discontinued operations		0.00	0.00
(II) Classified according to attribution of the ownership		1,056,332,627.14	541,073,632.84
Net profit attributable to owners of the parent company		1,050,891,055.16	522,667,422.32
Minority interest income		5,441,571.98	18,406,210.52

CONSOLIDATED INCOME STATEMENT (CONTINUED)

January to June 2025

Prepared by: Harbin Electric Company Limited

Item	Notes	January to June 2025	January to June 2024
VI. Net of tax of other comprehensive income		85,272,494.20	-17,792,289.24
Net of tax of other comprehensive income attributable to the owner of the parent company		82,407,042.92	-17,792,289.24
(I) Other comprehensive income that cannot be reclassified into profit or loss		-15,748,964.76	-7,880,220.60
1. Changes arising from re-measurement of the defined benefit plan		0.00	0.00
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		0.00	0.00
3. Changes in fair value of other equity instrument investments		-15,748,964.76	-7,880,220.60
4. Changes in fair value of the Company's credit risk		0.00	0.00

CONSOLIDATED INCOME STATEMENT (CONTINUED)*January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	January to June 2025	January to June 2024
(II) Other comprehensive income to be reclassified into profit or loss		98,156,007.68	-9,912,068.64
1. Other comprehensive income to be transferred into profit or loss under the equity method		0.00	0.00
2. Changes in fair value of other debt investments		0.00	0.00
3. Amount of financial assets reclassified into other comprehensive income		0.00	0.00
4. Provision for credit impairment of other debt investments		28,972,896.22	0.00
5. Reserves for cash flow hedge (effective parts of cash flow hedging profit or loss)		70,036,659.28	-11,151,234.83
6. Translation difference of foreign currency financial statements		-853,547.82	1,239,166.19
7. Others		0.00	0.00
Net of tax of other comprehensive income attributable to minority shareholders		2,865,451.28	0.00

CONSOLIDATED INCOME STATEMENT (CONTINUED)*January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	January to June 2025	January to June 2024
VII. Total comprehensive income		1,141,605,121.34	523,281,343.60
Total comprehensive income attributable to shareholders of the parent company		1,133,298,098.08	504,875,133.08
Total comprehensive income attributable to minority shareholders		8,307,023.26	18,406,210.52
VIII. Earnings per share		—	—
(I) Basic earnings per share		0.47	0.23
(II) Diluted earnings per share		0.47	0.23

CONSOLIDATED CASH FLOW STATEMENT

January to June 2025

Prepared by: Harbin Electric Company Limited

Item	Notes	January to June 2025	January to June 2024
I. Cash flows from operating activities:		–	–
Cash received from sales of goods and provision of services		25,227,691,402.91	19,520,528,773.72
Net increase in deposits from customers and placements from banks and other financial institutions		42,946,235.84	-207,488,596.15
Cash received from interests, fees and commissions		222,274,505.82	159,132,169.69
Net increase in repurchase business funds		-300,000,000.00	300,000,000.00
Refunds of taxes and surcharges received		126,282,034.87	183,889,756.82
Other cash received relating to operating activities		904,359,184.89	1,083,355,456.58
Subtotal of cash inflows from operating activities		26,223,553,364.33	21,039,417,560.66

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)*January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	January to June 2025	January to June 2024
Cash paid for the purchase of goods and receipt of services		16,297,606,745.02	18,027,909,009.62
Net increase in loans and advances to customers		0.00	3,900,000.00
Net increase in deposits in the central bank and other financial institutions		2,772,902,820.78	67,729,863.07
Net increase in lendings to banks and other financial institutions		0.00	600,000,000.00
Cash paid for interests, fees and commissions		1,571,804.57	2,516,961.65
Cash paid to and on behalf of employees		1,564,595,891.18	1,402,549,110.39
Taxes and surcharges paid		825,034,852.49	575,160,064.85
Other cash paid relating to operating activities		<u>1,569,747,716.98</u>	<u>1,789,800,319.81</u>
Subtotal of cash outflows from operating activities		<u>23,031,459,831.02</u>	<u>22,469,565,329.39</u>
Net cash flows from operating activities		<u>3,192,093,533.31</u>	<u>-1,430,147,768.73</u>

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

January to June 2025

Prepared by: Harbin Electric Company Limited

Item	Notes	January to June 2025	January to June 2024
II. Cash flows from investing activities:		—	—
Cash received from investment recovery		1,700,000,000.00	1,200,000,000.00
Cash received from acquirement of investment income		9,405,651.72	7,812,364.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,077,500.00	5,767,400.00
Net cash received from disposal of subsidiaries and other business entities		0.00	0.00
Other cash received relating to investing activities		0.00	947,537.23
Subtotal of cash inflows from investing activities		1,714,483,151.72	1,214,527,301.44
Cash paid for purchasing fixed assets, intangible assets and other long-term assets		625,426,005.07	582,090,642.83
Cash paid for investment		2,118,886,300.00	634,763,129.56
Net cash paid for the acquisition of subsidiaries and other business entities		0.00	0.00
Other cash paid relating to investing activities		21,327,013.60	0.00
Subtotal of cash outflows from investing activities		2,765,639,318.67	1,216,853,772.39
Net cash flows from investing activities		-1,051,156,166.95	-2,326,470.95

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

January to June 2025

Prepared by: Harbin Electric Company Limited

Item	Notes	January to June 2025	January to June 2024
III. Cash flows from financing activities:		–	–
Cash received from absorbing investment		0.00	0.00
Including: Cash received by subsidiaries from absorbing investments of minority shareholders		0.00	0.00
Cash received from borrowings		618,133,297.00	530,521,394.92
Other cash received relating to financing activities		5,000,000.00	119,164,845.15
Subtotal of cash inflows from financing activities		623,133,297.00	649,686,240.07
Cash paid for debt repayment		942,827,030.27	1,226,164,164.53
Cash paid for distributing dividends and profits or paying interests		70,711,279.29	83,234,952.43
Including: Dividends and profits paid by subsidiaries to minority shareholders		17,596,584.27	650,000.00
Other cash paid relating to financing activities		8,541,547.98	16,311,186.33
Subtotal of cash outflows from financing activities		1,022,079,857.54	1,325,710,303.29
Net cash flows from financing activities		-398,946,560.54	-676,024,063.22

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)*January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	<i>Notes</i>	January to June 2025	January to June 2024
IV. Effects from change of exchange rate on cash and cash equivalents		<u>-73,247,226.49</u>	<u>-57,414,204.55</u>
V. Net increase in cash and cash equivalents		1,668,743,579.33	-2,165,912,507.45
Add: Beginning balance of cash and cash equivalents		<u>15,173,753,371.19</u>	<u>17,364,232,108.35</u>
VI. Ending balance of cash and cash equivalents		<u><u>16,842,496,950.52</u></u>	<u><u>15,198,319,600.90</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY *January to June 2025*

