

Stock Code: 200771 Stock ID: Hangqilun B Announcement No. :2024-57

Hangzhou Turbine Power Group Co., Ltd.

The Semi-Annual Financial Report 2024

(Stock Code: **200771**)



August 2024

Financial Report

I. Auditors' Report

Whether the semi-annual financial report had been audited?

Yes No

The Semi-annual Financial Report is not audited.

II. The Financial Statements

All figures in the Notes to the Financial Statements are in RMB.

1. Consolidated Balance Sheet

Prepared by: Hangzhou Turbine Power Group Co., Ltd

June 30,2024

In RMB

Item	June 30,2024	January 1,2024
Current asset :		
Monetary fund	1,861,902,394.20	2,798,168,129.50
Settlement provision		
Outgoing call loan		
Transactional financial assets	181,566,304.02	568,887,484.10
Derivative financial assets		
Notes receivable	32,822,854.33	84,988,677.11
Account receivable	2,220,644,591.07	2,242,141,940.94
Financing of receivables	696,160,646.84	756,873,166.56
Prepayments	713,479,702.73	725,264,109.04
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	187,358,187.42	43,018,211.13
Including: Interest receivable		
Dividend receivable	141,375,107.12	
Repurchasing of financial assets		
Inventories	3,013,590,578.32	2,429,496,037.81
Including: Data resources		
Contract assets	726,311,869.01	640,386,559.53
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	59,277,124.32	5,622,606.07
Total of current assets	9,693,114,252.26	10,294,846,921.79
Non-current assets :		
Loans and payment on other's behalf disbursed		
Creditor's right investment		
Other investment on bonds		
Long-term receivable	9,379,983.03	14,779,983.03
Long term share equity investment		
Other equity instruments investment	3,547,971,438.30	2,721,470,812.06
Other non-current financial assets	5,534,773.22	5,534,773.22
Property investment	1,099,228.65	1,544,449.40
Fixed assets	1,962,109,099.86	1,995,150,533.24
Construction in progress	498,656,299.31	298,071,246.03
Production physical assets		
Oil & gas assets		

Use right assets	30,252,303.74	34,274,571.45
Intangible assets	404,523,276.80	409,302,531.32
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill	15,415,678.59	15,415,678.59
Long-germ expenses to be amortized		
Deferred income tax asset	83,695,658.66	73,600,434.50
Other non-current asset	19,947,016.20	63,688,181.60
Total of non-current assets	6,578,584,756.36	5,632,833,194.44
Total of assets	16,271,699,008.62	15,927,680,116.23
Current liabilities		
Short-term loans	397,838,464.11	504,428,866.04
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	506,700,007.76	481,424,952.96
Account payable	1,411,547,134.00	1,409,130,502.72
Advance receipts	307,367.57	29,998.47
Contract liabilities	2,970,359,720.01	2,753,211,717.09
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	90,673,071.39	139,367,042.75
Tax payable	47,263,254.11	91,797,224.07
Other account payable	144,449,435.77	151,669,883.07
Including: Interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	45,182,354.65	80,815,769.12
Other current liability	305,427,699.94	310,595,405.34
Total of current liability	5,919,748,509.31	5,922,471,361.63
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	271,760,617.02	222,819,841.07
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability	9,195,418.26	15,945,346.47
Long-term payable	15,953,660.35	12,195,896.78
Long-term remuneration payable to staff		
Expected liabilities	14,989,921.76	11,768,979.69
Deferred income	1,047,027,473.86	1,069,670,711.41
Deferred income tax liability	182,908,981.47	73,994,186.59
Other non-current liabilities	58,696,860.00	58,696,860.00
Total non-current liabilities	1,600,532,932.72	1,465,091,822.01
Total of liability	7,520,281,442.03	7,387,563,183.64
Owners' equity		
Share capital	1,175,009,597.00	1,175,444,400.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		

Capital reserves	384,564,617.73	399,213,704.44
Less: Shares in stock	71,654,581.35	86,290,288.75
Other comprehensive income	2,683,464,788.55	1,980,939,256.24
Special reserve	24,198,217.70	20,355,377.31
Surplus reserves	625,178,089.82	625,178,089.82
Common risk provision		
Retained profit	3,388,451,030.95	3,784,435,361.60
Total of owner's equity belong to the parent company	8,209,211,760.40	7,899,275,900.66
Minority shareholders' equity	542,205,806.19	640,841,031.93
Total of owners' equity	8,751,417,566.59	8,540,116,932.59
Total of liabilities and owners' equity	16,271,699,008.62	15,927,680,116.23

Legal Representative: Ye Zhong Person in charge of accounting: Zhao Jiamao Person in charge of

Accounting institute: Lv Lin

2.Parent Company Balance Sheet

In RMB

Item	June 30,2023	January 1,2023
Current asset:		
Monetary fund	975,096,594.56	1,198,706,140.69
Transactional financial assets	151,466,304.02	451,960,706.24
Derivative financial assets		
Notes receivable	3,991,000.00	48,723,200.00
Account receivable	1,460,367,745.96	1,610,475,971.83
Financing of receivables	275,762,236.57	466,224,508.82
Prepayments	254,911,713.13	194,044,916.86
Other account receivable	149,970,526.86	6,258,018.53
Including: Interest receivable		
Dividend receivable	141,375,107.12	
Inventories	1,377,371,801.82	1,309,708,237.14
Including: Data resources		
Contract assets	423,044,980.91	383,286,226.27
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	35,812,511.00	59,000.08
Total of current assets	5,107,795,414.83	5,669,446,926.46
Non-current assets:		
Creditor's rights investment		
Other creditor's rights investment		
Long-term receivable		
Long term share equity investment	816,312,239.93	741,912,842.24
Other equity instruments investment	3,547,971,438.30	2,721,470,812.06
Other non-current financial assets	5,534,773.22	5,534,773.22
Property investment		
Fixed assets	1,537,638,283.44	1,558,177,974.55
Construction in progress	349,787,121.94	249,066,837.78
Production physical assets		
Oil & gas assets		
Use right assets	2,692,048.46	4,377,781.09
Intangible assets	238,458,669.94	241,459,124.96
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		

Long-germ expenses to be amortized		
Deferred income tax asset		
Other non-current asset		60,817,500.00
Total of non-current assets	6,498,394,575.23	5,582,817,645.90
Total of assets	11,606,189,990.06	11,252,264,572.36
Current liabilities		
Short-term loans	288,576,260.46	354,073,287.67
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	284,578,719.42	118,677,114.86
Account payable	708,138,336.33	875,769,755.40
Advance receipts	336,104.40	315,237.45
Contract Liabilities	1,220,930,589.53	1,281,868,805.36
Employees' wage payable	46,087,987.88	84,954,153.08
Tax payable	9,537,770.57	26,868,892.51
Other account payable	112,270,366.77	132,513,722.18
Including: Interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year	2,052,932.52	3,600,766.81
Other current liability	133,672,327.62	145,644,551.64
Total of current liability	2,806,181,395.50	3,024,286,286.96
Non-current liabilities:		
Long-term loan	173,662,956.38	75,055,479.45
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		1,033,302.92
Long-term payable	12,795,949.03	9,093,277.96
Long-term remuneration payable to staff		
Expected liabilities	3,818,934.77	3,106,235.92
Deferred income	931,947,241.33	951,548,103.70
Deferred income tax liability	174,000,766.54	66,103,761.74
Other non-current liabilities		
Total non-current liabilities	1,296,225,848.05	1,105,940,161.69
Total of liability	4,102,407,243.55	4,130,226,448.65
Owners' equity		
Share capital	1,175,009,597.00	1,175,444,400.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	231,167,294.21	221,680,078.37
Less: Shares in stock	71,654,581.35	86,290,288.75
Other comprehensive income	2,683,464,788.55	1,980,939,256.24
Special reserve	4,704,951.43	5,240,943.39
Surplus reserves	602,356,402.65	602,356,402.65
Retained profit	2,878,734,294.02	3,222,667,331.81
Total of owners' equity	7,503,782,746.51	7,122,038,123.71
Total of liabilities and owners' equity	11,606,189,990.06	11,252,264,572.36

Legal Representative: Ye Zhong Person in charge of accounting: Zhao Jiamao Person in charge of Accounting institute: Lv Lin

3.Consolidated Income Statement

Item	In RMB	
	The first half year of 2024	The first half year of 2023
I. Income from the key business	2,611,663,776.96	2,622,245,052.99
Incl: Business income	2,611,663,776.96	2,622,245,052.99
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,548,689,762.88	2,544,692,951.84
Incl: Business cost	2,053,977,046.07	1,982,530,510.18
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	21,862,725.16	6,661,298.14
Sales expense	129,421,455.90	122,984,705.41
Administrative expense	267,334,203.34	269,254,477.73
R & D costs	77,622,294.45	167,318,299.83
Financial expenses	-1,527,962.04	-4,056,339.45
Including: Interest expense	9,566,674.01	10,263,749.18
Interest income	16,767,205.81	19,561,114.67
Add: Other income	51,928,721.87	37,572,220.73
Investment gain (“-”for loss)	149,592,966.88	115,055,910.11
Incl: investment gains from affiliates		
Financial assets measured at amortized cost cease to be recognized as income	-9,999.70	
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value	-494,402.22	-21,128.30
Credit impairment loss	-83,307,269.33	-65,899,840.15
Impairment loss of assets	-25,699,032.31	-4,387,308.52
Assets disposal income	325,796.51	4,104.14
III. Operational profit (“-”for loss)	155,320,795.48	159,876,059.16
Add : Non-operational income	48,198,078.78	22,172,554.01
Less: Non-operating expense	15,305,325.16	2,892,576.42
IV. Total profit (“-”for loss)	188,213,549.10	179,156,036.75
Less: Income tax expenses	7,273,851.67	1,027,570.07
V. Net profit	180,939,697.43	178,128,466.68
(I) Classification by business continuity		
1.Net continuing operating profit	180,939,697.43	178,128,466.68
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	191,499,563.85	149,699,746.13
2.Minority shareholders’ equity	-10,559,866.42	28,428,720.55
VI. Net after-tax of other comprehensive income	702,525,532.31	-307,354,921.24
Net of profit of other comprehensive income attributable to owners of the parent company.	702,525,532.31	-307,354,921.24
(I) Other comprehensive income Item that will not be reclassified into gains/losses in the subsequent accounting period	702,525,532.31	-307,354,921.24
1.Re-measurement of defined benefit plans of changes in net debt or net assets		

2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	702,525,532.31	-307,354,921.24
4. Changes in the fair value of the company's credit risks		
5.Other		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	883,465,229.74	-129,226,454.56
Total comprehensive income attributable to the owner of the parent company	894,025,096.16	-157,655,175.11
Total comprehensive income attributable minority shareholders	-10,559,866.42	28,428,720.55
VIII. Earnings per share		
(I) Basic earnings per share	0.16	0.13
(II) Diluted earnings per share	0.16	0.13

Legal Representative: Ye Zhong Person in charge of accounting: Zhao Jiamao Person in charge of Accounting institute: Lv Lin

4. Income statement of the Parent Company

In RMB

Item	The first half year of 2024	The first half year of 2023
I. Income from the key business	1,167,067,845.85	1,354,566,807.13
Incl: Business cost	977,577,799.07	1,124,848,275.54
Business tax and surcharge	10,199,795.22	-
Sales expense	50,734,896.52	46,251,818.45
Administrative expense	144,386,696.18	153,298,889.89
R & D expense	30,531,976.39	112,101,542.39
Financial expenses	-1,476,802.98	-6,941,422.67
Including: Interest expenses	3,939,320.11	4,061,792.74
Interest income	9,074,663.28	12,807,834.86
Add: Other income	35,723,414.44	28,885,376.28
Investment gain ("-"for loss)	296,743,310.89	196,807,835.66
Including: investment gains from affiliates		
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value	-494,402.22	-21,128.30
Credit impairment loss	-61,814,561.38	-41,527,398.87
Impairment loss of assets	-30,298,066.41	-6,964,479.71
Assets disposal income		
II. Operational profit ("-"for loss)	194,973,180.77	103,283,633.41
Add : Non-operational income	46,605,165.11	17,482,924.34

Less: Non-operational expenses	14,105,578.30	504,492.85
III. Total profit("-"for loss)	227,472,767.58	120,262,064.90
Less: Income tax expenses	-16,078,089.13	-13,629,302.15
IV. Net profit	243,550,856.71	133,891,367.05
1.Net continuing operating profit	243,550,856.71	133,891,367.05
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	702,525,532.31	-307,354,921.24
(I) Other comprehensive income Item that will not be reclassified into gains/losses in the subsequent accounting period	702,525,532.31	-307,354,921.24
1.Re-measurement of defined benefit plans of changes in net debt or net as sets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	702,525,532.31	-307,354,921.24
4. Changes in the fair value of the company's credit risks		
5.Other		
(II)Other comprehensive income that will be reclassified into profit or loss		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	946,076,389.02	-173,463,554.19
VII. Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

Legal Representative: Ye Zhong Person in charge of accounting: Zhao Jiamao Person in charge of Accounting institute: Lv Lin

5. Consolidated Cash flow statement

Item	In RMB	
	The first half year of 2024	The first half year of 2023
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	2,264,079,135.09	2,655,109,561.45
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	14,189,761.41	8,471,171.94
Other cash received from business operation	91,400,405.73	60,990,421.55

Sub-total of cash inflow	2,369,669,302.23	2,724,571,154.94
Cash paid for purchasing of merchandise and services	1,720,610,901.97	1,610,979,524.10
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid to staffs or paid for staffs	578,350,377.93	522,888,947.83
Taxes paid	180,740,414.68	123,258,720.03
Other cash paid for business activities	223,553,211.22	132,277,785.64
Sub-total of cash outflow from business activities	2,703,254,905.80	2,389,404,977.60
Net cash generated from /used in operating activities	-333,585,603.57	335,166,177.34
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	5,171,241.97	6,110,625.39
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	3,120,813.80	60,795,460.31
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	656,219,694.27	1,135,609,404.44
Sub-total of cash inflow due to investment activities	664,511,750.04	1,202,515,490.14
Cash paid for construction of fixed assets, intangible assets and other long-term assets	251,016,714.40	124,528,838.53
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		43,033,050.37
Other cash paid for investment activities	270,100,000.00	673,000,000.00
Sub-total of cash outflow due to investment activities	521,116,714.40	840,561,888.90
Net cash flow generated by investment	143,395,035.64	361,953,601.24
III. Cash flow generated by financing		
Cash received as investment	9,699,300.00	
Including: Cash received as investment from minor shareholders	9,699,300.00	
Cash received as loans	363,132,548.11	235,500,000.00
Other financing –related cash received		
Sub-total of cash inflow from financing activities	372,831,848.11	235,500,000.00
Cash to repay debts	401,309,655.97	121,000,000.00
Cash paid as dividend, profit, or interests	645,043,999.56	346,073,282.00
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	31,450,930.12	5,874,483.57
Sub-total of cash outflow due to financing activities	1,077,804,585.65	472,947,765.57
Net cash flow generated by financing	-704,972,737.54	-237,447,765.57
IV. Influence of exchange rate alternation on cash and cash equivalents		
V. Net increase of cash and cash equivalents	-895,966,778.74	463,857,344.43
Add: balance of cash and cash equivalents at the beginning of term	2,661,616,581.02	1,805,028,401.76
VI ..Balance of cash and cash equivalents at the end of term	1,765,649,802.28	2,268,885,746.19

Legal Representative: Ye Zhong Person in charge of accounting: Zhao Jiamao Person in charge of Accounting institute: Lv Lin

6. Cash flow statement of the Parent Company

In RMB

Item	The first half year of 2024	The first half year of 2023
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,083,882,916.96	1,133,708,635.10

Tax returned	8,024,937.84	5,743,511.24
Other cash received from business operation	28,519,895.95	25,930,597.93
Sub-total of cash inflow	1,120,427,750.75	1,165,382,744.27
Cash paid for purchasing of merchandise and services	716,452,596.80	683,428,608.51
Cash paid to staffs or paid for staffs	332,697,275.73	285,579,275.60
Taxes paid	44,982,680.08	10,686,723.52
Other cash paid for business activities	56,678,750.12	59,571,850.33
Sub-total of cash outflow from business activities	1,150,811,302.73	1,039,266,457.96
Net cash generated from /used in operating activities	-30,383,551.98	126,116,286.31
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	151,113,720.27	88,167,753.26
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	12,915.00	61,985.07
Net cash received from disposal of subsidiaries or other operational units	0.00	0.00
Other investment-related cash received	420,000,000.00	784,890,547.93
Sub-total of cash inflow due to investment activities	571,126,635.27	873,120,286.26
Cash paid for construction of fixed assets, intangible assets and other long-term assets	121,988,508.94	76,984,654.95
Cash paid as investment	12,163,500.00	130,000,000.00
Net cash received from subsidiaries and other operational units	0.00	0.00
Other cash paid for investment activities	120,000,000.00	410,000,000.00
Sub-total of cash outflow due to investment activities	254,152,008.94	616,984,654.95
Net cash flow generated by investment	316,974,626.33	256,135,631.31
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	236,951,833.01	150,000,000.00
Other financing –related ash received		
Sub-total of cash inflow from financing activities	236,951,833.01	150,000,000.00
Cash to repay debts	150,000,000.00	50,000,000.00
Cash paid as dividend, profit, or interests	593,082,407.47	297,211,655.57
Other cash paid for financing activities	2,758,597.00	
Sub-total of cash outflow due to financing activities	745,841,004.47	347,211,655.57
Net cash flow generated by financing	-508,889,171.46	-197,211,655.57
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,311,549.02	3,986,342.41
V.Net increase of cash and cash equivalents	-223,609,646.13	189,026,604.46
Add: balance of cash and cash equivalents at the beginning of term	1,198,686,140.69	1,074,013,333.05
VI ..Balance of cash and cash equivalents at the end of term	975,076,494.56	1,263,039,937.51

Legal Representative: Ye Zhong Person in charge of accounting: Zhao Jiamao Person in charge of Accounting institute: Lv Lin

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Item	The first half year of 2024														
	Owner's equity Attributable to the Parent Company												Minor shareholders' equity	Total of owners' equity	
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other			Subtotal
	Preferred stock	Sustainable debt	Other												
I. Balance at the end of last year	980,179,980.00				394,935,862.00	136,466,388.09	2,690,397,606.30	17,841,325.92	625,178,089.82		3,756,414,638.24		8,328,481,114.19	570,711,632.78	8,899,192,746.97
Add: Change of accounting policy															
Correcting of previous errors															
Other															
II. Balance at the beginning of current year	980,179,980.00				394,935,862.00	136,466,388.09	2,690,397,606.30	17,841,325.92	625,178,089.82		3,756,414,638.24		8,328,481,114.19	570,711,632.78	8,899,192,746.97
III. Changed in the current year	195,264,420.00				23,743,214.60	-4,396,297.90	-307,354,921.24	-265,749.90			-340,068,753.87		-424,285,492.51	34,243,877.97	-390,041,614.54
(1) Total comprehensive income							-307,354,921.24				149,699,746.13		-157,655,175.11	28,428,720.55	-129,226,454.56
(II) Investment or decreasing of capital by owners	-642,980.00				23,743,214.60	-4,396,297.90							27,496,532.50		27,496,532.50
1. Ordinary Shares invested by shareholders	-642,980.00				-3,753,317.90	-4,396,297.90									
2. Holders of other equity instruments invested capital															
3. Amount of shares paid and accounted as owners' equity					27,496,532.50								27,496,532.50		27,496,532.50
4. Other															
(III) Profit allotment											-293,861,100.00		-293,861,100.00	43,963,580.00	-337,824,680.00

	Owner's equity Attributable to the Parent Company												Minor shareholders' equity	Total of owners' equity	
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other			Subtotal
		Preferred stock	Sustainable debt	Other											
I.Balance at the end of last year	980,179,98 0.00				394,935,8 62.00	136,466,3 88.09	2,690,397, 606.30	17,841,3 25.92	625,178,0 89.82		3,756,414, 638.24		8,328,481, 114.19	570,711,6 32.78	8,899,192, 746.97
Add: Change of accounting policy															
Correcting of previous errors															
Other															
II.Balance at the beginning of current year	980,179,98 0.00				394,935,8 62.00	136,466,3 88.09	2,690,397, 606.30	17,841,3 25.92	625,178,0 89.82		3,756,414, 638.24		8,328,481, 114.19	570,711,6 32.78	8,899,192, 746.97
III.Changed in the current year	195,264,42 0.00				23,743,21 4.60	- 4,396,297 .90	- 307,354,92 1.24	- 265,749. 90			- 340,068,75 3.87		- 424,285,49 2.51	34,243,87 7.97	- 390,041,61 4.54
(I) Total comprehensive income							- 307,354,92 1.24				149,699,74 6.13		- 157,655,17 5.11	28,428,72 0.55	- 129,226,45 4.56
(II) Investment or decreasing of capital by owners	- 642,980.00				23,743,21 4.60	- 4,396,297 .90							27,496,532 .50		27,496,532 .50
1. Ordinary Shares invested by shareholders	- 642,980.00				- 3,753,317 .90	- 4,396,297 .90									
2. Holders of other equity instruments invested capital															
3. Amount of shares paid and accounted as owners' equity					27,496,53 2.50								27,496,532 .50		27,496,532 .50
4. Other															
(III) Profit allotment											- 293,861,10 0.00		- 293,861,10 0.00	- 43,963,58 0.00	- 337,824,68 0.00
1.Providing of surplus reserves															
2.Providing of common risk provisions															
3. Allotment to the owners (or shareholders)											- 293,861,10		- 293,861,10	- 43,963,58	- 337,824,68

										0.00		0.00	0.00	0.00
4. Other														
(IV) Internal transferring of owners' equity	195,907,400.00									-195,907,400.00				
1. Capitalizing of capital reserves (or to capital shares)														
2. Capitalizing of surplus reserves (or to capital shares)														
3. Making up losses by surplus reserves.														
4. Change amount of defined benefit plans that carry forward Retained earnings														
5. Other comprehensive income carry-over retained earnings														
6. Other	195,907,400.00									-195,907,400.00				
(V). Special reserves							-265,749.90				-265,749.90	-365,217.74	-630,967.64	
1. Provided this year							4,918,206.68				4,918,206.68	1,782,533.76	6,700,740.44	
2. Used this term							-5,183,956.58				-5,183,956.58	-2,147,751.50	-7,331,708.08	
(VI) Other												50,143,955.16	50,143,955.16	
IV. Balance at the end of this term	1,175,444,400.00			418,679,076.60	132,070,090.19	2,383,042,685.06	17,575,576.02	625,178,089.82		3,416,345,884.37	7,904,195,621.68	604,955,510.75	8,509,151,132.43	

8. Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Item	The first half year of 2024											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in	Other Comprehensive	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners'
		Preferr		Oth								

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		ed stock	Sustaina ble debt	er		stock	ve Income					equity
I. Balance at the end of last year	1,175,444.40 0.00				221,680,078 .37	86,290,288 .75	1,980,939.25 6.24	5,240,943. 39	602,356,402 .65	3,222,667.33 1.81		7,122,038.12 3.71
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II. Balance at the beginning of current year	1,175,444.40 0.00				221,680,078 .37	86,290,288 .75	1,980,939.25 6.24	5,240,943. 39	602,356,402 .65	3,222,667.33 1.81		7,122,038.12 3.71
III. Changed in the current year	-434,803.00				9,487,215.8 4	- 14,635,707 .40	702,525,532. 31	- 535,991.9 6		- 343,933,037. 79		381,744,622. 80
(I) Total comprehensive income							702,525,532. 31			243,550,856. 71		946,076,389. 02
(II) Investment or decreasing of capital by owners	-434,803.00				10,297,519. 16	- 2,053,912. 40						11,916,628.56
1. Ordinary Shares invested by shareholders	-434,803.00				- 1,619,109.4 0	- 2,053,912. 40						
2. Holders of other equity instruments invested capital												
3. Amount of shares paid and accounted as owners' equity					11,916,628. 56							11,916,628.56
4. Other												
(III) Profit allotment						- 9,629,100. 00				- 587,483,894. 50		- 577,854,794. 50
1. Providing of surplus reserves												
2. Allotment to the owners (or shareholders)						- 9,629,100. 00				- 587,483,894. 50		- 577,854,794. 50
3. Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												

4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other												
IV. Balance at the end of this term	1,175,009,597.00				231,167,294.21	71,654,581.35	2,683,464,788.55	4,704,951.43	602,356,402.65	2,878,734,294.02		7,503,782,746.51

Amount in last year

In RMB

Item	The first half year of 2023											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferr ed stock	Sustaina ble debt	Oth er								
I. Balance at the end of last year	980,179,980.00				175,558,788.66	136,466,388.09	2,690,397,606.30	6,000,000.00	602,356,402.65	3,385,297,545.74		7,703,323,935.26
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II. Balance at the beginning of current year	980,179,980.00				175,558,788.66	136,466,388.09	2,690,397,606.30	6,000,000.00	602,356,402.65	3,385,297,545.74		7,703,323,935.26
III. Changed in the current year	195,264,420.00				23,743,214.60	-4,396,297.90	-307,354,921.24			-355,877,132.95		-439,828,121.69
(I) Total comprehensive income							-307,354,921.24			133,891,367.05		-173,463,554.19

							24					19
(II) Investment or decreasing of capital by owners	-642,980.00				23,743,214.60	-						27,496,532.50
1. Ordinary Shares invested by shareholders	-642,980.00				3,753,317.90	-						
2. Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity					27,496,532.50							27,496,532.50
4. Other												
(III) Profit allotment										-		-
1.Providing of surplus reserves										293,861,100.00		293,861,100.00
2. Allotment to the owners (or shareholders)										-		-
3. Other										293,861,100.00		293,861,100.00
(IV) Internal transferring of owners' equity	195,907,400.00									-		
1. Capitalizing of capital reserves (or to capital shares)										195,907,400.00		
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward												
Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other	195,907,400.00									-		
(V) Special reserves										195,907,400.00		
1. Provided this year								1,965,808.97				1,965,808.97

2. Used this term								- 1,965,808 .97				-1,965,808.97
(VI) Other												
IV. Balance at the end of this term	1,175,444,40 0.00				199,302,003 .26	132,070,090 .19	2,383,042,68 5.06	6,000,000 .00	602,356,402 .65	3,029,420,41 2.79		7,263,495,81 3.57

III. Basic Information of the Company

Hangzhou Turbine Power Group Co., Ltd. (Hereinafter referred to as "the Company") was approved by the No. 8-[1998] document of the Securities Commission of the State Council, exclusively initiated and established by Turbine Holding, and was registered in Zhejiang Provincial Administration for Industry and Commerce on April 23, 1998, Headquartered in Hangzhou, Zhejiang Province. The company now holds a unified social credit code for the 913300007042026204 business license, The Company's registered capital is RMB 1,175.0096 million with total capital share of 1,175.0096 million shares (face value RMB1.00). Among which state-owned legal person shares were 748.526688 million shares and 426.482909 million shares of current B shares. The shares were issued and listed for trading in Shenzhen Stock Exchange on April 28, 1998.

