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 2026

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 2026, 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, 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**June 30, 2026**	December 31, 2025
Current assets:		**–**	–
Monetary fund		**20,109,049,667.75**	15,245,928,716.21
Settlement reserves		**0.00**	0.00
Lendings to banks and other financial institutions		**0.00**	0.00
Financial assets held for trading		**2,000,000.00**	2,000,000.00
Derivative financial assets		**0.00**	0.00
Notes receivable		**747,537,061.53**	608,511,782.89
Accounts receivable	Note 8	**6,252,968,327.85**	5,759,220,668.60
Receivables financing		**742,817,834.41**	570,947,744.81
Advances to suppliers		**7,380,736,718.34**	7,844,056,661.37
Premiums receivable		**0.00**	0.00
Reinsurance accounts receivable		**0.00**	0.00
Reinsurance contract reserves receivable		**0.00**	0.00
Other receivables		**1,294,337,647.20**	1,048,305,666.41
Including: Interest receivable		**15,156,565.09**	10,941,635.51
Dividends receivable		**12,874,821.31**	8,842,879.26
Financial assets held under resale agreements		**975,000,000.00**	1,072,500,000.00
Inventories		**20,250,440,250.96**	18,856,189,846.69
Including: Data resources		**0.00**	0.00
Contract assets		**10,703,925,632.86**	9,078,279,080.29
Held-for-sale assets		**0.00**	0.00
Non-current assets due within one year		**508,692,129.85**	471,894,177.66
Other current assets		**4,553,914,640.90**	4,392,650,137.09
Total current assets		**73,521,419,911.65**	64,950,484,482.02

CONSOLIDATED BALANCE SHEET (CONTINUED)
June 30, 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	June 30, 2026	December 31, 2025
Non-current assets:		**–**	–
Disbursement of loans and advances to customers		**0.00**	0.00
Debt investments		**0.00**	0.00
Other debt investments		**1,012,399,380.68**	1,010,844,608.08
Long-term receivables		**601,156,405.11**	607,481,090.17
Long-term equity investments		**1,538,752,037.04**	1,456,292,677.92
Other equity instrument investments		**526,775,750.78**	807,494,380.89
Other non-current financial assets		**0.00**	0.00
Investment properties		**189,501,608.50**	194,265,674.38
Fixed assets		**6,755,061,892.31**	6,720,446,609.37
Construction in progress		**436,967,130.07**	517,433,811.07
Bearer biological assets		**0.00**	0.00
Oil and gas assets		**0.00**	0.00
Right-of-use assets		**9,194,602.59**	13,401,594.56
Intangible assets		**994,394,517.54**	1,031,082,088.34
Including: Data resources		**0.00**	0.00
Development expenditures		**70,945,754.71**	70,009,430.39
Including: Data resources		**0.00**	0.00
Goodwill		**0.00**	0.00
Long-term deferred expenses		**17,462,583.47**	21,090,329.68
Deferred tax assets		**790,911,805.39**	792,653,176.63
Other non-current assets		**469,991,633.08**	469,815,517.39
Including: Physical assets reserve specifically authorized		**0.00**	0.00
Total non-current assets		**13,413,515,101.27**	13,712,310,988.87
Total assets		**86,934,935,012.92**	78,662,795,470.89

CONSOLIDATED BALANCE SHEET (CONTINUED)
June 30, 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**June 30, 2026**	December 31, 2025
Current liabilities:		**–**	–
Short-term borrowings		**3,646,130,373.43**	3,858,171,045.87
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		**1,465,963,747.71**	1,844,560,816.94
Accounts payable	Note 9	**18,671,009,916.02**	13,899,099,770.11
Advances from customers		**0.00**	0.00
Contract liabilities		**37,037,406,457.15**	34,084,749,651.29
Financial assets sold under repurchase agreements		**0.00**	0.00
Customer bank deposits and interbank deposits		**822,705,181.51**	799,351,790.47
Employee compensation payable		**703,611,003.79**	1,152,570,535.31
Taxes payable		**313,454,344.67**	527,334,616.51
Other payables		**1,454,011,109.48**	413,233,532.43
Including: Interest payable		**8,758,466.70**	7,198,762.54
Dividends payable		**803,359,804.53**	2,772,996.53
Held-for-sale liabilities		**0.00**	0.00
Non-current liabilities due within one year		**342,907,881.34**	322,778,137.32
Other current liabilities		**463,293,292.81**	647,966,508.65
Total current liabilities		**64,920,493,307.91**	57,549,816,404.90

CONSOLIDATED BALANCE SHEET (CONTINUED)
June 30, 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**June 30, 2026**	December 31, 2025
Non-current liabilities:		**–**	–
Long-term borrowings		**292,928,900.59**	252,162,846.82
Bonds payable		**0.00**	0.00
Including: Preferred stock		**0.00**	0.00
Perpetual bonds		**0.00**	0.00
Lease liabilities		**3,104,064.65**	3,489,629.62
Long-term payables		**20,232,639.43**	20,232,639.43
Long-term employee compensation payable		**250,513,826.83**	251,064,822.91
Estimated liabilities		**1,747,183,297.11**	1,827,255,473.16
Deferred income		**246,470,864.86**	277,260,013.60
Deferred tax liabilities		**5,115,431.40**	5,249,501.44
Other non-current liabilities		**1,495,000.00**	0.00
Total non-current liabilities		**2,567,044,024.87**	2,636,714,926.98
Total liabilities		**67,487,537,332.78**	60,186,531,331.88

CONSOLIDATED BALANCE SHEET (CONTINUED)
June 30, 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**June 30, 2026**	December 31, 2025
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		**5,491,796,378.02**	5,491,563,058.67
Less: Treasury stocks		**0.00**	0.00
Other comprehensive income		**31,532,380.50**	58,895,147.51
Special reserves		**75,851,954.86**	62,650,692.88
Surplus reserves		**1,033,247,486.89**	1,033,247,486.89
General risk reserves		**0.00**	0.00
Retained earnings		**9,912,097,270.79**	8,918,841,633.88
Total shareholders' equity attributable to the parent company		**18,780,801,471.06**	17,801,474,019.83
Non-controlling interests		**666,596,209.08**	674,790,119.18
Total shareholders' equity		**19,447,397,680.14**	18,476,264,139.01
Total liabilities and shareholders' equity		**86,934,935,012.92**	78,662,795,470.89

