

哈爾濱電力設備股份有限公司
Harbin Power Equipment Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

(continued from page 10)

The Company's operations are primarily in the United States and are subject to the risks associated with the U.S. economy. The Company's operations are also subject to the risks associated with the global economy, including the risks associated with the U.S. dollar and the U.S. government's fiscal and monetary policies.

Macro-Economic and Industry Development

The Company's operations are primarily in the United States and are subject to the risks associated with the U.S. economy. The Company's operations are also subject to the risks associated with the global economy, including the risks associated with the U.S. dollar and the U.S. government's fiscal and monetary policies.

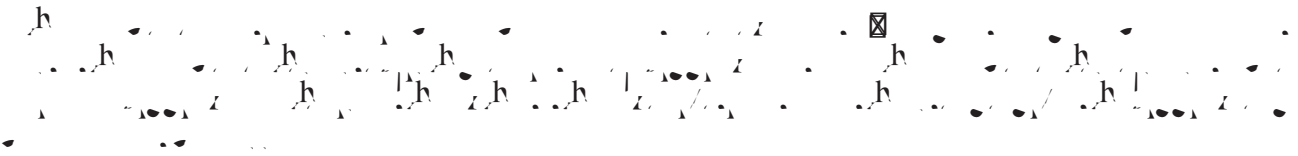
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New Contract

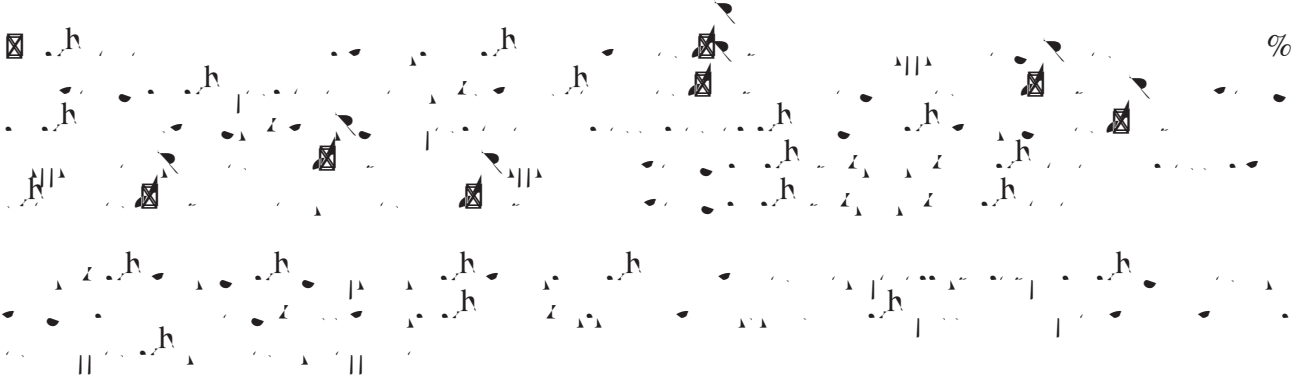
The Company has entered into a new contract with a major customer. The contract is for a period of 12 months and is valued at \$10 million. The contract is subject to the risks associated with the U.S. economy and the global economy, including the risks associated with the U.S. dollar and the U.S. government's fiscal and monetary policies.

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Profit



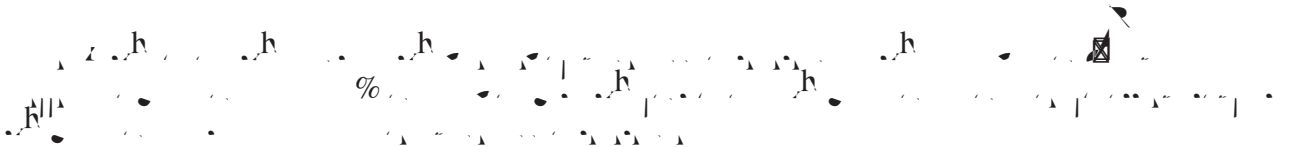
DIVIDEND



TURNOVER



COST



GROSS PROFIT AND GROSS PROFIT MARGIN

	2019	2018
Net sales	100.0	100.0
Cost of sales	55.0	55.0
Gross profit	45.0	45.0
Gross profit margin	45.0%	45.0%