The design, manufacturing, Main Business Activities: R&D, Production and Sales of Industrial Steam Turbine.

IV. Basis of compiling the financial statement

(1) Basis of compiling

The Company adopts perpetual operation as the basis of financial statements.

(2) Assessment on perpetuation

No issue or situation, in 12 months since the end of report period, composes major doubt on the perpetuation assumption of the Company.

V. Principal Accounting Policies and Estimations

Principal Accounting Policies and Estimations

Important prompt: The Company utilized detailed accounting polices and estimations on providing of bad debt provisions, fixed asset depreciation, intangible asset amortization, recognition of revenue, and so forth, according to its business practices.

1. Statement of compliance to the Enterprise Accounting Standard

The finance report produced by the Company is accordance with the Enterprise Accounting Standard, and reflects the Company's financial state, business performance and cash flow frankly and completely.

2. Fiscal year

The Company uses the calendar year for its fiscal year. A fiscal year is from January 1 to December 31.

3. Operational period

The Company's relatively shorter operational period, which is 12 months, and is used as division of liquidity of assets and liabilities.

4. Standard currency for bookkeeping

The Company uses Renminbi (RMB) as the standard currency for book keeping.

5. Determination method and selection basis of importance standard

Applicable Not applicable

Item	Criterion of importance
Material accounts receivable with single provision for bad debts	Individual amount exceeding 0.5% of total assets
Material write-off accounts receivable	Individual amount exceeding 0.5% of total assets

Material long-term receivables with single provision for bad debts	Individual amount exceeding 0.5% of total assets
Recovery or reversal of bad debt provision for material long-term receivables	Individual amount exceeding 0.5% of total assets
Material prepayments with an age of more than one year	Individual amount exceeding 0.5% of total assets
Material projects under construction	Total investment of a single project exceeding 0.5% of the total assets
Material accounts payable with an age of over 1 year	Individual amount exceeding 0.5% of total assets
Material other payables with an age of more than 1 year	Individual amount exceeding 0.5% of total assets
Material contractual liabilities with an age of more than 1 year	Individual amount exceeding 0.5% of total assets
Material estimated liabilities	Individual amount exceeding 0.5% of total assets
Cash flow of material investment activities	Individual amount exceeding 0.5% of total assets
Material non-wholly-owned subsidiaries	Total assets/revenues/profits exceeding 15% of the Group's total assets/revenues/profits
Material commitments	Single contract amount exceeding 5% of the total assets or Item with special nature
Material contingencies	Litigation claim amount exceeding 5% of the total profit or Item with special nature
Material matters after the balance sheet date	Single amount exceeding 5% of the total assets or Item with special nature
Material debt restructuring	Individual amount exceeding 5% of total assets

6. Accounting treatment of the entities under common control and different control

(1). Treatment of entities under common control

Assets and liabilities acquired in merger of entities are measured at book values at the date of merger. The difference between the net book value of asset and the offered price (or total of face value of shares issued) will be adjusted into capital reserves; when the capital reserves is not enough to reduce, it will be adjusted into retained profit.

(2). Treatment of entities under different control

The difference of takeover cost over the fair value of recognizable net asset of the acquired entity is recognized as goodwill at the day of takeover; in case the takeover cost is lower than the fair value of recognizable net asset of the acquired entity, the measuring process over the recognizable asset, liabilities, contingent liabilities, and takeover cost, shall be repeated, if comes out the same result, the difference shall be recorded into current income

7. Criteria for control and preparation method of consolidated financial statements

(1) Control judgment

Control refers to the power over the investee, the entitlement to variable returns by participating in the related activities of the investee, and the ability to influence the variable return amount by using the power over the investee.

(2) Method for preparing the consolidated financial statements

The parent company puts all of its subsidiaries under its control into the consolidated financial statements. The consolidated financial statements are prepared according to the “Enterprise Accounting Standard No. 33 – Consolidated Financial Statements”, basing on the accounts of the parent company and the subsidiaries, and after adjusting the long-term investment equity in the subsidiary on equity basis.

8. Joint venture arrangements classification and Co-operation accounting treatment

9. Recognition of cash and cash equivalents

Cash equivalent refers to the investment held by the Company with short term, strong liquidity and lower risk of value fluctuation that is easy to be converted into cash of known amount.

10. Foreign currency trade and translation of foreign currencies

Foreign currency trades are translated into RMB at the rate of the day when the trades are made. Those balances of foreign currencies and monetary Item in foreign currencies are accounted at the exchange rate of the balance sheet date. Exchange differences, other than special loans satisfying the conditions of capitalization, are accounted into current income account. Non-monetary Item in foreign currencies and on historical cost are translated at the rate of the trade day. Non-monetary Item in foreign currencies and on fair value are translated at the rate of the day when the fair value is recognized, where the differences are accounted as gain/loss from change of fair value.

11. Financial instruments

(1) Classification of financial assets and financial liabilities

Financial assets are divided into the following three categories upon initial recognition: 1) Financial assets measured in amortized cost; 2) Financial assets measured at fair value, whose changes are included in other comprehensive income; 3) Financial assets measured at fair value, whose changes are included in current profits and losses.

Financial liabilities are divided into the following four categories upon initial recognition: 1) Financial liabilities measured at fair value, whose changes are included in current profits and losses; 2) Financial liabilities resulting from the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets; 3) Financial guarantee contracts that do not belong to the above 1) or 2), and loan commitments that do not belong to the above 1) and lend at a lower than market interest rate; 4) Financial liabilities measured in amortized cost.

(2) Recognition basis, measurement methods and conditions for derecognition of financial assets and financial liabilities

However, if the accounts receivable initially recognized by the company do not contain significant financing components or the company does not consider the financing components in the contract for less than one year, the initial measurement shall be made according to the transaction price. The initial measurement is made according to the transaction price defined in *Accounting Standards for Business Enterprises No.14-Income*.

2) Subsequent measurement methods of financial assets

① Financial assets measured at amortized cost

The actual interest rate method is adopted for subsequent measurement according to amortized cost. Gains or losses arising from financial assets measured in amortized cost that are not part of any hedging relationship are included in current profits and losses when derecognition, reclassification, amortization according to the effective interest rate method, or impairment recognition.

② Debt instruments investment measured at fair value, whose changes are included in other comprehensive income

Fair value is adopted for subsequent measurement. Interest, impairment losses or gains and exchange gains and losses calculated by the effective interest rate method are included in the current profits and losses, while other gains or losses are included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other

comprehensive income and included in current profits and losses.

③ Equity instrument investments measured at fair value, whose changes are included in other comprehensive income

Fair value is adopted for subsequent measurement. Dividends received (except those that belong to the part of investment cost recovery) are included in current profits and losses, and other gains or losses are included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained income.

④ Financial assets measured at fair value and changes included in current profits and losses

The fair value is adopted for subsequent measurement, and the resulting gains or losses (including interest and dividend income) are included in the current profits and losses unless the financial asset is part of the hedging relationship.

(3) Subsequent measurement methods of financial liabilities

① Financial liabilities measured at fair value, whose changes are included in current profits and losses

Such financial liabilities include transactional financial liabilities (including derivatives of financial liabilities) and financial liabilities designated to be measured at fair value, whose changes are included in current profits and losses. Such financial liabilities are subsequently measured at fair value. Changes in the fair value of financial liabilities designated to be measured at fair value, whose changes are included in the profits and losses of the current period due to changes in the company's own credit risk are included in other comprehensive income, unless such treatment will cause or expand accounting mismatch in profits and losses. Other gains or losses arising from such financial liabilities (including interest expenses and changes in fair value except for changes in the company's own credit risk) are included in the current profits and losses unless the financial liabilities are part of the hedging relationship. Upon termination of recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained income.

② Financial liabilities resulting from the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets

B. Financial assets have been transferred, and the transfer meets the provisions of the Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets on the derecognition of financial assets.

When the current obligation of a financial liability (or part thereof) has been discharged, the financial liability (or part thereof) shall be derecognized accordingly.

(4) Recognition basis and measurement method of financial asset transfer

If the company has transferred almost all risks and rewards in the ownership of financial assets, it shall terminate the recognition of the financial assets and separately recognize the rights and obligations arising from or retained in the transfer as assets or liabilities; If almost all risks and rewards on the ownership of financial assets are retained, the transferred financial assets shall continue to be recognized. If the company neither transfers nor retains almost all risks and rewards in the ownership of the financial asset, the following situations shall be handled respectively: 1) If the control over the financial asset is not retained, the recognition of the financial asset shall be terminated, and the rights and obligations generated or retained in the transfer shall be separately recognized as assets or liabilities; 2) If the control over the financial assets is retained, the relevant financial assets shall be recognized according to the extent of continuing involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the

following two amounts shall be included in the current profits and losses: 1) The book value of the transferred financial assets on the derecognition date; 2) The sum of the consideration received for the transfer of financial assets and the amount of the corresponding derecognized portion of the accumulated amount of changes in fair value originally directly included in other comprehensive income (the financial assets involved in the transfer are debt instrument investments measured at fair value, whose changes are included in other comprehensive income). If a part of the financial asset is transferred and the transferred part meets the conditions for derecognition as a whole, the book value of the financial asset before transfer shall be apportioned between the derecognition part and the continuing recognition part according to their respective relative fair values on the transfer date, and the difference between the following two amounts shall be included in the current profits and losses: 1) The book value of the derecognition part; 2) The sum of the consideration of the derecognized portion and the amount of the corresponding derecognized portion of the cumulative amount of changes in fair value originally directly included in other comprehensive income (financial assets involved in transfer are debt instrument investments measured at fair value, whose changes are included in other comprehensive income).

(5) Impairment of financial instruments

1) Impairment measurement and accounting treatment of financial instruments

On the basis of expected credit losses, the company carries out impairment treatment on financial assets measured at amortized cost, debt instrument investments measured at fair value whose changes are included in other comprehensive income, lease receivables, loan commitments other than financial liabilities classified as financial liabilities measured at fair value, whose changes are included in current profits and losses, financial liabilities not measured at fair value, whose changes are included in current profits and losses, or financial guarantee contracts that are not financial asset transfers which do not meet the conditions for derecognition or which continue to be involved in financial liabilities formed by transferred financial assets, and recognize loss provisions.

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between the cash flow of all contracts discounted according to the original real interest rate and the expected cash flow of all contracts receivable according to the contract, that is, the present value of all cash shortages. Among them, the Company discounts the financial assets purchased or originated with credit impairment at the actual interest rate adjusted by credit.

For financial assets purchased or originated that have suffered credit impairment, the company will only recognize the accumulated changes in expected credit losses during the entire duration since initial recognition as loss reserves on the balance sheet date.

For accounts receivable that do not contain significant financing components or that the company does not consider financing components in contracts of not more than one year, the company uses simplified measurement methods to measure the loss reserve according to the expected credit loss amount equivalent to the entire duration.

For lease receivables and receivables containing significant financing components, the company uses simplified measurement methods to measure the loss reserve according to the expected credit loss amount equivalent to the entire duration.

For financial assets other than the above measurement methods, the company evaluates whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the company shall measure the loss reserve according to the amount of expected credit loss during the whole duration. If the credit risk has not increased significantly since the initial recognition, the company shall measure the loss reserve according to the expected credit loss amount of the financial instrument within the next 12 months.

The company uses the available reasonable and reliable information, including forward-looking information, to determine whether the credit risk of financial instruments has increased significantly since the initial recognition by comparing the risk of default on the balance sheet date with the risk of default on the initial recognition date.

The company evaluates expected credit risks and measures expected credit losses on the basis of individual financial instruments or combinations of financial instruments. When based on the combination of financial instruments, the company divides financial instruments into different combinations based on common risk characteristics.

For financial assets measured in amortized cost, the loss reserve shall be offset against the book value of the financial assets listed in the balance sheet; For creditor's rights investments measured at fair value, whose changes are included in other comprehensive income, the company recognizes its loss reserve in other comprehensive income, which does not offset the book value of the financial asset.

(6) Setoff of Financial Assets and Liabilities

The financial assets and liabilities of the company are shown separately in the balance sheet which do not offset each other. However, when the following conditions are met at the same time, the net amount after mutual offset is shown on the balance sheet. 1. The company has the legal right to offset the recognized amount, and this legal right is currently enforceable. 2. The company plans to settle the financial assets or liquidate the financial liabilities at the same time for netting settlement.

If the transfer of financial assets does not meet the conditions for the termination of recognition, the company shall not set off the transferred financial assets and related liabilities.

(7) Recognition standard and accrual method of expected credit loss of receivables and contract assets

1) Accounts receivable and contract assets with expected credit losses accrued according to the portfolio of credit risk characteristics

Category	Basis for determining combination	Methods of measuring expected credit loss
Bank acceptance bills receivable	Bill type	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Commercial acceptance bills receivable		
Acceptance bill receivable from the financial company		
Account receivable—Aging combination	Aging	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.
Account receivable—associated transaction combinations	Related parties within the scope of the consolidated financial statements	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Other receivable—Aging combination	Aging	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.
Other receivable—associated transaction combinations	Related parties within the scope of the consolidated financial statements	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between

Category	Basis for determining combination	Methods of measuring expected credit loss
		the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Contract assets—Aging combination	Aging	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.
Contract assets—associated transaction combinations	Related parties within the scope of the consolidated financial statements	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Long-term receivable—aging combination	Overdue time	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.

2) Comparison table of aging and expected credit loss rate of aging portfolio

① Account receivable, Other receivable and Contract assets—Table of Aging of Aging Combination and Expected Credit Loss Rate

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)	Expected credit loss rate of contract assets (%)
Within 1 year (inclusive, the same below)	5	5	5
1-2 years	10	10	10
2-3 years	30	30	30
3-4 years	60	60	60
4-5 years	80	80	80
Over 5 years	100	100	100

The aging of accounts receivable/other receivables/contract assets shall be calculated from the month when the payment actually occurs.

② The overdue aging of long-term receivables shall be calculated from the month when the payment is actually overdue.

Overdue time	Expected credit loss rate of long-term receivables (%)
Not overdue	5
Overdue within 1 year (inclusive, the same below)	10
Overdue 1-2 years	30
Overdue 2-3 years	60

Overdue time	Expected credit loss rate of long-term receivables (%)
Overdue 3-4 years	80
Overdue for more than 4 years	100

The overdue time of long-term receivables shall be calculated from the month when the payment is actually overdue.

3) Identification standard of accounts receivable and contract assets with expected credit loss accrued individually

For receivables and contract assets whose credit risk is significantly different from that of portfolio credit risk, the Company shall accrue the expected credit loss individually.

12. Notes receivable

For details, please refer to Section X(5)-11 Financial instrument of this report.

13. Account receivable

For details, please refer to Section X(5)-11 Financial instrument of this report.

14. Financing of receivables

For details, please refer to Section X(5)-11 Financial instrument of this report.

15. Other account receivable

Methods for determining expected credit losses of other receivables and accounting treatment

For details, please refer to Section X(5)-11 Financial instrument of this report.

16. Contract assets

According to the relationship between performance obligation and customer payment, the company lists contract assets or contract liabilities in the balance sheet. The company will offset the contractual assets and contractual liabilities under the same contract and list them in net amount.

The company lists the right to receive consideration from customers unconditionally (that is, only depending on the passage of time) as receivables, and lists the right to receive consideration after transferring goods to customers (which depends on factors other than the passage of time) as contract assets.

The Company's obligation to transfer goods to customers for received or receivable consideration from customers is listed as a contractual liability.

Recognition standard and accrual method of expected credit loss of receivables and contract assets: For details, please refer to Section X(5)-11 Financial instrument of this report.

17. Inventories

(1) Inventory classification

Inventories include saleable finished goods or merchandise, product-in-process, consumption material and goods in manufacturing procedure or working procedure.

(2) Pricing of inventory to be delivered

The raw materials issued by Hangzhou Zhongneng Turbine Machinery Equipment Co., Ltd. (hereinafter referred to as Zhongneng Company) are priced by moving weighted mean method. other companies adopt the weighted average method at the end of the month, and the individual valuation method

(3) Inventory system

Inventory system: perpetual inventory system

(4) Amortization of low-value consumables and packaging materials**1.Low price consumable**

Basis of amortizing: one-off

2.Packaging materials

Basis of amortizing: one-off

(5) Pricing of inventory to be delivered**Pricing of inventory to be delivered**

At the balance sheet day, inventories are measured at the lower of costs and cashable net values, the individual difference between the cashable net value and cost are provided as inventory impairment provision. For finished product, merchandise, saleable material and other saleable merchandise inventory, their cashable net values are recognized by their estimated sale price in normal operation deducting estimated sale expenses and related taxes; for material inventory which need processing, it cashable net value are recognized by the estimated sale prices of its finished products in normal operation deducting the estimated cost, sale expenses and related taxes due to the end of processing; At the balance sheet day, for inventory item which part has contract price and part has no contract price, the cashable net value is accounted separately, and recognize the inventory impairment provision or returnable cash..

18.Held-for-sale asset**19.Creditor's rights investment****20.Other Creditor's rights investment****21.Long-term account receivable****22. Long-term equity investment****1. Recognition of common control and substantial influence**

According to the contract, if the invested enterprise's main finance and operation policy need to be agreed by the other investing party, the investment is common control investment; if only have participating decision rights in invested enterprise's main finance and operation policy but have no own control or common control with other investing part, the investment is investment with substantial influence.

2. Recognition of initial investment costs

(1) For the long-term equity investment formed by corporate merger under common control, if it is the long-term equity investment obtained from the corporate merger by paying cash, transferring non-cash asset, bear liability and issuing equity securities, the share of book value of owner's equity of the merged party on the merger date

shall be taken as the initial investment cost. The asset reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of paid combined consideration or issued securities; if the capital is not enough for deduction, the remain earnings are adjusted.

Recognition of “one-off” trade when long-term equity investment is composed by merger of entities under common control by multiple steps.

Transactions under an “one-off” trade are accounted as a common trade of ownership.

Transactions which are not “one-off” trades are recognized for their initial investment cost basing on the share of book value of net asset in the consolidated financial statement of the entities acquired. Balance between the initial investment cost and the book value of the long-term equity investment before merger and the premium paid for the new shares after merger, is adjusted to capital reserves; when the capital reserve is not enough to offset, retained profit shall be adjusted thereof.

(2) For the long-term equity investments formed by merger of enterprises under different control, the initial investment cost is recognized by the fair value of combined consideration on purchasing day and related expenses. Long-term equity investment formed by acquisition of entities under different control by trade in multiple stages are accounted separately in the financial statements and consolidated financial statements.

1) In individual financial account, the sum of book value of original equity investment plus new investment cost is recognized as the initial investment cost on cost basis.

2) Recognition of “one-off” trade in consolidated financial statements

Transactions under an “one-off” trade are accounted as a common trade of ownership. Transactions which are not “one-off” trades are re-measured for their fair value at the day of acquisition. Balance between the fair value and the book value of the long-term equity investment is adjusted to current investment gains; other gains from equity on equity basis before the acquisition day are written over to current gains of at the day of acquisition, but not the gains from re-calculating of changes in net liability or asset by the invested entity.

(3) Formed by means other than entity merger:

Acquired by cash payment – initial investment cost is the actual amount of payment;

Acquired by issuing of equity certificates – initial investment cost is the fair value of equity certificate issued;

Acquired by debtor restructuring – initial cost recognized as according to the Enterprise Accounting Standard No.12 – Debtor restructuring;

Acquired by trading of non-monetary asset - initial cost recognized as according to the Enterprise Accounting Standard No.7 – Trade of non-monetary assets;

3. Subsequent measurement and recognition of gain/loss

Cost basis is adopted in accounting of long-term equity investment in entities under substantial control of the Company; while equity basis is adopted in accounting of investment in affiliates and joint-ventures.

4. Treatment of disposal of subsidiaries by stages till losing of control power

(1) Individual account

The difference between the book value and the actual purchase price of the disposed equity is recorded into the current profit and loss. With regard to the remaining equity, which still has a significant impact on the invested entity or exercises joint control with other parties, it shall be converted to equity accounting; if the entity under investment can no longer be controlled, jointly controlled or significantly affected, it shall be recognized as a financial asset, Accounting shall be carried out in accordance with the relevant provisions of Accounting Standards for Enterprises No. 22-recognition and Measurement of Financial Instruments.

(2) Basis of Consolidated Financial Statements

1) Losing of controlling power on a subsidiary through disposal of equity by multiple trades, and not recognized

as “one-off” trade:

Before losing of control power, the balance of disposal consideration and the share of net asset attributable to the Company on continued basis since purchasing or merger, is adjusted to capital reserves (capital premium), whereas if the capital premium is not enough to offset the amount, retained profit will be offset at corresponding amount.

At losing of control power over a former subsidiary, the retained equity shares shall be re-calculated according to the fair value at the day of losing power. Sum of the consideration obtained from disposal and fair value of the retained equity shares, less the share of net asset attributable to the Company on continued basis since purchasing or merger, is accounted into investment gains of the period when the control power is disposed, and goodwill shall be offset meanwhile. Other gains related to the equities in formal subsidiary shall be written over to current investment gains at the period when control power was disposed.

2) Losing of controlling power on a subsidiary through disposal of equity by multiple trades, and recognized as “one-off” trade:

The multiple trades are treated as one trade that causes losing of control power on a subsidiary. However, the balance between the consideration received from each trade and corresponding share of net asset is recognized as other gains in the consolidated accounts, and transferred collectively to gain/loss account of the period in which the control power was lost.

23. Investment property

The measurement mode of investment property

Measurement cost method

Depreciation or amortization method

(1) Investment real estate includes leased land use rights, land use rights held and ready to be transferred after appreciation, and leased buildings.

(2) Investment real estate is initially measured according to cost, followed by measurement by cost model, and depreciated or amortized in the same way as fixed assets and intangible assets.

24. Fixed assets

1. Conditions for fixed asset recognition

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one year of service life. Fixed assets are recognized at satisfying of great possibility of benefit inflow and costs are accountable.

2. Depreciation

Categories	Basis of depreciation	Depreciation age (year)	Retain value rate	Annual depreciation ratio
Houses & buildings	Straight average on period	30-40	4-5	3.20-2.38
Equipment & machinery	Straight average on period	5-20	4-5	19.2-4.75
Transportation equipment	Straight average on period	5-12	4-5	19.2-7.92

Office equipment	Straight average on period	3-10	4-5	32-9.50
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25. Construction in process

1. Construction in process is recognized on the basis of characteristics: very possible economic benefit flow in, cost can be measured reliably. Since the date when the construction in process reaches its useful status as expected, the construction in process is measured by the happened cost Since the date when the construction in process reaches its useful status as expected.