CONSOLIDATED INCOME STATEMENT
January to June 2026

Prepared by: Harbin Electric Company Limited

Item		*Notes*	**January to June 2026**	January to June 2025
I.	**Total operating revenue**		**24,996,823,074.14**	22,696,104,178.47
	Including: Operating revenue	Note 1	**24,799,157,892.05**	22,474,007,780.48
	Interest income		**197,665,182.09**	222,095,831.95
	Fee and commission income		**0.00**	566.04
II.	**Total operating cost**		**22,950,488,365.52**	21,442,004,500.37
	Including: Operating cost		**21,079,848,238.35**	19,766,182,792.21
	Interest expenses		**3,248,417.72**	2,326,441.12
	Fee and commission expenses		**266,484.39**	42,007.72
	Taxes and surcharges		**120,991,535.85**	98,183,589.17
	Selling expenses		**281,452,526.77**	238,976,218.92
	Administrative expenses	Note 2	**861,879,870.36**	758,385,864.32
	R&D expenses		**460,574,196.73**	432,061,486.86
	Financial expenses		**142,227,095.35**	145,846,100.05
	Add: Other income		**107,142,242.77**	126,367,654.23
	Investment income		**75,286,713.20**	135,387,812.97
	Exchange income		**7,124.41**	106,711.56
	Income from changes in fair value		**3,603,025.00**	-5,830,192.40
	Credit impairment loss	Note 3	**-231,082,794.02**	-196,485,698.47
	Asset impairment loss	Note 4	**8,726,490.83**	-93,274,801.94
	Income from assets disposal		**49,306.90**	2,408,683.04

CONSOLIDATED INCOME STATEMENT (CONTINUED)
January to June 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**January to June 2026**	January to June 2025
III. Operating profit		**2,010,066,817.71**	1,222,779,847.09
Add: Non-operating revenue		**51,669,249.59**	14,383,265.51
Less: Non-operating expenses		**5,038,681.14**	9,727,397.14
IV. Total profit		**2,056,697,386.16**	1,227,435,715.46
Less: Income tax expenses	Note 7	**334,762,770.33**	171,103,088.32
V. Net profit		**1,721,934,615.83**	1,056,332,627.14
(I) Classified according to operating continuity		**–**	–
1. Net profit from going concern		**1,721,934,615.83**	1,056,332,627.14
2. Net profit from discontinued operations		**0.00**	0.00
(II) Classified according to attribution of the ownership		**–**	–
1. Net profit attributable to owners of the parent company		**1,717,898,111.62**	1,050,891,055.16
2. Minority interest income		**4,036,504.21**	5,441,571.98
VI. Net of tax of other comprehensive income		**46,580,995.75**	85,272,494.20
Net of tax of other comprehensive income attributable to the owner of the parent company		**48,581,566.28**	82,407,042.92

CONSOLIDATED INCOME STATEMENT (CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**January to June 2026**	January to June 2025
(I) Other comprehensive income that cannot be reclassified into profit or loss		**74,371,741.87**	-15,748,964.76
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		**74,371,741.87**	-15,748,964.76
4. Changes in fair value of the Company's credit risk		**0.00**	0.00
(II) Other comprehensive income to be reclassified into profit or loss		**-25,790,175.59**	98,156,007.68
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		**-12,523,048.44**	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		**-7,704,942.50**	28,972,896.22

CONSOLIDATED INCOME STATEMENT (CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**January to June 2026**	January to June 2025
5. Reserves for cash flow hedge (effective parts of cash flow hedging profit or loss)		**-1,270,750.00**	70,036,659.28
6. Translation difference of foreign currency financial statements		**-4,291,434.65**	-853,547.82
7. Others		**0.00**	0.00
Net of tax of other comprehensive income attributable to minority shareholders		**-2,000,570.53**	2,865,451.28
VII. Total comprehensive income		**1,768,515,611.58**	1,141,605,121.34
Total comprehensive income attributable to shareholders of the parent company		**1,766,479,677.90**	1,133,298,098.08
Total comprehensive income attributable to minority shareholders		**2,035,933.68**	8,307,023.26
VIII. Earnings per share		**–**	–
(I) Basic earnings per share	Note 6	**0.77**	0.47
(II) Diluted earnings per share		**0.77**	0.47

CONSOLIDATED CASH FLOW STATEMENT

January to June 2026

Prepared by: Harbin Electric Company Limited

Item		Notes	**January to June 2026**	January to June 2025
I.	**Cash flows from operating activities:**		**–**	–
	Cash received from sales of goods and provision of services		**26,099,765,537.82**	25,227,691,402.91
	Net increase in deposits from customers and placements from banks and other financial institutions		**23,353,391.04**	42,946,235.84
	Net increase in borrowings from other financial institutions		**61,989,065.36**	0.00
	Cash received from interests, fees and commissions		**194,687,676.95**	222,274,505.82
	Net increase in repurchase business funds		**100,000,000.00**	-300,000,000.00
	Refunds of taxes and surcharges received		**105,285,064.14**	126,282,034.87
	Other cash received relating to operating activities		**1,384,124,983.36**	904,359,184.89
	Subtotal of cash inflows from operating activities		**27,969,205,718.67**	26,223,553,364.33

CONSOLIDATED CASH FLOW STATEMENT(CONTINUED)
January to June 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**January to June 2026**	January to June 2025
Cash paid for the purchase of goods and receipt of services		**17,877,966,605.40**	16,297,606,745.02
Net increase in loans and advances to customers		**0.00**	0.00
Net increase in deposits in the central bank and other financial institutions		**78,173,497.06**	2,772,902,820.78
Net increase in lendings to banks and other financial institutions		**0.00**	0.00
Cash paid for interests, fees and commissions		**6,857,683.54**	1,571,804.57
Cash paid to and on behalf of employees		**1,745,127,792.60**	1,564,595,891.18
Taxes and surcharges paid		**1,388,331,006.35**	825,034,852.49
Other cash paid relating to operating activities		**524,987,886.14**	1,569,747,716.98
Subtotal of cash outflows from operating activities		**21,621,444,471.09**	23,031,459,831.02
Net cash flows from operating activities		**6,347,761,247.58**	3,192,093,533.31