EXPENSES DURING THE PERIOD

	2019	2018
Operating expenses	30.0	30.0
Non-operating expenses	15.0	15.0
Total expenses	45.0	45.0

INTEREST EXPENSE

	2019	2018
Interest expense	10.0	10.0

FUNDING AND BORROWINGS

	2019	2018
Funding	20.0	20.0
Borrowings	10.0	10.0

CAPITAL EXPENDITURES AND MAJOR INVESTMENTS

Account	2017	2016
Capital expenditures	1,234,567	987,654
Investments in property, plant, and equipment	567,890	432,109
Investments in intangible assets	345,678	210,987
Investments in equity securities	123,456	87,654
Investments in debt securities	200,000	257,904
Investments in other assets	100,000	109,000

PROSPECT

1. Collaborate both internally and externally to achieve breakthroughs in marketing.

2. Actively promote customer satisfaction through scientific organization and reasonable arrangement.

Wiederholung der ersten Zeile

Wiederholung der ersten Zeile

3. Internal research and external imports with an creative approach to raise our own innovation ability.

Wiederholung der ersten Zeile

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4. Improve internal control, strengthen our solid foundation and enhance our management.

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5. Bring out actual effect, make a steady progress and complete the technological upgrade plans in a high-quality and efficient manner.

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DIRECTORS', SUPERVISORS' AND SENIOR MANAGERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

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)- According to the PRC Law on
Except for certain subsidiaries which are subject to an enterprise in
subsidiaries located in Mainland China are the PRC companies

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

31, 200

		2009 <i>Rmb'000</i>	'000
Revenue	5	Cost of sal25 -/F1 1 Tf0 -2.3333 TD0 ev	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2009

	2009	'000
	<i>Rmb</i>	
Non-currents assets		
<input checked="" type="checkbox"/> Land use rights	4,261,254	
<input checked="" type="checkbox"/> Intangible assets	248,724	
<input checked="" type="checkbox"/> Investment properties	342,018	
<input checked="" type="checkbox"/> Long-term equity investments	98,881	
<input checked="" type="checkbox"/> Available-for-sale financial assets	133,932	
<input checked="" type="checkbox"/> Other non-currents assets	179,079	
	<u>27,074</u>	
	<u>5,290,962</u>	
Current assets		
<input checked="" type="checkbox"/> Cash and cash equivalents	14,230,160	
<input checked="" type="checkbox"/> Accounts receivable	12,168,981	
<input checked="" type="checkbox"/> Prepaid expenses and other receivables	600,844	
<input checked="" type="checkbox"/> Other receivables	4,852,058	
<input checked="" type="checkbox"/> Inventory	10,176	
<input checked="" type="checkbox"/> Other current assets	947,326	
<input checked="" type="checkbox"/> Financial assets at fair value through profit or loss	76,908	
<input checked="" type="checkbox"/> Available-for-sale financial assets	7,006	
<input checked="" type="checkbox"/> Other current assets	526,229	
	<u>3,553,595</u>	
	<u>10,612,136</u>	
	<u>47,585,419</u>	
Current liabilities		
<input checked="" type="checkbox"/> Accounts payable	509,964	
<input checked="" type="checkbox"/> Other payables	10,166,545	
<input checked="" type="checkbox"/> Other current liabilities	3,173,130	
	<u>15,216,864</u>	
<input checked="" type="checkbox"/> Financial liabilities at fair value through profit or loss	-	
<input checked="" type="checkbox"/> Other current liabilities	51,757	
<input checked="" type="checkbox"/> Other current liabilities	20,478	
<input checked="" type="checkbox"/> Other current liabilities	1,288,579	
<input checked="" type="checkbox"/> Other current liabilities	<u>592,313</u>	
	<u>31,019,630</u>	
Net current assets	<u>16,565,789</u>	
Total assets less current liabilities	<u><u>21,856,751</u></u>	

	2009 <i>Rmb'000</i>	<i>'000</i>
CAPITAL AND RESERVES		
Capital	1,376,806	
Reserves	7,262,220	
	<hr/>	
Retained earnings	8,639,026	
Other reserves	1,578,236	
	<hr/>	
TOTAL EQUITY	10,217,262	
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Non-current liabilities		
Long-term debt	8,118,370	
Other non-current liabilities	814,020	
	2,707,099	
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	11,639,489	
	<hr/>	
	21,856,751	
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STATEMENT OF FINANCIAL POSITION