2. When the construction in process reaches its useful status as expected, it is transferred into fixed asset at actual cost. If the construction in process has reached useful status but with completion of project settlement process, it is transferred to fixed asset at the value estimated, and adjustment will happen after completion of project settlement process but no adjustment on depreciation provided previously.

Category	Standard and time point for carrying forward construction in progress to fixed assets
Houses and buildings	Reach the predetermined serviceable state or delivered for use at the time of acceptance
Machinery and equipment	Meet the design requirements or standards stipulated in the contract after installation and debugging
Office equipment	Meet the design requirements or standards stipulated in the contract after installation and debugging
Software project	Meet the design requirements or standards stipulated in the contract after installation and debugging

26. Loan expenses

1. Capitalizing of loan expenses

Loan expenses occurred in the Company, which can be categorized to purchasing or construction of assets satisfying the conditions of capitalization, shall be capitalized and accounted into capital costs; while other loan expenses are recognized as expenses and recorded into current income account.

2. Capitalization period of loan expenses

(1) Capitalization started as soon as all of these conditions are satisfied: 1) Capital expenditures have occurred; 2) Loan expenses have occurred; 3) Necessary purchasing or construction processes have been started to make the asset usable or sellable.

(2) If irregular interruption occurred in the purchasing or construction process of the assets satisfying the capitalizing conditions, and suspended for over successive three months, capitalizing of loan expenses is suspended; loan expenses occurred during the suspension period are recognized as current expenses until the purchasing or construction process resumes.

(3) Capitalizing of loan expenses is terminated as soon as the asset satisfying the capitalizing conditions reaches the state of usable or sellable as expected.

3. Rates and amounts of loan expense capitalization

Special loans raised for purchasing or construction of assets satisfying the conditions of capitalization, interest to be capitalized will be the actual interest expenses occurred in the current period of loan (including the discount, premium, or amortizing decided on actual interest rate basis), less the interest income from the unused loans in bank account or provisional investment gains; common loans used for purchasing or construction of assets satisfying the conditions of capitalization, the interest to be capitalized will be the weighted average of balance over special loans multiply capitalization rate of common loans.

27. Biological assets**28. Oil-gas assets****29. Intangible assets****(1) Service life and its determination basis, estimation, amortization method or review procedure**

1. Intangible assets are land using rights, patents, and non-patent technologies, which are measured at cost basis.
2. For intangible assets with limited useful life, during the use life it is amortized according to the anticipating implementation method of the economic benefit of the intangible asset systematically and reasonably. If can't recognize the anticipating implementation method, the straight basis is deployed.

Item	Service life and its determination basis	Amortization method
Land using right	The service life is determined to be 50 years according to the term of property registration	Straight-line method
Patent	he service life is determined to be 5-20 years according to the expected income period	Straight-line method
Non patent technology	The service life is determined to be 5 years according to the expected benefit period	Straight-line method
Software	The service life is determined to be 3-10 years according to the expected benefit period	Straight-line method

(2) Collection scope of R&D expenditure and related accounting treatment methods

1) Collection scope of R&D expenditure

① Staff labor cost

Staff labor costs include the salary, basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund of the Company's R&D staff, share payment granted by the company to R&D staff, and labor costs of external R&D staff.

If the R&D staff serve multiple R&D projects at the same time, the labor costs shall be recognized according to the working hours records of R&D staff of each R&D project provided by the management department of the Company, and distributed among different R&D projects in proportion.

If the staff directly engaged in R&D activities and the external R&D staff are engaged in non-R&D activities at the same time, the Company will allocate the actual staff labor costs between R&D expenses and production and operation expenses according to the working hours records of the R&D staff in different positions and reasonable methods such as the proportion of actual working hours.

② Direct input cost

Direct input cost refers to the related expenditure actually incurred by the Company for implementing R&D activities. Including: 1) Direct consumption of materials, fuel and power costs; 2) Development and manufacturing expenses of molds, process equipment used for intermediate test and trial production of products, purchase fees for samples, prototypes and general testing means that do not constitute fixed assets, and inspection fees for trial-produced products; 3) Expenses for operation, maintenance, adjustment, inspection, testing and maintenance of instruments and equipment used for R&D activities.

③ Depreciation expense

Depreciation expense refers to the depreciation expense of instruments, equipment and buildings in use for R&D activities.

If instruments, equipment and buildings in use for R&D activities are used for non-R&D activities at the same time, necessary records shall be made on the use of such instruments, equipment and buildings in use, and the actual depreciation expenses shall be allocated between R&D expenses and production and operation expenses by reasonable methods according to the actual working hours and use area.

④ Amortization expense of intangible assets

Amortization expense of intangible assets refers to the amortization expense of software, intellectual property and non-patented technology (proprietary technology, license, design and calculation method, etc.) used for R&D activities.

⑤ Design expense

Design expense refers to the expense incurred in conceiving, developing and manufacturing new products and new processes, designing processes, technical specifications, procedures and operational characteristics, including the related expenses incurred in creative design activities to obtain innovative, creative and breakthrough products.

⑥ Commissioned external R&D expense

Commissioned external R&D expense refers to the expense incurred by the Company to commission other institutions or individuals at home and abroad to carry out R&D activities (the results of R&D activities are owned by the Company and closely related to the Company's main business).

⑦ Other expenses

Other expenses refer to other expenses directly related to R&D activities besides the above expenses, including technical books and materials fees, materials translation fees, expert consultation fees, high-tech R&D insurance fees, R&D results retrieval, demonstration, evaluation, appraisal and acceptance fees, application fees, registration fees and agency fees for intellectual property rights, conference fees, travel expenses, communication fees, etc.

2) Expenditure of internal R&D projects in the research stage is included in the current profits and losses when it occurs. Expenditure of internal R&D projects in the development stage is recognized as intangible assets if it meets the following conditions at the same time: ① It is technically feasible to complete the intangible assets so that they can be used or sold; ② It has the intention to complete the intangible assets and use or sell them; ③ The ways in which intangible assets generate economic benefits, including the ability to prove that there is a market for the products produced by using the intangible assets or for the intangible assets themselves, and if the intangible assets will be used internally, the ability to prove their usefulness; ④ It has sufficient technical, financial and other resources to support the development of the intangible assets, and has the ability to use or sell the intangible assets; ⑤ Expenditure attributable to the development stage of the intangible assets can be reliably measured.

30. Impairment of partial long-term assets

For those long-term assets such as equity investment, fixed assets measured on cost basis, construction-in-process, intangible assets with limited service life, their recoverable amount shall be evaluated as soon as there was evidence indicating impairment at the balance sheet day. For intangible assets such as goodwill from merger or intangible assets with uncertain service lives, impairment test is performed each year whatever there is evidence of impairment or not. Impairment test on goodwill is performed on combination of related assets.

When the result of prediction shows that the recoverable amount is lower than its book value, the balance shall be provided impairment provision and accounted into current gain/loss.

31. Long-term amortizable expenses

32. Contract Liabilities

For details, please refer to Section X, V 16 Contract Assets of this report.

33. Employees' wage**1. Accounting of short-term wages**

In the fiscal period when an employee is providing services, short-term wages actually occurred is recognized as liability, and recorded into current gain/loss account or cost of related asset.

2. Accounting of stipulated beneficiary plan is on following steps:

1) On basis of expected accumulation of welfare, estimations on population variables and financial variables, calculating of liabilities from stipulated beneficiary plan, and recognition of the period of related liabilities, are performed on basis of non-bias and accordance actuary. Meanwhile, discount is performed on the liabilities from stipulated beneficiary plan to recognize the current value and service cost of the liabilities from the stipulated beneficiary plan.

2) When there is asset involved in the stipulated beneficiary asset, the deficit or premium from the balance of the current value of liabilities of stipulated beneficiary plan over their fair values is recognized as its net liability or net asset. When there is a premium with a stipulated beneficiary plan, the lower one between the premium and the upper limit of the asset is recognized as the net asset of such stipulated beneficiary asset;

3) At end of period, employees' wages from stipulated beneficiary plan are recognized by three parts including service cost, net interest of net liability or net asset, and recalculated net asset or liability variation. The first two are recorded into current gain/loss or related asset cost, the third is recorded to other gains, which will not be written back to gain/loss in successive fiscal periods, but the amount can be transferred with the range of equity.

3. Accounting of dismissing welfare

Welfares for employees who are dismissed, the earlier one of the following is recognized as employee wage liability, and recorded to current gain /loss:

- (1) When the Company cannot, on its own call only, retrieve the dismissing welfare provided by dismissing of service plan or suggestion;
- (2) When the costs or expenses related to restructuring involved in the dismissing welfare are recognized by the Company.

4. Accounting of other long-term employees' welfares

As of long-term welfares provided to the employees, those which satisfy conditions of the stipulated saving plan are treated according to related regulations of stipulated saving plan; those which other than the aforesaid, are treated according to the stipulated beneficiary plan. In viewing of simplifying accounting treatment, employee wage costs are recognized as service costs, the net amounts of interests of other long-term welfare net liability or asset, along with recalculated variations of the both are recorded to the related gain/loss or cost of related asset.

34. Expected liabilities

(1) When it is very much likely to cause economic interests which can be reliably calculated outflow from the company to fulfill the obligation which is due to giving security outside, contentious matter, quality guarantee of products, onerous contract and other contingency, the company will regard the obligation as anticipation liabilities.

- (2) The company will make an initial measurement of anticipation liabilities according to needed expense

of best estimation when fulfilling related obligations and check the book value of anticipation liabilities on the balance sheet date.

35.Share-based Payment

(1) Types of share-based payment

Including equity-settled share-based payment and cash-settled share-based payment.

(2) Accounting treatment related to implementation, modification and termination of share-based payment plan

1) Equity-settled share-based payment

Equity-settled share-based payment in exchange for employee services immediately after the grant, shall be included in relevant costs or expenses according to the fair value of equity instruments on the grant date, and the capital reserve shall be adjusted accordingly. For equity-settled share-based payment that can only be exchanged for employee services if the service in the waiting period is completed or the specified performance conditions are met, on each balance sheet date in the waiting period, based on the best estimation of the number of equity instruments with the vesting right, the services obtained in the current period shall be included in relevant costs or expenses according to the fair value of the equity instruments on the granting date, and the capital reserve shall be adjusted accordingly.

Share-based payment for equity settlement of other parties' services, if the fair value of other parties' services can be reliably measured, shall be measured according to the fair value of other parties' services on the acquisition date; If the fair value of other parties' services cannot be measured reliably, but the fair value of equity instruments can be measured reliably, it shall be measured according to the fair value of equity instruments on the service acquisition date, and included in the related costs or expenses, and the owner's equity shall be increased accordingly.

2) Cash-settled share-based payment

Cash-settled share-based payment in exchange for employee services immediately after the grant, shall be included in relevant costs or expenses according to the fair value of liabilities borne by the Company on the grant date, and liabilities shall be increased accordingly. For cash-settled share-based payment in exchange for employee services only after the service in the waiting period is completed or the specified performance conditions are met, on each balance sheet date in the waiting period, based on the best estimation of the situation of the vesting right, the services obtained in the current period shall be included in the relevant costs or expenses and corresponding liabilities according to the fair value of the liabilities assumed by the Company.

3) Modification and termination of the share-based payment plan

If the modification increases the fair value of the granted equity instruments, the Company shall correspondingly recognize the increase of the obtained services according to the increase of the fair value of the equity instruments; If the modification increases the number of equity instruments granted, the fair value of the increased equity instruments will be recognized as the increase of services by the Company; If the Company modifies the vesting conditions in a way that is beneficial to employees, the Company will consider the modified vesting conditions when dealing with the vesting conditions.

If the modification reduces the fair value of the granted equity instruments, the Company will continue to recognize the amount of services obtained based on the fair value of the equity instruments on the granting date, without considering the reduction of the fair value of the equity instruments; If the modification reduces the number of granted equity instruments, the Company will treat the reduced part as the cancellation of the granted equity instruments; If the vesting conditions are modified in a way that is unfavorable to employees, the modified

vesting conditions will not be considered when dealing with the vesting conditions.

If the Company cancels the granted equity instruments or settles the granted equity instruments during the waiting period (except those cancelled due to failure to meet the vesting right conditions), the cancellation or settlement will be treated as accelerated vesting right, and the amount originally recognized during the remaining waiting period will be immediately recognized.

36 . Other financial instruments such as preferred shares and perpetual capital securities

37.Revenues

Accounting policies used for revenue recognition and measurement

1. Recognizing of revenue

Since the starting date of the contract, the company shall evaluate the contract, identifies each individual performance obligation contained in, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point of time.

The performance obligation is defined as fulfillment within a certain period of time if one of the following conditions is met, otherwise, it is defined as fulfilled at a certain point in time: (1) The customer obtains and consumes the economic benefits brought by the company's performance while the company performs the contract; (2) The customer can control the goods under manufacturing or services during the company's performance; (3) The goods or services produced during the company's performance have irreplaceable uses, and the company has the right to accumulate for the completed performances during the entire contract period.

For obligations performed within a certain period of time, the company recognizes revenue in accordance with the performance progress in that period. If the performance progress cannot be reasonably determined, and the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined. For obligations performed at a certain point in time, revenue shall be recognized at the point when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of the product, the company shall consider the following points: (1) The company has the current right to receive payment for the product, that is, the customer has the current payment obligation for the product; (2) The company has transferred the legal ownership of the product to the customer, that is, the customer has the legal ownership of the product; (3) The company has transferred the physical product to the customer, that is, the customer has physically taken possession of the product; (4) The company has transferred the main risks and rewards on the ownership of the product to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the product; (5) the customer has accepted the product; (6) other signs that the customer has obtained control of the product.

2. Principle of income measurement

(1) The company shall measure revenue based on the transaction price allocated to each individual performance obligation. The transaction price is the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to customers, while does not include payments received on behalf of third parties and payments expected to be returned to customers.

(2) If there is variable consideration in the contract, the company shall determine its best estimate according to the expected value or the most likely amount, but the transaction price including the variable consideration shall not exceed the accumulated amount that, if relevant uncertainty is eliminated, will most likely have no significant reversal.

(3) If there is any significant financing component in the contract, the company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. The difference between transaction price and contract consideration shall be amortized through effective interest method during the contract period.

(4) If the contract contains two or more performance obligations, the company shall, on date of the contract, allocate the transaction price to each individual obligation item in accordance with the relative proportion of the separate selling price of promised goods.

3. Specific methods of revenue recognition

1) Industrial steam turbine and other products sales business

The company's selling of steam turbines, gas turbine or spare parts shall belong to the performance of obligation at a certain point in time.

Domestic sales revenue is recognized when the Company has delivered the product in accordance with the contract and obtained the receipt confirmed by the purchaser, with received the payment or obtained the right to receive payment and the relevant economic benefits are likely to flow in. Export sales revenue is recognized when the Company has declared the product in accordance with the contract and obtained the export goods declaration form and the bill of lading, with received the payment or obtained the right to receive payment and the relevant economic benefits are likely to flow in.

2) Hydro-generator set sales business and engineering service business (including EPC and other general contracting projects)

The Company's business of selling hydro-generator sets and providing engineering services are the performance obligations performed within a certain period of time. The performance progress is determined according to the proportion of the incurred cost to the estimated total cost, and the revenue is recognized according to the performance progress. When the performance progress cannot be reasonably recognized, if the cost already incurred by the Company is expected to be compensated, the revenue will be recognized according to the cost amount already incurred until the performance progress can be reasonably recognized.

The adoption of different business models in similar businesses leads to differences in accounting policies for revenue recognition

38.Contract cost

39. Government subsidy

1. Government subsidies are recognized while they meet the following conditions at the same time: (1) the Company can meet the conditions attached to the government subsidies; (2) the Company can receive government subsidies. Where government subsidies are monetary assets, they shall be measured by the amount received or receivable. Where government subsidies are non-monetary assets, they shall be measured by the fair value; if the fair value cannot be reliably obtained, they shall be measured by the nominal amount.

2. Recognition basis and accounting of asset-related government subsidy

Government subsidies used for formation of long-term assets through purchase, construction or any other method as stipulated by government documents fall into the category of asset-related government subsidies. If government subsidies are not defined in the government documents, a judgment shall be made on the ground of essential conditions for obtaining the subsidies, among which, ones with an essential condition of formation of long-term assets through purchase, construction or any other method shall be asset-related government subsidies. For government subsidies related to assets, the book value of the relevant assets is deducted or the deferred income is recognized. Where such subsidies are recognized as deferred income, the relevant assets shall, within

the useful life of the relevant assets, be reasonably recognized, The method of the system shall be recorded into profit and loss by stages. The government subsidy measured according to the nominal amount shall be directly accounted for in the profits and losses of the current period. Where the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, Transfer the undistributed balance of deferred income to the current profit or loss of asset disposal.

3. Recognition basis and accounting of income-related government subsidy

A government subsidy other than an asset-related government subsidy is divided into profit-related government subsidies. It is difficult to distinguish between asset-related and revenue-related government subsidies that include both asset-related and revenue-related components. Overall classification as government subvention related to income. Than asset-related subsidies are recognized as income-related government subsidies. Those, which are used to cover costs or losses in subsequent periods, are recognized as deferred income and accounted to current gain/loss to the periods of related expenses. Those, which are used to makeup expenses or losses already occurred, are recorded to current gain/loss account.

4. Government subsidies related to routine business activities of the Company shall be included into other incomes or offset relevant costs and expenses by nature of economic business. Government subsidies irrelevant to routine activities of the Company shall be included into the non-operating receipt and disbursement.

5. Accounting treatment method for interest subsidies for policy-based preferential loans

(1) If the finance allocates interest subsidy funds to a lending banks that serves a loan to the Company at a policy-based preferential rate, the actual debit amount received shall be seen as the entry value of loan and relevant loan costs shall be worked out pursuant to the loan principal and the policy-based preferential rate.

(2) If the finance directly allocates interest subsidy funds to the Company, corresponding interest subsidies shall offset relevant loan costs.

40. Deferred income tax assets/ deferred income tax liabilities

1. Deferred income tax liabilities or assets are recognized at proper rate in the term of retrieving the assets or paying the liabilities according to difference (for not recognized assets and liabilities which tax basis can be recognized, the difference is between the tax basis and the book value) between book value of the assets or liabilities and the tax basis.

2. Deferred income tax assets are recognized limitedly by the income tax which very possibly deduct deductible temporary difference. At balance sheet day, the not-yet recognized deferred income tax assets in previous fiscal term are recognized if have evidence to prove there is enough income tax very possibly to deduct deductible temporary difference.

3. At the balance sheet day, verification will be performed on the book value of differed income tax assets. If it is not possible to obtain enough taxable income to neutralize the benefit of differed income tax assets, then the book value of the differed income tax assets shall be reduced. Whenever obtaining of taxable income became possible, the reduced amount shall be restored.

4. Current income tax and differed income tax are accounted into current gain/loss account as income tax expenditures or gains, but exclude the following income taxes: (1) Merger of enterprises; (2) Transactions or events recognized directly in owners' equity.

5. When the following conditions are met at the same time, the Company presents the deferred income tax assets and deferred income tax liabilities as the offset net amount: 1) When the taxpayer has the legal right to settle the current income tax assets and liabilities on a net basis; 2) Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection department on the same taxpayer or to different taxpayers, but in the future, during the period when each important deferred income tax asset and deferred income tax liability

are reversed, the taxpayers involved intend to settle the current income tax assets and current income tax liabilities on a net basis or acquire assets and pay off debts at the same time.

41. Lease

(1) Accounting treatment method for leasing as a lessee

On the start date of the lease term, the company will recognize the lease with a lease term of no more than 12 months and without the purchase option as a short-term lease; and recognize the lease with lower value when a single leased asset is a brand-new asset as a low-value asset lease. If the company subleases or expects to sublet the leased assets, the original lease shall not be deemed as low-value asset lease.

For all short-term leases and low-value asset leases, the company will calculate the lease payment amount into the relevant asset cost or current profits and losses according to the straight-line method in each period of the lease term.

In addition to the above-mentioned short-term leases and low-value asset leases with simplified processing, the company recognizes the right to use assets and lease liabilities for leases on the start date of the lease term.

① Right-to-use assets

The right-to-use assets are initially measured according to the cost, which includes: i. The initial measurement amount of lease liabilities; ii. If there is lease incentive for the lease payment issued on or before the start date of the lease term, the amount related to the lease incentive enjoyed shall be deducted; iii. Initial direct expenses incurred by the lessee; iv. The estimated costs that the lessee will incur for dismantling and removing the leased assets, restoring the leased assets' site or restoring the leased assets to the state agreed in the lease terms.

The company depreciates the right-to-use assets according to the straight-line method. If it can be reasonably determined that the ownership of the leased asset is acquired at the expiration of the lease term, the company shall accrue depreciation within the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the company shall accrue depreciation within the shorter of the lease term and the remaining service life of the leased asset.

② Lease liabilities

On the lease start date, the company recognizes the present value of the unpaid lease payment as the lease liability. When calculating the present value of the lease payment amount, the lease inclusive interest rate is used as the discount rate. If the lease inclusive interest rate cannot be determined, the company's incremental loan interest rate is used as the discount rate. The difference between the lease payment amount and its present value is considered as unrecognized financing expense, and the interest expense is recognized according to the discount rate for recognizing the present value of the lease payment amount in each period of the lease term, which is included in the current profits and losses. The variable lease payments that are not included in the measurement of lease liabilities are included in the current profits and losses when they actually occur.

After the start of the lease term, when the actual fixed payment amount changes, the estimated payable amount of the guarantee residual value changes, the index or ratio used to determine the lease payment amount changes, and the evaluation result or actual exercise situation of the purchase option, renewal option or termination option changes, the company will re-measure the lease liability according to the present value of the changed lease payment amount, and adjust the book value of the right-to-use assets accordingly. If the book value of the right-to-use assets has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount will be included in the current profits and losses.

(2) Accounting treatment method for leasing as a lessor

On the lease start date, the company classifies the lease with almost all risks and rewards related to the ownership of leased assets transferred as financial lease, and all other leases as operating leases.

① Operating lease

During each period of the lease term, the company recognizes the lease receipts as lease income according to the straight-line method, and the initial direct expenses incurred are capitalized and allocated on the same basis as the lease income recognition, and are included in the current profits and losses by stages. The variable lease payments related to operating leases that are not included in the lease receipts obtained by the company are included in the current profits and losses when they actually occur.

② Financing lease

On the start date of the lease term, the company recognizes the receivable financing lease payments according to the net lease investment (the sum of the unsecured residual value and the present value of the lease receipts that have not been received at the start date of the lease term), and derecognizes the financing lease assets. During each period of the lease term, the company calculates and recognizes the interest income according to the interest rate included in the lease.

The variable lease payments obtained by the company that are not included in the measurement of net lease investment are recorded into the current profits and losses when they actually occur.

(3) After-sale leaseback**① Company as the Lessee**

According to the Accounting Standards for Business Enterprises No.14-Income, the company evaluates and determines whether the asset transfer in the after-sale leaseback transaction is a sale.

If the asset transfer in the after-sale leaseback transaction is a sale, the company shall measure the right-to-use assets formed by the after-sale leaseback according to the part of the book value of the original assets related to the right-to-use acquired by leaseback, and only recognize the related gains or losses for the rights transferred to the lessor.

If the asset transfer in the after-sale leaseback transaction is not a sale, the company will continue to recognize the transferred asset, and at the same time recognize a financial liability equal to the transfer income, and conduct accounting treatment on the financial liability in accordance with Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments.

② Company as the Lessor

According to the Accounting Standards for Business Enterprises No.14-Income, the company evaluates and determines whether the asset transfer in the after-sale leaseback transaction is a sale.

If the asset transfer in the after-sale leaseback transaction is a sale, the company shall conduct accounting treatment on asset purchase according to other applicable accounting standards for enterprises, and conduct accounting treatment on asset lease according to Accounting Standards for Enterprises No.21-Lease.

If the asset transfer in the after-sale leaseback transaction is not a sale, the company will not recognize the transferred asset, but recognize a financial asset equal to the transfer income, and conduct accounting treatment on the financial asset in accordance with Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments.

42. Other significant accounting policies and estimates**(1) Work safety costs**

The Company withdraws and includes work safety costs into relevant product costs or current profits and loss and the subject of "special reserve" as per Measures for Management of Enterprise Withdrawal and Use of Work Safety Costs (Cai Qi [2022] No.136) jointly promulgated by Ministry of Finance and State Administration of Work Safety. As work safety costs withdrawn are used, ones attributable to the cost disbursement shall directly offset special reserve. To form fixed assets, the disbursement incurred for inclusion into the subject of "construction in progress" shall be recognized as fixed assets when safety projects are completed and available for use as expected; meanwhile, costs for forming fixed assets shall offset special reserve, cumulative depreciation in the corresponding amount shall be recognized and depreciation shall no longer be withdrawn for the fixed assets in the following period.