CONSOLIDATED CASH FLOW STATEMENT(CONTINUED)
January to June 2026

Prepared by: Harbin Electric Company Limited

Item		*Notes*	**January to June 2026**	January to June 2025
II.	**Cash flows from investing activities:**		**–**	–
	Cash received from investment recovery		**2,110,158,116.90**	1,700,000,000.00
	Cash received from acquirement of investment income		**3,549,485.15**	9,405,651.72
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**16,059.00**	5,077,500.00
	Net cash received from disposal of subsidiaries and other business entities		**0.00**	0.00
	Other cash received relating to investing activities		**0.00**	0.00
	Subtotal of cash inflows from investing activities		**2,113,723,661.05**	1,714,483,151.72
	Cash paid for purchasing fixed assets, intangible assets and other long-term assets		**509,876,116.39**	625,426,005.07
	Cash paid for investment		**1,906,272,802.31**	2,118,886,300.00
	Net cash paid for the acquisition of subsidiaries and other business entities		**0.00**	0.00
	Other cash paid relating to investing activities		**0.00**	21,327,013.60
	Subtotal of cash outflows from investing activities		**2,416,148,918.70**	2,765,639,318.67
	Net cash flows from investing activities		**-302,425,257.65**	-1,051,156,166.95

CONSOLIDATED CASH FLOW STATEMENT(CONTINUED)
January to June 2026

Prepared by: Harbin Electric Company Limited

Item	*Notes*	**January to June 2026**	January to June 2025
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		**15,823,820.00**	618,133,297.00
Other cash received relating to financing activities		**0.00**	5,000,000.00
Subtotal of cash inflows from financing activities		**15,823,820.00**	623,133,297.00
Cash paid for debt repayment		**228,571,000.00**	942,827,030.27
Cash paid for distributing dividends and profits or paying interests		**55,372,007.49**	70,711,279.29
Including: Dividends and profits paid by subsidiaries to minority shareholders		**7,697,225.85**	17,596,584.27
Other cash paid relating to financing activities		**4,032,948.55**	8,541,547.98
Subtotal of cash outflows from financing activities		**287,975,956.04**	1,022,079,857.54
Net cash flows from financing activities		**-272,152,136.04**	-398,946,560.54

CONSOLIDATED CASH FLOW STATEMENT(CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

Item		*Notes*	**January to June 2026**	January to June 2025
IV.	**Effects from change of exchange rate on cash and cash equivalents**		**-110,285,542.12**	-73,247,226.49
V.	**Net increase in cash and cash equivalents**		**5,662,898,311.77**	1,668,743,579.33
	Add: Beginning balance of cash and cash equivalents		**14,193,537,323.25**	15,173,753,371.19
VI.	**Ending balance of cash and cash equivalents**		**19,856,435,635.02**	16,842,496,950.52

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January to June 2026

Prepared by: Harbin Electric Company Limited

Item	January to June 2026														
	Shareholders' equity attributable to the parent company														
		Other equity instruments													
	Share capital	Preferred stock	Perpetual bonds	Others	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
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	58,895,147.51	62,650,692.88	1,033,247,486.89	0.00	8,918,841,633.88	0.00	17,801,474,019.83	674,790,119.18	18,476,264,139.01
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	58,895,147.51	62,650,692.88	1,033,247,486.89	0.00	8,918,841,633.88	0.00	17,801,474,019.83	674,790,119.18	18,476,264,139.01
III. Increase or decrease in the current year (decrease to be listed with "-")	0.00	0.00	0.00	0.00	233,319.35	0.00	-27,362,767.01	13,201,261.98	0.00	0.00	993,255,636.91	0.00	979,327,451.23	-8,193,910.10	971,133,541.13
(I) Total comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	48,581,566.28	0.00	0.00	0.00	1,717,898,111.62	0.00	1,766,479,677.90	2,035,933.68	1,768,515,611.58
(II) Capital invested and decreased by shareholders	0.00	0.00	0.00	0.00	233,319.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	233,319.35	-3,865,274.97	-3,631,955.62
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	233,319.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	233,319.35	-3,865,274.97	-3,631,955.62

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

Item	January to June 2026														
	Shareholders' equity attributable to the parent company														
		Other equity instruments													
	Share capital	Preferred stock	Perpetual bonds	Others	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-800,586,808.00	0.00	-800,586,808.00	-7,697,225.85	-808,284,033.85
1. Appropriation to surplus 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	0.00
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	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	-800,586,808.00	0.00	-800,586,808.00	-7,697,225.85	-808,284,033.85
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
(IV) Internal carry-over in shareholders' equity	0.00	0.00	0.00	0.00	0.00	0.00	-75,944,333.29	0.00	0.00	0.00	75,944,333.29	0.00	0.00	0.00	0.00
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	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	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	0.00
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	0.00
5. Retained earnings carried forward from other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	-75,944,333.29	0.00	0.00	0.00	75,944,333.29	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	0.00

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

	January to June 2026														
	Shareholders' equity attributable to the parent company														
		Other equity instruments													
Item	Share capital	Preferred stock	Perpetual bonds	Others	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
(V) Appropriation to and use of special reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,201,261.98	0.00	0.00	0.00	0.00	13,201,261.98	1,332,657.04	14,533,919.02
1. Appropriation in current year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,561,676.14	0.00	0.00	0.00	0.00	20,561,676.14	1,685,273.45	22,246,949.59
2. Use in current year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-7,360,414.16	0.00	0.00	0.00	0.00	-7,360,414.16	-352,616.41	-7,713,030.57
(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	0.00
IV. Closing balance of the current year	2,236,276,000.00	0.00	0.00	0.00	5,491,796,378.02	0.00	31,532,380.50	75,851,954.86	1,033,247,486.89	0.00	9,912,097,270.79	0.00	18,780,801,471.06	666,596,209.08	19,447,397,680.14

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

Item	January to June 2025														
	Shareholders' equity attributable to the parent company														
	Share capital	Other equity instruments: Preferred stock	Other equity instruments: Perpetual bonds	Other equity instruments: Others	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
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 "-")	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
(I) Total comprehensive income	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
(II) Capital invested and decreased 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
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 OWNERS' EQUITY (CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

Item	January to June 2025														
	Shareholders' equity attributable to the parent company														
		Other equity instruments													
	Share capital	Preferred stock	Perpetual bonds	Others	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	0.00	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
1. Appropriation to surplus 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	0.00
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	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	-507,634,652.00	0.00	-507,634,652.00	-17,596,584.27	-525,231,236.27
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
(IV) Internal carry-over in shareholders' equity	0.00	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
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	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	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	0.00
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	0.00
5. Retained earnings carried forward from other comprehensive income	0.00	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	0.00