Prepared by: Harbin Electric Company Limited

January to June 2025															
Shareholders' equity attributable to the parent company															
Item	Share capital	Other equity instruments			Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal	Non-controlling interests	Total shareholders' equity	
		Preferred stock	Perpetual bonds	Others											Capital reserves
I.															
Closing balance of the previous year	2,236,276,000.00	0.00	0.00	0.00	5,491,563,058.67	0.00	-102,281,657.96	60,940,261.82	973,010,437.91	0.00	6,823,254,033.56	0.00	15,482,762,134.00	707,099,094.72	16,189,861,228.72
Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections of early errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business combination under common control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II.															
Opening balance of the current year	2,236,276,000.00	0.00	0.00	0.00	5,491,563,058.67	0.00	-102,281,657.96	60,940,261.82	973,010,437.91	0.00	6,823,254,033.56	0.00	15,482,762,134.00	707,099,094.72	16,189,861,228.72
III.															
Increase or decrease in the current year (decrease to be listed with "-")															
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	84,759,632.66	14,279,184.27	0.00	0.00	540,903,813.42	0.00	639,942,630.35	-8,255,492.56	631,687,137.79
(II) Capital invested and decreased by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	82,407,042.92	0.00	0.00	0.00	1,050,891,055.16	0.00	1,133,298,098.08	8,307,023.26	1,141,605,121.34
1. Ordinary shares invested by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Capital invested by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Amount of share-based payment included in shareholders' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED) *January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	January to June 2025													
	Shareholders' equity attributable to the parent company													
	Share capital	Preferred stock	Other equity instruments	Capital reserves	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal	Non-controlling interests	Total shareholders' equity
(III) Profit distribution														
1. Appropriation to surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-507,634,652.00	0.00	-507,634,652.00	-17,596,584.27	-525,231,236.27
2. Appropriation to general risk reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Distribution to shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-507,634,652.00	0.00	-507,634,652.00	-17,596,584.27	-525,231,236.27
(IV) Internal carry-over in shareholders' equity														
1. Capital reserve transferred to share capital	0.00	0.00	0.00	0.00	0.00	2,352,589.74	0.00	0.00	0.00	-2,352,589.74	0.00	0.00	0.00	0.00
2. Surplus reserve transferred to share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Surplus reserve to recover losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

January to June 2025

Prepared by: Harbin Electric Company Limited

Item	January to June 2025													
	Shareholders' equity attributable to the parent company													
	Share capital	Preferred stock	Other equity instruments	Capital reserves	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal	Non-controlling interests	Total shareholders' equity
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Retained earnings carried forward from changes in defined benefit plan														
5. Retained earnings carried forward from other comprehensive income	0.00	0.00	0.00	0.00	0.00	2,352,589.74	0.00	0.00	0.00	-2,352,589.74	0.00	0.00	0.00	0.00
6. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Appropriation to and use of special reserves	0.00	0.00	0.00	0.00	0.00	0.00	14,279,184.27	0.00	0.00	0.00	0.00	14,279,184.27	1,034,068.45	15,313,252.72
1. Appropriation in current year	0.00	0.00	0.00	0.00	0.00	0.00	19,847,696.21	0.00	0.00	0.00	0.00	19,847,696.21	1,408,737.96	21,256,434.17
2. Use in current year	0.00	0.00	0.00	0.00	0.00	0.00	-5,568,511.94	0.00	0.00	0.00	0.00	-5,568,511.94	-374,669.51	-5,943,181.45
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Closing balance of the current year	2,236,276,000.00	0.00	0.00	5,491,563,058.67	0.00	-17,522,025.30	75,219,446.09	973,010,437.91	0.00	7,364,157,846.98	0.00	16,122,704,764.35	698,843,602.16	16,821,548,366.51

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

January to June 2025

Prepared by: Harbin Electric Company Limited

Item	Shareholders' equity attributable to the parent company											Non-controlling interests	Total shareholders' equity
	Share capital	Preferred stock	Other equity instruments	Capital reserves	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal	
I. Closing balance of the previous year	2,236,276,000.00	0.00	0.00	5,496,802,270.69	0.00	-128,370,784.80	47,489,368.36	956,816,359.27	0.00	5,255,688,935.55	0.00	13,864,702,149.07	723,093,443.51
Add: Changes in accounting policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corrections of early errors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Business combination under common control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Opening balance of the current year	2,236,276,000.00	0.00	0.00	5,496,802,270.69	0.00	-128,370,784.80	47,489,368.36	956,816,359.27	0.00	5,255,688,935.55	0.00	13,864,702,149.07	723,093,443.51
III. Increase or decrease in the current year (decrease to be listed with "-")													
(I) Total comprehensive income	0.00	0.00	0.00	-5,239,212.02	0.00	-17,792,289.24	9,776,804.93	0.00	0.00	406,381,070.32	0.00	393,126,373.99	-6,369,930.95
(II) Capital invested and decreased by shareholders	0.00	0.00	0.00	0.00	0.00	-17,792,289.24	0.00	0.00	0.00	522,667,422.32	0.00	504,875,133.08	18,406,210.52
1. Ordinary shares invested by shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,239,212.02	-14,706,516.98
2. Capital invested by holders of other equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Amount of share-based payment included in shareholders' equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Others	0.00	0.00	0.00	-5,239,212.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5,239,212.02	-19,945,729.00

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED) *January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	January to June 2024													
	Shareholders' equity attributable to the parent company													
	Share capital	Preferred stock	Other equity instruments	Capital reserves	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal	Non-controlling interests	Total shareholders' equity
(III) Profit distribution														
1. Appropriation to surplus reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-116,286,352.00	0.00	-116,286,352.00	-11,112,134.98	-127,398,486.98
2. Appropriation to general risk reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Distribution to shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-116,286,352.00	0.00	-116,286,352.00	-11,112,134.98	-127,398,486.98
4. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Internal carry-over in shareholders' equity														
1. Capital reserve transferred to share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Surplus reserve transferred to share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Surplus reserve to recover losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED) *January to June 2025*

Prepared by: Harbin Electric Company Limited

Item	January to June 2024													
	Shareholders' equity attributable to the parent company													
	Share capital	Preferred stock	Other equity instruments	Capital reserves	Less: Treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal	Non-controlling interests	Total shareholders' equity
4. Retained earnings carried forward from changes in defined benefit plan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Retained earnings carried forward from other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6. Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Appropriation to and use of special reserves	0.00	0.00	0.00	0.00	0.00	0.00	9,776,804.93	0.00	0.00	0.00	0.00	9,776,804.93	1,042,510.49	10,819,315.42
1. Appropriation in current year	0.00	0.00	0.00	0.00	0.00	0.00	18,100,744.79	0.00	0.00	0.00	0.00	18,100,744.79	1,215,652.01	19,316,396.80
2. Use in current year	0.00	0.00	0.00	0.00	0.00	0.00	-8,323,939.86	0.00	0.00	0.00	0.00	-8,323,939.86	-173,141.52	-8,497,081.38
(VI) Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV. Closing balance of the current year	2,236,276,000.00	0.00	0.00	5,491,563,058.67	0.00	-146,163,074.04	57,266,173.29	956,816,359.27	0.00	5,662,070,005.87	0.00	14,257,828,523.06	716,723,512.56	14,974,552,035.62

HARBIN ELECTRIC COMPANY LIMITED

CONSOLIDATED FINANCIAL SUMMARY

I. COMPANY PROFILE

Harbin Electric Company Limited (hereinafter referred to as “**the Company**”) was formed through the restructuring of the former state-owned enterprise Harbin Electric Corporation (hereinafter referred to as “**HE**”) and its affiliated companies former Harbin Electric Machinery Works, Harbin Boiler Works, and Harbin Turbine Works. The Company was registered and established in Harbin on October 6, 1994, and was approved for restructuring into a joint stock company listed in Hong Kong by the former State Commission for Restructuring the Economic System on November 5, 1994.