(2) Accounting treatment methods related to repurchase of company shares

If the shares of the Company are acquired for reasons such as reducing the registered capital or rewarding employees, they shall be treated as treasury shares according to the actual amount paid, and registered for future reference. If the repurchased shares are cancelled, the difference between the total face value of the shares calculated according to the face value of the cancelled shares and the number of cancelled shares and the amount actually paid for the repurchase will be offset against the capital reserve; if the capital reserve is insufficient for offset, the retained earnings will be offset; If rewarding of the repurchased shares to the employees of the Company is equity-settled share-based payment, when the employees exercise their right to purchase the shares of the Company and receive the price, the cost of the treasury stocks delivered to the employees and the accumulated amount of capital reserves (other capital reserves) during the waiting period will be written off, and meanwhile, the capital reserves (equity premium) will be adjusted according to such difference.

43.Change of main accounting policies and estimations

(1)Change of main accounting policies

Applicable Not applicable

(1) Since January 1, 2024, the company has implemented the provisions of "Division of Current Liabilities and Non-current Liabilities" stipulated in the Interpretation No.17 of Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and this accounting policy change has no impact on the company's financial statements.

(2) Since January 1, 2024, the company has implemented the provisions of "Disclosure of Supplier Financing Arrangements" stipulated in the Interpretation No.17 of Accounting Standards for Business Enterprises promulgated by the Ministry of Finance.

(3) Since January 1, 2024, the company has implemented the provisions of "Accounting Treatment of After-sale Leaseback Transactions" stipulated in the Interpretation No.17 of Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and this accounting policy change has no impact on the company's financial statements.

(4) Since January 1, 2024, the company has implemented the Interim Provisions on Accounting Treatment Related to Enterprise Data Resources promulgated by the Ministry of Finance, and adopted the applicable law in the future to implement the provisions.

(2) Change of main accounting estimations

Applicable Not applicable

(3) The Company started implementing the updated accounting standards commencing from 2024 and adjusted the relevant Item in the financial statements at the beginning of the very year involved in the initial implementation of the said standards

Applicable Not applicable

44.Other**VI. Taxation****1. Main categories and rates of taxes**

Category of taxes	Tax base	Tax rate
VAT	The output tax is calculated on the basis of the income from sales of goods and taxable services calculated according to the provisions of the tax law. After deducting the input tax allowed to be deducted in the current period, the difference is the VAT payable	13%, 9%, 6%; The policy of "exemption, credit and refund" is implemented, and the tax rebate rate is 13%
House tax	For those on price basis, taxes are paid at 1.2% of the balance of original value of the property after deducting of 30%; for those on rental basis, taxes are paid at 12% of the rental.	1.2%, 12%
City maintenance and construction tax	Turnover tax payable	7%, 5%
Educational surcharge	Turnover tax payable	3%
Local education additional	Turnover tax payable	2%
Enterprise income tax	Amount of income taxable	15%, 25%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
The Company, Guoneng Company, Huayuan Company, Zhongneng Company, Hangfa Company, Casting Company and Western Power Company	15%
Other Subsidiary (Domestic)	25%

2. Preferential tax

(1) According to the High-tech Enterprise Certificate (certificate numbers are GR202333006671, GR202333011986, GR202333008372, GR202333012099 and GR202333012799 respectively, valid for three years) issued by Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance

and Zhejiang Provincial Tax Service, State Taxation Administration on December 8, 2023, the Company and its subsidiaries Guoneng Company, Huayuan Company, Zhongneng Company and Hangfa Company enjoy preferential income tax for high-tech enterprises, so the enterprise income tax in January-June 2024 was calculated and paid at a reduced rate of 15%.

(2) According to the "High-tech Enterprise Certificate" (Certificate number: GR202233002954, validity: three years) issued by the Zhejiang Provincial Department of Science and Technology, the Zhejiang Provincial Department of Finance and the Zhejiang Provincial Taxation Bureau of the State Administration of Taxation on December 24, 2022, the subsidiary casting company enjoys high-tech enterprise income tax incentives, thus the enterprise income tax in January-June 2024 shall be reduced to be 15%.

(3) According to the High-tech Enterprise Certificate (Certificate No.: GR202251003392, valid for three years) issued by Sichuan Provincial Department of Science and Technology, Sichuan Provincial Department of Finance and Sichuan Provincial Tax Service, State Taxation Administration on December 2, 2022, the subsidiary Western Power is entitled to the preferential income tax for high-tech enterprises, so the enterprise income tax in January-June 2024 will be calculated and charged at a reduced rate of 15%.

(4) According to the Announcement on the Policy of Adding and Deducting VAT for Advanced Manufacturing Enterprises (Announcement No.43 of the Ministry of Finance and the State Taxation Administration in 2023), the Company and its subsidiaries Guoneng Company, Huayuan Company, Zhongneng Company, Hangfa Company, Casting & Forging Company and Western Power Company, as advanced manufacturing enterprises, add 5% of the deductible input tax for the current period to offset the payable VAT tax.

3.Other

VII. Notes to the Consolidated Financial Statements

1.Monetary funds

In RMB

Item	End of term	Beginning of term
Cash in stock	8,320.00	14,634.65
Bank deposit	1,780,760,019.38	2,661,596,779.47
Other monetary fund	81,134,054.82	136,556,715.38
Other	1,861,902,394.20	2,798,168,129.50

Other note:

The bank deposits at the end of the period include the frozen advance payment of RMB 15,134,134.00, the ETC deposit of RMB 43,000.00 and the bid deposit of EPEC platform of RMB 100.00.

Other ending monetary funds include RMB 65,604,358.17 of bank acceptance bills with restricted use, RMB 15,470,999.75 of L/G margin, RMB 24,808.45 of convertible bonds with unrestricted use, and RMB 5,826.64 of

balance in special account for treasury share repurchase, RMB 22,552.73 of interest on the deposit that can be transferred at any time and RMB 5,509.08 of deposit balance on the third-party payment platform.

2. Transactional financial assets

In RMB

Item	End of term	Beginning of term
Financial assets measured at fair value through profit or loss	181,566,304.02	568,887,484.10
Of which :		
Structure deposit	160,100,000.00	536,200,000.00
Financing product	20,000,000.00	30,002,021.25
Stock	1,466,304.02	1,960,706.24
Derivative financial assets		724,756.61
Of which:		
Total	181,566,304.02	568,887,484.10

Other note:

3. Derivative financial assets

In RMB

Item	End of term	Beginning of term
Total		

4. Notes receivable

(1) Notes receivable listed by category

In RMB

Item	End of term	Beginning of term
Bank acceptance bill	880,000.00	100,000.00
Trade acceptance bill	31,942,854.33	68,120,905.80
Acceptance bill of the finance corporation		16,767,771.31
Total	32,822,854.33	84,988,677.11

(2) According to the bad debt provision method classification disclosure

In RMB

Category	End of term					Beginning of term				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Of which:										
Accrual of bad	36,745,6	100.00%	3,922,75	10.68%	32,822,8	98,592,3	100.00%	13,603,694	13.80%	84,988,677.11

debt provision by portfolio	09.76		5.43		54.33	71.66		.55		
Of which:										
Bank acceptance	880,000.00	2.39%			880,000.00	100,000.00	0.10%			100,000.00
Commercial acceptance	35,865,609.76	97.61%	3,922,755.43	10.94%	31,942,854.33	80,572,077.21	81.72%	12,451,171.41	15.45%	68,120,905.80
Acceptance bill of the finance corporation						17,920,294.45	18.18%	1,152,523.14	6.43%	16,767,771.31
Total	36,745,609.76	100.00%	3,922,755.43	10.68%	32,822,854.33	98,592,371.66	100.00%	13,603,694.55	13.80%	84,988,677.11

Accrual of bad debt provision by portfolio:

In RMB

Name	Amount in year-end		
	Book balance	Bad debt provision	Proportion
Bank acceptance bill	880,000.00		
Trade acceptance bill	35,865,609.76	3,922,755.43	10.94%
Total	36,745,609.76	3,922,755.43	

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

Applicable Not applicable

(3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of bad debt provision by single						
Accrual of bad debt provision by portfolio	13,603,694.55	-9,680,939.12				3,922,755.43
Total	13,603,694.55	-9,680,939.12				3,922,755.43

Of which the significant amount of the reversed or collected part during the reporting period

Applicable Not applicable

(4) Notes receivable pledged by the company at the end of the period

(5) Accounts receivable financing endorsed or discounted by the Company at the end of the period and not expired yet on the date of balance sheet

In RMB

Item	Amount derecognized at the end of the period	Amount not yet derecognized at the end of the period

Commercial acceptance		23,608,388.31
Total		23,608,388.31

(6) The actual write-off accounts receivable**5. Accounts receivable****(1) Disclosure according to the aging**

In RMB

Aging	Balance in year-end	Balance Year-beginning
Within one year(one year included)	1,320,340,717.44	1,387,446,232.83
1-2 years	554,349,026.09	636,601,795.91
2-3 years	481,229,889.45	357,688,203.87
Over 3 years	849,712,718.92	751,198,423.19
3-4 years	279,708,528.72	214,302,960.22
4-5 years	112,306,640.14	94,111,763.66
Over 5 years	457,697,550.06	442,783,699.31
Total	3,205,632,351.90	3,132,934,655.80

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by single	73,449,027.13	2.29%	73,449,027.13	100.00%		74,459,027.13	2.38%	74,459,027.13	100.00%	
Including:										
Accrual of bad debt provision by portfolio	3,132,183,324.77	97.71%	911,538,733.70	29.10%	2,220,644,591.07	3,058,475,628.67	97.62%	816,333,687.73	26.69%	2,242,141,940.94
Including:										
Total	3,205,632,351.90	100.00%	984,987,760.83	30.73%	2,220,644,591.07	3,132,934,655.80	100.00%	890,792,714.86	28.43%	2,242,141,940.94

. Bad debt provision accrual on single basis:

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Accrual of bad debt provision by single	73,449,027.13	73,449,027.13	73,449,027.13	73,449,027.13	100.00%	Not expected to be recovered
Total	73,449,027.13	73,449,027.13	73,449,027.13	73,449,027.13		

Accrual of bad debt provision by portfolio:

In RMB

Name	Amount in year-end		
	Book balance	Bad debt provision	Proportion
Accrual of bad debt provision	3,132,183,324.77	911,538,733.70	29.10%

by portfolio			
Total	3,132,183,324.77	911,538,733.70	

Explanation on portfolio basis:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

(3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

Category	Opening balance	Amount of change in the current period				In RMB
		Accrual	Reversed or collected amount	Write-off	Other(Note)	Closing balance
Accrual of bad debt provision by single	74,459,027.13			1,010,000.00		73,449,027.13
Accrual of bad debt provision by portfolio	816,333,687.73	96,634,126.45		1,960,450.50	531,370.02	911,538,733.70
Total	890,792,714.86	96,634,126.45		2,970,450.50	531,370.02	984,987,760.83

(4) The actual write-off accounts receivable

Item	Amount	In RMB
The actual write-off accounts receivable		2,970,450.50

Note: Other changes are the amount actually recovered from bank deposits in the current period of accounts receivable that have been written off

(5) The top five accounts receivable and contract assets at the end of the period aggregated according to debtor

Name of the organization	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and contract assets	Ending balance of accounts receivable bad debt provision and contract asset impairment provision
Unit 1	797,496,964.28	128,192,830.00	925,689,794.28	23.14%	199,550,981.28
Unit 2	168,661,092.45	9,630,960.00	178,292,052.45	4.46%	98,614,684.56
Unit 3	117,053,488.32	6,509,107.97	123,562,596.29	3.09%	12,875,451.51
Unit 4	83,831,603.77	27,967,500.00	111,799,103.77	2.79%	5,654,080.19
Unit 5	51,469,544.20	28,582,000.00	80,051,544.20	2.00%	4,002,577.21
Total	1,218,512,693.02	200,882,397.97	1,419,395,090.99	35.48%	320,697,774.75

6. Contract assets

(1) Information of contract assets

In RMB

Item	Ending balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Warranty receivable	699,474,837.94	56,318,306.87	643,156,531.07	618,709,463.82	47,801,589.69	570,907,874.13
Construction contract forms assets	94,914,823.74	11,759,485.80	83,155,337.94	82,583,691.03	13,105,005.63	69,478,685.40
Total	794,389,661.68	68,077,792.67	726,311,869.01	701,293,154.85	60,906,595.32	640,386,559.53

(2) The significant amount change in book value during the reporting period and its reason

(3) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Including										
Accrual of bad debt provision by portfolio	794,389,661.68	100.00%	68,077,792.67	8.57%	726,311,869.01	701,293,154.85	100.00%	60,906,595.32	8.68%	640,386,559.53
Including										
Total	794,389,661.68	100.00%	68,077,792.67	8.57%	726,311,869.01	701,293,154.85	100.00%	60,906,595.32	8.68%	640,386,559.53

Accrual of bad debt provision by portfolio:

In RMB

Name	Amount in year-end		
	Book Balance	Bad debt provision	Proportion %
Aging portfolio	794,389,661.68	68,077,792.67	8.57%
Including: Within 1 year	519,188,475.61	25,959,423.78	5.00%
1-2 years	216,657,676.71	21,665,767.68	10.00%
2-3 years	50,681,994.68	15,204,598.41	30.00%
3-4 years	6,213,779.68	3,728,267.80	60.00%
4-5 years	640,000.00	512,000.00	80.00%
Over 5 years	1,007,735.00	1,007,735.00	100.00%
Total	794,389,661.68	68,077,792.67	

Explanation on portfolio basis:

Provision for bad debts is made according to the general model of expected credit losses

 Applicable Not applicable

(4) Bad debt provision accrual, collected or reversal in the period

In RMB

Item	Accrual	Collected or reversal	Other(Note)	Reason
Accrual of bad debt provision by single				
Accrual of bad debt provision by portfolio	7,171,197.35			
Total	7,171,197.35			

(5) Contract assets actually written off in the current period**7. Receivable financing****(1) Classification of receivables financing**

In RMB

Item	End of term	Beginning of term
Bank acceptance	683,028,646.84	732,220,103.56
Acceptance bill of the finance corporation	13,132,000.00	24,653,063.00
Total	696,160,646.84	756,873,166.56

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including										
Accrual of bad debt provision by portfolio	696,160,646.84	100.00%			696,160,646.84	756,873,166.56	100.00%			756,873,166.56
Including										
Including: Bank acceptance	683,028,646.84	98.11%			683,028,646.84	732,220,103.56	96.74%			732,220,103.56
Acceptance bill of the finance corporation	13,132,000.00	1.89%			13,132,000.00	24,653,063.00	3.26%			24,653,063.00
Total	696,160,646.84	100.00%			696,160,646.84	756,873,166.56	100.00%			756,873,166.56

Explanation on portfolio basis:

In RMB

Name	Amount in year-end
------	--------------------

	Book Balance	Bad debt provision	Proportion %
Bank acceptance	683,028,646.84		
Acceptance bill of the finance corporation	13,132,000.00		
Total	696,160,646.84		

Explanation on portfolio basis:

(3) Bad debt provision accrual, collected or reversal in the period

(4) Financing of accounts receivable pledged by the Company at the end of the period

In RMB

Item	Pledged amount at the end of the period
Bank acceptance	30,375,598.11
Total	30,375,598.11

(5) Financing of accounts receivable that have been endorsed or discounted by the Company at the end of the period and have not yet matured on the balance sheet date

In RMB

Item	The amount of derecognition at the end of the period	The amount not derecognized at the end of the period
Bank acceptance	886,706,918.10	
Acceptance bill of the finance corporation	3,626,967.23	
Total	890,333,885.33	

The acceptor of the bank acceptance bill is a commercial bank, because the commercial bank has high credit, the possibility of the bank acceptance bill not being paid at maturity is low, so the company has endorsed or discounted the bank acceptance bill to terminate the confirmation. However, if the bill is not paid at maturity, the company shall remain jointly and severally liable to the holder under the provisions of the bill act.

(6) Financing situation of accounts receivable actually written off in this period

(7) Changes in accounts receivable financing and fair value changes in the current period

(8) Other note

8. Other account receivable

In RMB

Item	End of term	Beginning of term
Dividend receivable	141,375,107.12	
Other account receivable	45,983,080.30	43,018,211.13
Total	187,358,187.42	43,018,211.13

(1) Interest receivable**1) Category****2) Important overdue interest****3) Accrual of bad debt provision**

Applicable Not applicable

4) Bad debt provision accrual, collected or reversal in the period**5) Interest receivable actually written off in the current period****(2) Dividend receivable****1) Category**

In RMB

Item	End of term	Beginning of term
Hangzhou Bank	141,375,107.12	0.00
Total	141,375,107.12	

2) Significant dividend receivable aged over 1 year**3) Bad-debt provision**

Applicable Not applicable

4) Bad debt provision accrual, collected or reversal in the period**5) Dividends receivable actually written off in the current period****(3) Other accounts receivable****1) Other accounts receivable classified by the nature of accounts**

In RMB

Nature	Closing book balance	Opening book balance
Deposit	43,302,727.90	41,244,042.62
Compensation for demolition and removal receivable	8,793,600.00	8,793,600.00
Receivable temporary payment	3,801,435.26	1,634,278.25
Petty cash	1,810,465.01	371,299.95
Export tax rebate receivable	553,045.20	808,119.86
Other	1,778,931.45	1,269,912.97
Total	60,040,204.82	54,121,253.65

2) Disclosure by aging

In RMB

Aging	Ending book balance	Opening book balance
Within one year(one year included)	41,662,134.35	37,790,424.24
1-2 years	3,808,908.82	3,889,545.20
2-3 years	1,119,076.49	3,192,464.33
Over 3 years	13,450,085.16	9,248,819.88
3-4 years	5,454,084.98	3,368,228.57
4-5 years	55,236.00	173,504.87
Over 5 years	7,940,764.18	5,707,086.44
Total	60,040,204.82	54,121,253.65

3) According to the bad debt provision method classification disclosure

Applicable Not applicable

In RMB

Category	End of term					Beginning of term				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including										
Accrual of bad debt provision by portfolio	60,040,204.82	100.00%	14,057,124.52	23.41%	45,983,080.30	54,121,253.65	100.00%	11,103,042.52	20.52%	43,018,211.13
Including										
Total	60,040,204.82	100.00%	14,057,124.52	23.41%	45,983,080.30	54,121,253.65	100.00%	11,103,042.52	20.52%	43,018,211.13

The withdrawal amount of the bad debt provision: Aging portfolio

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Aging portfolio	60,040,204.82	14,057,124.52	23.41%
Including: Within 1 year	41,662,134.35	2,083,106.71	5.00%
1-2 years	3,808,908.82	380,890.89	10.00%
2-3 years	1,119,076.49	335,722.95	30.00%
3-4 years	5,454,084.98	3,272,450.99	60.00%
4-5 years	55,236.00	44,188.80	80.00%
Over 5 years	7,940,764.18	7,940,764.18	100.00%
Total	60,040,204.82	14,057,124.52	

Explanation on portfolio basis:

Provision for bad debts is made according to the general model of expected credit losses

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	

Balance on January 1, 2024	1,889,521.22	388,954.52	8,824,566.78	11,103,042.52
January 1, 2024 balance in the current period				
--Transfer to the second stage	-190,445.45	190,445.45		
-- Transfer to the third stage		-111,907.65	111,907.65	
Provision in Current Year	384,030.94	-86,601.43	2,656,652.49	2,954,082.00
Balance on June 30, 2024	2,083,106.71	380,890.89	11,593,126.92	14,057,124.52

The basis for the division of each stage and the proportion of bad debt provision

Loss provision changes in current period, change in book balance with significant amount

Applicable Not applicable

4) Other Accounts receivable withdraw, reversed or collected during the reporting period

5) The actual write-off accounts receivable

6) Top 5 of the closing balance of the other accounts receivable collated according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Chengdu Customs of the People's Republic of China	Deposit	9,765,004.88	Within 1 year	16.26%	488,250.24
Hangzhou East Bay New City Development and Construction Headquarters	Compensation for demolition and removal receivable	8,793,600.00	Within 1 year	14.65%	439,680.00
Alashankou Customs, The People's Republic of China	Deposit	6,252,867.25	Within 1 year	10.41%	312,643.36
Shanghai Customs Waigaoqiao Office	Deposit	3,710,320.94	Over 5 years	6.18%	3,710,320.94
Fuding City Guanxi Cross-basin Water Diversion Investment Co., Ltd.	Deposit	2,300,000.00	3-4 years	3.83%	1,380,000.00
Total		30,821,793.07		51.33%	6,330,894.54

7) Reported in other receivables due to centralized management of funds

9. Accounts paid in advance

(1) Accounts paid in advance by ageing

In RMB

Ageing	End of term	Beginning of term
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	Amount	Ratio	Amount	Ratio
Within one year	678,670,950.06	95.12%	686,141,037.16	94.61%
1-2 years	28,856,836.50	4.04%	19,367,287.42	2.67%
2-3 years	4,197,540.75	0.59%	4,874,823.59	0.67%
Over 3 years	1,754,375.42	0.25%	14,880,960.87	2.05%
Total	713,479,702.73		725,264,109.04	

Explanation on un-settlement in time for advance payment with over one year account age and major amounts:

(2) Top 5 advance payment at ending balance by prepayment object

Name	Ending balance	Ratio in total advance e payment(%)
Siemens Energy AB	232,490,391.58	32.59
Siemens Energy Co., Ltd.	198,932,704.86	27.88
Yixing Yuxiang Machinery Technology Co., Ltd.	26,728,000.00	3.75
Shandong Jinan Power Generation Equipment Plant Co., Ltd.	22,524,060.03	3.16
Jinling International Co., Ltd.	16,340,919.71	2.29
Subtotal	497,016,076.18	69.67

Other note

10. Inventories

Whether the company need to comply with the disclosure requirements of the real estate industry

No

(1) Category of Inventory

In RMB

Item	Closing book balance			Opening book balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value
Raw materials	988,437,058.97	80,724,543.76	907,712,515.21	878,258,389.29	83,357,628.87	794,900,760.42
Goods in progress	1,301,703,414.96	41,521,940.24	1,260,181,474.72	1,050,322,781.22	58,337,126.65	991,985,654.57
Stock goods	998,869,219.91	153,172,631.52	845,696,588.39	789,105,232.83	146,495,610.01	642,609,622.82
Total	3,289,009,693.84	275,419,115.52	3,013,590,578.32	2,717,686,403.34	288,190,365.53	2,429,496,037.81

(2) Data resources recognized as inventory

(3) Provision for inventory depreciation or contract performance cost impairment provision

In RMB

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Switch back or charge-off	Other	
Raw materials	83,357,628.87	418,967.14		3,052,052.25		80,724,543.76
Goods in	58,337,126.65	4,513,796.44		21,328,982.85		41,521,940.24

progress					
Stock goods	146,495,610.01	13,595,071.38		6,918,049.87	153,172,631.52
Total	288,190,365.53	18,527,834.96		31,299,084.97	275,419,115.52

The specific basis for determining the net realizable value, and the reasons for reversing or reselling the inventory depreciation reserve in the current period

Item	Specific basis for determining net realizable value	Current write-off Reason for provision for inventory
Raw materials	For raw materials that need to be processed, the net realizable value shall be determined according to the estimated selling price of related finished products minus the estimated cost to completion, estimated sales expenses and related taxes; For raw materials directly used for sale, the net realizable value shall be determined according to the estimated selling price minus the estimated sales expenses and related taxes	Used for current production and use and sales realization
Goods in progress	The net realizable value determines the amount after deducting the estimated sales cost and the relevant taxes, For the suspended project or the project whose sales agreement has been cancelled, the net realizable value shall be determined according to the estimated recoverable compensation.	Used for current production and use and sales realization
Stock goods	The net realizable value shall be recognized by the amount of the estimated selling prices minus the estimated selling costs and relevant taxes and dues, wherein regarding suspended projects expected not to be recovered or projects whose sales agreements are released, the net realizable value shall be recognized by the expected recoverable compensation	Used for current production and use and sales realization

(4) Notes of the closing balance of the inventory which includes capitalized borrowing expenses

(5) Completed unsettled assets formed from the construction contract at the period-end

11. Assets divided as held-to-sold

12. Non-current assets due within 1 year

(1) Debt investment due within one year

Applicable Not applicable

(2) Other Debt investment due within one year

Applicable Not applicable

13. Other current assets

In RMB

Item	End of term	Beginning of term
Input tax to be deducted	40,586,665.51	5,323,079.76
Advance payment of enterprise income tax	18,200,329.66	25,491.23
Rent charge	490,129.15	274,035.08
Total	59,277,124.32	5,622,606.07

Other note

14. Creditor's right investment**(1) Debt investment****(2) Important debt investment****(3) Accrual of impairment provision****(4) Information of debt investment actually written off in the current period**

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

Other note

15. Other debt investment**(1) Other debt investment****(2) Important debt investment****(3) Accrual of impairment provision****(4) Other debt investments actually written off during the period****16. Investment in other equity instrument**

In RMB

Item	Ending balance	Opening balance	Gains recognized in other comprehensive income for the current period	Loss recognized in other comprehensive income for the current period	Accumulated gains recognized in other comprehensive income at the end of the current period	Accumulated losses recognized in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reason for designated in fair value measurement with changes recognized in other comprehensive income
Hangzhou Bank	2,721,470,812.06	826,500,626.24		3,157,017,398.30		141,375,107.12	3,547,971,438.30	See other note
Total	2,721,470,812.06	826,500,626.24		3,157,017,398.30		141,375,107.12	3,547,971,438.30	

Other note

Reasons for investment in equity instruments designated as at fair value and whose changes are included in other comprehensive income

The shares of Bank of Hangzhou Co., Ltd. held by the company failed to pass the contract cash flow characteristics test, but the company did not hold the equity instrument for trading purposes, so it was designated as a financial asset measured at fair value and whose changes were included in other comprehensive income.