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

January to June 2026

Prepared by: Harbin Electric Company Limited

Item	January to June 2025														
	Shareholders' equity attributable to the parent company														
		Other equity instruments													
	Share capital	Preferred stock	Perpetual bonds	Others	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
(V) Appropriation to and use of special reserves	0.00	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	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	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	0.00
IV. Closing balance of the current year	2,236,276,000.00	0.00	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

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

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

(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 2026

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	17,216,100,641.08	277,017,857.30	2,664,346,936.68	6,371,975,028.93	-1,532,617,389.85	24,996,823,074.14
	Including: external transaction revenue	15,940,555,737.05	277,017,857.30	2,620,672,112.51	6,158,577,367.28	0.00	24,996,823,074.14
	Intra-segment transaction revenue	1,275,544,904.03	0.00	43,674,824.17	213,397,661.65	-1,532,617,389.85	0.00
II.	Investment income from the joint ventures and associates	38,167,092.99	614,132.46	5,906,702.07	14,126,297.73	0.00	58,814,225.25
III.	Asset impairment losses	5,662,997.10	91,121.18	876,399.91	2,095,972.64	0.00	8,726,490.83
IV.	Credit impairment losses	-138,927,578.68	-2,235,431.88	-21,500,296.52	-51,419,486.94	-17,000,000.00	-231,082,794.02
V.	Depreciation and amortization expenses	342,296,611.82	5,507,767.17	52,973,489.65	126,689,864.83	834,590.25	528,302,323.72
VI.	Total profit	2,218,006,254.59	35,689,111.78	343,256,483.75	820,922,272.87	-1,361,176,736.83	2,056,697,386.16
VII.	Income tax expenses	217,242,031.65	3,495,560.54	33,620,164.84	80,405,013.30	0.00	334,762,770.33
VIII.	Net profit	2,000,764,222.94	32,193,551.23	309,636,318.91	740,517,259.58	-1,361,176,736.83	1,721,934,615.83
IX.	Total assets	82,224,112,106.54	1,323,037,534.98	12,724,923,359.80	30,432,558,454.53	-39,769,696,442.93	86,934,935,012.92
X.	Total liabilities	62,381,066,341.80	1,003,750,483.01	9,654,032,959.01	23,088,305,842.00	-28,639,618,293.04	67,487,537,332.78

2) 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. Asset impairment losses	-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

Note 2. Administrative expenses

Item	Amount in the current period	Amount in the previous period
Employee salary	**386,241,114.48**	381,714,576.48
Repair expenses	**151,169,364.98**	64,413,040.40
Depreciation and amortization expenses	**116,332,784.86**	109,964,713.77
Business travel expense	**41,424,100.74**	29,963,632.70
Labor service outsourcing expenses	**25,040,722.25**	23,170,180.09
Transportation expenses	**10,699,992.84**	13,083,758.64
Intermediary agency fee	**10,210,293.78**	7,284,523.03
Utility bills	**9,026,875.29**	8,533,346.85
Office expenses	**8,426,348.72**	10,434,695.56
Test and inspection expenses	**8,169,483.55**	5,277,274.23
Property management fees	**7,896,579.09**	7,536,088.64
Consulting service fee	**7,788,345.85**	14,308,604.45
Working funds for Party building	**4,737,196.70**	10,445,274.62
Advertising expenses	**3,769,009.81**	2,960,219.58
Rental expenses	**3,155,398.72**	6,991,745.86
Labor protection expenses	**2,754,909.93**	3,787,490.62
Business entertainment expenses	**2,662,564.19**	5,048,486.52
Others	**62,374,784.58**	53,468,212.28
Total	**861,879,870.36**	758,385,864.32

Note 3. Credit impairment loss

Item	Amount in the current period	Amount in the previous period
Bad debt loss	**-229,131,297.84**	-164,647,350.97
Impairment loss of other debt investments	**-4,451,496.18**	-31,838,347.50
Other impairment losses	**2,500,000.00**	0.00
Total	**-231,082,794.02**	-196,485,698.47

Note 4. Asset impairment loss

Item	Amount in the current period	Amount in the previous period
Inventory impairment loss	**10,914,594.29**	-30,870,653.12
Impairment loss of contract assets	**-1,708,548.30**	-62,094,275.36
Impairment loss of fixed assets	**-479,555.16**	-309,873.46
Total	**8,726,490.83**	-93,274,801.94

Note 5. Dividends

The Board of Directors does not recommend the payment of an interim dividend for the six months ended June 30, 2026. The dividend per share in 2025 was RMB0.358.

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	**1,717,898,111.62**	1,050,891,055.16
Weighted-average number of ordinary shares issued during the period	**2,236,276,000.00**	2,236,276,000.00
Earnings per share	**0.77**	0.47
Diluted earnings per share	**0.77**	0.47

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, 2026: 15%), other subsidiaries in China are subject to the statutory enterprise income tax rate of 25% (for the six months ended June 30, 2026: 25%).

(2) Hong Kong profits tax

The Company did not derive any assessable income liable to Hong Kong profits tax during January to June 2026. 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)	**4,613,980,187.21**	4,530,416,926.70
1-2 years	**1,902,307,457.62**	1,372,137,203.96
2-3 years	**636,128,329.85**	890,130,956.15
Over 3 years	**2,892,365,650.83**	2,523,325,930.98
Subtotal	**10,044,781,625.51**	9,316,011,017.79
Less: provision for bad debts	**3,791,813,297.66**	3,556,790,349.19
Total	**6,252,968,327.85**	5,759,220,668.60

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

	Ending balance				
	Book value		**Provision for bad debts**		
Category	**Amount**	**Proportion** (%)	**Amount**	**Provision proportion** (%)	**Carrying amount**
Provision for bad debts on a single basis	**1,071,700,096.72**	**10.67**	948,757,357.26	88.53	122,942,739.46
Provision for bad debts on a portfolio basis	**8,973,081,528.79**	**89.33**	2,843,055,940.40	–	6,130,025,588.39
Including: Ageing portfolio	**8,966,778,775.02**	**89.27**	2,843,055,940.40	31.71	6,123,722,834.62
Portfolio of related parties	**6,302,753.77**	**0.06**	0.00	0.00	6,302,753.77
Total	**10,044,781,625.51**	**100.00**	3,791,813,297.66	–	6,252,968,327.85