31 December 2009

	2009 <i>Rmb</i> '000	'000
Non-currents assets		
<input checked="" type="checkbox"/> Land and buildings	1,039,374	
<input checked="" type="checkbox"/> Intangible assets	38,024	
<input checked="" type="checkbox"/> Investment properties	2,413,428	
<input checked="" type="checkbox"/> Available-for-sale financial assets	85,105	
	17,879	
	<hr/>	
	3,593,810	
	<hr/>	
Current assets		
<input checked="" type="checkbox"/> Cash and bank balances	594,751	
<input checked="" type="checkbox"/> Accounts receivable	433,762	
<input checked="" type="checkbox"/> Prepaid expenses and other receivables	393,716	
<input checked="" type="checkbox"/> Other receivables	1,252	
<input checked="" type="checkbox"/> Inventory	2,347,455	
<input checked="" type="checkbox"/> Other current assets	-	
	979,068	
	<hr/>	
	4,750,004	
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Current liabilities		
<input checked="" type="checkbox"/> Accounts payable	312,345	
<input checked="" type="checkbox"/> Other payables	232,609	
<input checked="" type="checkbox"/> Other current liabilities	2,239,895	
<input checked="" type="checkbox"/> Deferred income	-	
<input checked="" type="checkbox"/> Other current liabilities	310,674	
<input checked="" type="checkbox"/> Other current liabilities	-	
	17,521	
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	3,113,044	
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Net current assets	1,636,960	
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Total assets less current liabilities	5,230,770	
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	2009 <i>Rmb'000</i>	<i>'000</i>
CAPITAL AND RESERVES		
	1,376,806	
	<u>3,527,720</u>	
TOTAL EQUITY	<u>4,904,526</u>	
Non-current liabilities		
	292,460	
	<u>33,784</u>	
	<u>326,244</u>	
	<u>5,230,770</u>	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2009

	2009 Rmb'000	'000
Cash flows from operating activities	984,512	
Operating profit before working capital changes	1,850,810	
Depreciation and amortisation	548,874	
Impairment losses	30,776	
Provision for doubtful debts	10,707	
Provision for employee bonus	22,023	
Provision for employee share option	(1,298)	()
Gain on disposal of subsidiaries	374,589	
Gain on disposal of property, plant and equipment	16,060	
Gain on disposal of investment	180,381	
Gain on disposal of financial assets	(7,805)	()
Gain on disposal of investment in associates	(510)	
Gain on disposal of investment in subsidiaries	(8,437)	
Change in working capital	-	
Change in receivables	(266,543)	()
Change in payables	-	
Change in prepayments	2,300	
Change in other receivables	-	
Change in other payables	1,659	
Change in cash and cash equivalents	(1,714)	()
Change in cash and cash equivalents	(34,764)	()
Operating profit before working capital changes	1,850,810	
Change in receivables	(1,319,718)	()
Change in payables	(362,899)	()
Change in prepayments	(239,520)	()
Change in other receivables	1,684,279	()
Change in other payables	98,653	
Change in cash and cash equivalents	(7)	()
Change in cash and cash equivalents	(10,555)	
Change in cash and cash equivalents	(247,092)	()
Change in cash and cash equivalents	2,451,435	
Change in cash and cash equivalents	1,117,494	()
Change in cash and cash equivalents	(380,863)	
Change in cash and cash equivalents	1,688	
Change in cash and cash equivalents	299,850	()
Cash generated from operations	4,943,555	
Change in cash and cash equivalents	(103,260)	()
Change in cash and cash equivalents	(310,094)	()
Net cash generated from operating activities	4,530,201	