17. Long-term account receivable

(1) Long-term account receivable

In RMB

Item	End of term			Beginning of term			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Project item	43,022,203.37	33,642,220.34	9,379,983.03	55,022,203.37	40,242,220.34	14,779,983.03	
Total	43,022,203.37	33,642,220.34	9,379,983.03	55,022,203.37	40,242,220.34	14,779,983.03	

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Proportion (%)	Book Balance		Bad debt provision		Proportion (%)
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accrual of bad debt provision by single	32,600,000.00	75.77%	32,600,000.00	100.00%		38,600,000.00	70.15%	38,600,000.00	100.00%	
Including										
Accrual of bad debt provision by portfolio	10,422,203.37	24.23%	1,042,220.34	10.00%	9,379,983.03	16,422,203.37	29.85%	1,642,220.34	10.00%	14,779,983.03
Including										
Total	43,022,203.37	100.00%	33,642,220.34	78.20%	9,379,983.03	55,022,203.37	100.00%	40,242,220.34	73.14%	14,779,983.03

Accrual of bad debt provision by single item:

In RMB

Name	Amount in year-end		
	Book balance	Bad debt provision	Proportion
Aging portfolio	10,422,203.37	1,042,220.34	10.00%
Including: Within 1 year overdue	10,422,203.37	1,042,220.34	10.00%
Total	10,422,203.37	1,042,220.34	

Explanation on portfolio basis:

(3) Bad debt provision accrual, collected or reversal in the period

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal(Note)	Write off	Other	
Accrual of bad debt provision by single	38,600,000.00		6,000,000.00			32,600,000.00
Accrual of bad debt provision by portfolio	1,642,220.34	-600,000.00				1,042,220.34
Total	40,242,220.34	-600,000.00	6,000,000.00			33,642,220.34

Note: It is mainly due to the recovery of 6 million yuan of long-term receivables with single provision for bad debts in the current period, and the corresponding reversal of 6 million yuan of bad debt provisions

(4) Long-term receivables actually written off in the current period**18. Long-term equity investment**

In RMB

Invested enterprise	Beginning balance	Impairment provision beginning-year balance	Changes in the period (+, -)								Ending balance(Book value)	Ending balance of impairment provision
			Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture												
II. Associated enterprise												

The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

Applicable Not applicable

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

Other note

19. Other non-current Financing assets

In RMB

Item	End of term	Beginning of term
Classified as financial assets measured by fair value and whose changes are included in the current profit and loss	5,534,773.22	5,534,773.22
Total	5,534,773.22	5,534,773.22

Other note

Investees	Opening balance	Additional investment	Decrease in investment	End of term
Greenesol power systems PVT Ltd.	5,534,773.22			5,534,773.22
Total	5,534,773.22			5,534,773.22

20. Investment real estate**(1) Investment real estate adopted the cost measurement mode**√Applicable Not applicable

In RMB

Item	House, Building	Land use right	Construction in process	Total
I. Original price				
1. Balance at period-beginning	2,880,061.52			2,880,061.52
2. Increase in the current period				
(1) Purchase				
(2) Inventory \ fixed assets \ project under construction transfer				
(3) Increased of Enterprise Combination				
3. Decreased amount of the period	610,360.65			610,360.65
(1) Dispose	610,360.65			610,360.65
(2) Other out				
4. Balance at period-end	2,269,700.87			2,269,700.87
II. Accumulated amortization				
1. Opening balance	1,335,612.12			1,335,612.12
2. Increased amount of the period	51,547.23			51,547.23
(1) Withdrawal	51,547.23			51,547.23
3. Decreased amount of the period	216,687.13			216,687.13
(1) Dispose	216,687.13			216,687.13
(2) Other out				
4. Balance at period-end	1,170,472.22			1,170,472.22
III. Impairment provision				
1. Balance at period-beginning				

2.Increased amount of the period			
(1) Withdrawal			
3.Decreased amount of the period			
(1) Dispose			
(2) Other out			
4. Balance at period-end			
IV. Book value			
1.Book value at period -end	1,099,228.65		1,099,228.65
2.Book value at period-beginning	1,544,449.40		1,544,449.40

The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

Applicable Not applicable

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

Other note

(2) Investment property adopted fair value measurement mode

Applicable Not applicable

(3) Converted to investment real estate and measured at fair value

(4) Investment real estate without property rights certificate

21.Fixed assets

In RMB

Item	End of term	Beginning of term
Fixed assets	1,962,109,099.86	1,995,150,533.24
Total	1,962,109,099.86	1,995,150,533.24

(1) List of fixed assets

In RMB

Item	Houses & buildings	Machinery equipment	Transportations	Office equipment	Total
I. Original price					
1.Opening balance	1,581,535,010.23	1,443,182,571.64	26,460,419.41	162,141,898.19	3,213,319,899.47
2.Increased amount of the period	32,469,419.59	12,631,721.92	314,309.74	2,142,948.17	47,558,399.42
(1) Purchase		7,018,317.42	314,309.74	579,884.28	7,912,511.44
(2) Transferred from constructi	32,469,419.59	5,613,404.50		1,563,063.89	39,645,887.98

on in progress					
(3)Increased of Enterprise Combination					
3.Decreased amount of the period		7,098,429.18	3,886,334.23	1,881,120.35	12,865,883.76
(1) Disposal		7,098,429.18	3,886,334.23	1,881,120.35	12,865,883.76
4. Balance at period-end	1,614,004,429.82	1,448,715,864.38	22,888,394.92	162,403,726.01	3,248,012,415.13
II. Accumulated depreciation					
1.Opening balance	247,902,591.36	874,587,691.76	18,727,634.62	62,748,385.43	1,203,966,303.17
2.Increased amount of the period	23,869,708.25	45,939,099.93	884,382.84	8,132,837.83	78,826,028.85
(1) Withdrawal	23,869,708.25	45,939,099.93	884,382.84	8,132,837.83	78,826,028.85
3.Decreased amount of the period		5,831,949.10	3,485,468.07	1,774,545.56	11,091,962.73
(1) Disposal		5,831,949.10	3,485,468.07	1,774,545.56	11,091,962.73
4.Closing balance	271,772,299.61	914,694,842.59	16,126,549.39	69,106,677.70	1,271,700,369.29
III. Impairment provision					
1.Opening balance	9,028,267.09	5,174,795.97			14,203,063.06
2.Increase in the reporting period					
(1) Withdrawal					
3.Decreased amount of the period		117.08			117.08
(1) Disposal		117.08			117.08
4. Closing balance	9,028,267.09	5,174,678.89			14,202,945.98
IV. Book value					
1.Book value of the period-end	1,333,203,863.12	528,846,342.90	6,761,845.53	93,297,048.31	1,962,109,099.86
2.Book value of the period-begin	1,324,604,151.78	563,420,083.91	7,732,784.79	99,393,512.76	1,995,150,533.24

(2) Fixed assets temporarily idled**(3)Fixed assets leased out through operating leases****(4) Details of fixed assets failed to accomplish certification of property**

Other note

(5) Information of impairment test of fixed assets□Applicable Not applicable**(6) Liquidation of fixed assets****22. Construction in progress**

In RMB

Item	End of term	Beginning of term
Construction in progress	498,656,299.31	298,071,246.03
Total	498,656,299.31	298,071,246.03

(1) List of construction in progress

In RMB

Item	End of term			Beginning of term		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Annual output of 10 sets of gas turbine unit project	325,694,961.46		325,694,961.46	234,238,227.81		234,238,227.81
Production line project with an annual output of 15,000 tons of steel castings and 40,000 tons of forged blanks	112,336,985.56		112,336,985.56	33,656,665.95		33,656,665.95
Integrated industrial base project for energy-saving, carbon-reducing and high-efficiency turbine machinery intelligent manufacturing service	50,610,015.37		50,610,015.37	17,090,554.63		17,090,554.63
Software project	2,714,579.31		2,714,579.31	1,892,328.64		1,892,328.64
Other project	3,846,902.65		3,846,902.65	6,960,399.87		6,960,399.87
Prepayment for equipment or projects	3,452,854.96		3,452,854.96	4,233,069.13		4,233,069.13
Total	498,656,299.31		498,656,299.31	298,071,246.03		298,071,246.03

(2) Changes of significant construction in progress

In RMB

Name of project	Budget (0'000)	Opening balance	Increase	Transferred to fixed assets	Other decrease(Not e)	End balance	Proportion %	Project processes	Capitalization of interest	Including g: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding
Annual output of 10 sets of gas turbine unit project	50,000.00	234,238,227.81	91,456,733.65			325,694,961.46	65.14%	Under construction	2,191,297.89	1,669,713.70	2.59%	Loan for financial institutions and other
Production line project with an	31,595.00	33,656,665.95	78,680,319.61			112,336,985.56	35.56%	Under construction				Other

annual output of 15,000 tons of steel castings and 40,000 tons of forged blanks												
Total	81,595.00	267,894,893.76	170,137,053.26			438,031,947.02			2,191,297.89	1,669,713.70		

(3) List of the withdrawal of the impairment provision of the construction in progress**(4) Information of impairment test of construction in progress**

Applicable Not applicable

(5) Engineering materials**23. Productive biological asset****(1) Productive biological assets measured by cost**

Applicable Not applicable

(2) Impairment test of productive biological assets using cost measurement mode

Applicable Not applicable

(3) Productive biological assets measured by fair value

Applicable Not applicable

24. Oil and gas asset

Applicable Not applicable

25. Right-of-use assets**(1) Right-of-use assets**

In RMB

Item	House and Building	Mechanical equipment	Total
I. Original price			
1. Balance at period-beginning	64,933,799.29		64,933,799.29
2. Increase in the current period	4,635,375.35	1,350,314.15	5,985,689.50

(1) Rent	4,635,375.35	1,350,314.15	5,985,689.50
3. Decreased amount of the period	2,460,495.01		2,460,495.01
(1) Disposition	2,460,495.01		2,460,495.01
4. Balance at period-end	67,108,679.63	1,350,314.15	68,458,993.78
II. Accumulated depreciation			
1. Opening balance	30,659,227.84		30,659,227.84
2. Increased amount of the period	9,895,431.01	112,526.20	10,007,957.21
(1) Withdrawal	9,895,431.01	112,526.20	10,007,957.21
3. Decreased amount of the period	2,460,495.01		2,460,495.01
(1) Disposal	2,460,495.01		2,460,495.01
4. Closing balance	38,094,163.84	112,526.20	38,206,690.04
III. Impairment provision			
1. Opening balance			
2. Increase in the reporting period			
(1) Withdrawal			
3. Decreased amount of the period			
(1) Disposal			
4. Closing balance			
IV. Book value			
1. Book value of the period-end	29,014,515.79	1,237,787.95	30,252,303.74
2. Book value of the period-begin	34,274,571.45		34,274,571.45

(2) Information of impairment test of right-of-use assets

Applicable Not applicable

Other note:

26. Intangible assets

(1) Information

In RMB

Item	Land using right	Patent and proprietary technology	Non patent technology	Software	Total
I. Original price					
1. Balance at period-beginning	454,312,246.27	344,087.43		44,021,135.62	498,677,469.32
2. Increase in the current period			735,849.06	2,583,610.77	3,319,459.83
(1) Purchase				992,035.39	992,035.39
(2) Internal Development					
(3) Increased of Enterprise Combination					

(4) Projects under construction are transferred			735,849.06	1,591,575.38	2,327,424.44
3.Decreased amount of the period					
(1) Disposal					
4.Closing balance	454,312,246.27	344,087.43	735,849.06	46,604,746.39	501,996,929.15
II.Accumulated amortization					
1.Opening balance	72,896,541.34	289,869.76		16,188,526.90	89,374,938.00
2.Increased amount of the period	4,560,612.77	3,019.20	80,943.40	3,454,138.98	8,098,714.35
(1) Withdrawal	4,560,612.77	3,019.20	80,943.40	3,454,138.98	8,098,714.35
3.Decreased amount of the period					
(1) Disposal					
4.Closing balance					
III. Impairment provision					
1.Opening balance					
2.Increased amount of the period					
(1) Withdrawal					
3.Decreased amount of the period					
(1) Disposal					
4.Closing balance	77,457,154.11	292,888.96	80,943.40	19,642,665.88	97,473,652.35
IV. Book value					
1.Closing book value	376,855,092.16	51,198.47	654,905.66	26,962,080.51	404,523,276.80
2.Opening book value	381,415,704.93	54,217.67		27,832,608.72	409,302,531.32

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end.

(2) Data resources recognized as intangible assets

(3) Details of fixed assets failed to accomplish certification of land use right

(4) Information of impairment test of intangible assets

Applicable Not applicable

27. Goodwill

(1) Original book value of goodwill

In RMB

The invested entity or Item	Opening balance	Current increased		Current decreased		Ending balance
		Resulted by enterprise combination		Dispose		
Western Power Company	15,415,678.59					15,415,678.59
Total	15,415,678.59					15,415,678.59

(2) Impairment provision of goodwill

(3) Information about the asset group or asset group portfolio to which the goodwill belongs

Name	Composition and basis of the asset group or portfolio	Operating segment and basis	Whether it is consistent with the previous year
Western Power Company	Goodwill formed by the acquisition of the equity of Western Power, an enterprise not under the same control by Ranchuang Company	The Company's main business is to produce and sell industrial steam turbines, accessories and other products. The Company regards such business as a whole to implement management and evaluate the operating results	Yes

(4) The specific method of determining the recoverable amount

The recoverable amount is determined on the basis of the net amount by fair value less disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

Applicable Not applicable

In RMB

Item	Book value	Recoverable amount	Impairment amount	The number of years in the forecast period	Key parameters for the forecast period	Key parameters of stable phase	Basis for determining the key parameters of the stable period
Western Power Company	124,704,430.89	155,000,000.00		5	Revenue growth rate during the forecast period, profit margin during the forecast period	stable period growth rate, stable period profit rate	The company determines the growth rate in the stable period to be 0% and the profit rate to be 15.60% based on actual historical operating

							data and industry development trends.
Total	124,704,430.89	155,000,000.00					

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

(5) Status of completion of performance commitment and corresponding goodwill impairment

When goodwill is formed, there is a performance commitment and the reporting period or the previous period in the reporting period is within the performance commitment period

Applicable Not applicable

Other note:

28. Long-term expenses to be apportioned

29. Deferred income tax asset /Deferred income tax liabilities

(1) Details of the un-recognized deferred income tax assets

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset
bad debt provision	950,290,265.17	157,747,212.80	870,466,211.50	145,563,542.96
Relocation compensation	929,748,462.00	139,462,269.30	951,038,395.56	142,655,759.32
Provision for Asset Impairment	247,480,849.77	39,041,292.02	228,545,720.46	36,389,300.80
Rectifiable loss	218,444,720.49	33,316,907.89	133,497,400.25	20,548,342.36
Internal trade profit not realized	29,565,367.75	4,434,805.17	31,974,592.37	4,796,188.86
Leases Liabilities	31,376,824.89	5,253,005.27	35,458,429.22	5,969,542.18
Product quality assurance	14,989,921.76	3,211,514.01	11,768,979.69	2,461,108.72
Revenue from changes in fair value generated by financial assets classified at fair value through profit or loss	1,402,915.78	210,437.37	908,513.56	136,277.03
Total	2,423,299,327.61	382,677,443.83	2,263,658,242.61	358,520,062.23

(2) Deferred income tax liabilities had not been off-set

In RMB

Item	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Changes in fair value of investments in other	3,157,017,398.30	473,552,609.75	2,330,516,772.06	349,577,515.81

equity instruments				
Use right assets	30,252,303.74	5,054,247.31	34,274,571.45	5,765,793.33
Unconsolidated assets under the same control	12,716,004.95	3,179,001.23	13,383,487.86	3,345,871.96
Accelerated depreciation of fixed assets	699,389.05	104,908.35	772,798.24	115,919.73
Derivative financial assets			724,756.61	108,713.49
Total	3,200,685,096.04	481,890,766.64	2,379,672,386.22	358,913,814.32

(3) Deferred income tax assets and liabilities are presented as net amount after neutralization

In RMB

Item	Deferred Income Tax Assets or Liabilities at the End of Report Period	Temporarily Deductible or Taxable Difference at the End of Report Period	Deferred Income Tax Assets or Liabilities at the Beginning of Report Period	Temporarily Deductible or Taxable Difference at the Beginning of Report Period
Deferred income tax assets	298,981,785.17	83,695,658.66	284,919,627.73	73,600,434.50
Deferred income tax liabilities	298,981,785.17	182,908,981.47	284,919,627.73	73,994,186.59

(4) Details of income tax assets not recognized

In RMB

Item	End of term	Beginning of term
Deductible temporary difference	196,552,289.63	220,040,635.06
Deductible loss	85,874,811.60	64,638,766.24
Total	282,427,101.23	284,679,401.30

(5) The un-recognized deductible losses of deferred income tax assets will due in the following years:

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2027	365,388.54	365,388.54	
2028	4,963,207.80	4,972,495.80	
2029	13,435,348.04	4,137,298.09	
2031	46,910,685.54	46,910,685.54	
2032	2,098,871.73	3,575,082.10	
2033	4,677,816.17	4,677,816.17	
2034	13,423,493.78		
Total	85,874,811.60	64,638,766.24	

Other note

30 .Other non-current assets

In RMB

Item	Balance in year-end			Balance in year-begin		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value

Advance equipment payment	19,947,016.20		19,947,016.20	2,870,681.60		2,870,681.60
Prepaid equity transfer payment				60,817,500.00		60,817,500.00
Total	19,947,016.20		19,947,016.20	63,688,181.60		63,688,181.60

Other note:

31. Assets with restricted ownership or right to use

In RMB

Item	End of period				Beginning of period			
	Book balance	Book value	Restricted type	Restricted circumstance	Book balance	Book value	Restricted type	Restricted circumstance
Monetary funds	96,252,591.92	96,252,591.92	Pledge/Freeze	Bank acceptance bill deposit, bond deposit and frozen payment, etc.	136,551,548.48	136,551,548.48	Pledge/Freeze	Bank acceptance bill deposit, bond deposit and frozen payment, etc.
Notes receivable	23,608,388.31	22,323,534.71	Discounted/Endorsed	Endorsed bills undue that have not been derecognized	89,703,453.14	80,000,369.38	Discounted/Endorsed	Endorsed bills undue that have not been derecognized
Receivable financing	30,375,598.11	30,375,598.11	Pledge	Pledge for issuing bank acceptance bills	60,417,669.80	60,417,669.80	Pledge	Pledge for issuing bank acceptance bills
Fixed assets	143,387,403.28	96,223,135.31	Mortgage	Mortgage to obtain bank borrowings	141,658,223.80	96,623,112.51	Mortgage	Mortgage to obtain bank borrowings
Construction in process	50,610,015.37	50,610,015.37	Mortgage	Mortgage to obtain bank borrowings				
Intangible assets	109,028,677.27	98,176,435.99	Mortgage	Mortgage to obtain bank borrowings	30,946,908.19	22,138,256.09	Mortgage	Mortgage to obtain bank borrowings
Total	453,262,674.26	393,961,311.41			459,277,803.41	395,730,956.26		

Other note:

32. Short-term borrowings

(1) Categories of short-term loans

In RMB

Item	End of term	Beginning of term
Credit borrowing	322,800,165.74	335,570,306.56
Mortgage Borrowings	30,027,083.34	50,050,263.88
Guarantee Borrowing	25,008,631.70	24,028,569.45
Undiscounted discounted of the maturity	17,000,000.00	94,716,727.40
Pledge borrowing	3,002,583.33	62,998.75
Total	397,838,464.11	504,428,866.04

Note:

(2) Situation of Overdue Outstanding Short-Term Borrowing

33. Transactional financial liabilities

34. Derivative financial liability

35. Notes payable

In RMB

Item	End of term	Beginning of term
Bank acceptance bill	506,700,007.76	481,424,952.96
Total	506,700,007.76	481,424,952.96

The total amount of outstanding notes payable at the end of this period is RMB .

36. Accounts payable

(1) List of accounts payable

In RMB

Item	End of term	Beginning of term
Goods	1,248,252,044.76	1,218,137,627.44
Equipment and Engineering	143,608,416.66	169,972,464.80
Other	19,686,672.58	21,020,410.48
Total	1,411,547,134.00	1,409,130,502.72

(2) Notes of the accounts payable aging over one year

37. Advances received

In RMB

Item	End of term	Beginning of term
Other payable	144,449,435.77	151,669,883.07
Total	144,449,435.77	151,669,883.07

(1) Interest payable**(2) Dividend Payable****(3) Other account payable****1) By nature**

In RMB

Item	End of term	Beginning of term
Receipt of temporary collection	83,991,858.01	79,525,977.96
Restricted stock subscription funds[Note]	50,648,141.96	62,440,537.64
Deposit	8,564,056.43	8,602,381.26
Other	1,245,379.37	1,100,986.21
Total	144,449,435.77	151,669,883.07

Note: It is mainly due to the restricted stock subscription money received cumulatively from the equity incentive objects that are still in the waiting period

2) Significant other payable with over one year age**38. Advances received****(1) List of Advances received**

In RMB

Item	End of term	Beginning of term
Rent	307,367.57	29,998.47
Total	307,367.57	29,998.47

(2) Notes of the accounts payable aging over one year**39. Contract liabilities**

In RMB

Item	End of term	Beginning of term
Goods	2,970,359,720.01	2,753,211,717.09
Total	2,970,359,720.01	2,753,211,717.09

Contractual liability in advance with over one year book age

In RMB

Item	Ending balance	Reasons for non-reimbursement or carry-forward
Client 1	397,968,141.62	Collection according to schedule, and settlement conditions have not been met
Client 2	364,507,300.88	Collection according to schedule, and settlement conditions have not been met
Client 3	93,805,309.73	Collection according to schedule, and settlement conditions have not been met

Total	856,280,752.23
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40. Payable Employee wage

(1) List of Payroll payable

In RMB

Item	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
I. Short-term compensation	97,888,785.07	461,056,719.95	490,975,890.39	67,969,614.63
II. Post-employment benefits - defined contribution plans	41,478,257.68	63,435,940.54	82,210,741.46	22,703,456.76
III. Dismissal benefits		2,457,019.00	2,457,019.00	
Total	139,367,042.75	526,949,679.49	575,643,650.85	90,673,071.39

(2) Short-term remuneration

In RMB

Item	Balance in year-begin	Increase in this period	Decrease in this period	Balance in year-end
(1) Salary, bonus, allowance and subsidy	88,978,058.77	354,273,092.62	384,346,967.35	58,904,184.04
(2) Employee benefits		26,513,774.79	26,513,774.79	
(3) Social insurance expenses	5,460,186.74	31,562,321.44	31,885,318.19	5,137,189.99
Including: medical insurance premium	5,087,593.60	29,340,548.04	29,651,562.24	4,776,579.40
Work-related injury insurance premium	372,593.14	2,221,773.40	2,233,755.95	360,610.59
(4) Housing fund	131,716.96	39,088,178.32	39,127,471.32	92,423.96
(5) Labor union expenditures and employee education expenses	3,318,822.60	9,619,352.78	9,102,358.74	3,835,816.64
Total	97,888,785.07	461,056,719.95	490,975,890.39	67,969,614.63

(3) List of drawing scheme

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	9,633,316.04	45,317,081.79	47,394,975.32	7,555,422.51
2. Unemployment insurance	344,050.91	1,564,511.62	1,656,893.12	251,669.41
3. Enterprise annual fee	31,500,890.73	16,554,347.13	33,158,873.02	14,896,364.84
Total	41,478,257.68	63,435,940.54	82,210,741.46	22,703,456.76

Other note

41. Taxes Payable

In RMB

Item	End of term	Beginning of term
VAT	17,084,202.46	24,479,472.25
Enterprise Income tax	11,063,484.13	38,060,458.93

Property tax	7,791,836.14	13,194,561.97
Land use tax	3,009,787.28	5,237,869.78
Individual Income tax	2,764,215.90	5,400,839.17
City Construction tax	2,261,826.23	2,448,306.59
Education subjoin	1,005,478.31	1,097,584.16
Locality Education subjoin	670,318.84	731,722.75
Other	1,612,104.82	1,146,408.47
Total	47,263,254.11	91,797,224.07

Other note

42. Liability held for sale

43. Non-current liabilities due within one year

In RMB

Item	End of term	Beginning of term
Long-term loans due within 1 year	29,079,119.58	61,069,333.33
lease liabilities due within 1 year	16,103,235.07	19,746,435.79
Total	45,182,354.65	80,815,769.12

44. Other current liabilities

In RMB

Item	End of term	Beginning of term
Output tax to be transferred	304,122,699.94	309,290,405.34
Maintenance and renovation costs	1,105,000.00	1,105,000.00
Advance relocation costs	200,000.00	200,000.00
Total	305,427,699.94	310,595,405.34

45. Long-term borrowing

(1) Category of long-term loan

In RMB

Item	End of term	Beginning of term
Credit loan	189,460,885.84	75,055,479.45
Mortgage loan	56,753,403.20	47,648,250.51
Guarantee loan	15,014,375.00	100,116,111.11
Credit loan and Mortgage loan	10,531,952.98	
Total	271,760,617.02	222,819,841.07

Other notes, including interest rate range:

46. Bonds payable**(1) Bonds payable****(2) Changes on bonds payable (not including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)****(3) Note to conditions and time of share transfer of convertible bonds****(4) Note to other financial instrument classified as financial liabilities****47. Lease liability**

In RMB

Item	End of term	Beginning of term
Unpaid lease payments	9,649,433.65	16,414,052.70
Less: Financing charges are not recognized	454,015.39	468,706.23
Total	9,195,418.26	15,945,346.47

Other note:

48. Long-term payable

In RMB

Item	Ending balance	Opening balance
Long term account payable	330,000.00	330,000.00
Special Payable	15,623,660.35	11,865,896.78
Total	15,953,660.35	12,195,896.78

(1) Long-term payable listed by nature of the account

In RMB

Item	End of term	Beginning of term
Drawing in administrative restructuring	330,000.00	330,000.00
Subtotal	330,000.00	330,000.00

(2) Special Payable

In RMB

Item	Opening balance	Increase	Decrease	End balance	Reason
Funding for Personnel Training	9,841,968.46	4,117,550.00	403,720.50	13,555,797.96	
Compensation for relocation	2,023,928.32	90,630.36	46,696.29	2,067,862.39	
Total	11,865,896.78	4,208,180.36	450,416.79	15,623,660.35	

Other note:

Resettlement payment mainly refers to the compensation and resettlement transition fee saved during the

demolition and housing reform of the family dormitory area of the subsidiary, Hangfa Company.