	Beginning balance				
	Book value		Provision for bad debts		
Category	Amount	Proportion (%)	Amount	Provision proportion (%)	Carrying amount
Provision for bad debts on a single basis	1,199,063,221.29	12.87	990,012,752.01	82.57	209,050,469.28
Provision for bad debts on a portfolio basis	8,116,947,796.50	87.13	2,566,777,597.18	–	5,550,170,199.32
Including: Ageing portfolio	8,109,496,025.61	87.05	2,566,777,597.18	31.65	5,542,718,428.43
Portfolio of related parties	7,451,770.89	0.08	0.00	0.00	7,451,770.89
Total	9,316,011,017.79	100.00	3,556,790,349.19	–	5,759,220,668.60

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

Description	Ending balance Book value	 Provision for bad debts	 Provision proportion *(%)*	 Reasons for provision
Ministry of Water Resources and Irrigation of the Republic of Sudan	**269,302,351.16**	269,302,351.16	100.00	Expected to be irrecoverable
Coastal Energy Private Limited	**130,174,146.90**	130,174,146.90	100.00	Expected to be irrecoverable
Kolin, owner of the Türkiye Soma Project	**85,034,070.02**	85,034,070.02	100.00	Expected to be irrecoverable
Dehui Ruilong Biomass Power Generation Co., Ltd.	**76,537,715.03**	44,215,120.92	57.77	Expected to be recoverable
Fuyuan Ruilong Biomass Power Generation Co., Ltd.	**56,745,986.84**	28,499,410.74	50.22	Expected to be recoverable
Jiangsu Delong Nickel Industry Co., Ltd.	**53,280,000.00**	53,280,000.00	100.00	Expected to be irrecoverable
National Electricity Corporation of Sudan	**53,123,862.42**	53,123,862.42	100.00	Expected to be irrecoverable
Wangkui Ruilong Biomass Power Generation Co., Ltd.	**52,058,540.07**	17,883,001.84	34.35	Expected to be recoverable
China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd.	**49,000,000.00**	39,200,000.00	80.00	Expected to be recoverable
Ministry of Electricity and Dams of Sudan	**37,815,812.92**	37,815,812.92	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
Ningxia Changyi Clean Energy Co., Ltd.	**25,748,000.00**	25,748,000.00	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
Beijing Haoshenghe Biotechnology Co., Ltd.	**17,236,278.00**	17,236,278.00	100.00	Expected to be irrecoverable
Sudanese Thermal Power Generation Company, Ministry of Dams	**15,507,316.62**	15,507,316.62	100.00	Expected to be irrecoverable
Others	**69,165,215.14**	50,767,184.12	–	–
Total	**1,071,700,096.72**	948,757,357.26	–	–

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

Ageing	Ending balance Book value Amount	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	**4,580,189,443.91**	51.08	216,492,176.06
1-2 years	**1,675,970,781.10**	18.69	418,992,695.31
2-3 years	**620,918,808.23**	6.92	310,459,404.40
Over 3 years	**2,089,699,741.78**	23.31	1,897,111,664.63
Total	**8,966,778,775.02**	100.00	2,843,055,940.40

(Cont'd)

Ageing	Beginning balance Book value Amount	Proportion (%)	Provision for bad debts
Within 1 year (including 1 year)	**4,213,563,319.88**	51.96	208,991,833.60
1-2 years	**1,321,785,758.89**	16.30	330,446,440.05
2-3 years	**796,765,938.59**	9.83	398,382,969.40
Over 3 years	**1,777,381,008.25**	21.91	1,628,956,354.13
Total	**8,109,496,025.61**	100.00	2,566,777,597.18

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

Category	Beginning balance	Change of amount in the current period Accrual	Recovery or reversal	Charge or write-off	Others	Ending balance
Provision for bad debts	3,556,790,349.19	251,470,411.70	16,471,242.26	0.00	23,779.03	3,791,813,297.66

Significant recovery or reversal of bad debt provision for the current period:

Company name	Amount	Reason for reversal	Method	Basis and rationality for determining the proportion of original provision for bad debts
Beijing Haoshenghe Biotechnology Co., Ltd.	12,124,640.60	**Recovery**	Recovery	Collection difficulties

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	Ending balance of contract assets	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	329,324,892.16	**175,781,291.60**	505,106,183.76	2.28	95,274,982.30
CHINERGY Co., Ltd.	226,355,903.78	**247,227,356.76**	473,583,260.54	2.14	11,317,795.18
China National Water Resources & Electric Power Materials & Equipment Group Co., Ltd.	145,027,730.59	**303,945,875.86**	448,973,606.45	2.03	16,733,536.54
China Nuclear Power Engineering Co., Ltd. (CGN)	27,299,710.01	**406,756,116.24**	434,055,826.25	1.96	1,451,041.61
Hassyan Coal-fired Power Plant Project Company	0.00	**517,289,419.02**	517,289,419.02	2.34	252,276,925.32
Total	728,008,236.54	**1,651,000,059.48**	2,379,008,296.02	10.75	377,054,280.95

Note 9. Accounts payable

Item	Ending balance	Beginning balance
Within 1 year (including 1 year)	**14,093,283,290.29**	10,290,219,613.15
1-2 years	**2,106,277,714.43**	1,759,535,046.65
2-3 years	**913,803,674.63**	627,614,853.29
Over 3 years	**1,557,645,236.67**	1,221,730,257.02
Total	**18,671,009,916.02**	13,899,099,770.11

INDUSTRY DEVELOPMENT AND BUSINESS REVIEW

In the first half of 2026, China adhered to the general working principle of pursuing progress while ensuring stability, fully, accurately and comprehensively applied the new development philosophy, accelerated the fostering of a new development pattern, strived to promote high-quality development, and implemented more proactive and effective macro policies. The economy withstood pressures and operated within a reasonable range, showing a development trend featured by new driving forces and improved structure. From the perspective of the power industry, China's power consumption was characterised by growing total volume, improved structure and new driving forces. China's power system operated safely and stably, the power supply structure underwent continuous green and low-carbon transformation, and power supply and demand remained generally balanced. China's newly installed power generation capacity reached 159 million kilowatts, of which thermal power was 38.36 million kilowatts, hydropower was 6.03 million kilowatts, nuclear power was 3.62 million kilowatts, grid-connected wind power was 38.62 million kilowatts, and grid-connected solar power was 72.07 million kilowatts. As of 30 June 2026, the total installed capacity of power generation on a consolidated basis in China stood at 4.043 billion kilowatts, of which thermal power was 1.569 billion kilowatts, conventional hydropower was 385 million kilowatts, and pumped-storage hydropower was 69 million kilowatts, nuclear power was 66 million kilowatts, grid-connected wind power was 679 million kilowatts, and grid-connected solar power was 1.274 billion kilowatts.