	2009 Rmb'000	'000
Cash flows from investing activities		
☒ Purchase of property, plant and equipment	-	
☒ Purchase of intangible assets	(473,674)	()
☒ Proceeds from disposal of property, plant and equipment	266,543	
☒ Proceeds from disposal of intangible assets	21,521	
☒ Proceeds from disposal of subsidiaries	7,109	
☒ Proceeds from disposal of associates	11,197	
☒ Proceeds from disposal of investments	6,228	
☒ Proceeds from disposal of other financial assets	1,298	
☒ Proceeds from disposal of subsidiaries, associates and investments	(41,974)	()
☒ Proceeds from disposal of other financial assets	(847,308)	()
☒ Proceeds from disposal of other financial assets	(5,513)	
☒ Proceeds from disposal of other financial assets	(6,681)	()
☒ Proceeds from disposal of other financial assets	7,562	()
☒ Proceeds from disposal of other financial assets	(4,792)	
☒ Proceeds from disposal of other financial assets	-	()
Net cash used in investing activities	<u>(1,058,484)</u>	<u>()</u>
Cash flows from financing activities		
☑ Issuance of bank loans	343,986	
☑ Issuance of bank loans	99,354	
☑ Issuance of bank loans	514,308	
☒ Proceeds from disposal of subsidiaries, associates and investments	(829,927)	()
☒ Proceeds from disposal of subsidiaries, associates and investments	(180,381)	()
☒ Proceeds from disposal of subsidiaries, associates and investments	(23,050)	()
☒ Proceeds from disposal of subsidiaries, associates and investments	(5,044)	
Net cash used in financing activities	<u>(80,754)</u>	<u>()</u>
Net increase/(decrease) in cash and cash equivalents	3,390,963	()
Cash and cash equivalents at the beginning of the year	7,221,676	
Effect of foreign exchange rate changes	(503)	()
Cash and cash equivalents at the end of the year	<u>10,612,136</u>	<u> </u>
Analysis of cash and cash equivalents at the end of the year		
☑ Cash	9,286,037	
☑ Cash equivalents	1,326,099	
	<u>10,612,136</u>	<u> </u>

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3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The accounting policies are consistent with those of the previous period.

Basis of consolidation

The consolidated financial statements are prepared on a basis of consolidation. The consolidated financial statements are prepared on a basis of consolidation. The consolidated financial statements are prepared on a basis of consolidation.

Interests in associates

1. The company has interests in associates. The interests are held by the company and its subsidiaries. The interests are held on a long-term basis and are intended to be held for the long term.

2. The company has interests in associates. The interests are held by the company and its subsidiaries. The interests are held on a long-term basis and are intended to be held for the long term.

3. The company has interests in associates. The interests are held by the company and its subsidiaries. The interests are held on a long-term basis and are intended to be held for the long term.

4. The company has interests in associates. The interests are held by the company and its subsidiaries. The interests are held on a long-term basis and are intended to be held for the long term.

5. The company has interests in associates. The interests are held by the company and its subsidiaries. The interests are held on a long-term basis and are intended to be held for the long term.

Revenue recognition

1. The company recognizes revenue from the sale of goods when the goods are delivered to the customer and the customer has accepted the goods. Revenue is recognized when the company has transferred control of the goods to the customer.

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Property, plant and equipment

Cost **2019** **2018**

Cost of property, plant and equipment at the beginning of the year was 1,000 million. During the year, the company purchased property, plant and equipment for 1,000 million and disposed of property, plant and equipment for 1,000 million. The cost of property, plant and equipment at the end of the year was 1,000 million.

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	2019	2018
Cost	1,000	1,000
Accumulated depreciation	1,000	1,000
Net book value	0	0

Cost of property, plant and equipment at the beginning of the year was 1,000 million. During the year, the company purchased property, plant and equipment for 1,000 million and disposed of property, plant and equipment for 1,000 million. The cost of property, plant and equipment at the end of the year was 1,000 million.

Investment properties

Cost **2019** **2018**

Cost of investment properties at the beginning of the year was 1,000 million. During the year, the company purchased investment properties for 1,000 million and disposed of investment properties for 1,000 million. The cost of investment properties at the end of the year was 1,000 million.

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Prepaid lease payments

Cost **2019** **2018**

Construction contracts

Cost **2019** **2018**

Cost of construction contracts at the beginning of the year was 1,000 million. During the year, the company purchased construction contracts for 1,000 million and disposed of construction contracts for 1,000 million. The cost of construction contracts at the end of the year was 1,000 million.

Cost **2019** **2018**

Cost of construction contracts at the beginning of the year was 1,000 million. During the year, the company purchased construction contracts for 1,000 million and disposed of construction contracts for 1,000 million. The cost of construction contracts at the end of the year was 1,000 million.