49. Long term payroll payable

(1) List of long term payroll payable

(2) Changes of defined benefit plans

50. Estimated liabilities

In RMB

Item	End of term	Beginning of term	Causes
Product quality assurance	14,989,921.76	11,768,979.69	after service
Total	14,989,921.76	11,768,979.69	

Other explanation, including relevant important assumptions and estimation:

51. Deferred income

In RMB

Item	Beginning of term	Increased this period	Decreased this period	End of term	Reason
Government Subsidy	1,069,670,711.41	4,152,800.00	26,796,037.55	1,047,027,473.86	Receive government subsidies
Total	1,069,670,711.41	4,152,800.00	26,796,037.55	1,047,027,473.86	

Other note:

52. Other non-current liabilities

In RMB

Item	End of term	Beginning of term
Collect the relocation compensation money in advance[Note]	58,696,860.00	58,696,860.00
Total	58,696,860.00	58,696,860.00

Other note:

[Note] It is the compensation for relocation received by Zhongneng Company, a subsidiary, for the relocation project at No.18, 22nd Street, Baiyang Block, Hangzhou Economic and Technological Development Zone. For details, please refer to the explanation in Section X, (18)8 of this report.

53. Stock capital

In RMB

	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total of capital shares	1,175,444,400	0	0	0	-434,803	-434,803	1,175,009,597

Other note:

According to the Proposal on Repurchase and Cancellation of Some Restricted Stocks reviewed and passed by the Ninth Meeting of the Ninth Board of Directors and the Third Meeting of the Third Board of Supervisors in 2023, 14 of the incentive objects of the restricted stock incentive plan of the Company in 2021 are no longer qualified for incentive objects due to retirement and 3 due to resignation because of personal reasons; Two people are no longer qualified for incentive objects because their performance assessment results are not good or above, and some restricted stocks in the first lifting period do not meet the conditions for lifting the restricted sales. The above-mentioned retirees can still release the restricted sale of the corresponding shares according to the agreed conditions according to their specific tenure in the performance assessment period, and the remaining restricted sale that have not been released from the restricted sale shall not be released from the restricted sale, and the Company will repurchase and cancel them according to the granted price plus the interest of bank deposits in the same period; The above-mentioned restricted stocks that have been granted but have not been released from the restricted sale of the former employees shall be subject to repurchase cancellation by the Company according to the granted price. The above-mentioned restricted stocks whose restrict sales cannot be lifted in the current period due to personal performance assessment results shall be repurchased and cancelled by the Company according to the grant price. The number of restricted stocks cancelled in this repurchase is RMB 434,803, and the repurchase price that the Company should pay for this restricted stock repurchase is RMB 1,394,403.00. The above-mentioned repurchased and cancelled restricted stocks were verified by Pan-China Certified Public Accountants (special general partnership), who issued the Capital Verification Report (TJY [2023] No.716). Upon the audit and recognition by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, this repurchase and cancellation of restricted stocks were completed on January 2, 2024. The Company has completed the industrial and commercial change registration procedures on January 2, 2024.

54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

(2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

55. Capital reserves

In RMB

Item	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Capital premium	270,469,124.29	3,588,726.72	26,542,800.26	247,515,050.75
Other capital reserves	128,744,580.15	11,893,713.55	3,588,726.72	137,049,566.98
Total	399,213,704.44	15,482,440.27	30,131,526.98	384,564,617.73

Other notes, including changes and reason of change:

(1) The increase of share premium in this period is due to that the first phase of restricted stocks reserved for granting by the company in 2021 met the conditions for unlocking restricted stocks, and the original recognized share payment fee of RMB 3,588,726.72 was transferred from capital reserve-other capital reserve to capital reserve-share premium.

(2) The current decrease of share capital premium includes:

1) In the current period, the share capital was reduced by RMB 434,803 due to the repurchase and cancellation of 434,803.00 restricted stocks, the capital reserve-share capital premium was reduced by RMB 1,619,109.40, and the treasury shares was reduced correspondingly by RMB 2,053,912.40.

2) The first phase of restricted stocks reserved for granting by the Company in 2021 met the conditions for unlocking restricted stocks, and the difference between the corresponding amount of RMB 2,952,695.00 repurchased from the secondary market and the restricted stock repurchase obligation of RMB 2,142,391.68 corresponding to the first unlocking of the employee stock ownership plan was offset by the capital reserve-share capital premium of RMB 810,303.32.

3) Due to the purchase of minority shareholders' equity in Machinery Company, a subsidiary, the Company adjusted and reduced the capital reserve-share capital premium by RMB 22,901,212.23 for the difference between the newly acquired long-term equity investment cost and the net identifiable assets share of subsidiaries calculated since the merger date according to the newly increased shareholding ratio.

4) In the current period, the Company increased its special reserve due to the purchase of minority shareholders' equity in Machinery Company, and adjusted to reduce the capital reserve-share capital premium by RMB 1,212,175.31.

(3) The increase in other capital reserves in this period is due to the company's recognition of share payment fee of RMB 11,893,713.55 due to equity incentive, which increased the capital reserve-other capital reserves. See the explanation in Note 12 to the financial statements for details.

(4) The decrease of other capital reserves in this period is RMB 3,588,726.72 carried forward from the capital reserves. For details, please refer to Note X ,VII55(1) of the financial statements.

56. Treasury stock

In RMB

Item	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Restricted stock with a repurchase obligation	86,290,288.75		14,635,707.40	71,654,581.35
Total	86,290,288.75		14,635,707.40	71,654,581.35

Other notes, including changes and reason of change:

The decrease in treasury shares in the current period includes:

1) The Company reduced its treasury shares by RMB 2,053,912.40 due to the repurchase and cancellation of restricted stocks. For details, please refer to the explanations of other explanations in Section X ,VII 55(2)1

Other Notes of this report.

(2) According to the resolution of the company's 2023 annual general meeting of shareholders, the company distributed a cash dividend of RMB 5.00 (including tax) to all shareholders for every 10 shares, and granted 19,258,200 restricted stocks expected to be unlocked for the first time and reserved for granting (the original number of shares granted was 12,345,000, and the profit distribution plan of 3 bonus shares for every 10 shares was increased by 3,703,500 shares in 2021. In 2022, the profit distribution plan of 2 bonus shares for every 10 shares was increased by 3,209,700 shares), with a corresponding dividend of RMB 9,629,100.00, and other payables and treasury shares were reduced by RMB 9,629,100.00.

(3) The first phase of restricted stocks granted by the Company for the first time in 2021 met the conditions for unlocking restricted stocks, 700,128 shares were unlocked (The original number of granted shares was 448,800 shares. The profit distribution plan of giving 3 bonus shares for every 10 shares implemented in 2021 increased the number of shares by 134,640 shares. The profit distribution plan of giving 2 bonus shares for every 10 shares implemented in 2022 increased the number of shares by 16,688 shares). The corresponding reduction in treasury shares was RMB 2,952,695.00.

57. Other comprehensive income

In RMB

Item	Opening balance	Occurred current term						Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Prior period included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
1. Other comprehensive income that cannot be reclassified in the loss and gain in the future	1,980,939,256.24	826,500,626.24			123,975,093.93	702,525,532.31		2,683,464,788.55
Changes in fair value	1,980,939,256.24	826,500,626.24			123,975,093.93	702,525,532.31		2,683,464,788.55

of investment s in other equity instruments								
Total of other comprehensive income	1,980,939,256.24	826,500,626.24			123,975,093.93	702,525,532.31		2,683,464,788.55

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow

58. Special reserves

In RMB

Item	Beginning of term	Increased this period	Decreased this period	End of term
Labor safety expenses	20,355,377.31	9,882,083.40	6,039,243.01	24,198,217.70
Total	20,355,377.31	9,882,083.40	6,039,243.01	24,198,217.70

Other note, including changes and reason of change:

- 1) The increase in the current period is due to the special reserve of RMB 1,212,175.31 increased due to the purchase of minority shareholders' equity of the Machinery Company.
- 2) The decrease in the current period is due to the work safety expenses extracted by the Company for the purchase of safety protection supplies and equipment.
- 3) After adding the work safety expenses attributable to minority shareholders, the total work safety expenses of the Company and its subsidiaries at the end of the current period is RMB 31,148,757.40.

59. Surplus reserves

In RMB

Item	Beginning of term	Increased this period	Decreased this period	End of term
Statutory surplus reserves	625,178,089.82			625,178,089.82
Total	625,178,089.82			625,178,089.82

Other note, including changes and reason of change

60. Retained profits

In RMB

Item	Amount of this period	Amount of last period
Adjust the undistributed profits before and at the end of the period	3,784,435,361.60	3,756,414,638.24
Add: Net profit belonging to the owner of the parent company	191,499,563.85	517,680,522.56
Common stock dividend payable	587,483,894.50	293,752,399.20
Common stock dividends converted		195,907,400.00

to share stock		
Retained profits at the period end	3,388,451,030.95	3,784,435,361.60

Adjustment for retained profit at period-begin:

- 1) Retroactive adjustment due to the Accounting Standards for Business Enterprise and relevant new regulations, retained profit at period-begin has 0.00 Yuan affected;
- 2) Due to the accounting policy changes, retained profit at period-begin has 0.00 Yuan affected;
- 3) Due to the major accounting errors correction, retained profit at period-begin has 0.00 Yuan affected;
- 4) Consolidation range changed due to the same control, retained profit at period-begin has 0.00 Yuan affected;
- 5) Total other adjustment impacts 0.00 Yuan retained profit at period-begin

61. Business income and Business cost

In RMB

Item	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main Business	2,590,104,696.56	2,041,366,873.59	2,599,633,551.65	1,972,462,664.46
Other	21,559,080.40	12,610,172.48	22,611,501.34	10,067,845.72
Total	2,611,663,776.96	2,053,977,046.07	2,622,245,052.99	1,982,530,510.18

At the end of the reporting period, the amount of income corresponding to the performance obligations of contracts signed but not yet fulfilled or not completely fulfilled was RMB 8,434,910,000.00.

In the current period, the Company included the estimated liabilities accrued for guarantee quality assurance into the operating costs, and adjusted the number for the same period last year, reducing the sales expenses of 3,224,824.79 yuan in the same period of last year and increasing the operating costs of 3,224,824.79 yuan in the same period last year

62. Taxes and surcharges

In RMB

Item	Amount of this period	Amount of last period
Urban maintenance and construction tax	4,476,332.66	3,539,897.65
Educational surtax	2,143,542.13	1,619,110.01
Locality Education surcharge	1,429,028.10	1,079,406.71
House tax	7,917,432.31	1,165,418.72
Land royalties	2,966,447.63	-3,048,177.01
Stamp tax	2,892,505.51	2,278,234.98
vehicle and vessel tax	16,087.76	18,819.28
Other	21,349.06	8,587.80
Total	21,862,725.16	6,661,298.14

Other note:

63. Administrative expense

In RMB

Item	Amount of this period	Amount of last period
Employees' remunerations	180,158,604.52	149,702,631.04
Asset depreciation and amortizing	27,204,957.33	26,745,927.80

Stock payable	7,258,651.23	27,640,314.04
Rental fee, House rental, property management, water and power	14,484,178.50	10,502,785.78
Agency fee	5,617,435.41	7,660,191.15
Office expenses	4,271,679.78	2,730,435.63
Service charge	7,146,367.03	5,110,826.19
Travel expenses and overseas travel expenses	3,916,356.80	3,392,668.37
Repair costs	2,862,013.17	3,415,949.16
Business expenses	2,570,177.17	2,784,366.63
Other	11,843,782.40	29,568,381.94
Total	267,334,203.34	269,254,477.73

Other note

64. Sales expense

In RMB

Item	Amount of this period	Amount of last period
Employees' remunerations	82,166,121.67	61,206,343.11
Consulting service fee	18,444,452.85	23,772,895.90
Travel expenses	12,819,501.14	11,966,033.13
Business reception expenses	8,952,038.87	10,663,020.87
Advertising fee	1,447,383.42	1,166,492.51
Stock payable	1,125,123.03	
Warehousing	1,277,590.80	1,269,162.10
Other	3,189,244.12	12,940,757.79
Total	129,421,455.90	122,984,705.41

Other note

65. R&D Expense

In RMB

Item	Amount of this period	Amount of last period
Labor cost	73,084,112.29	66,829,622.13
Direct materials	-6,545,487.47	89,539,355.22
Test and inspection fee	959,086.85	3,867,908.54
Stock payable	1,396,699.68	
Commissioned research & development	3,285,933.44	2,912,404.64
Depreciation expenses	1,325,820.58	1,294,411.73
Other	4,116,129.08	2,874,597.57
Total	77,622,294.45	167,318,299.83

Other note

66. Financial expenses

In RMB

Item	Amount of this period	Amount of last period
Interest expense	9,566,674.01	9,900,556.41
Less: Incoming interests	16,767,205.81	19,561,114.67
Exchange gains/losses	2,951,383.78	-231,777.63
Commission	2,721,185.98	5,835,996.44

Total	-1,527,962.04	-4,056,339.45
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Other note

67. Other income

In RMB

Item	Amount of this period	Amount of last period
Government subsidies related to assets	26,222,047.18	19,332,847.21
Government subsidies related to income	12,969,614.87	17,935,236.73
Individual tax commission refunds	412,620.88	304,136.79
VAT additional deduction	12,324,438.94	
Total	51,928,721.87	37,572,220.73

68. Net exposure hedging income**69. Gains on the changes in the fair value**

In RMB

Source	Amount of this period	Amount of last period
Transactional Financial assets	-494,402.22	-21,128.30
Total	-494,402.22	-21,128.30

Other note

70. Investment income

In RMB

Item	Amount of this period	Amount of last period
Discount loss on financing of receivable	-1,656,676.95	
Investment income of trading financial assets during the holding period	4,464,158.38	6,305,827.71
Dividend income from other equity instrument investments during the holding period	141,375,107.12	108,750,082.40
Debt restructuring gains	5,420,378.03	
Terminated and recognized income of financial assets measured at amortized cost	-9,999.70	
Total	149,592,966.88	115,055,910.11

Other note

71. Credit impairment loss

In RMB

Item	Amount of this period	Amount of last period
Losses on bad debt	-83,307,269.33	-65,899,840.15
Total	-83,307,269.33	-65,899,840.15

Other note

72. Losses from asset impairment

In RMB

Item	Amount of this period	Amount of last period
I. Loss of inventory value and impairment of contract performance costs	-18,527,834.96	-86,982.08
XI. Loss of impairment of contract assets	-7,171,197.35	-4,300,326.44
Total	-25,699,032.31	-4,387,308.52

73. Asset disposal income

In RMB

Source	Amount of this period	Amount of last period
Profits of disposal of fixed assets	325,796.51	4,104.14
Total	325,796.51	4,104.14

74. Non-operating income

In RMB

Item	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Compensation income[Note]	47,748,190.71	19,098,713.47	47,748,190.71
No payment required	406,006.40	254,089.78	406,006.40
Loss of non-current assets: obsolescence gain	21,217.03	2,783,904.55	21,217.03
Other	22,664.64	35,846.21	22,664.64
Total	48,198,078.78	22,172,554.01	48,198,078.78

Other note:

[Note] The compensation income in this period is mainly due to the cancellation of the Purchase Contract of Steam Turbine Generator Set and its Supporting Equipment for Chaldag Sulphuric Acid and Power Generation Project in Turkey signed by the company and China Tianchen Engineering Co., Ltd. in 2007. After communication between the two parties, it was confirmed that the default income of the project was RMB 35.27 million.

75. Non-operational expenses

In RMB

Item	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Compensation expenses	13,855,618.47	2,006,000.00	13,855,618.47
Donations	845,000.00	605,000.00	845,000.00
Non-current assets scrapping loss	508,006.61	182,446.69	508,006.61
Fine, late payment	24,894.46	10,153.76	24,894.46
Other	71,805.62	88,975.97	71,805.62
Total	15,305,325.16	2,892,576.42	15,305,325.16

Other note:

76. Income tax expenses**(1) Details**

In RMB

Item	Amount of this period	Amount of last period
Income tax of current term	32,429,374.88	23,413,289.05
Deferred income tax	-25,155,523.21	-22,385,718.98
Total	7,273,851.67	1,027,570.07

(2) Adjustment process of accounting profit and income tax expenses

In RMB

Item	Amount of this period
Total profit	188,213,549.10
Income tax expense at parent company's applicable tax rate	28,232,032.37
Effect of different tax rates applicable to subsidiaries	7,664,379.00
Adjustment for income tax in prior year	-331,018.28
Income not subject to tax	-21,206,266.07
Effects of non-deductible costs, expenses and losses	2,085,070.77
Impact of additional deductions for R & D expenses	-13,497,129.33
Impact of additional deductions for the disabled	-141,007.32
Impact of share payments	1,847,124.37
The deductible temporary difference or deductible loss of deferred income tax assets are not recognized in this period	2,620,666.16
Income tax expense	7,273,851.67

Other note

77. Other comprehensive income

For details, please refer to Note X(VII)57

78. Item of Cash flow statement**(1) Cash related to operating activities**

Other cash received from business operation

In RMB

Item	Amount of this period	Amount of last period
Recovery of operating bank deposits	46,570,885.92	15,837,529.89
Deposit interest	16,770,780.65	19,326,707.96
Government subsidies received	20,237,604.77	10,412,360.48
Receipt of operating current account	4,650,409.64	13,215,947.13
Lease income	1,248,195.14	216,231.50
Other	1,922,529.61	1,981,644.59
Total	91,400,405.73	60,990,421.55

Explanation on other cash received in relation to operation activities:

Other cash paid in relation to operation activities

In RMB

Item	Amount of this period	Amount of last period
Payment of operational bank deposits	107,101,622.21	54,368,467.48
Payment cash sales expenses	41,738,264.09	27,315,857.75
Payment cash Management expenses	52,719,883.55	39,043,763.45
Payment cash R & D cost	10,916,654.48	1,415,758.38
Payment cash financial expenses	2,721,185.98	1,431,606.75
Payment of business transactions	7,113,100.83	7,655,743.33
Other	1,242,500.08	1,046,588.50
Total	223,553,211.22	132,277,785.64

Explanation on other cash paid in relation to operation activities:

(2) Cash related to Investment activities

Cash receivable related to other Investment activities

In RMB

Item	Amount of this period	Amount of last period
Repurchasing of trusteeship	656,200,000.00	878,002,406.26
Income from forward foreign exchange settlement and sale	19,694.27	
Receipt of levy and relocation compensation		257,606,998.18
Total	656,219,694.27	1,135,609,404.44

Receivable for important cash related to investment activities

In RMB

Item	Amount of this period	Amount of last period
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Explanation on other cash received from investment activities:

Cash paid related with investment activities

In RMB

Item	Amount of this period	Amount of last period
Purchasing of financial products	270,100,000.00	673,000,000.00
Total	270,100,000.00	673,000,000.00

Payable for important cash related to investment activities

In RMB

Item	Current period incurred	Prior period incurred
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Explanation on cash paid related with investment activities

(3)Cash related to Financing activities

Other cash received in relation to financing activities

In RMB

Item	Amount of this period	Amount of last period
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Explanation on other cash received in relation to financing activities:

Other cash paid related with financing activities

In RMB

Item	Amount of this period	Amount of last period
Pay the rent of the right to use the asset	19,287,430.12	5,874,483.57
Purchase of minority shareholder equity	12,163,500.00	
Total	31,450,930.12	5,874,483.57

Explanation on other cash paid related with financing activities:

Changes in various liabilities arising from fund-raising activities

Applicable Not applicable

(4) Statement of cash flows on a net basis

(5) Major activities and financial impacts that do not involve cash receipts and expenditures in the current period, but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future

79. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

In RMB

Supplementary information	Current amount	Amount of the previous period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	180,939,697.43	178,128,466.68
Add: Assets impairment provision	109,006,301.64	70,287,148.67
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	78,877,576.08	67,983,326.81
Depreciation of right-of-use assets	10,007,957.21	6,703,937.93
Amortization of intangible assets	7,235,951.13	6,119,546.05
Amortization of long-term deferred expenses		35,412.84
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain is listed with "-")	-1,150,244.53	-4,104.14
Losses on scrapping of fixed assets (gain is listed with "-")	486,789.58	-2,601,457.86
Gain/loss of fair value changes (gain is listed with "-")	494,402.22	21,128.30
Financial expenses (gain is listed with "-")	12,567,532.63	10,105,664.51
Investment loss (gain is listed with "-")	-145,839,265.50	-115,055,910.11
Decrease of deferred income tax asset (increase is listed with "-")	-10,095,224.16	-22,330,699.70
Increase of deferred income tax liability (decrease is listed with "-")	-15,060,299.05	-50,549,867.32
Decrease of inventory (increase is listed with "-")	-602,924,751.62	-142,687,810.46
Decrease of operating receivable accounts (increase is listed with "-")	-119,848,149.65	-822,962,254.16

Increase of operating payable accounts (decrease is listed with "-")	146,325,805.94	1,124,742,866.70
Other	15,390,317.08	27,230,782.60
Net cash flow arising from operating activities	-333,585,603.57	335,166,177.34
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Switching Company bonds due within one year		
Financing lease of fixed assets		
3. Net change of cash and cash equivalents:		
Balance of cash at period end	1,765,649,802.28	2,268,885,746.19
Less: Balance of cash equivalent at year-begin	2,661,616,581.02	1,805,028,401.76
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increased amount of cash and cash equivalent	-895,966,778.74	463,857,344.43

(2) Net cash paid for obtaining subsidiary in the Period**(3) Net cash received by disposing subsidiary in the Period****(4) Constitution of cash and cash equivalent**

In RMB

Item	Ending balance	Opening balance
I. Cash	1,765,649,802.28	2,661,616,581.02
Including: Cash on hand	8,320.00	14,634.65
Bank deposit available for payment at any time	1,765,582,785.38	2,661,553,779.47
Other monetary capital could be used at any time	58,696.90	48,166.90
III. Balance of cash and cash equivalents at the period end	1,765,649,802.28	2,661,616,581.02

(5) Situations where the scope of use is limited but still classified as cash and cash equivalents**(6) Monetary funds that do not belong to cash and cash equivalents**

In RMB

Item	Amount of the current period	Amount of the previous period	Reason for not belonging to cash and cash equivalents
Bank acceptance bill margin	65,604,358.17	130,198,606.73	It is used to pledge for issuing bank acceptance bills, and cannot be used for payment at any time
L/G margin	15,470,999.75	5,666,941.75	It is used to pledge for issuing L/G, and cannot be paid at any time
The frozen payment received in advance	15,134,134.00		The account is frozen and cannot be paid at any time
Foreign exchange trading margin		643,000.00	The account is frozen and cannot be paid at any time
ETC business margin	43,000.00	43,000.00	The account is frozen and cannot be paid at any time

Bid deposit for EPEC platform	100.00		The account is frozen and cannot be paid at any time
Total	96,252,591.92	136,551,548.48	

Other note:

(7) Description of other major activities

80. Note of statement of changes in the owner's equity

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.