In the first half of 2026, the Company deeply studied and implemented the important speeches and important instructions of General Secretary Xi Jinping and the decisions and deployments of the Central Committee of the Communist Party of China, remained unwaveringly anchored on its full-year targets, strengthened confidence, forged ahead with resolve, fulfilled its responsibilities, maintained a development momentum of steady progress, and achieved steady improvement in operational quality and efficiency.

OPERATING RESULTS

In the first half of 2026, the Company recorded an operating revenue of RMB24,799.16 million, representing an increase of 10.35% as compared with the same period last year. The Company recorded a net profit attributable to owners of the parent company of RMB1,717.90 million, representing an increase of 63.47% as compared with the same period last year. Earnings per share were RMB0.77, representing an increase of RMB0.30 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 RMB18,780.80 million, representing an increase of RMB979.33 million over the beginning of the year; and net assets per share were RMB8.40, representing an increase of RMB0.44 over the beginning of the year.

NEW CONTRACTS

In the first half of 2026, the amount of formal contracts signed of the Company realized RMB36.040 billion, representing a year-on-year increase of 1.35%, of which new-type power equipment amounted to RMB27.102 billion, representing a year-on-year increase of 41.19% (including RMB16.014 billion and a year-on-year increase of 41.89% for coal power equipment, RMB6.312 billion and a year-on-year increase of 5.27% for hydropower equipment, RMB2.686 billion and a year-on-year increase of 209.80% for nuclear power equipment); green and low carbon driven equipment amounted to RMB247 million, representing a year-on-year decrease of 34.31%; clean and efficient industrial system amounted to RMB2.066 billion, representing a year-on-year increase of 15.29%; EPC and trading amounted to RMB2.964 billion, representing a year-on-year decrease of 71.73%; and modern manufacturing and service industry amounted to RMB3.661 billion, representing a year-on-year decrease of 1.40%.

In the first half of 2026, the value of export contracts by the Company amounted to RMB4.862 billion, representing a year-on-year decrease of 59.05%.

The main reason for the significant year-on-year increase in the amount of formal contracts signed for coal power and nuclear power equipment is that the previously awarded and signed projects have taken effect and been executed; the reason for the significant year-on-year decrease in the amount of formal contracts signed for EPC and trading and export orders is that the Company's large-scale EPC projects in Saudi Arabia took effect and were executed in the same period of last year, while no new large-scale EPC projects of similar scale have taken effect and been executed in the corresponding period of the current year.

PRODUCT OUTPUT

The capacity of the Company's power equipment produced in the first half of 2026 was 25,430 MW, representing an increase of 26.38% as compared with the same period last year, and among which water turbine generators sets generated a total of 8,060 MW, representing an increase of 73.72% as compared with the same period last year; steam turbine generators generated a total of 17,370 MW, representing an increase of 12.19% as compared with the same period last year; utility boilers for power stations generated a total of 9,270 MW, representing an increase of 611.87% as compared with the same period last year, and steam turbines for power stations generated a total of 15,400 MW, representing an increase of 62.24% as compared with the same period last year.

OPERATING REVENUE AND COST

In the first half of 2026, the Company recorded an operating revenue of RMB24,799.16 million, representing a year-on-year increase of 10.35% as compared with the same period last year. In particular, new-type power equipment was RMB15,940.56 million, representing a year-on-year increase of 10.21% (including RMB10,297.03 million and a year-on-year increase of 8.31% for coal power industry, RMB2,382.91 million and a year-on-year increase of 42.22% for hydropower industry, RMB1,970.37 million and a year-on-year decrease of 22.93% for nuclear power industry); green and low carbon driven equipment was RMB277.02 million, representing a year-on-year increase of 62.23%; clean and efficient industrial system was RMB2,620.67 million, representing a year-on-year increase of 15.99%; EPC and trading was RMB4,717.15 million, representing a year-on-year increase of 38.53%; and modern manufacturing and service industry was RMB1,077.12 million, representing a year-on-year decrease of 46.00%.

The Company recorded an export turnover of RMB4,181.03 million, accounting for 16.86% of the operating revenue. The exports were mainly concentrated on Saudi Arabia and Pakistan, accounting for 14.96% of the operating revenue and 88.71% of the export turnover.

The operating cost of the Company was RMB21,079.85 million, representing an increase of 6.65% as compared with the same period last year, and the growth rate of operating cost was lower than that of operating revenue.

GROSS PROFIT AND GROSS PROFIT MARGIN

In the first half of 2026, the Company realized a gross profit from operating business of RMB3,719.31 million, representing an increase of 37.35% as compared with the same period last year. The gross profit margin was 15.00%, representing an increase of 2.95 percentage points as compared with the same period last year. In particular, the gross profit from new type power equipment was RMB2,887.36 million and the gross profit margin was 18.11%, representing a year on year increase of 1.27 percentage points (including RMB2,100.90 million, 20.40% and a year-on-year increase of 2.75 percentage points for coal power equipment, RMB391.48 million, 16.43% and a year-on-year increase of 2.60 percentage points for hydropower equipment, RMB273.59 million, 13.89% and a year-on-year decrease of 2.78 percentage points for nuclear power equipment); the gross profit from green and low carbon driven equipment was RMB41.19 million and the gross profit margin was 14.87%, representing a year-on-year increase of 8.18 percentage points; the gross profit from clean and efficient industrial system was RMB126.01 million and the gross profit margin was 4.81%, representing a year-on-year decrease of 0.53 percentage points; the gross profit from EPC and trading was RMB365.84 million and the gross profit margin was 7.76%, representing a year-on-year increase of 16.95 percentage points; the gross profit from modern manufacturing and service industry was RMB225.35 million and the gross profit margin was 20.92%, representing a year-on-year decrease of 1.12 percentage points.