The parent company and ultimate controlling party of the Company is Harbin Electric Corporation.

The Company operates within the generator and generating set manufacturing industry, specializing in the production and sales of power generation equipment and general contracting of power station projects.

II. BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

The Financial Statements of the Group are prepared on a going concern basis, as per the actually incurred transaction and events, the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance and its application guidelines, interpretations and other relevant provisions thereof (hereinafter collectively referred to as “ASBEs”), *Preparation Rules for Information Disclosures by Companies Offering Shares to the Public No. 15 – General Provisions on Financial Reports* (revised in 2023) issued by China Securities Regulatory Commission (CSRC) and relevant regulations, and disclosure requirements in Hong Kong *Companies Ordinance* and *Listing Rules/GEM Listing Rules* of the Stock Exchange of Hong Kong, and based on the accounting policies and accounting estimates in the “Note IV. Significant Accounting Policies and Accounting Estimates”.

III. STATEMENT OF COMPLIANCE WITH ASBE

The financial statements prepared by the Company conform to the requirements of the ASBE, and truly and completely reflect the relevant information such as the financial position, the operating results and the cash flows of the Company and the Group.

Given the equivalence between the Accounting Standards for Business Enterprises of the Chinese Mainland and the Hong Kong Financial Reporting Standards, SFC and the Stock Exchange have accepted financial reports prepared under the Accounting Standards for Business Enterprises of the Chinese Mainland by Chinese Mainland-based companies listed in Hong Kong and audited by Chinese Mainland-qualified accounting firms.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

An accounting year of the Company lasts from January 1 to December 31 (Gregorian calendar).

2. Bookkeeping currency

Except for Harbin Electric International (Hong Kong) Holdings Company Limited and Hassyan International Investment Limited, subsidiaries of the Company, which use the US Dollar (USD) as their bookkeeping currency, the Company and its other subsidiaries use Renminbi (RMB) as their bookkeeping currency.

3. The Group uses RMB to prepare the financial statements.

4. Accounting method for business combination under and not under common control

(1) Where the terms, conditions, and economic effects of multiple transactions in the process of step-by-step realization of business combination meet one or more of the following conditions, these transactions shall be treated as a package transaction for accounting:

- 1) These transactions are concluded simultaneously or by taking the mutual impact into account;
- 2) These transactions as a whole can reach a complete business result;
- 3) The occurrence of one transaction depends on the occurrence of at least one other transaction;
- 4) One transaction alone is not economical, but it is when considered with other transactions.

(2) Business combination under common control

The assets and liabilities of the Company obtained from the business combination are measured according to the carrying amount of the assets and liabilities (including goodwill resulting from the acquisition of the combined party by the ultimate controlling party) of the combined party in the ultimate controlling party's Consolidated Financial Statements at the date of combination. The difference between the carrying amount of net assets obtained from the combination and that of the consideration paid for the combination (or the total par value of the shares issued) shall be adjusted to the equity premium in capital reserve, or adjusted to retained earnings if the equity premium in capital reserve is insufficient to offset.

If there is contingent consideration which is classified as estimated asset or liability, representing the difference between the amount of assets or liabilities and the amount of the contingent consideration paid subsequently, is adjusted to the capital reserves (capital premium or share capital premium). If the capital premium or share capital premium of the capital reserves is not sufficient, the remaining balance is adjusted to the retained earnings.

In case multiple transactions for the business combination are considered as a package transaction, these transactions shall be regarded as a transaction for the acquisition of control for accounting treatment; if they are not considered as a package transaction, the difference between the initial investment cost of long-term equity investment at the date when the control is acquired and the sum of carrying amount of the long-term equity investment before the combination and the carrying amount of the consideration paid at the combination date for further acquisition of shares shall be used to adjust capital surplus; if the capital surplus is insufficient for offset, the retained earnings shall be adjusted. The equity investment held prior to the combination date and recognized as other comprehensive income due to calculation by equity method or calculation as per recognition and measurement criteria of financial instruments will not be subject to accounting treatment temporarily and will be subject to accounting treatment on the same basis as that adopted by the investee for direct disposal of related assets or liabilities at the time of disposal. If it is recognized as other changes in owner's equity (excluding net profit/loss, other comprehensive income and profit distribution) in the net assets of the investee due to calculation by equity method, it will not be subject to accounting treatment temporarily and will be transferred to current profits and losses at the time of disposal.

(3) *Business combination not under common control*

The date of acquisition is the date on which the Company actually acquires control over the acquiree, i.e., the date on which control over the acquiree's net assets or production and operating decisions is transferred to the Company. The Company generally considers a transfer of control to have been achieved when the following conditions are met:

- 1) The business combination contract or agreement has been approved by the internal authority of the Company.
- 2) The matter of business combination subject to the approval of the relevant state authorities has been approved.
- 3) The necessary procedures for transferring property rights have been completed.
- 4) The Company has paid the majority of the combination price and has the ability and plan to pay the remaining amount.
- 5) The Company has actually controlled the financial and operation policies of the acquiree, shares the corresponding earnings, and takes corresponding risks.

The assets given, and the liabilities incurred or assumed by the Company as business combination consideration on the acquisition date are measured at fair value. The difference between the fair value and the carrying amount is recorded in the profit or loss for the current period.

The Company recognizes any excess of the combination cost over the fair value of the net identifiable assets acquired from the acquiree in combination as goodwill; upon reassessment, any deficiency of the combination cost below the fair value of the net identifiable assets acquired from the acquiree in combination is recognized in current profits and losses.

(4) *Costs incurred for combination*

Intermediary fees for such items as auditing, legal services, appraisal and consulting, and other directly related costs incurred for the business combination are charged to current profit or loss as incurred; transaction costs for equity securities issued for the business combination are deducted from equity if they are directly attributable to the equity transaction.

5. Segment information

The Company has structured its main businesses into three operational systems—a new-type power system centered on new energy, a clean and efficient industrial system, and a green, low-carbon drive system—based on its internal organizational structure, management requirements, and internal reporting system. At the same time, the finance company and other non-main businesses are treated as a separate business segment. Each reportable segment of the Company provides distinct products or services, or operates in different geographical regions. As each segment requires unique technologies or market strategies, the Company’s management individually oversees the operating activities of each reportable segment and periodically evaluates their operating results to determine resource allocation and assess their performance.