81. Monetary Item in foreign currencies

(1) Foreign currency monetary Item

In RMB

Item	Balance at end of period	Exchange rate	Translated to RMB at end of period
Monetary capital			384,552,923.44
Incl: USD	53,622,716.85	7.1268	382,158,378.45
Euro	311,773.52	7.6617	2,388,715.18
HKD	6,384.09	0.91268	5,826.63
Yen	71.00	0.044738	3.18
Account receivable			202,194,302.56
Incl: USD	26,074,152.16	7.1268	185,825,267.61
Euro	2,103,591.73	7.6617	16,117,088.76
HKD			
SGD	47,726.12	5.2790	251,946.19
Long-term loans			
Incl: USD			
Euro			
HKD			
Contract assets			20,547,645.04
Incl: USD	2,555,259.94	7.1268	18,210,826.54
Euro	305,000.00	7.6617	2,336,818.50
Account payable			10,010,064.42
Incl: USD	708,022.96	7.1268	5,045,938.03
Euro	643,700.86	7.6617	4,931,842.88
Pound	3,570.00	9.0430	32,283.51

Other note:

(2) Note to overseas operating entities, including important overseas operating entities, which should be disclosed about its principal business place, function currency for bookkeeping and basis for the choice. In case of any change in function currency, the cause should be disclosed.

Applicable Not applicable

82. Leasing

(1) The Company acts as the lessee

Applicable Not applicable

Variable lease payments that are not included in the measurement of lease liabilities

Applicable Not applicable

Simplified processing of lease costs for short-term leases or lease for low-value assets

Applicable Not applicable

The Company's accounting policies for short-term leasing and low-value asset leasing are detailed in Section X ,V 41 Lease of this report. The amounts of short-term lease expenses and low-value asset lease expenses included in the current profits and losses are as follows:

Item	Current amount
Short-term lease expense	3,134,912.06
Low-value asset lease expense (except short-term lease)	
Total	3,134,912.06

Involving the sale and leaseback transactions

(2) The Company acts as the lessor

Operating lease as a lessor

Applicable Not applicable

In RMB

Item	Rental income	Thereinto: income related to variable lease payments that are not included in lease receipts
Real estate investment	970,826.04	
Total	970,826.04	

Financial lease as a lessor

Applicable Not applicable

Annual undiscounted lease receipts for the next five years

Applicable Not applicable

In RMB

Item	Annual undiscounted lease receipts	
	Ending balance	Opening balance
First year	3,865,905.68	1,340,896.11
Second year	1,361,425.83	678,261.52
Third year	978,230.00	312,001.53
Fourth year	888,565.00	229,057.03
Fifth year	399,450.00	
Total undiscounted lease receipts after five years	7,493,576.51	2,560,216.19

Adjustment table for undiscounted lease receipts and net lease investments

(3) Recognition of financial lease sales gains and losses as a producer or distributor

Applicable Not applicable

83. Data resources**84. Other****VIII. R&D expenditure**

In RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Direct labor	73,084,112.29	66,829,622.13
Direct material	-6,545,487.47	89,539,355.22
Test and inspection fee	959,086.85	3,867,908.54
Share-based payment	1,396,699.68	
Outsourcing R&D	3,285,933.44	2,912,404.64
Depreciation and amortization	1,325,820.58	1,294,411.73
Others	4,116,129.08	2,874,597.57
Total	77,622,294.45	167,318,299.83
Including: expensed R&D expenditure	77,622,294.45	167,318,299.83

1. R&D projects that meet the conditions for capitalization**IX. Changes of merge scope****1. Business merger not under same control****(1) Business merger not under same control in reporting period****(2) Merger cost and goodwill****(3) Identifiable assets and liability on purchasing date under the acquiree****(4) Gains or losses arising from re-measured by fair value for the equity held before purchasing date**

Whether it is a business combination realized by two or more transactions of exchange and a transaction of obtained control rights in the Period or not

Yes No

(5) On purchasing date or period-end of the combination, combination consideration or fair value of identifiable assets and liability for the acquiree are un-able to confirm rationally

(6) Other note

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

(2) Combination cost

(3) Book value of the assets and liabilities of the merge at the merger date

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

4. The disposal of subsidiary

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

Yes No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

Yes No

5. Other reasons for the changes in combination scope

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

6.Other

X. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

In RMB

Subsidiary	Registered capital	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
					Directly	Indirectly	
Auxiliary Machine Co.	80,000,000.00	Hangzhou	Hangzhou	Commerce	87.53%		Incorporation
Guoneng Company	40,000,000.00	Hangzhou	Hangzhou	Manufacturing		100.00%	Incorporation
Packaged Technologies Co.	51,000,000.00	Hangzhou	Hangzhou	Commerce	75.86%		Incorporation
Machinery Co.	30,000,000.00	Hangzhou	Hangzhou	Manufacturing	100.00%		Incorporation
Huayuan Company	21,000,000.00	Hangzhou	Hangzhou	Manufacturing		100.00%	Incorporation
Turbine Co.	20,000,000.00	Hangzhou	Hangzhou	Commerce	100.00%		Incorporation
Zhongneng Company	120,000,000.00	Hangzhou	Hangzhou	Manufacturing	46.89%		Incorporation
Hangfa Company	80,000,000.00	Hangzhou	Hangzhou	Manufacturing		100.00%	Business consolidation under the same control
Casing Company	29,500,000.00	Hangzhou	Hangzhou	Manufacturing	38.03%		Incorporation
Anhui Casting Company	130,000,000.00	Wuhu	Wuhu	Manufacturing		51.54%	Incorporation
New Energy Company	500,000,000.00	Hangzhou	Hangzhou	Manufacturing	100.00%		Business consolidation under the same control
Ranchuang Company	155,000,000.00	Hangzhou	Hangzhou	Manufacturing	100.00%		Business consolidation under the same control
Western Power Company	143,000,000.00	Pengzhou	Pengzhou	Manufacturing		56.64%	Business consolidation Not under the same control

Notes: holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

Controlling basis for the structuring entity included in consolidated range:

(1) In December 2022, the subsidiary Zhongneng Company introduced strategic investors and simultaneously implemented employee shareholding, resulting in the Company's shareholding ratio falling from 60.83% to 46.89%. Since the shareholding ratio of the Company still exceeds 1/3, the three of the seven directors are appointed by the Company, and two other directors have signed the "Concerted Action Person Agreement" with the Company, thus the Company controls Zhongneng Company.

(2) In December 2018, the subsidiary Casting & Forging Company introduced external strategic investors, resulting in the Company's shareholding ratio falling from 51% to 38.03%. Since the Company still holds more than 1 / 3 equity and holds three of the five board seats, it has control over the casting company.

Basis on determining to be an agent or consignor:

Other note:

(2) Significant not wholly owned subsidiary

In RMB

Name of the subsidiaries	Share portion of minor shareholders	Gains/loss of the period attributable to minor shareholders	Dividend announced in the period to minor shareholders	Balance of equity of minor shareholders at end of period
Zhongneng Company	53.11%	-27,340,655.53	19,120,230.00	182,405,098.41

Holding proportion of minority shareholder in subsidiary different from voting proportion:

Other note:

(3) The main financial information of significant not wholly owned subsidiary

In RMB

Subsidiaries Name	End of term						Beginning of term					
	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total of liability	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total of liability
Zhongneng Company	1,585,368,671.93	341,628,712.36	1,926,997,384.29	1,382,456,242.31	201,104,388.11	1,583,560,630.42	1,752,124,738.59	311,404,723.64	2,063,529,462.23	1,351,153,891.27	283,053,637.87	1,634,207,529.14

In RMB

Subsidiaries Name	Amount of current period				Amount of previous period			
	Turnover	Net profit	Total Misc Gains	Cash flow for business activities	Turnover	Net profit	Total Misc Gains	Cash flow for business activities
Zhongneng Company	499,950,935.60	51,477,684.82	51,477,684.82	34,856,554.30	641,833,933.26	4,129,894.47	4,129,894.47	91,477,289.86

Other note:

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

Other note:

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary

(1) Note to owner's equity share changed in subsidiary

Subsidiaries Name	Change time	Shareholding ratio before change	Shareholding ratio after change
Machinery Co.	2024.1.10	82.00%	100.00%

(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company

In RMB

	Machinery Co.
Cost/disposal consideration	
--Cash	72,981,000.00
-- Fair value of the non-cash assets	
Total purchase cost/disposal consideration	72,981,000.00
Less: share of net assets of subsidiaries calculated according to the proportion of equity acquired/disposed of	50,079,787.77
Difference	22,901,212.23
Including: adjustment of capital reserve	22,901,212.23
Adjustment of Surplus reserve	
Adjustment of the minority shareholders' equity	

Other note

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

(2) Major joint ventures and associates

(3) Main financial information of significant associated enterprise

(4) Summary financial information of insignificant joint venture or associated enterprise

Other note

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

(6) The excess loss of joint venture or associated enterprise

(7) The unrecognized commitment related to joint venture investment

(8) Contingent liabilities related to joint venture or associated enterprise investment

4. Significant common operation**5. Equity of structure entity not including in the scope of consolidated financial statements****6. Other****XI. Government subsidy****1. Government subsidies recognized according to the receivable amount at the end of the reporting period**

Applicable Not applicable

The reason for not receiving the estimated amount of government subsidies at the expected point in time

Applicable Not applicable

2. Liabilities involving government subsidies

Applicable Not applicable

In RMB

Accounting subject	Beginning balance	New subsidy amount in the current period	Amount included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income-Compensation for expropriation and relocation	1,060,635.07 8.21			26,187,562.18		1,034,447.51 6.03	Related to assets
Deferred income-other subsidies	206,910.00			34,485.00		172,425.00	Related to assets
Deferred income-other subsidies	8,828,723.20	4,152,800.00		573,990.37		12,407,532.8 3	Related income
Special payable-subsidy for personnel training funds	9,841,968.46	4,117,550.00		403,720.50		13,555,797.9 6	Related to income
Subtotal	1,079,512.67 9.87	8,270,350.00		27,199,758.05		1,060,583.27 1.82	

3. Government subsidies included in the current profit and loss

Applicable Not applicable

In RMB

Accounting Item	Amount incurred in the current period	Amount incurred in the previous period
Amount of government subsidies included in other income	39,191,662.05	37,268,083.94

Impacted amount of financial discount on total profit	45,900.00	
Total	39,237,562.05	37,268,083.94

Other note:

XII. Risks related to financial instruments

1. Risks related to financial instruments

The objective of the Company's risk management is to achieve a balance between the risk and gains. Constrain the negative influence on business operation to the lowest limit, and maximum the interests of shareholders and other equity holders. With regard to this target, the basic policies of the Company are; locate and analyse the risks, set appropriate bottom line for risks, and manage and monitor on each risk and constrain them in a certain extent.

Risks attached to financial instruments are mainly credit risks, liquidity risks, and market risks.

The following risk managing policies have been examined and approved by the management:

(I) Credit risks

Credit risks are introduced when one party of the financial instrument failed to exercise its liabilities and then caused financial loss to another.

1. Credit risk management practice

(1) Evaluation method of credit risk

On each balance sheet date, the company evaluates whether the credit risk of relevant financial instruments has increased significantly since the initial confirmation. When determining whether the credit risk has increased significantly since the initial confirmation, the company considers to obtain reasonable and reliable information without unnecessary extra costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial confirmation date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria are triggered, the company believes that the credit risk of financial instruments has increased significantly:

1) The quantitative standard is mainly that the probability of default for the remaining duration on the balance sheet date rises by more than a certain proportion compared with the initial confirmation;

2) Qualitative criteria mainly include significant adverse changes in the debtor's operation or financial situation, changes in existing or expected technology, market, economic or legal environment, and significant adverse effects on the debtor's repayment ability of the company.

(2) Definition of default and credit impairment assets

When a financial instrument meets one or more of the following conditions, the company defines the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

1) The debtor has major financial difficulties;

2) The debtor violates the binding provisions on the debtor in the contract;

3) The debtor is likely to go bankrupt or undergo other financial restructuring;

4) The creditor gives concessions that the debtor will not make under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties.

2. Measurement of expected credit loss

Key parameters of expected credit loss measurement include default probability, loss given default and default risk exposure. The company considers the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, collateral type, repayment method, etc.) to establish default probability, loss given default and default risk exposure models.

3. Please refer to Notes X (7)4,5,6,8 and 17 of these financial statements for details of the reconciliation statement of the opening balance and closing balance of the financial instrument loss reserve.

4. Credit risk exposure and credit risk concentration

The company's credit risk mainly comes from monetary funds and receivables. In order to control the above-mentioned related risks, the company has taken the following measures respectively.

(1) Monetary fund

The company deposits bank deposits and other monetary funds in financial institutions with high credit rating, so its credit risk is low.

(2) Account receivable

The Company performs credit assessment on the clients on periodic and constant basis. Results suggested by the assessment are used by the Company to determine clients with higher ranks and to overlook the rest. This was conducted to avoid risks brought by material bad debts.

As the Company only does business with recognized and reputable third parties, so no collateral is needed. Credit risks are centralized managed in accordance with customers. As of June 30,2024, the Company has a characteristic of specific credit risk concentration. 35.48% (December 31,2023: 34.61%) of the Company's accounts receivable comes from the top five customers. The Company does not hold any collateral or other credit enhancement for the balance of accounts receivable.

The maximum credit risk exposure the company is subject to is the book value of each financial asset in the balance sheet.

(II) Liquidation risks

Liquidation risks are the possibilities of short in cash at fulfilling liabilities of payment or settlement for financial assets. They may be caused by failing to cash financial assets at fair value instantly; debtors' failing of paying debts due; debts due before schedule; or failing of generating expected cash flow.

To handle these risks, the Company adopted multiple measures such as note clearance and bank loans. Long-term and short-term financing approaches were used to maintain balance between constancy and flexibility. The Company has obtained credit from multiple banks to satisfy the needs of business operation and capital output.

Categorizing of financial liabilities on remained period to due

Item	Year-end balance				
	Book value	Contract amount not discounted	within 1 year	1-3 years	Over 3 years
Bank loans	698,678,200.71	718,893,956.95	441,536,662.92	255,167,285.05	22,190,008.98
Notes payable	506,700,007.76	506,700,007.76	506,700,007.76		
Account payable	1,411,547,134.00	1,411,547,134.00	1,411,547,134.00		
Other payable	144,449,435.77	144,449,435.77	144,449,435.77		
Lease liabilities[Note]	25,298,653.33	26,422,122.41	16,772,688.76	8,343,611.67	1,305,821.98
Subtotal	2,786,673,431.57	2,808,012,656.89	2,521,005,929.21	263,510,896.72	23,495,830.96

(Continued)

Item	Year-beginning balance
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	Book value	Contract amount not discounted	within 1 year	1-3 years	Over 3 years
Bank loans	788,318,040.44	812,028,339.70	581,556,041.73	230,472,297.97	
Notes payable	481,424,952.96	481,424,952.96	481,424,952.96		
Account payable	1,409,130,502.72	1,409,130,502.72	1,409,130,502.72		
Other payable	151,669,883.07	151,669,883.07	151,669,883.07		
Lease liabilities	35,691,782.26	36,975,758.52	20,561,705.82	15,395,787.98	1,018,264.72
Subtotal	2,866,235,161.45	2,891,229,436.97	2,644,343,086.30	245,868,085.95	1,018,264.72

[Note] ease liabilities include non-current liabilities within one year- -lease liabilities due within one year

(III) Market risks

Market risks are those brought by change of fair value or expectable cash flow of financial instruments due to change of market prices, mainly interest risks and exchange rate risks.

1. Interest risks

Interest risks are those brought by change of fair value or expectable cash flow of financial instruments due to change of interest rates, mainly regards the loans at floating interest rates.

Fixed-rate interest-bearing financial instruments expose the Company to fair value interest rate risks, while floating-rate interest-bearing financial instruments expose the Company to cash flow interest rate risks. The Company determines the ratio of fixed interest rate to floating interest rate financial instruments according to the market environment, and maintains an appropriate portfolio of financial instruments through regular review and monitoring. The cash flow interest rate risk faced by the Company is mainly related to the bank borrowings with floating interest rates.

As of June 30, 2024, the company's bank borrowings with floating interest rate were RMB295,656,807.50 (December 31, 2023: RMB293,600,000.00). Under the assumption that other variables remain unchanged, assuming that the interest rate changes by 50 benchmark points, there will be no significant impact on the company's total profits and shareholders' equity.

2. Foreign currency risks

Foreign currency risks (exchange rate risks) are those caused by change of fair value or expectable cash flow of financial instruments due to fluctuation of exchange rates. These risks are mainly related to foreign currency assets and liabilities. The Company operates in mainland China and mostly uses RMB as standard currency, therefore no major risks regarding exchange rates. For details of foreign currency assets and liabilities, please go to the descriptions in the notes to the consolidated financial statements.

Details of the company's foreign currency monetary assets and liabilities at the end of the period are described in note X (VII)81 to the Financial Statements.

2. Hedging

(1) The Company conducts hedging business for risk management

Applicable Not applicable

(2) The Company conducts qualified hedging business and applies hedge accounting**(3) The Company conducts hedging business for risk management and expects to achieve risk management objective but does not apply hedge accounting**

Applicable Not applicable

3. Financial assets**(1) Classification of transfer methods**

Applicable Not applicable

(2) Financial assets that have been derecognized as a result of a transfer

Applicable Not applicable

(3) Financial assets of continued involvement in asset transfer

Applicable Not applicable

Other note

XIII. The disclosure of the fair value**1. Closing fair value of assets and liabilities calculated by fair value**

In RMB

Item	Closing fair value			Total
	Fair value measurement Item at level 1	Fair value measurement Item at level 2	Fair value measurement Item at level 3	
I. Consistent fair value measurement	--	--	--	--
1. Transactional financial assets and other non-current financial assets	1,466,304.02		185,634,773.22	187,101,077.24
Financial assets classified as fair value through profit or loss	1,466,304.02		185,634,773.22	187,101,077.24
Structure deposit			160,100,000.00	160,100,000.00
Financing product			20,000,000.00	20,000,000.00
equity instrument investment	1,466,304.02		5,534,773.22	7,001,077.24
2. Financing receivable			696,160,646.84	696,160,646.84
3. Other equipment instrument investment	3,547,971,438.30			3,547,971,438.30
Total liabilities of consistent fair value measurement	3,549,437,742.32		881,795,420.06	4,431,233,162.38

II. Non-continuous fair value measurement	--	--	--	--
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2. Market price recognition basis for consistent and inconsistent fair value measurement Item at level 1

The company adopts unadjusted quotations on active markets for the same assets that can be obtained on the measurement date.

3. Continuous and non-continuous Second-level fair value measurement Item, using valuation techniques and qualitative and quantitative information on important parameters

4. Continuous and non-continuous third-level fair value measurement Item, using valuation techniques and qualitative and quantitative information on important parameters

1. For held short-term wealth management products with floating income and equity instrument investments, the company adopted valuation techniques for fair value measurement, mainly using a discounted future cash flow model.

2. Financing of receivables means that the measurement mode held by the company is bills receivable that are measured at fair value and whose changes are included in other comprehensive income. Cost represents the best estimate of fair value, so the cost is used to confirm its fair value .

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement Item at level 3

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement Item at different levels

7. Changes in the valuation technique in the current period and the reason for change

8. Fair value of financial assets and liabilities not measured at fair value

9. Other

XIV. Related party and related Transaction

1. Information related to parent company of the Company

Name of the parent company	Registered place	Business nature	Registered capital	Shareholding ratio in the Company (%)	Voting ratio in the Company (%)
Turbine Holdings	Hangzhou China	Manufacturing	800 million	58.70%	58.70%

Notes

Hangzhou Municipal Government State-owned Asset Supervisory Committee is the ultimate controller of the Company.

Other note:

2.Subsidiaries of the enterprise

For details of the subsidiary, see note X,10 to the financial statements.

3. Information on the joint ventures and associated enterprises of the Company

4.Other related parties of the Company

Name of other related parties	Relationship with the Company
Hangzhou Capital	The parent company of Turbine Holdings
Hangzhou Xiangjiang Technology Co., Ltd.	A subsidiary enterprise of Turbine Holdings
Hangzhou Turbine Auto sales service Co., Ltd.	Affiliated enterprise of Turbine Holdings
Hangzhou Turbine Trading Co., Ltd.	A subsidiary enterprise of Turbine Holdings
Hangzhou Oxygen Group Co., Ltd	Affiliated enterprise of Hangzhou Capital
Hangzhou Oxygen Turbine Machinery Co., Ltd	Affiliated enterprise of Hangzhou Oxygen
Hangzhou Oxygen Expander Machine Co., Ltd.	Affiliated enterprise of Hangzhou Oxygen
Hangzhou Oxygen Cryogenic Container Co., Ltd	Affiliated enterprise of Hangzhou Oxygen
Jiangxi Oxygen Gas Co., Ltd.	Affiliated enterprise of Hangzhou Oxygen
Greenesol power systems PVT Ltd.	shareholding enterprise of the company

Other note

5.Related transaction

(1) Sale of goods/rendering of labor services/labor service offering

Purchase of goods and service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Hangzhou Turbine Auto sales service Co., Ltd.	Freight, storage services, repair, etc	22,591,636.16	44,624,600.00	No	
Hangzhou Turbine Trading Co., Ltd.	Grinding fee, packaging fee, storage service	7,386,588.46	16,237,600.00	No	
Hangzhou Oxygen Turbine Machinery Co., Ltd	Part		1,350,000.00	No	876,106.19
Greenesolpower systems PVT Ltd.	Technical service			No	655,488.39
Total		29,978,224.62	62,212,200.00		1,531,594.58

Related transactions regarding sales of goods or providing of services

In RMB

Related parties	Subjects of the related transactions	Current term	Same period of last term
Hangzhou Oxygen Turbine Machinery Co., Ltd	Industrial steam turbine and auxiliary	2,401,920.19	8,849,557.52
Greenesol power systems PVT Ltd.	Part	311,091.69	2,355,131.88
Hangzhou Turbine Trading Co., Ltd.	Water and electricity	129,200.72	

Jiangxi Oxyen Gas Co., Ltd.	Auxiliary	20,176.99	
Hangzhou Oxyen Expander Machine Co., Ltd.	Auxiliary		415,929.20
Hangzhou Oxyen Cryogenic Container Co., Ltd	Transport service		18,348.62
Subtotal		2,862,389.59	11,638,967.22

Explanation on goods purchasing, labor service providing and receiving

(2) Related trusteeship/contract and delegated administration/outsourcing

(3) Information of related lease

- The company was lessee:

In RMB

Lessor	Category of leased assets	Rental charges for short-term and low-value assets (if any)		Variable lease payments not included in lease liabilities measurement (if any)		Rent paid		Interest expenses on lease liabilities assumed		Increased use right assets	
		Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period	Amount of current period	Amount of previous period
		t of current period	t of previous period	t of current period	t of previous period	t of current period	t of previous period	t of current period	t of previous period	t of current period	t of previous period
Industry and trade Company	House and Building					1,211,094.95		62,194.70			
Hangzhou Xiangjiang Technology Co., Ltd.	House and Building					1,145,495.16	1,145,495.20	73,270.62	118,032.04		

Explanation on related lease

(4) Related-party guarantee

(5) Inter-bank lending of capital of related parties

(6) Related party asset transfer and debt restructuring

(7) Remunerations of key managements

In RMB

Item	Current term	Same period of last term
Remunerations of key managements	8,587,792.55	11,278,220.91

(8) Other related transactions

In this period, the company exclusively used the registered trademark owned by Turbine Holdings for free; and exclusively used 82 patents, 6 software copyrights, non-patented technologies and R&D achievements related to the 50MW power gas turbine R&D project (i.e. licensed project) owned by Turbine Holdings for free.