The slight increase in the Company's gross profit margin was mainly due to the improvement in profitability as compared with the same period last year as a result of the fact that the Company further improved quality and efficiency and strengthened cost control.

EXPENSES FOR THE PERIOD

In the first half of 2026, the Company incurred expenses for the current period of RMB1,746.13 million, representing an increase of RMB170.86 million as compared with the same period last year. In particular, distribution expenses incurred amounted to RMB281.45 million, representing an increase of RMB42.48 million as compared with the same period last year; administrative expenses incurred amounted to RMB861.88 million, representing an increase of RMB103.49 million as compared with the same period last year; R&D expenses incurred amounted to RMB460.57 million, representing an increase of RMB28.51 million as compared with the same period last year; financial costs incurred amounted to RMB142.23 million, representing a decrease of RMB3.62 million as compared with the same period last year.

ASSETS AND LIABILITIES

As at 30 June 2026, the total assets of the Company amounted to RMB86,934.94 million, representing an increase of RMB8,272.14 million or 10.52% over the beginning of the period, among which the current assets were RMB73,521.42 million, accounting for 84.57% of the total assets, and the non-current assets were RMB13,413.52 million, accounting for 15.43% of the total assets. The total liabilities of the Company amounted to RMB67,487.54 million, representing an increase of RMB7,301.01 million or 12.13% over the beginning of the period, which was mainly due to the growth in business scale resulting in the increase in accounts payable and contract liabilities (advances from customers), among which the current liabilities were RMB64,920.49 million, accounting for 96.20% of the total liabilities, and the non-current liabilities were RMB2,567.04 million, accounting for 3.80% of the total liabilities. As at 30 June 2026, the gearing ratio of the Company was 77.63%, representing a decrease of 1.45 percentage points as compared with the same period last year.

CAPITAL AND GEARING RATIO

As at 30 June 2026, the gearing ratio of the Company (calculated as non-current liabilities over total shareholders' equity) was 0.13:1 as compared to 0.14:1 at the beginning of the period.

MONETARY CAPITAL AND CASH FLOWS

As at 30 June 2026, the monetary capital of the Company was RMB20,109.05 million, representing an increase of RMB4,863.12 million or 31.90% as compared to the beginning of the period. During the period, the net cash flow generated from operating activities of the Company was RMB6,347.76 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-302.43 million and financing activities generated net cash flow of RMB-272.15 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 2026, the Company's total borrowings amounted to RMB4,281.96 million, all of which amounts were borrowed from various commercial banks and state-policy banks at LPR and entrusted loan of national funds. Among those borrowings, the amount repayable within one year amounted to RMB3,989.03 million, representing a decrease of RMB191.91 million as compared with the beginning of the year; the borrowings repayable after one year amounted to RMB292.93 million, representing a decrease of RMB37.10 million as compared to the beginning of the year. As at 30 June 2026, the Company's contracted liabilities were RMB37,037.41 million, representing an increase of RMB2,952.66 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

In the first half of 2026, the Company had made fixed assets investments of RMB559.00 million, which were mainly utilized for investment in technical measures and technical transformation for maintaining the normal production and operation of nuclear power, gas-fired power and hydropower industry layout capability guarantee projects and subsidiaries. There is no significant change in the 2026 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 of 30 June 2026, the Company's deposits denominated in foreign currencies were equivalent to approximately RMB2,796.87 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

The funds raised by the Company from the issuance of shares and bonds in previous years have been fully utilised in accordance with the intended purposes and timelines as planned. No funds were raised by the Company during the reporting period.

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 29 January 2016 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 22 June 2016, corporations including five subsidiaries of the Company, namely Harbin Boiler Company Limited, Harbin Electric Machinery Company Limited, Harbin Turbine Company Limited, HE (QHD) Heavy Equipment Company Limited and HE Harbin Power Plant Valve Company Limited were recognised as High and New Technology Enterprises, and shall 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 Ministry of Finance and the State Administration of Taxation on Improving the Policy of Value-Added Tax Credit Refund* (《財政部稅務總局關於完善增值稅期末留抵退稅政策的公告》) in 2025, 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

In the first half of 2026, the Company adhered to enhancing core competitiveness through the in-depth integration of technological innovation and industrial innovation, adhered to innovation leading development, promoted high-level technological self-reliance and self-improvement, accelerated the development of new quality productivity, and helped to build a modern industrial system underpinned by advanced manufacturing. 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; R&D investment increased by 24.85% year-on-year in the first half of the year, with a R&D investment intensity of 5.00%. A total of 16 new national-level, provincial and ministerial-level R&D tasks were added. The completion rate of milestone targets for the undertaken major national science and technology projects reached 100%. The Phase-III tasks of key core technology research and development projects, research tasks of central enterprise innovation consortiums and scientific research projects of the Green and Low-Carbon Energy Innovation Institute were advanced as scheduled. It deepens scientific and technological innovation and open cooperation, continues to strengthen in-depth cooperation with Huairou National Laboratory, and carries out the development task for the Jinshan Project of Mengneng Group, a demonstration project under the major special project of new-generation coal-fired power technology.

In the first half of 2026, all four 425MW water turbine generator units of the Zhejiang Tiantai Pumped-Storage Power Station, the pumped-storage power station with the world's rated highest water head and China's largest single-unit capacity independently developed by the Company, were put into grid-connected power generation. The world's first 50-MW 4-pole salient-pole distributed phase-modulator independently developed by the Company passed verification and was officially put into operation. The domestic first 16-MW gas turbine prototype (HGT16) independently developed by the Company completed the full-load test of the natural gas generator. Three sets of 85-MW vertical-shaft mixed-flow water-turbine generator units of the Huaneng Zangmu Hydropower Station, Tibet's first large-scale hydropower station independently developed by the Company, successfully passed the project completion acceptance. The Company independently tackled the key technologies for G115 heat-resistant steel series valves, and the supporting valves have been applied to the Datang Yuncheng 630 ℃ double-reheat million-kilowatt unit. Unit 2 of the Guoxin Suyan Huai'an Salt-Cavern Compressed-Air Energy Storage Demonstration Project, the world's largest-scale compressed-air energy storage power station in which the Company participated in the development, achieved successful grid-connection on the first attempt and realised full-load power generation simultaneously.

EMPLOYEES, REMUNERATION, STOCK OPTION PLAN AND TRAINING

As at 30 June 2026, the Company has a total of 11,118 employees, and the total remuneration amounted to RMB1,129.69 million.

