哈尔滨电气股份有限公司

HARBIN ELECTRIC COMPANY LIMITED

(a joint stock compan incorporated in the People's Rep blic of China ith limited liabilit)

(Stock Code: 1133)

INTERIM RESULTS ANNOUNCEMENT 2018

Board

Company

Group

CONSOLIDATION BALANCE SHEET

Item	June 30, 2018	
Current assets:		
	9,609,472,261.01	
△		
△	200,000,000.00	
	1,028,636,621.75	
	14,518,972,764.04	
	3,964,352,058.72	
△		
△		
△		
	1,030,155,061.77	
△		
	10,962,769,279.71	
	3,295,260,464.02	
	439,925,646.35	
	3,676,585,761.88	
	49,300,000.00	
	2,677,121,050.53	
Total current assets	47,717,364,859.41	

CONSOLIDATION BALANCE SHEET (CONTINUED)

Item	June 30, 2018	[illegible]
Non-current assets:		
△[illegible]	10,776,306.00	[illegible]
[illegible]		
[illegible]		
[illegible]	4,007,882.07	[illegible]
[illegible]	214,117,000.54	[illegible]
[illegible]	107,095,000.00	[illegible]
[illegible]		
[illegible]	233,426,761.59	[illegible]
[illegible]	13,546,049,165.93	[illegible]
[illegible]	7,695,494,734.38	[illegible]
[illegible]	5,850,554,431.55	[illegible]
[illegible]	48,442,947.49	[illegible]
[illegible]	5,802,111,484.06	[illegible]
[illegible]	875,887,341.18	[illegible]
[illegible]		
[illegible]		
[illegible]	774,747,929.21	[illegible]
[illegible]	279,733,601.33	[illegible]
[illegible]		
[illegible]	37,076,791.74	[illegible]
[illegible]	435,428,166.55	[illegible]
[illegible]		
[illegible]		
Total non-current assets	8,774,408,264.27	[illegible]
Total assets	56,491,773,123.68	[illegible]

CONSOLIDATION BALANCE SHEET (CONTINUED)

Item	June 30, 2018	[illegible]
Current liabilities:		
	1,382,623,534.19	[illegible]
△		
△	1,563,132,585.80	[illegible]
△	300,000,000.00	
	18,276,609,521.90	[illegible]
		[illegible]
	16,190,208,363.72	
△		
△		
	287,387,435.90	[illegible]
	72,004,055.11	[illegible]
	4,946,903.98	
	222,104,563.79	[illegible]
	213,728,240.89	[illegible]
	221,809,493.22	[illegible]
△		
△		
△		
△		
		[illegible]
	170,173.80	[illegible]
TOTAL CURRENT LIABILITIES	**38,444,045,672.32**	[illegible]

CONSOLIDATION BALANCE SHEET (CONTINUED)

Item	June 30, 2018	
Non-current liabilities:		
	500,000,000.00	
	485,953,994.29	
	141,039,180.93	
	574,964,304.08	
	155,982,266.09	
TOTAL NON-CURRENT LIABILITIES	1,857,939,745.39	
TOTAL LIABILITIES	40,301,985,417.71	

CONSOLIDATION BALANCE SHEET (CONTINUED)

Item	June 30, 2018	
Owners' (Shareholders') equity:		
	1,706,523,000.00	
	1,030,952,000.00	
	1,030,952,000.00	
	675,571,000.00	
	1,706,523,000.00	
	3,704,487,494.12	
	-190,451.03	
	148,504.77	
	26,115,497.27	
	786,529,945.86	
	786,529,945.86	
△		
	8,680,839,288.58	
	14,904,304,774.80	
	1,285,482,931.17	
TOTAL OWNERS' (SHAREHOLDERS') EQUITY	16,189,787,705.97	
TOTAL LIABILITIES AND OWNERS' (SHAREHOLDERS') EQUITY	56,491,773,123.68	

CONSOLIDATED INCOME STATEMENT

Item	January to June 2018
I. Total operating income	12,978,747,387.39
	12,731,936,330.66
△	246,772,517.95
△	
△	
	38,538.78
II. Total operating cost	12,842,227,104.72
	11,216,343,737.26
△	6,230,313.71
△	10,337.62
△	
△	
△	
△	
△	
	101,237,278.86
	237,364,912.58
	757,860,374.13
	20,746.83
	137,705,140.13
	65,222,739.57
	86,412,707.43
	29,402,604.12
	3,959,921.87
	320,252,270.86
	4,061,461.07
	42,539,960.96
	429,708.77
	317,323.85
△	-1,003.45

CONSOLIDATED INCOME STATEMENT (CONTINUED)