Inter-segment transfer prices are determined based on actual transaction prices. Indirect expenses attributable to segments are allocated proportionally according to revenue. Assets are allocated based on segment operations and physical location, while segment liabilities include liabilities attributable to the segment’s operating activities. Where liabilities are jointly incurred by multiple operating segments, such shared liabilities are allocated to these segments in proportion to the expenses borne by each.

6. Changes in accounting policies

(1) Changes in accounting policies

The Ministry of Finance issued the “Interpretation No. 18 of the Accounting Standards for Business Enterprises” (hereinafter referred to as “Interpretation No. 18”) in December 2024. In accordance with Interpretation No. 18, when accounting for the provision for liabilities arising from assurance-type quality guarantees that do not constitute a separate performance obligation, the determined amount of the provision for liabilities shall be recorded in accounts such as “Cost of main operations” and “Cost of other operations”. The Company has changed its accounting policies effective from January 1, 2024, and adjusted the financial statements for the corresponding period of the previous year. The implementation of Interpretation No. 18 has no significant impact on the profits of the Group.

The impact of the implementation of Interpretation No. 18 on the relevant items in the consolidated income statement of the Group for the six months ended June 30, 2024 is as follows:

Affected Items	Before Change	Impact Amount	After Change
Operating costs	15,095,612,044.43	14,158,094.21	15,109,770,138.64
Selling expenses	253,579,762.53	-14,158,094.21	239,421,668.32

(2) Changes in accounting estimates

There are no changes in accounting estimates in the reporting period.

V. MAIN ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Revenue and segment information

1) Determination basis and accounting policy of reportable segments

The Company has structured its main businesses into three operational systems—a new-type power system centered on new energy, a clean and efficient industrial system, and a green, low-carbon drive system—based on its internal organizational structure, management requirements, and internal reporting system. At the same time, the finance company and other non-main businesses are treated as a separate business segment. Each reportable segment of the Company provides distinct products or services, or operates in different geographical regions. As each segment requires unique technologies or market strategies, the Company’s management individually oversees the operating activities of each reportable segment and periodically evaluates their operating results to determine resource allocation and assess their performance.

Inter-segment transfer prices are determined based on actual transaction prices. Indirect expenses attributable to segments are allocated proportionally according to revenue. Assets are allocated based on segment operations and physical location, while segment liabilities include liabilities attributable to the segment's operating activities. Where liabilities are jointly incurred by multiple operating segments, such shared liabilities are allocated to these segments in proportion to the expenses borne by each.

2) *Financial information of reportable segments*

(1) Segment financial information from January to June 2025

Item	New-type power system centered on new energy	Green, low-carbon drive system	Clean and efficient industrial system	Other businesses	Offset	Total
I. Operating revenue	15,900,846,674.42	170,756,824.91	2,287,264,536.10	6,099,171,846.57	-1,761,935,703.53	22,696,104,178.47
Including: external transaction revenue	14,463,181,536.87	170,756,824.91	2,259,322,812.47	5,802,843,004.22	0.00	22,696,104,178.47
Intra-segment transaction revenue	1,437,665,137.55	0.00	27,941,723.63	296,328,842.35	-1,761,935,703.53	0.00
II. Investment income from the joint ventures and associates	28,025,566.20	300,962.38	4,031,350.34	10,749,914.64	0.00	43,107,793.56
III. Loss from asset impairment	-60,640,522.76	-651,209.55	-8,722,863.63	-23,260,206.00	0.00	-93,274,801.94
IV. Credit impairment losses	-124,969,605.94	-1,342,029.99	-17,976,309.92	-47,935,252.62	-4,262,500.00	-196,485,698.47
V. Depreciation and amortization expenses	251,164,329.21	2,697,216.33	36,128,847.39	96,340,429.99	-686,187.73	385,644,635.19
VI. Total profit	1,240,244,362.06	13,318,799.54	178,403,515.46	475,727,088.68	-680,258,050.28	1,227,435,715.46
VII. Income tax expenses	111,238,839.50	1,194,577.33	16,001,201.56	42,668,469.93	0.00	171,103,088.32
VIII. Net profit	1,129,005,522.56	12,124,222.21	162,402,313.90	433,058,618.75	-680,258,050.28	1,056,332,627.14
IX. Total assets	79,265,508,636.10	851,220,495.15	11,401,983,212.06	30,404,290,323.43	-41,512,969,677.32	80,410,032,989.42
X. Total liabilities	61,110,911,410.96	656,260,978.65	8,790,526,900.93	23,440,635,459.72	-30,409,850,127.35	63,588,484,622.91

(2) Segment financial information from January to June 2024

Item	New-type power system centered on new energy	Green, low-carbon drive system	Clean and efficient industrial system	Other businesses	Offset	Total
I. Operating revenue	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 revenue	9,607,496,888.28	500,275,021.05	2,146,112,730.42	5,006,751,857.28	0.00	17,260,636,497.03
Intra-segment transaction revenue	2,226,374,925.45	0.00	211,731,046.13	459,052,135.17	-2,897,158,106.75	0.00
II. Investment income from the joint ventures and associates	25,827,323.02	1,090,985.54	5,146,988.24	11,926,055.65	0.00	43,991,352.45
III. Loss from asset impairment	-48,114,051.70	-2,032,410.97	-9,588,390.48	-22,217,202.21	0.00	-81,952,055.36
IV. Credit impairment 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 expenses	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 expenses	87,717,257.83	3,705,310.84	17,480,700.33	40,504,426.17	0.00	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

Note 2. Administrative expenses

Item	Amount incurred in the current period	Amount in the previous period
Employee salary	381,714,576.48	325,677,609.51
Depreciation and amortization expenses	109,964,713.77	97,759,883.59
Repair expenses	64,413,040.40	69,459,679.59
Business travel expense	29,963,632.70	32,258,416.83
Labor service outsourcing expenses	23,170,180.09	14,162,991.07
Transportation expenses	13,083,758.64	12,211,411.78
Consulting service fee	14,308,604.45	7,305,902.87
Working funds for Party building	10,445,274.62	1,641,155.92
Office expenses	10,434,695.56	9,683,354.86
Utility bills	8,533,346.85	7,109,081.78
Property management fees	7,536,088.64	5,680,579.83
Intermediary agency fee	7,284,523.03	9,324,808.31
Rental expenses	6,991,745.86	1,334,560.12
Test and inspection expenses	5,277,274.23	3,374,514.32
Business entertainment expenses	5,048,486.52	8,397,515.68
Labor protection expenses	3,787,490.62	6,968,563.08
Advertising expenses	2,960,219.58	3,250,425.07
Others	53,468,212.28	42,848,053.88
Total	<u>758,385,864.32</u>	<u>658,448,508.09</u>

Note 3. Credit impairment loss

Item	Amount incurred in the current period	Amount in the previous period
Bad debt loss	-164,647,350.97	15,629,160.48
Impairment loss of other debt investments	-31,838,347.50	0.00
Total	<u>-196,485,698.47</u>	<u>15,629,160.48</u>

Note 4. Asset impairment loss

Item	Amount incurred in the current period	Amount in the previous period
Inventory impairment loss	-30,870,653.12	-7,373,314.31
Impairment loss of contract assets	-62,094,275.36	-74,578,741.05
Impairment loss of fixed assets	-309,873.46	0.00
Total	<u>-93,274,801.94</u>	<u>-81,952,055.36</u>

Note 5. Dividends

The Board of Directors does not recommend the payment of an interim dividend for the six months ended June 30, 2025. The dividend per share in 2024 was RMB0.227.