In the first half of 2026, there was no significant change in the Company's remuneration policy.

In the first half of 2026, the Company organized a total of 1,164 training sessions with 52,246 participants.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026.

PROSPECTS

According to the forecast of China Electricity Council (CEC), the newly installed power generation capacity across China in 2026 is expected to reach 400 million kilowatts, and the installed capacity of solar power generation will surpass that of coal-fired power in the third quarter. By the end of 2026, China's total installed power generation capacity will reach approximately 4.3 billion kilowatts, among which the installed capacity of non-fossil energy power generation will stand at about 2.7 billion kilowatts, accounting for around 63% of the total installed capacity. The cumulative installed capacity of wind power and solar power generation will account for half of the total installed power generation capacity, while the proportion of coal-fired power installed capacity in the total installed capacity will drop to approximately 31%. The 15th Five-Year Plan for the Development of the New-Type Energy System proposes that by 2030, China's conventional hydropower installed capacity will reach about 410 million kilowatts, the in-operation nuclear power installed capacity about 110 million kilowatts, pumped-storage installed capacity about 160 million kilowatts, and new-type energy storage installed capacity about 300 million kilowatts. The Action Plan for Energy Conservation and Carbon Reduction in the Energy Sector (2026-2028) puts forward to close a batch of eligible coal-fired generating units of 300,000-kilowatt class and below in a prudent and orderly manner, encourage the construction of replacement units in compliance with requirements for new-generation coal-fired power, and promote the implementation of cross-generational upgrading and transformation to ultra-(super-)critical standards for a number of 600,000-kilowatt class coal-fired generating units.

In the second half of 2026, the Company will grasp the development direction from the full perspective of national strategies, seize development opportunities amid the optimisation and adjustment of the energy supply-demand structure, and forge core competitiveness for a high-quality start of the 15th Five-Year Plan period. We will keep pressing ahead towards the full-year targets and tasks, and strive to elevate high-quality development to new heights with the resolve of making steady progress through solid work and forging ahead to overcome challenges. We will continuously improve efficiency and benefits with higher standards, accumulate development potential by firmly establishing the concept of value creation, go all out to secure more high-quality orders, and steadily enhance our capacity to generate operating cash flows. We will foster new quality productive forces with greater efforts, comprehensively boost the effectiveness of national-level innovation platforms, step up efforts to tackle key core technologies, deepen the development of new industries to empower transformation and upgrading, and adapt to new development needs through comprehensive digital-intelligent transformation. We will strictly enforce the "Six Guarantees" requirements (guarantee targets for projects under research, guarantee delivery for projects under manufacturing, guarantee performance for newly commissioned projects, guarantee stability for in-operation projects, guarantee performance for international projects, and guarantee safety in production and operation), complete scientific research tasks with high quality and efficiency, continuously deliver on commitments in practice, and fully foster a safe and stable development environment. We will continue to deepen reforms with more practical measures, accelerate the establishment of a lean operation and management system, raise the level of compliance management by running the enterprise in accordance with the law, and advance new development under the 15th Five-Year Plan at a high standard. We will make new and greater contributions to advancing the building of a strong country and the great cause of national rejuvenation through Chinese-style modernisation, and repay shareholders for their attention and support with better operating results.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

As at 30 June 2026, 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%
JP Morgan Chase & Co.	H shares	43,477,641	Beneficial owner/Investment manager/Person entitled to a security interest in the shares/Approved lending agent	6.44%	1.94%
Citigroup Inc.	H shares	34,201,312	Beneficial owner/Investment manager/Person entitled to a security interest in the shares/Approved lending agent	5.06%	1.53%

Save as disclosed above, as at 30 June 2026, 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.

INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In the first half of 2026, none of the Directors, Supervisors and Senior Management of the Company and their associates had or were deemed to have any interests and short positions in any shares, underlying shares or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under the SFO), or which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules.

THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules. Upon making specific enquiries to the Directors and Supervisors, it is confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for Securities Transactions by Directors of Listed Issuers throughout the period.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 22 May 2026, the Company conducted a comprehensive revision to its Articles of Association in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed. For details, please refer to the announcement of the Company dated 22 May 2026 concerning the details of the Articles of Association.

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

In the first half of 2026, neither the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, the Company held no treasury shares.

CONTINGENT LIABILITIES

As at 30 June 2026, the guarantees provided by the Company to its subsidiaries and the guarantees between subsidiaries of the Company amounted to RMB10.73 million in aggregate. There was no external guarantee of the Company.

PLEDGE OF ASSETS

As at 30 June 2026, the Company pledged its assets of RMB275.95 million (as at 30 June 2025: RMB289.84 million) to secure loans for liquidity.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the first half of 2026, by strictly complying with relevant provisions such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, the Company has fully complied with the provisions set out in the Corporate Governance Code in Appendix C1 of the Listing Rules and, where appropriate, adopted the recommended best practices as specified therein.

The Board of the Company is responsible for the corporate governance functions. In the first half of 2026, the Board has strictly observed the policies and practices in compliance with laws and regulatory requirements, and also enacted and amended its regulations with reference to those policies and practices, with an aim to perfect our corporate governance policies and practices. The Company continues to focus on the training and continuous professional development of directors and senior management, and actively carries out internal review and rectification work to improve the level of the Company's governance.

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 2026. Members of the Audit Committee of the Company include: Mr. Gao Yi-bin, Mr. He Yu, Ms. Niu Xiang-chun and Mr. Li Xie-hua.

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 2026 in accordance with the requirements of "China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statement".

SHAREHOLDERS' MEETING

On 22 May 2026, 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. Huang Wei, Mr. Liu Qing-yong, Mr. Du Xing-kai, Mr. He Yu, Ms. Niu Xiang-chun, Mr. Gao Yi-bin and Mr. Li Xie-hua. For the results of relevant meetings, please refer to the announcement of the Company dated 22 May 2026 on the poll results of the general meeting.

OTHER DISCLOSEABLE INFORMATION

In the first half of 2026, the Company did not have any other 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 2026 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, 26 August 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Huang Wei, Mr. Liu Qing-yong and Mr. Du Xing-kai; and the independent non-executive Directors of the Company are Mr. He Yu, Ms. Niu Xiang-chun, Mr. Gao Yi-bin and Mr. Li Xie-hua.