Item	January to June 2018
III. Operating profits (“-” for losses)	**183,438,025.10**
	22,413,873.87
	2,088,940.04
	4,534,605.91
	61,084,827.05
	1,336,090.76
IV. Total profits (“-” for total losses)	**144,767,071.92**
	78,533,914.49
V. Net profit (“-” for net losses)	**66,233,157.43**
	66,233,157.43
	30,768,718.70
	35,464,438.73

CONSOLIDATED INCOME STATEMENT (CONTINUED)

Item	January to June 2018
VI. Other comprehensive income, net of tax	**839,834.09**
	839,834.09
	839,834.09
	839,834.09
VII. Total comprehensive income	**67,072,991.52**
	31,608,552.79
	35,464,438.73
VIII. Earnings per share:	
	0.02
	0.02

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Item	January to June 2018	[illegible]
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
[illegible]	9,886,201,809.98	[illegible]
△ [illegible]	760,140,116.11	[illegible]
△ [illegible]		
△ [illegible]	100,000,000.00	
△ [illegible]		
△ [illegible]		
△ [illegible]		
△ [illegible]		
△ [illegible]	246,110,704.83	[illegible]
△ [illegible]		
△ [illegible]	59,445,903.94	[illegible]
[illegible]	279,014,827.25	[illegible]
Sub-total of cash inflows from operating activities	11,330,913,362.11	[illegible]
[illegible]	9,840,832,278.46	[illegible]
△ [illegible]	10,284,237.89	[illegible]
△ [illegible]	-199,541,263.36	[illegible]
△ [illegible]		
△ [illegible]	55,502,317.56	[illegible]
△ [illegible]		
[illegible]	1,266,060,927.14	[illegible]
[illegible]	835,815,084.80	[illegible]
[illegible]	847,648,531.15	[illegible]
Sub-total of cash outflows from operating activities	12,656,602,113.64	[illegible]
NET CASH FLOWS FROM OPERATING ACTIVITIES	-1,325,688,751.53	[illegible]

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Item	January to June 2018	
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
	1,017,000,000.00	
	34,579,376.70	
	2,840,930.08	
	1,054,420,306.78	
	195,609,400.55	
	1,148,000,000.00	
△		
	32,621,665.76	
	1,376,231,066.31	
NET CASH FLOWS FROM INVESTING ACTIVITIES	-321,810,759.53	

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Item	January to June 2018	
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
	769,550,061.55	
△		
	3,336.38	
Sub-total of cash inflows from financing activities	769,553,397.93	
	4,972,711,610.28	
	269,162,279.19	
	158,443,661.88	
Sub-total of cash outflows from financing activities	5,400,317,551.35	
NET CASH FLOWS FROM FINANCING ACTIVITIES	-4,630,764,153.42	
IV. EFFECT OF FLUCTUATION IN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	-12,895,939.19	
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	-6,291,159,603.67	
	15,206,290,892.00	
VI. ENDING BALANCE OF CASH AND CASH EQUIVALENTS	8,915,131,288.33	

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Item	January to June 2018														
	Equity attributable to owners of the parent company														
		Other equity instrument													
	Paid-in capital (or share capital)	Preferred stocks	Perpetual capital securities	Others	Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	△ General risk reserves	Undistributed profits	Others	Subtotal	Minority equity	Total owners' equity
I. Balance at the end of the last year	1,706,523,000.00				3,690,197,230.17		18,514,209.22	19,377,426.96	786,529,945.86		8,649,609,089.09		14,870,750,901.30	1,271,400,777.32	16,142,151,678.62
II. Balance at the beginning of the year	1,706,523,000.00				3,690,197,230.17		18,514,209.22	19,377,426.96	786,529,945.86		8,649,609,089.09		14,870,750,901.30	1,271,400,777.32	16,142,151,678.62
III. Increases/decreases in the current period ("-" for decreases)					14,290,263.95		-18,704,660.25	6,738,070.31			31,230,199.49		33,553,873.50	14,082,153.85	47,636,027.35
[illegible]							839,834.09				30,768,718.70		31,608,552.79	35,464,438.73	67,072,991.52
[illegible]					14,290,263.95								14,290,263.95	5,625,000.00	19,915,263.95
[illegible]					14,290,263.95								14,290,263.95	5,625,000.00	19,915,263.95
[illegible]								6,738,070.31					6,738,070.31	548,391.13	7,286,461.44
[illegible]								10,676,571.17					10,676,571.17	1,378,041.95	12,054,613.12
[illegible]								-3,938,500.86					-3,938,500.86	-829,650.82	-4,768,151.68
[illegible]											-19,083,013.55		-19,083,013.55	-27,555,676.01	-46,638,689.56