Note 6. Earnings per share

Item	Amount in the current period	Amount in the previous period
Net profit attributable to common shareholders of the parent company	1,050,891,055.16	522,667,422.32
Weighted-average number of ordinary shares issued during the period	2,236,276,000.00	2,236,276,000.00
Earnings per share	0.47	0.23
Diluted earnings per share	0.47	0.23

Note 7. Income tax

(1) Enterprise income tax

According to the relevant provisions of the Enterprise Income Tax Law, the enterprise income tax rate is reduced to 15% for new high-tech enterprises requiring major support from the State. On October 16, 2023, the Company obtained the High-tech Enterprise Certificate (Certificate No.: GR202323000783) jointly issued by the Department of Science and Technology of Heilongjiang Province, Finance Bureau of Heilongjiang Province, and Heilongjiang Provincial Tax Service, State Taxation Administration. The certificate is valid for three years, during which the Company is subject to a 15% enterprise income tax rate.

Except for certain subsidiaries entitled to a 15% enterprise income tax rate (for the six months ended June 30, 2025: 15%), other subsidiaries in China are subject to the statutory enterprise income tax rate of 25% (for the six months ended June 30, 2025: 25%).

(2) Hong Kong profits tax

The Company did not derive any assessable income liable to Hong Kong profits tax during January to June 2025. Consequently, no provision was recognized for Hong Kong profits tax.

(3) Withholding income tax

Pursuant to the Notice on the Issues Concerning Withholding the EIT on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (GSH [2008] No. 897) issued by the State Taxation Administration on November 6, 2008, Chinese resident enterprises paying dividends for 2008 and onwards to overseas non-resident enterprise shareholders of H-shares must withhold enterprise income tax at 10%. Accordingly, the Company withholds enterprise income tax at 10% when paying dividends for 2008 and onwards to overseas non-resident enterprise shareholders of H-shares.

Note 8. Accounts receivable

1. Accounts receivable presented by ageing

Ageing	Ending book value	Beginning book value
Within 1 year (including 1 year)	3,448,076,358.69	3,672,916,302.04
1-2 years	1,421,247,470.11	1,154,570,404.45
2-3 years	1,256,173,053.61	1,020,994,741.49
More than 3 years	3,265,134,614.52	3,249,961,844.75
Subtotal	9,390,631,496.93	9,098,443,292.73
Less: provision for bad debts	4,046,367,706.43	3,944,121,162.70
Total	5,344,263,790.50	5,154,322,130.03

2. Classified presentation of accounts receivable according to bad debt accrual method

Category	Book value		Ending balance Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Accounts receivable with provision for bad debts on a single basis	1,789,323,314.24	19.05	958,222,121.85	53.55	831,101,192.39
Accounts receivable with provision for bad debts on a portfolio basis	7,601,308,182.69	80.95	3,088,145,584.58	–	4,513,162,598.11
Including: Ageing portfolio	7,601,308,182.69	80.95	3,088,145,584.58	40.63	4,513,162,598.11
Total	9,390,631,496.93	100.00	4,046,367,706.43	–	5,344,263,790.50

Category	Book value		Beginning balance Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Accounts receivable with provision for bad debts on a single basis	1,799,630,050.10	19.78	817,157,376.10	45.41	982,472,674.00
Accounts receivable with provision for bad debts on a portfolio basis	7,298,813,242.63	80.22	3,126,963,786.60	–	4,171,849,456.03
Including: Ageing portfolio	7,298,813,242.63	80.22	3,126,963,786.60	42.84	4,171,849,456.03
Total	9,098,443,292.73	100.00	3,944,121,162.70	–	5,154,322,130.03

(1) Provision for bad debt made individually for accounts receivable

Description	Book value	Ending balance		Reasons for provision
		Provision for bad debts	Provision proportion (%)	
Great Leader Thermoelectric (Private) Limited	330,141,655.21	15,754,516.73	4.77	Estimated recoverable amount
Ministry of Water Resources and Irrigation of the Republic of Sudan	283,050,376.75	283,050,376.75	100.00	Expected to be irrecoverable
The 703rd Research Institute of China State Shipbuilding Corporation Limited	150,759,148.89	78,935,361.87	52.36	Expected to be completely irrecoverable
State Grid Jilin Electric Power Co., Ltd. Changchun Electric Power Supply Company	144,301,057.55	0.00	0.00	Estimated recoverable amount
Coastal Energy Private Limited	136,819,605.04	136,819,605.04	100.00	Expected to be irrecoverable
Kolin, owner of the Türkiye Soma Project	90,027,570.37	19,423,583.04	21.58	Expected to be completely irrecoverable
Freesky Aviation Co., Ltd.	62,306,158.70	62,306,158.70	100.00	Expected to be irrecoverable
Harbin Electric Corporation Biomass Power Generation (Fuyuan) Company Limited	56,745,986.84	0.00	0.00	Estimated recoverable amount
Jiangsu Delong Nickel Industry Co., Ltd.	53,280,000.00	53,280,000.00	100.00	Expected to be irrecoverable
Harbin Electric Corporation Biomass Power Generation (Wangkui) Company Limited	52,058,540.07	0.00	0.00	Estimated recoverable amount
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd.	49,000,000.00	30,843,201.70	62.95	Estimated recoverable amount
Punjab Thermal Power (Private) Limited	56,736,764.86	0.00	0.00	Estimated recoverable amount
Ministry of Electricity and Dams of Sudan	39,746,329.91	39,746,329.91	100.00	Expected to be irrecoverable
Ordos Green Energy Photoelectric Co., Ltd.	37,582,892.87	37,582,892.87	100.00	Expected to be irrecoverable
National Electricity Corporation of Sudan	55,835,863.32	55,835,863.32	100.00	Expected to be irrecoverable
Ningxia Kunpeng Clean Energy Co., Ltd.	24,120,000.00	24,120,000.00	100.00	Expected to be irrecoverable
Sinosplendor Engineering & Technology Co., Ltd.	21,880,000.00	21,880,000.00	100.00	Expected to be irrecoverable
Datang Environment Industry Group Co., Ltd. Leizhou Project Branch	21,507,908.73	21,507,908.73	100.00	Expected to be irrecoverable
Sudanese Thermal Power Generation Company, Ministry of Dams	16,298,973.22	16,298,973.22	100.00	Expected to be irrecoverable
Others	107,124,481.91	60,837,349.97	—	—
Total	1,789,323,314.24	958,222,121.85	—	—

- (2) Provision for bad debts of accounts receivable accrued as per portfolio – ageing portfolio

Ageing	Book value	Ending balance Provision for bad debts	Provision proportion (%)
Within 1 year (including 1 year)	3,046,799,857.00	122,669,206.55	4.03
1-2 years	1,043,518,964.78	259,687,737.40	24.89
2-3 years	1,061,883,824.53	530,941,912.27	50.00
More than 3 years	2,449,105,536.38	2,174,846,728.36	88.80
Total	7,601,308,182.69	3,088,145,584.58	–

3. Movement of bad debt provision made, recovered, or reversed for accounts receivable in the current period

The net amount of provision for bad debts made, recovered, or reversed during the current period amounted to RMB102,246,543.73.