• $\frac{1}{2} \frac{d}{dt} \int_{\Omega} |u|^2 dx = \int_{\Omega} u \Delta u dx = - \int_{\Omega} |\nabla u|^2 dx \leq 0$

• $\mathbb{Z}[\mathbb{Z}] = \mathbb{Z}[x, x^{-1}] = \mathbb{Z}[x, x^{-1}] \cdot \mathbb{Z} \cong \mathbb{Z} \oplus \mathbb{Z} \oplus \mathbb{Z} \oplus \dots$

5. REVENUE

	2009	'000
	<i>Rmb</i> '000	
	20,741,812	
	7,629,850	
	202,628	
	40,801	
	14,431	
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	28,629,522	
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6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

	2009	2008
	<i>Rmb</i> '000	<i>Rmb</i> '000
	20,741,812	19,812,100
	7,629,850	7,629,850
	202,628	202,628
	40,801	40,801
	14,431	14,431
	<hr/>	<hr/>
	28,629,522	27,700,810
	<hr/>	<hr/>

2009

	Main thermal power equipment <i>Rmb'000</i>	Main hydro power equipment <i>Rmb'000</i>	Engineering services for power stations <i>Rmb'000</i>	Ancillary equipment for power stations <i>Rmb'000</i>	AC/DC motors and others <i>Rmb'000</i>	Eliminations <i>Rmb'000</i>	Consolidated <i>Rmb'000</i>
2009	19,220,791	1,893,429	4,299,673	1,251,301	1,964,328	-	28,629,522
2008	1,736,527	-	-	-	-	(1,736,527)	-
2007	20,957,318	1,893,429	4,299,673	1,251,301	1,964,328	(1,736,527)	28,629,522
2006	2,572,874	437,991	(60,962)	316,106	399,498	-	3,665,507
2005							(2,535,378)
2004							(180,381)
2003							34,764
2002							984,512
2001							(226,871)
2000							757,641
2009	28,354,652	2,438,448	4,576,856	1,498,732	3,133,281		40,001,969
2008							179,079
2007							12,695,333
2006							52,876,381
2005	29,811,273	2,692,148	3,036,218	1,675,755	1,728,146		38,943,540
2004							3,715,579
2003							42,659,119
2002	563,920	99,329	8,094	16,245	171,914	-	859,502
2001	271,128	43,687	10,329	13,135	36,310	-	374,589
2000	-	-	-	-	16,060	-	16,060
1999	17,813	218	-	1,288	2,704	-	22,023
1998	8,490	1,296	40	385	496	-	10,707
1997	390,798	46,730	35,622	22,218	53,506	-	548,874

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Geographical segments

	2009	
	<i>Rmb'000</i>	<i>'000</i>
China	24,303,858	
Other geographical segments	4,325,664	
	<u>28,629,522</u>	
China		82%
Other geographical segments		18%

7. OTHER INCOME

	2009	
	<i>Rmb'000</i>	<i>'000</i>
Other income	24,303,858	24,303,858

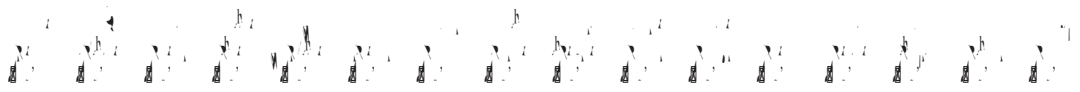
10. PROFIT FOR THE YEAR

	2009	'000
	<i>Rmb</i>	
Profit before income tax	1,172,907	
Income tax expense	22,448	
Profit after income tax	1,195,355	
Profit attributable to equity holders of the Company	548,874	
Profit attributable to non-controlling interests	30,776	
Profit attributable to the Company's equity holders	22,023	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights	10,707	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit	2,500	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	23,013,191	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	16,060	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	374,589	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	-	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	1,659	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	-	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	700	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	-	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	2,300	
Profit attributable to the Company's equity holders, excluding the Company's equity holders who have no voting rights and the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit, excluding the Company's equity holders who have no voting rights and do not participate in the profit	463,633	

11. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

2009

Mr. Gong	Mr. Zou	Mr. Duan	Mr. Shang	Mr. Wu	Mr. Sun	Ms. Li	Mr. Yu	Mr. Jia	Mr. Liu	Mr. Chen	Mr. Wang	Mr. Gao	Ms. Lu	Mr. Xu	Total
*	*	*	*	*	**	**	**	**	**	***	***	***	***	***	



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