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

Item	January to June 2018														
	Equity attributable to owners of the parent company														
		Other equity instrument													
Item	Paid-in capital (or share capital)	Preferred stocks	Perpetual capital securities	Others	Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	△ General risk reserves	Undistributed profits	Others	Subtotal	Minority equity	Total owners' equity
											-25,597,845.00		-25,597,845.00	-28,200,000.00	-53,797,845.00
											6,514,831.45		6,514,831.45	644,323.99	7,159,155.44
							-19,544,494.34				19,544,494.34				
							-19,544,494.34				19,544,494.34				
IV. Balance at the end of the current period	1,706,523,000.00				3,704,487,494.12		-190,451.03	26,115,497.27	786,529,945.86		8,680,839,288.58		14,904,304,774.80	1,285,482,931.17	16,189,787,705.97

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

I. Balance at the end of the last year

II. Balance at the beginning of the year

III. Increases/decreases in the current period ("-" for decreases)

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

IV. Balance at the end of the current period

1. INFORMATION ABOUT THE COMPANY

2. MAIN ACCOUNTING POLICIES

3. INCOMES AND DIVISION'S DOCUMENTS

1) Account policies and gist of confirmation of the divisions' report

2) Financial information of divisions

(1) Assets, liabilities and revenue of divisions

Items	Thermal power host devices	Water and electricity host devices	Plant engineering services	Power plant auxiliary and supporting products	Nuclear power products division	Ac/dc motors and others	Total
30 June 2018							
[illegible]	40,483,693,204.38	5,149,103,719.14	5,089,545,391.45	1,296,620,881.53	6,479,862,663.44	5,847,905,479.86	64,346,731,339.80
[illegible]	32,350,696,595.03	2,984,650,213.72	4,614,239,720.00	941,000,117.50	4,765,278,967.89	4,733,712,153.06	50,389,577,767.20
January to June 2018							
[illegible]							
[illegible]	6,246,772,675.10	771,881,980.30	3,812,798,546.75	265,191,255.73	574,953,516.03	1,060,338,356.75	12,731,936,330.66
[illegible]	1,297,613,442.97					25,451,274.79	1,323,064,717.76
[illegible]	7,544,386,118.07	771,881,980.30	3,812,798,546.75	265,191,255.73	574,953,516.03	1,085,789,631.54	14,055,001,048.42
[illegible]	975,575,428.03	79,900,909.81	18,213,361.36	49,683,585.68	102,838,375.32	329,171,139.67	1,555,382,799.87
31 December 2017							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
January to June 2017							
[illegible]							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(2) *Assets, revenue and liabilities of divisions*

Items	30 June 2018	
Assets		
	64,346,731,339.80	
	-17,846,990,204.51	
	46,499,741,135.29	
	435,428,166.55	
	1,028,636,621.75	
	6,324,144,449.45	
	597,020,056.42	
	6,633,098.27	
	1,600,169,595.95	
	56,491,773,123.68	
Liabilities		
	50,389,577,767.20	
	-12,200,986,991.52	
	38,188,590,775.68	
	222,104,563.79	
	1,891,290,078.24	
	40,301,985,417.71	

Items	January to June in 2018	
Revenue		
	12,731,936,330.66	
	1,323,064,717.76	
	14,055,001,048.42	
	1,555,382,799.87	
	39,790,206.47	
	1,515,592,593.40	
	429,708.77	
	276,175,122.07	
	8,596,066.98	
	92,643,021.14	
	282,731.43	
	30,941,775.20	
	1,594,042,441.94	
	144,767,071.92	

(3) Regional information

Items	Revenue from external customers January to June in 2018	
	8,926,611,980.71	
	629,817,786.83	
	273,777,633.69	
	2,372,658,716.02	
	278,157,171.20	
	77,787,500.17	
	85,710,911.82	
	87,414,630.22	
	3,805,324,349.95	
	12,731,936,330.66	

4. ADMINISTRATIVE EXPENSES

[illegible]

5. IMPAIRMENT ON ASSETS

Items	January to June in 2018	[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]
[illegible]		[illegible]

6. IMPAIRMENT ON CREDITS

Items	January to June in 2018	[illegible]
[illegible]	321,724,211.70	
[illegible]	-1,736,378.11	
[illegible]	264,437.27	
[illegible]	320,252,270.86	

[illegible]

7. PROFIT BEFORE TAX AND AMORTIZATION DEPRECIATION

Items	January to June in 2018
[illegible]	66,233,157.43
[illegible]	78,533,914.49
[illegible]	340,667,834.41
[illegible]	30,784,197.09
[illegible]	6,185,244.05
[illegible]	71,942,565.08
[illegible]	246,772,517.95
[illegible]	86,412,707.43
[illegible]	6,230,313.71
[illegible]	296,332,285.58