4. Accounts receivable actually written off this period

No accounts receivable are actually written off in the current period.

5. Accounts receivable and contract assets with top five ending balances collected as per the borrowers

Company Name	Ending balance of accounts receivable and contract assets	Proportion in total ending balance of accounts receivable and contract assets (%)	Ending balance of the provision for bad debts for accounts receivable and contract assets
The 703rd Research Institute of China State Shipbuilding Corporation Limited	651,168,425.85	3.02	127,358,065.52
CHINERGY Co., Ltd.	557,550,366.82	2.58	502,450.60
China Nuclear Power Engineering Co., Ltd. (CNNC)	437,591,290.40	2.03	7,559,139.97
Jamshoro Power Company Limited	395,894,280.17	1.83	14,717.93
China Nuclear Power Engineering Co., Ltd. (CGN)	381,193,135.89	1.77	214,926.60
Total	2,423,397,499.13	11.23	135,649,300.62

Note 9. Accounts payable

Item	Ending balance	Beginning balance
Within 1 year (including 1 year)	15,815,962,219.85	13,256,645,526.69
1-2 years	1,524,893,678.54	1,277,035,318.60
2-3 years	812,504,825.52	798,966,792.55
More than 3 years	1,356,093,666.20	1,236,680,815.97
Total	19,509,454,390.11	16,569,328,453.81

INDUSTRY DEVELOPMENT AND BUSINESS REVIEW

In the first half of 2025, the overall operation of the Chinese economy remained stable and steadily improving, with stable growth in production demand and new driving forces. New progress was made in high-quality development, and the overall social situation remained stable. From the perspective of the power industry, China's power system operated safely and stably, with continuous green and low-carbon transformation of power supply, steady progress and improvement in power consumption, and overall balance of power supply and demand.

In the first half of 2025, China's newly installed power generation capacity reached 293.32 million kilowatts, representing a year-on-year increase of 140.56 million kilowatts, of which newly installed conventional hydropower installed capacity reached 1.10 million kilowatts, pumped storage capacity reached 2.83 million kilowatts, grid connected wind power installed capacity reached 51.39 million kilowatts, and grid connected solar power installed capacity reached 212.21 million kilowatts. The total newly installed capacity of wind power and solar power accounted for 89.9% of the newly installed power generation capacity in total. As of 30 June 2025, the total installed capacity of power generation on a consolidated basis in China was 3.65 billion kilowatts, of which thermal power was 1.47 billion kilowatts (including 1.21 billion kilowatts of coal power), hydropower was 0.44 billion kilowatts (including 61.29 million kilowatts of pumped storage capacity), nuclear power was 60.91 million kilowatts, grid connected wind power was 573 million kilowatts, and grid connected solar power was 1.10 billion kilowatts.

In the first half of 2025, the Company deeply studied and implemented the important speeches and instructions of the general secretary Xi Jinping, implemented the decisions and deployments of the Central Committee of the Communist Party of China, overcame difficulties, and worked hard together. We have achieved significant year-on-year improvements in operating revenue, profit, and formal contract signing amounts. Our business development has been steady with progress, and we have made new progress and achievements in all aspects of our work.

OPERATING RESULTS

For the six months ended 30 June 2025, the Company recorded an operating revenue of RMB22,474.01 million, representing an increase of 31.86% as compared with the same period last year. The Company recorded a net profit attributable to owners of the parent company of RMB1,050.89 million, representing an increase of 101.06% as compared with the same period last year. Earnings per share were RMB0.47, representing an increase of RMB0.24 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 RMB16,122.70 million, representing an increase of RMB639.94 million over the beginning of the year; and net assets per share were RMB7.21, representing an increase of RMB0.29 over the beginning of the year.

NEW CONTRACTS

For the six months ended 30 June 2025, the amount of formal contracts signed of the Company realized RMB35.561 billion, representing a year-on-year increase of 36.64%, of which new-type power equipment amounted to RMB19.195 billion, representing a year-on-year decrease of 1.39% (including RMB11.286 billion and a year-on-year increase of 4.17% for coal power equipment, RMB5.996 billion and a year-on-year increase of 34.26% for hydropower equipment, RMB0.867 billion and a year-on-year decrease of 71.64% for nuclear power equipment); green and low carbon driven equipment amounted to RMB376 million, representing a year-on-year decrease of 39.65%; clean and efficient industrial system amounted to RMB1.792 billion, representing a year-on-year decrease of 33.08%; EPC and trading amounted to RMB10.485 billion, representing a year-on-year increase of 3,618.09%; and modern manufacturing and service industry amounted to RMB3.713 billion, representing a year-on-year increase of 24.76%.

For the six months ended 30 June 2025, the value of export contracts by the Company amounted to RMB11.874 billion, representing a year-on-year increase of 945.25%.

The main reason for the decrease in the amount of formal contracts signed for nuclear power equipment is that the newly awarded projects have not yet taken effect and been executed due to the relatively long cycle of the projects; the reason for the significant increase in the amount of formal contracts signed for EPC and trading and exports orders is that the Company's large scale EPC projects in Saudi Arabia have taken effect and been executed while there were not any EPC projects in the same period last year.

PRODUCT OUTPUT

The capacity of the Company's power equipment produced during the six months ended 30 June 2025 was 20,120 MW, representing an increase of 39.05% as compared with the same period last year, and among which water turbine generators sets generated a total of 4,640 MW, representing an increase of 13.45% as compared with the same period last year; steam turbine generators generated a total of 15,480 MW, representing an increase of 49.13% as compared with the same period last year; utility boilers for power stations generated a total of 1,300 MW, representing a decrease of 58.20% as compared with the same period last year, and steam turbines for power stations generated a total of 9,490 MW, representing an increase of 3.72% as compared with the same period last year.

OPERATING REVENUE AND COST

For the six months ended 30 June 2025, the Company recorded an operating revenue of RMB22,474.01 million, representing a year-on-year increase of 31.86% as compared with the same period last year. In particular, new-type power equipment was RMB14,463.18 million, representing a year-on-year increase of 50.54% (including RMB9,507.21 million and a year-on-year increase of 61.87% for coal power equipment, RMB1,675.49 million and a year-on-year increase of 23.57% for hydropower equipment, RMB2,556.65 million and a year-on-year increase of 68.68% for nuclear power equipment); green and low carbon driven equipment was RMB170.76 million, representing a year-on-year decrease of 65.87%; clean and efficient industrial system was RMB2,259.32 million, representing a year-on-year increase of 5.28%; EPC and trading was RMB3,405.20 million, representing a year-on-year increase of 13.52%; and modern manufacturing and service industry was RMB1,994.57 million, representing a year-on-year increase of 26.65%.