6. Receivables and payables of related parties

(1) Receivables

In RMB

Name	Related party	End of term		Beginning of term	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Greenesol power systems PVT Ltd.	15,117,325.41	15,083,584.95	15,024,890.99	14,990,316.19
	Hangzhou Oxyen Turbine Machinery Co., Ltd.	6,740,500.00	6,398,200.00	6,666,500.00	6,376,000.00
	Hangzhou Oxyen Co., Ltd.	933,000.00	93,300.00	275,000.00	13,750.00
Subtotal		22,790,825.41	21,575,084.95	21,966,390.99	21,380,066.19
Financing receivable	Hangzhou Oxyen Turbine Machinery Co., Ltd.	1,680,000.00		2,500,000.00	
Subtotal		1,680,000.00		2,500,000.00	
Other receivable	Hangzhou Xiangjiang Technology Co., Ltd.	601,384.98	360,830.99	601,384.98	360,830.99
	Industry and trade Company	137,072.96	6,853.65	121,091.88	6,054.59
Subtotal		738,457.94	367,684.64	722,476.86	366,885.58
Constrict assets	Hangzhou Oxyen Co., Ltd.	3,061,000.00	306,100.00	3,719,000.00	310,650.00
	Hangzhou Oxyen Turbine Machinery Co., Ltd.	255,000.00	12,750.00		
	Hangzhou Oxyen Expander Machine Co., Ltd.	47,000.00	4,700.00	47,000.00	2,350.00
Subtotal		3,363,000.00	323,550.00	3,766,000.00	313,000.00

(2) Payables

In RMB

Name	Related party	Amount at year	Amount at year beginning
Account payable	Sales Company	14,164,482.86	15,451,123.39
	Industry and trade Company	2,741,867.48	2,360,725.17
	Greenesol power systems PVT Ltd.	1,869,050.05	1,857,484.54
	Hangzhou Oxyen Turbine Machinery Co., Ltd.	106,194.68	106,194.68
Subtotal		18,881,595.07	19,775,527.78
Notes Payable	Industry and trade Company	1,500,000.00	600,000.00

	Sales Company	1,500,000.00	330,000.00
Subtotal		3,000,000.00	930,000.00
Contract liabilities	Hangzhou Oxyen Co., Ltd.	6,669,501.06	
	Hangzhou Oxyen Turbine Machinery Co., Ltd.	4,340,707.97	3,584,070.80
	Greenesol power systems PVT Ltd.	985,689.02	41,208.81
Subtotal		11,995,898.05	3,625,279.61
Other payable	Turbine Holdings	211,830.51	211,830.51
	Sales Company	169,298.39	100,000.00
Subtotal		381,128.90	311,830.51
Lease liabilities(Note)	Industry and trade Company	3,142,071.15	4,290,971.40
	Hangzhou Xiangjiang Technology Co., Ltd.	2,012,854.14	3,085,078.68
Subtotal		5,154,925.29	7,376,050.08

Note: Including the lease liabilities due within one year

7. Related party commitment

8. Other

XV. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

In RMB

Grant object category	Grant in the current period		Exercise in the current period		Unlocking in the current period		Failure in the current period(Note)	
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Management staff					689,832	2,461,281.77	41,808	152,126.25
Operating personnel					10,296	36,735.55		
Total					700,128	2,498,017.32	41,808	152,126.25

Note: The number of original shares unlocked in this period is 448,800 shares, and the number of expired original shares is 26,800 shares, and the number in the table is the number of shares after the bonus shares given in the past, 3 bonus shares for every 10 shares in the 2021 profit distribution plan, and 2 bonus shares for every 10 shares in the 2022 profit distribution plan

Stock options or other equity instruments issued at the end of the period

Applicable Not applicable

Grant object	Stock options issued outside at the end of the term		Other equity instruments outstanding at the end of the period	
	Strike price Range	Remaining term of the contract	Strike price Range	Remaining term of the contract
Management personnel, R&D personnel, Sales			The price of restricted shares initially granted in September 2021 and	The lock-up period for the first grant and reserved grant of restricted shares is

personnel, production personnel			reserved for grant in December 2021 was HK\$ 6.625 per share.	24 months, 36 months and 48 months respectively from the date of completion of the registration of restricted shares
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Other note

(1) Restricted stocks released in the current period

According to the Proposal on Achievement of Partial First-phase Lifting of Restricted Sale of the First Grant Part of Restricted Stock Incentive Plan in 2021, which was reviewed and passed by the Fourth Meeting of the Ninth Board of Directors and the Fourth Meeting of the Ninth Board of Supervisors in 2024, as of January 15, 2024, the first period for restricted sale of restricted stock of first grant in 2021 in the equity incentive plan has expired. The number of restricted stocks that can be lifted for restricted sale is 700,12 shares.

(2) Restricted stock that lapses in the current period

Two of the incentive objects granted by the company's equity incentive plan for the first time in 2021 left their jobs for personal reasons and were no longer qualified as incentive objects. A total of 41,808 restricted stocks that have been granted but have not yet been lifted for restricted sales were repurchased and cancelled by the company at the grant price. As of June 30, 2024, the invalidation of the above restricted stocks has not been considered by the meetings of the board of directors and the board of supervisors, so they have not been repurchased and cancelled.

2. Equity-settled share-based payment

Applicable Not applicable

	In RMB
Significant parameters of fair value of equity instruments on the grant date	Closing price on the grant date
Cumulative amount of equity-settled share-based payment included in capital reserve	128,131,703.67
Total expenses recognized for equity-settled share-based payments in the current period	11,916,628.56

Other note

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment

Applicable Not applicable

	In RMB	
Grant object category	Equity-settled share-based payment fees	Cash-settled share-based payment fees
Management staff	7,258,651.23	
R&D staff	1,396,699.68	

Sales staff	1,125,123.03	
Production staff	2,136,154.62	
Total	11,916,628.56	

Other note

5. Revised and termination on share-based payment

6. Other

XVI. Commitment or contingency

I. Important commitments

Important commitments in balance sheet date

As of June 30, 2024, the outstanding balance of L/G issued by the Company and its subsidiaries in relevant banks was EUR 26,165,000.00 and SEK458,027,850.00 and RMB 5,396,563.62, and the outstanding balance of L/G was USD13,299,448.10, EUR 1,018,800.00 and RMB 993,269,406.40.

II Contingency

(1) Significant contingency at balance sheet date

In October 2019, Hesheng Electric (Shanshan) Co., Ltd (hereinafter referred to as Hesheng Company) filed a lawsuit against Zhongneng Company in the Turpan Intermediate People's Court, requesting to cancel the "25MW Backpressure Steam Turbine and Auxiliary Equipment Sales Contract" (contract number: SSDY-2016-019, the total contract price is 5.75 million yuan) signed by the two parties, and Zhongneng Company to refund the paid amount of 4.76 million yuan of goods payment and compensate 66.29 million yuan for various losses. In March 2021, the Turpan Intermediate People's Court issued the Civil Mediation Letter, according to which after completing the maintenance of the rotor and accessories and reinstalling and debugging the steam turbine unit to achieve 72+24-hour smooth operation, Hesheng Company shall pay the maintenance fee of 1.193 million yuan and the final payment of the contract of 1.19 million yuan; and if the delivered steam turbine unit has quality problems and cannot be started and used normally due to reasons attributable to Zhongneng Company, Zhongneng Company needs to refund the received payment of 4.76 million. After the mediation letter came into effect, Zhongneng completed the maintenance, installation and commissioning work according to the agreement, the steam turbine unit was connected to the grid and operated with load, and Hesheng Company unilaterally stopped the operation of the equipment on the grounds of defectselimination. On April 7, 2022, Hesheng filed a lawsuit in the People's Court of Shanshan, Xinjiang Uygur Autonomous Region, arguing that the steam turbine unit delivered by Zhongneng after completing the maintenance still can not be started and used normally, and regarded as the purpose of the contract can not be achieved, and demanded to terminate the original contract and Zhongneng Company refunds the paid amount of 4.76 million yuan and compensates various losses of 89.55 million yuan (including 3.55 million yuan for third-party procurement price difference, 85 million yuan for production loss and 1 million yuan for labor loss). In May 2022, Zhongneng countersued Hesheng Company for continued to perform the original contract, requiring it to pay maintenance fees of 1.193 million yuan and the final payment of 1.19 million yuan of the contract. As of the date of approval of this financial report, the case has not yet been tried.

On January 4, 2023, Shanshan County People's Court entrusted Zhejiang Testing & Inspection Institute for Mechanical and Electrical Products Quality Co.,Ltd. to appraise the 25MW back-pressure steam turbine involved. On March 12, 2023, Zhejiang Testing & Inspection Institute for Mechanical and Electrical Products Quality Co.,Ltd. appraised the unit in Hesheng Company, and on August 18, 2023, it issued the *Appraisal Opinion* ([2023] JDZJ Zi No.050): "According to the operation condition on September 28, 2021, the problems of vibration and differential expansion have been eliminated, and other factors have no impact on the continuous start-up and smooth operation for 72+24 hours, that is, the turbine involved can continue to start-up and operate smoothly for 72+24 hours under the operation condition on September 28, 2021."

Because the appraisal time was too long, which affected the trial limit, the Shanshan County People's Court did not accept the lawsuit of Hesheng Company and the counterclaim of Zhongneng Company,

Both parties have resubmitted the litigation materials, in which the litigation request of Hesheng Company was changed to require Zhongneng Company to refund the paid payment for good of RMB 4.76 million. On August 7, 2024, the Shanshan County People's Court reopened the trial for the case. As of the date of approval of the financial statements, the case is still under trial.

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

III.Other

XVII. Events after balance sheet date

1. Significant events had not adjusted

2. Profit distribution

3. Sales return

4. Notes of other significant events

The Company does not have any non-adjustment Item among the major Item after the balance sheet date that need to be disclosed.

XVIII. Other significant events**1. The accounting errors correction in previous period****(1) Retrospective restatement****(2) Prospective application****2. Debt restructuring****3. Replacement of assets****(1) Non-monetary assets exchange****(2) Other assets replacement****4. Pension plan****5. Discontinuing operation****6. Segment information****(1) Recognition basis and accounting policies of reportable segment**

The Company's main business is to produce and sell industrial steam turbines, their auxiliaries, accessories and other products. The Company regards such business as a whole to implement management and evaluate the operating results. Therefore, the Company does not need to disclose segment information. The operating income and operating costs of the Company by product/region are detailed in Note X VII (61) of the Financial Statements.

(2) The financial information of reportable segment

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

(4) Other note**7. Other important transactions and events have an impact on investors' decision-making****8. Other**

The 27th meeting of the Eighth Board of Directors of the Company reviewed and passed the Proposal on Zhongneng Company's Investment in Building a New Production Base. Zhongneng Company started the overall relocation of the enterprise and planned to invest in building a new production base in Qianjin Manufacturing Park, Dajiangdong Industrial Cluster Area, Qiantang New District, Hangzhou. According to the needs of the development and construction of Dongbuwan New Town in Qiantang New District, Hangzhou, Zhongneng Company and the development and construction headquarters of Dongbuwan New Town in Hangzhou signed the *Compensation Agreement for Relocation of Non-residential Houses* on February 13, 2023. The relevant plots are No.18, 22nd Street, Baiyang Block, Hangzhou Economic and Technological

Development Zone and No.855, 18th Street, Baiyang Block, Hangzhou Economic and Technological Development Zone. The compensation includes compensation for real estate, decoration and accessories within the relocation scope, compensation for equipment relocation, relocation expenses, loss of production and business suspension (including compensation for employee resettlement, operating losses, etc.), contract award and plot ratio subsidy award, etc. The total compensation for relocation of the two plots is RMB 202.227 million. On December 18, 2023, Zhongneng Company completed the handover work within the relocation scope of No.855, 18th Street, Baiyang Block, Hangzhou Economic and Technological Development Zone, and received 90% of the compensation funds for the plot relocation, namely RMB 85,154,850.00, and recognized the income from the disposal of the relocated assets of RMB 65,888,315.19. As of June 30, 2024, the relocation project of No.18, 22nd Street, Baiyang Block, Hangzhou Economic and Technological Development Zone had not been completed, and 60% of the compensation funds for this plot relocation, namely RMB 64,566,300.00 (including RMB 58,696,860.00 for relocation compensation and RMB 5,869,440.00 for incentive subsidies) had been received.

XIX. Notes of main Item in the financial statements of the Parent Company

1. Accounts receivable

(1) Disclosure according to the aging

In RMB

Aging	Balance in year-end	Balance Year-beginning
Within one year(one year included)	778,961,774.14	920,119,639.65
1-2 years	346,359,944.06	456,641,110.95
2-3 years	363,195,621.79	296,849,266.51
Over 3 years	636,840,356.99	532,143,329.79
3-4 years	240,242,111.48	167,941,610.93
4-5 years	84,206,342.17	72,219,824.81
Over 5 years	312,391,903.34	291,981,894.05
Total	2,125,357,696.98	2,205,753,346.90

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including:										
Accrual of bad debt provision by portfolio	2,125,357,696.98	100.00%	664,989,951.02	31.29%	1,460,367,745.96	2,205,753,346.90	100.00%	595,277,375.07	26.99%	1,610,475,971.83
Including:										
Total	2,125,357,696.98	100.00%	664,989,951.02	31.29%	1,460,367,745.96	2,205,753,346.90	100.00%	595,277,375.07	26.99%	1,610,475,971.83

Accrual of bad debt provision by portfolio:

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Aging portfolio	1,943,563,930.84	664,989,951.02	34.21%
Associated transaction portfolio	181,793,766.14		
Total	2,125,357,696.98	664,989,951.02	

Explanation on portfolio basis:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

(3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other (Note)	
Accrual of bad debt provision by Single term						
Accrual of bad debt provision by portfolio	595,277,375.07	69,275,510.98			437,064.97	664,989,951.02
Total	595,277,375.07	69,275,510.98			437,064.97	664,989,951.02

Note: Other changes are the amount actually recovered from bank deposits in the current period of accounts receivable that have been written off

Including important amount of bad debt provision collected or reversal in the period:

(4) Account receivables actually write-off during the reporting period

(5) The top five accounts receivable and contract assets at the end of the period aggregated according to debtor

In RMB

Name of the organization	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and contract assets	Ending balance of accounts receivable bad debt provision and contract asset impairment provision
Client 1	747,842,626.44	112,993,950.00	860,836,576.44	33.34%	190,211,023.93

Client 2	166,875,760.31	9,208,500.00	176,084,260.31	6.82%	98,441,143.85
Client 3	110,847,618.34	41,440,000.00	152,287,618.34	5.90%	
Client 4	117,053,488.32	6,509,107.97	123,562,596.29	4.79%	12,875,451.51
Client 5	57,411,200.00		57,411,200.00	2.22%	11,026,840.00
Total	1,200,030,693.41	170,151,557.97	1,370,182,251.38	53.07%	312,554,459.29

2. Other account receivable

In RMB

Item	End of term	Beginning of term
Dividend receivable	141,375,107.12	
Other receivable	8,595,419.74	6,258,018.53
Total	149,970,526.86	6,258,018.53

(1) Interest receivable

1) Category

2) Important overdue interest

3) Accrual of bad debt provision

Applicable Not applicable

4) Bad debt provision accrual, collected or reversal in the period

5) Interest receivables actually written off in the current period

(2) Dividend receivable

1) Category

In RMB

Item	End of term	Beginning of term
Hangzhou Bank	141,375,107.12	0.00
Total	141,375,107.12	

2) Important dividend receivable with over one year aged

3) Accrual of bad debt provision

Applicable Not applicable

4) Bad debt provision accrual, collected or reversal in the period**5) Dividend receivables actually written off in the current period****(3) Other account receivable****1) By nature**

Nature	Ending book balance	Opening book balance
Deposit	11,375,677.99	10,056,195.41
Provisional payment receivable	2,861,745.98	789,486.16
Other	1,916,989.33	866,480.12
Total	16,154,413.30	11,712,161.69

2) Disclosure by aging

In RMB

Aging	Ending book balance	Opening book balance
Within 1 year(Including 1 year)	7,740,377.89	4,306,954.42
1-2 years	511,561.47	1,909,699.00
2-3 years	521,600.00	35,987.84
Over 3 years	7,380,873.94	5,459,520.43
3-4 years	801,000.00	980,368.59
4-5 years		185.00
Over 5 years	6,579,873.94	4,478,966.84
Total	16,154,413.30	11,712,161.69

3) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including:										
Accrual of bad debt provision by portfolio	16,154,413.30	100.00%	7,558,993.56	46.79%	8,595,419.74	11,712,161.69	100.00%	5,454,143.16	46.57%	6,258,018.53
Including:										
Total	16,154,413.30	100.00%	7,558,993.56	46.79%	8,595,419.74	11,712,161.69	100.00%	5,454,143.16	46.57%	6,258,018.53

Accrual of bad debt provision by portfolio:

In RMB

Name	Ending balance

	Book balance	Bad debt provision	Accrual ratio
Related party Portfolio	1,922,708.44		
Aging portfolio	14,231,704.86	7,558,993.56	53.11%
Including: Within 1 year	5,817,669.45	290,883.47	5.00%
1-2 years	511,561.47	51,156.15	10.00%
2-3 years	521,600.00	156,480.00	30.00%
3-4 years	801,000.00	480,600.00	60.00%
4-5 years	6,579,873.94	6,579,873.94	100.00%
Over 5 years	16,154,413.30	7,558,993.56	
Total			

Explanation on portfolio basis:

Provision for bad debts is made according to the general model of expected credit losses

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on January 1, 2024	185,040.92	190,969.90	5,078,132.34	5,454,143.16
January 1, 2024 balance in the current period				
——Transfer to stage II	-25,578.08	25,578.08		
——Transfer to stage III		-52,160.01	52,160.01	
Provision in the current period	131,420.63	-113,231.82	2,086,661.59	2,104,850.40
Balance on June 30, 2024	290,883.47	51,156.15	7,216,953.94	7,558,993.56

Basis for division of each stage and accrual ratio for bad-debt provision

Loss provision changes in current period, change in book balance with significant amount

Applicable Not applicable

4) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Accrual of bad debt provision by portfolio	5,454,143.16	2,104,850.40				7,558,993.56
Total	5,454,143.16	2,104,850.40				7,558,993.56

5) The actual write-off accounts receivable**6) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party**

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Shanghai Customs Waigaoqiao Office	Deposit	3,710,320.94	Over 5 years	22.97%	3,710,320.94
Beijing Haotu Technology Co., Ltd.	Receivable temporary payment	2,130,000.00	Over 5 years	13.19%	2,130,000.00
China Power Complete Equipment Co., Ltd.	Deposit	1,300,000.00	Within 1 year	8.05%	65,000.00
Guoneng Company	Other	1,207,498.41	Within 1 year	7.47%	
China Coal Tendering Co., Ltd	Deposit	1,200,000.00	Within 1 year	7.43%	60,000.00
Total		9,547,819.35		59.11%	5,965,320.94

7) Reported in other receivables due to centralized management of funds**3. Long-term equity investment**

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	816,312,239.93		816,312,239.93	741,912,842.24		741,912,842.24
Total	816,312,239.93		816,312,239.93	741,912,842.24		741,912,842.24

(1) Investments in subsidiaries

In RMB

The invested entity	Opening balance(Book value)	Opening balance of the impairment provision	Changes in the period (+, -)				Ending balance(Book value)	Ending balance of impairment provision
			Additional investment	Decreased investment	Withdrawn impairment provision	Other(Note)		
Auxiliary Machine Co.	46,447,254.68					62,583.70	46,509,838.38	
Packaged Co.	40,161,130.83					62,583.70	40,223,714.53	
Machinery Company	129,603,000.00		72,981,000.00				202,584,000.00	
Turbine Company	21,293,308.47					125,167.39	21,418,475.86	
Zhongneng	27,644,475.06						27,644,475.06	

Company								
Casting Company	11,220,000.00						11,220,000.00	
New Energy Company	309,747,306.18					1,111,737.57	310,859,043.75	
Ranchuang Company	155,796,367.02					56,325.33	155,852,692.35	
Total	741,912,842.24		72,981,000.00			1,418,397.69	816,312,239.93	

Note: It is mainly due to a share-based payment expense recognized in the current period.

(2) Investments in associates and joint ventures

In RMB

The invested entity	Opening balance (Book value)	Opening balance of the impairment provision	Changes in the period (+, -)								Ending balance (Book value)	Ending balance of impairment provision
			Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture												
II. Associated enterprise												

The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

Applicable Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

Applicable Not applicable

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

(3) Other note

4. Operation revenue and operation cost

In RMB

Item	Current period incurred		Prior period incurred	
	Revenue	Cost	Revenue	Cost
Main business	1,158,894,048.25	974,714,836.80	1,345,647,975.31	1,121,459,855.38
Other business	8,173,797.60	2,862,962.27	8,918,831.82	3,388,420.16
Total	1,167,067,845.85	977,577,799.07	1,354,566,807.13	1,124,848,275.54

At the end of the reporting period, the amount of income corresponding to the performance obligations of contracts signed but not yet fulfilled or not completely fulfilled was RMB 3,752,340,000.00.

In the current period, the Company included the estimated liabilities accrued for guarantee quality assurance into the operating costs, and adjusted the number for the same period last year, reducing the sales expenses of 2,358,725.93 yuan in the same period of last year and increasing the operating costs of 2,358,725.93 yuan in the same period last year

The amount of revenue corresponding to the performance obligations with signed contract but not yet fulfilled or not fulfilled is RMB 3, of which the revenue of RMB is expected to recognize in year, the revenue of RMB is expected to recognize in year , and the revenue of RMB is expected to recognize in year .

5. Investment income

In RMB

Item	Occurred current term	Occurred in previous term
Long-term equity investment income by Cost method	147,339,190.00	83,936,420.00
Discounted loss of financing receivable	-1,151,386.13	
Investment income obtained from the disposal of trading financial assets	3,774,530.27	4,121,333.26
Dividend income from other equity instrument investments during the holding period	141,375,107.12	108,750,082.40
Debt restructuring gains and losses	5,405,869.63	
Total	296,743,310.89	196,807,835.66

6. Other

XX. Supplement information

1. Particulars about current non-recurring gains and loss

Applicable Not applicable

In RMB

Item	Amount	Notes
Non-current asset disposal gain/loss	663,454.95	
Governmental Subsidy accounted as current gain/loss, except for those subsidies at with amount or quantity fixed by the national government and closely related to the Company's business operation.	39,167,012.82	
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the Company's normal business	3,969,756.16	
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	0.00	
Gain/loss on entrusting others with investments or asset management	0.00	
Gain/loss from external entrusted loan	0.00	
Asset impairment provisions due acts of God such as natural disasters	0.00	
Reverse of the provision for impairment of accounts receivable undergoing impairment test individually	6,000,000.00	
Gains due to that the investment costs for the Company to obtain subsidiaries,	0.00	

associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments		
Net gain and loss of the subsidiary under the common control and produced from enterprise consolidation from the beginning of the period to the consolidation date	0.00	
Gain/loss on non-monetary asset swap	0.00	
Gains/losses of debt restructure	5,420,378.03	
One-off costs incurred by the Company as a result of discontinued operations, such as expenses for employee arrangements	0.00	
One-time effect on current profit or loss due to adjustments in tax, accounting and other laws and regulations	0.00	
One-time share-based payments recognized due to cancellation and modification of equity incentive plans	0.00	
Gain or loss on changes in the fair value of employee benefits payable after the vesting date for cash-settled share-based payments	0.00	
Gain or loss on fair-value changes in investment property of which subsequent measurement is carried out using the fair value method	0.00	
Income from transactions with distinctly unfair prices	0.00	
Gain or loss on contingencies that are unrelated to the Company's normal business operations	0.00	
Income from charges on entrusted management	0.00	
Operating income and expenses other than the aforesaid Item	33,379,543.20	
Other gains and losses that meet the definition of exceptional gain/loss	0.00	
Less: Influenced amount of income tax	11,275,950.25	
Amount of influence of minority interests (After tax)	5,152,695.30	
Total	72,171,499.61	--

Details of other gains/losses Item that meets the definition of non-recurring gains/losses:

Applicable Not applicable

There are no other gains/losses Item that meet the definition of non-recurring gains/losses in the Company.

Explain the Item defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public - -- Extraordinary Profit/loss

Applicable Not applicable

2. Return on net asset and earnings per share

Profit of report period	Weighted average returns equity(%)	Earnings per share	
		Basic earnings per share(RMB/share)	Diluted earnings per share(RMB/share)
Net profit attributable to the Common stock shareholders of Company.	2.32%	0.16	0.16
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	1.45%	0.09	0.09

3. Differences between accounting data under domestic and overseas accounting standards

(1) Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

Applicable Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

Applicable Not applicable

(3) Explanation of the reasons for the differences in accounting data under domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution should be indicated

4. Other

Hangzhou Turbine Power Group Co., Ltd.

August 28, 2024