8. DIVIDEND

Items	January to June in 2018	
	25,597,845.00	
	25,597,845.00	

9. EARNINGS PER SHARE:

	January to June in 2018	
	30,768,718.70	
	1,706,523,000.00	
	0.02	

10. INCOME TAX

1) Enterprise income tax

2) **Hong Kong profits tax**

[illegible]

3) [illegible]

[illegible]

11. NOTE RECEIVABLE AND ACCOUNTS RECEIVABLE

Item	30 June 2018	[illegible]
[illegible]	2,989,774,372.92	[illegible]
[illegible]	11,529,198,391.12	[illegible]
[illegible]	14,518,972,764.04	[illegible]

(1) Note receivable

1) Classified by types of notes receivable

Items	30 June 2018	[illegible]
[illegible]	2,468,095,119.64	[illegible]
[illegible]	521,679,253.28	[illegible]
[illegible]	2,989,774,372.92	[illegible]

[illegible]

(2) Accounts receivable

1) Disclosure by types of accounts receivable

Type	Remaining carrying amount: Amount (30 June 2018)	Remaining carrying amount: Ratio	Provision for bad debt: Amount	Provision for bad debt: Provided Ratio	Carrying Value
	525,674,869.65	3.01	428,268,100.48	81.47	97,406,769.17
	16,778,412,925.96	95.90	5,376,909,272.04	32.05	11,401,503,653.92
	190,945,634.28	1.09	160,657,666.25	84.14	30,287,968.03
	17,495,033,429.89	/	5,965,835,038.77	/	11,529,198,391.12

Accounts receivable (By Unit)	Accounts receivable (30 June 2018)	Provision for bad debt	Provided ratio	Reasons for provision
	525,674,869.65	428,268,100.48	81.47	/
	525,674,869.65	428,268,100.48	81.47	/

Accounts receivable (By units)	Accounts receivable (30 June 2018)	Provision for bad debt	Provided Ratio	Reasons for provision
	190,945,634.28	160,657,666.25	84.14	/
	190,945,634.28	160,657,666.25	84.14	/

Age	Accounts receivable	30 June 2018 Provision for bad debt	Provided ratio			
	7,323,716,478.72	297,840,775.13	4.07			
	2,647,024,798.60	539,784,935.47	20.39			
	1,782,481,217.29	628,854,333.95	35.28			
	1,522,166,421.60	808,030,183.67	53.08			
	1,005,888,668.55	693,390,177.73	68.93			
	2,497,135,341.20	2,409,008,866.09	96.47			
	16,778,412,925.96	5,376,909,272.04	/			

12. NOTES PAYABLE AND ACCOUNTS PAYABLE

Type	30 June 2018	
	4,697,585,188.43	
	13,579,024,333.47	
	18,276,609,521.90	

(1) Notes payable

Type	30 June 2018	
	3,770,096,653.16	
	927,488,535.27	
	4,697,585,188.43	

(2) Accounts payable

1) List of accounts payable

Items	30 June 2018	
	10,368,978,383.86	
	1,618,262,187.26	
	563,586,666.18	
	1,028,197,096.17	
	13,579,024,333.47	

INDUSTRY DEVELOPMENT AND BUSINESS REVIEW

OPERATING RESULTS

NEW CONTRACTS

PRODUCTION AND SERVICES

OPERATING REVENUE AND COST

GROSS PROFIT AND GROSS PROFIT MARGIN

EXPENSES FOR THE PERIOD

ASSETS AND LIABILITIES

CAPITAL AND GEARING RATIO

MONETARY CAPITAL AND CASH FLOWS

FUNDING AND BORROWINGS

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

TAX POLICIES

《高新技術企業認定管理辦法》

《高新技術企業認定管理工作指引》

《中華人民共和國增值稅暫行條例實施細則》

《中共中央、國務院關於實施東北地區等老工業基地振興戰略的若干意見》

NEW PRODUCTS AND NEW INDUSTRIES

EMPLOYEES, REMUNERATION, STOCK OPTION PLAN AND TRAINING

INTERIM DIVIDEND

PROSPECTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARE CAPITAL

Name of shareholders	Class of shares	Number of shares	Capacity	Percentage to underlying share capital	Percentage to total share capital

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

COMPLIANCE WITH THE MODEL CODE

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

CONTINGENT LIABILITIES

PLEDGE OF ASSETS

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

THE AUDIT COMMITTEE

AUDITORS

SHAREHOLDERS' MEETING

OTHER DISCLOSEABLE INFORMATION

DOCUMENTS AVAILABLE FOR INSPECTION

Harbin Electric Company Limited
Si Ze-fu