The Company recorded an export turnover of RMB4,007.93 million, accounting for 17.83% of the operating revenue. The exports were mainly to Asia, accounting for 16.47% of the operating revenue and 92.36% of the export turnover.

The operating cost of the Company was RMB19,766.18 million, representing an increase of 30.82% as compared with the same period last year.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the six months ended 30 June 2025, the Company realized a gross profit from operating business of RMB2,707.83 million, representing an increase of 40.03% as compared with the same period last year. The gross profit margin was 12.05%, representing an increase of 0.70 percentage point as compared with the same period last year. In particular, the gross profit from new-type power equipment was RMB2,435.41 million and the gross profit margin was 16.84%, representing a year-on-year increase of 7.08 percentage points (including RMB1,678.13 million, 17.65% and a year-on-year decrease of 3.73 percentage points for coal power equipment, RMB231.65 million, 13.83% and a year-on-year increase of 3.85 percentage points for hydropower equipment, RMB425.97 million, 16.66% and a year-on-year increase of 15.51 percentage points for nuclear power equipment); the gross profit from green and low carbon driven equipment was RMB11.42 million and the gross profit margin was 6.69%, representing a year-on-year decrease of 6.53 percentage points; the gross profit from clean and efficient industrial system was RMB120.59 million and the gross profit margin was 5.34%, representing a year-on-year increase of 1.85 percentage points; the gross profit from EPC and trading was RMB-313.16 million and the gross profit margin was -9.20%, representing a year-on-year decrease of 13.48 percentage points, mainly due to the losses arising from the delay of certain projects, resulting in a significant decrease in gross profit in this period; the gross profit from modern manufacturing and service industry was RMB439.56 million and the gross profit margin was 22.04%, representing a year-on-year decrease of 26.39 percentage points, mainly due to the impact of product structure in current period, resulting in a decline in gross profit margin.

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

EXPENSES FOR THE PERIOD

For the six months ended 30 June 2025, the Company incurred expenses for the current period of RMB1,575.27 million, representing an increase of RMB117.68 million as compared with the same period last year. In particular, distribution expenses incurred amounted to RMB238.98 million, representing a decrease of RMB0.45 million as compared with the same period last year; administrative expenses incurred amounted to RMB758.39 million, representing an increase of RMB99.94 million as compared with the same period last year; R&D expenses incurred amounted to RMB432.06 million, representing an increase of RMB18.82 million as compared with the same period last year; financial costs incurred amounted to RMB145.85 million, representing a decrease of RMB0.63 million as compared with the same period last year.

ASSETS AND LIABILITIES

As at 30 June 2025, the total assets of the Company amounted to RMB80,410.03 million, representing an increase of RMB8,463.88 million or 11.76% over the beginning of the period, among which the current assets were RMB67,682.92 million, accounting for 84.17% of the total assets, and the non-current assets were RMB12,727.11 million, accounting for 15.83% of the total assets. The total liabilities of the Company amounted to RMB63,588.48 million, representing an increase of RMB7,832.19 million or 14.05% over the beginning of the period, which was mainly due to the increase in scale, resulting in the increase in notes payable, accounts payable and contract liabilities (advances from customers), among which the current liabilities were RMB61,406.12 million, accounting for 96.57% of the total liabilities, and the non-current liabilities were RMB2,182.37 million, accounting for 3.43% of the total liabilities. As at 30 June 2025, the gearing ratio of the Company was 79.08%, representing a decrease of 0.49 percentage point as compared with the same period last year.

CAPITAL AND GEARING RATIO

As at 30 June 2025, the gearing ratio of the Company (calculated as non-current liabilities over total shareholders' equity) was 0.13:1 as compared to 0.16:1 at the beginning of the period.

MONETARY CAPITAL AND CASH FLOWS

As at 30 June 2025, the monetary capital of the Company was RMB17,913.53 million, representing an increase of RMB1,864.70 million or 11.62% as compared to the beginning of the period. During the period, the net cash flow generated from operating activities of the Company was RMB3,192.09 million, representing a significant increase as compared to the same period of last year, which was mainly due to the fact that the Company has increased its efforts to recover payments and achieved positive results, while investing activities generated net cash flow of RMB-1,051.16 million and financing activities generated net cash flow of RMB-398.95 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 2025, the Company's total borrowings amounted to RMB5,012.22 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 RMB4,361.94 million, representing a decrease of RMB496.77 million as compared with the beginning of the year; the borrowings repayable after one year amounted to RMB650.28 million, representing a decrease of RMB160.21 million as compared to the beginning of the year. As at 30 June 2025, the Company's contracted liabilities were RMB29,055.92 million, representing an increase of RMB2,574.27 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 2025, the Company had made fixed assets investments of RMB478.31 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 subsidiaries. There is no significant change in the 2025 investment plan of the Company.

On 30 June 2025, the Company entered into the Capital Injection Agreement with Jiamusi Electric and Power Equipment Company, pursuant to which the Company, together with Jiamusi Electric, agreed to inject capital of RMB140 million and RMB483 million respectively to Power Equipment Company. After the capital injection, the equity interest of the Company in Power Equipment Company will reduce by 9.58%. For details, please refer to the announcement of the Company dated 30 June 2025.

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 of 30 June 2025, the Company's deposits denominated in foreign currencies were equivalent to approximately RMB543.11 million. To effectively control 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

According to the 2024 annual report, as of 31 December 2024, the funds raised by the Company's domestic share subscription in 2023 (the "**2023 Proceeds**") remained unused at RMB500 million (the "**Relevant Funds**") for replenishment of liquidity. Relevant Funds were planned to be fully used by 31 December 2025. As of 30 June 2025, Relevant Funds have been used as planned to replenish liquidity and have been fully used, and the 2023 Proceeds have been fully used as planned.

The use of the 2023 Proceeds is as follows:

Intended use of the 2023 Proceeds	Intended use amount of the 2023 Proceeds (RMB100 million)	Intended use time of the 2023 Proceeds	Amount of the 2023 Proceeds used as of 31 December 2024 (RMB100 million)	Amount of the 2023 Proceeds used as of 30 June 2025 (RMB100 million)	Remaining amount of the 2023 Proceeds and intended use time
Ordinary administrative expenses and repayment of loans	1.97	By 31 December 2023	1.97	1.97	0
Replenishment of liquidity	15	By 31 December 2025	10	15	0
Total	<u>16.97</u>		<u>11.97</u>	<u>16.97</u>	<u>0</u>

All the funds raised from the issuance of shares and bonds in the previous years had also 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, HE (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.

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 and 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 insists on placing technological innovation at the core of the overall development of the enterprise, adhering to innovation leading development, driving industrial innovation with technological innovation, promoting high-level technological self-reliance and self-improvement, accelerating the development of new quality productivity, and helping to build a modern industrial system. It continuously integrates into the national science and technology innovation system, strengthens the construction of various national level science and technology innovation platforms, and builds a science and technology innovation system with complete elements, complete functions, flexible mechanisms, and efficient collaboration. It continuously increases R&D investment, and the R&D investment increased by 62.87% year on year in the first half of the year, with a R&D investment intensity of 4.41%, and received 12 provincial and ministerial level scientific and technological awards. It strengthens original leading technology research and development, with a completion rate of 100% for the four major national science and technology projects undertaken. It has completed all the established goals for the second phase of nine key core technology research and development projects with high quality, and promoted six central enterprise innovation consortium research and development tasks as scheduled. It deepens scientific and technological innovation and open cooperation and strengthens exchanges and cooperation with Huairou National Laboratory, promoting the demonstration application of advanced coal-fired power generation technology in the 350MW Efficient and Flexible Coal-fired Power Generation Units of CHN Energy in Langfang.

In the first half of 2025, the Company independently developed China's first 16MW gas turbine prototype (HGT16), which achieved a successful first ignition and smooth full-load operation; independently developed and successfully shipped the world's first and largest 500MW pelton turbine runner with a diameter of 6.23 meters; independently completed the rotor hoisting for the Tiantai Pumped Storage Power Station, a key national project during the 14th Five-Year Plan period; undertook the renovation of Unit 2 at the Qinshan Nuclear Power Plant, China's first full-scale retrofit of a 650MW nuclear steam turbine, which achieved successful grid connection on the first attempt; manufactured and put into operation the world's first high-parameter waste-to-energy boiler with the largest daily waste processing capacity—a high-temperature, ultra-high-pressure waste incineration boiler in Thailand; participated in the construction of the Yingcheng 300MW compressed air energy storage demonstration project, the world's first 300MW-level non-supplementary combustion compressed air energy storage power station "Energy Storage No. 1", which achieved full-capacity grid-connected power generation; and participated in the construction of the Guoxin Suyan Huai'an Yanxue 300MW compressed air energy storage project, where Unit 1 achieved successful grid connection on the first attempt.

EMPLOYEES, REMUNERATION, STOCK OPTION PLAN AND TRAINING

As at 30 June 2025, the Company has a total of 11,143 employees, and the total remuneration amounted to RMB1,031.04 million.

To incentivize key employees, the Company has implemented the Share Appreciation Rights Incentive Plan. As confirmed by the Board, the Company's performance for the year 2023 has met the performance targets for the third exercise period of the plan. The Company is currently organizing the participants to exercise their rights for the third exercise period, with the exercise validity period ending on 28 January 2026. For details, please refer to the circular dated 11 January 2021, the announcement dated 29 January 2021 and the 2024 annual report of the Company.

In the first half of 2025, there was no significant change in the Company's remuneration policy.

In the first half of 2025, the Company organized 1,298 classes in total for training and trained 33,056 persons.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

PROSPECTS

According to the forecast of China Electricity Council (CEC), the newly installed capacity in China in 2025 is expected to exceed 500 million kilowatts, a new high. In particular, the newly installed capacity of new energy power generation is to reach approximately 400 million kilowatts. It is expected that by the end of 2025, China's installed power generation capacity is to reach approximately 3.9 billion kilowatts, representing a year-on-year increase of 16.5%. Among them, the installed capacity of non-fossil energy generating power will total to approximately 2.4 billion kilowatts, accounting for 61% of the total installed capacity. In particular, the installed capacity of hydropower, grid-connected wind power, grid-connected solar power, nuclear power and biomass power will reach 450 million kilowatts, 640 million kilowatts, 1,200 million kilowatts, 65 million kilowatts and 48 million kilowatts, respectively. Thermal power will reach 1.55 billion kilowatts, including 1.27 billion kilowatts of coal-fired power, accounting for less than one third of the total installed capacity.

In the second half of 2025, the Company will continue to focus on serving national strategies and advancing the high-quality development of the manufacturing sector. We will uphold an efficiency-and-benefit-centered approach to solidify the foundation for high-quality growth, further enhance quality and efficiency, continuously improve corporate profitability and cost competitiveness, actively respond to changes in market conditions, and fully boost market share, ensuring that effective qualitative improvement and rational quantitative growth are integrated throughout our development process. We will persist in fostering new quality productive forces through technological innovation, comprehensively enhance the overall effectiveness of our innovation system, continue to increase R&D investment, tackle key core technologies, strengthen original innovation, and accelerate the building of a well-structured and high-caliber talent team to provide human and intellectual support for the Company's advancement. We will adhere to deepening comprehensive reforms to build first-class governance capabilities, carry out all-around reforms aligned with market economic principles and intrinsic corporate development needs, continuously optimize resource allocation for strategy implementation, and focus on coordinating investment scale and optimizing investment structure in technological innovation, industrial upgrading, and digital transformation to tangibly enhance investment efficiency. We will commit to constructing a lean management system with distinctive corporate features, strictly improve quality across the board, meet user needs and market expectations with high-quality products, reinforce the concept of safe development, improve intrinsic safety levels, and strengthen comprehensive safeguards against major risks. Staying steadfast in our annual targets, we will drive new achievements in high-quality development and deliver better performance to reward our shareholders.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As of 30 June 2025, 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 2025, 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 2025, 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

During the six months ended 30 June 2025, 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

During the six months ended 30 June 2025, 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 2025, the guarantees provided by the Company to its subsidiaries and the guarantees between subsidiaries of the Company amounted to RMB303.00 million in aggregate. There was no external guarantee of the Company.

PLEDGE OF ASSETS

As at 30 June 2025, the Company pledged its assets of RMB289.84 million (as at 30 June 2024: RMB84.88 million) to secure loans for liquidity.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, 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.

On 9 July 2025, Mr. Cao Zhi-an tendered a resignation letter to the Board to resign from the positions as an executive Director and the chairman of the Company due to reassignment of job positions, and the Board elected Mr. Huang Wei as the chairman of the Company. At the same time, Mr. Huang Wei resigned as the president of the Company. Therefore, as at the date of this report, the number of the Board members has temporarily fallen below the number of members as required under the articles of association of the Company, and the position of president in the Company is temporarily vacant.

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 2025. Members of the Audit Committee of the Company include: Mr. Gao Yi-bin, Mr. He Yu, Mr. Pan Qi-long and Ms. Niu Xiang-chun.

AUDITORS

ShineWing 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 2025 in accordance with the requirements of "China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statement".

SHAREHOLDERS' MEETING

On 23 May 2025, 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 following directors attended the annual general meeting, the H shares class meeting and the domestic shares class meeting: Mr. Cao Zhi-an, Mr. Du Xing-kai, Mr. He Yu, Mr. Pan Qi-long, Ms. Niu Xiang-chun and Mr. Gao Yi-bin. For the results of relevant meetings, please refer to the announcement of the Company dated 23 May 2025.

OTHER DISCLOSEABLE INFORMATION

As at 30 June 2025, the Company did not have any information which was required to be disclosed pursuant to Rules 40.3(a) to (j) 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 2025 are available for inspection at the head office of the Company at 1399 Chuangxinyi Road, Songbei District, Harbin, the PRC.

By Order of the Board
Harbin Electric Company Limited
Ai Li-song
Company Secretary

Harbin, the PRC, 28 August 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Huang Wei and Mr. Du Xing-kai; and the independent non-executive Directors of the Company are Mr. He Yu, Mr. Pan Qi-long, Ms. Niu Xiang-chun and Mr. Gao Yi-bin.