Stock Code: 20077 **Stock ID: Hangqilun B** **Announcement No. 2017-34**

Hangzhou Steam Turbine Co., Ltd.

The 1st Quarterly Report 2017

April 2017

I. Important Prompt

The Board of Directors, The Supervisory Committee, the supervisors and the directors of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Chairman Mr. Zheng Bin, Chief Financial Officer Pu Yangshuo, and the Chief of Accounting Department Ms. Zhao Jiamao hereby declare: the Financial Statement in the report is guaranteed to be truthful and complete.

II. Basic information about the company

I. Main financial data and indices

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not.

No

	This period	Same period of last year	Changes of this period over same period of last year（%）
Operating income（RMB）	748,344,237.44	687,834,749.02	8.80%
Net profit attributable to the shareholders of the listed company（RMB）	16,752,601.64	6,620,245.62	153.05%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company（RMB）	-15,980,860.17	2,908,791.39	-649.40%
Cash flow generated by business operation, net（RMB）	-200,738,208.12	18,550,921.62	-1,182.09%
Basic earning per share(RMB/Share)	0.02	0.01	100.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.02	0.01	100.00%
Weighted average return on equity（%）	0.24%	0.16%	0.08%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets（RMB）	10,966,970,527.59	10,550,899,708.34	3.94%
Net assets attributable to the shareholders of the listed company（RMB）	6,608,363,192.44	6,385,346,243.23	3.49%

Items and amount of non-current gains and losses

In RMB

Non-recurring gain and loss items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-2,499.60	
Govemment subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	2,486,351.20	
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of transactional financial assets and	35,686,339.58	

liabilities and sellable financial assets other than valid period value instruments related to the Company's common businesses.		
Other non-operating income and expenditure except for the aforementioned items	1,554,852.88	
Less: Amount of influence of income tax	6,479,408.00	
Amount of influence of minority interests（After tax）	512,174.25	
Total	32,733,461.81	--

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	15,314	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0

Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Hangzhou Steam Turbine Power Group Co., Ltd.	State-owned legal person	63.64%	479,824,800	479,824,800		
Shanwan Hongyuan Securities (HK) Co.,Ltd.	Foreign legal person	0.71%	5,325,166	0		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.63%	4,722,804	0		
NORGES BANK	Foreign legal person	0.57%	4,303,675	0		
GUOTAIJUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.45%	3,411,781	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.45%	3,370,146	0		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign legal person	0.32%	2,425,960	0		
China Merchants Secutities(HK)Co., Ltd.	State-owned legal person	0.31%	2,318,344	0		
Xia Zulin	Domestic Natural person	0.28%	2,100,000	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.26%	1,988,800	0		

Shares held by the Top 10 Shareholders of Non-restricted shares			
Shareholders' Names	Number of the non-restricted shares held	Share type	
		Share type	Quantity
Shanwan Hongyuan Securities (HK) Co.,Ltd.	5,325,166	Foreign shares placed in domestic exchange	5,325,166
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,722,804	Foreign shares placed in domestic	4,722,804

		exchange	
NORGES BANK	4,303,675	Foreign shares placed in domestic exchange	4,303,675
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,411,781	Foreign shares placed in domestic exchange	3,411,781
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,370,146	Foreign shares placed in domestic exchange	3,370,146
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	2,425,960	Foreign shares placed in domestic exchange	2,425,960
China Merchants Secutities(HK)Co., Ltd.	2,318,344	Foreign shares placed in domestic exchange	2,318,344
Xia Zulin	2,100,000	Foreign shares placed in domestic exchange	2,100,000
ISHARES CORE MSCI EMERGING MARKETS ETF	1,988,800	Foreign shares placed in domestic exchange	1,988,800
CREDIT SUISSE AG HONG KONG BRANCH	1,729,759	Foreign shares placed in domestic exchange	1,729,759
Explanation on associated relationship or concerted action of the above shareholders	(1) There is not any relationship between Hangzhou Steam Turbine Group Power Group Co., Ltd. and other shareholders; (2) It is unknown to the Company if there is any relationship among the top 10 common share holders without restriction; (3) Hangzhou Steam Turbine Group Co., Ltd. is not an "action-in-concert" party with any of other shareholders as described by the "Administration Rules of Informational Disclosure about Change of Shareholding Statues of PLCs".		
Note to the top 10 common stockholders involved in margin financing & securities lending (If any)	Not applicable		

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Not applicable

III. Significant Events

I. Changes in the principal accounting statement items and financial indications and the causes

In RMB

Balance sheet items	Ending balance in CNY	Opening balance in CNY	Proportion of the change	Causes of change
Bill receivable	598,481,186.07	479,716,321.62	24.76%	Mainly due to the current repayment of the bill more due
Advance account	500,527,501.83	202,184,858.83	147.56%	Mainly due to the current period in accordance with the provisions of the purchase contract prepaid to the supplier due to the increase
Other current assets	642,270,509.40	863,018,479.59	-25.58%	Mainly due to the current purchase of financial products due to reduced year on year
Profit statement items	Amount in the reporting period	Same period of the previous year , CNY	Proportion n f the change	Causes of change
Asset impairment loss	-250,837.45	65,049,476.00	-100.39%	Mainly due to the long-term accounts receivable with a long aging, aging structure changes are not obvious, less provision for bad debts due
Investment income	35,686,339.58	4,321,846.55	725.72%	Which was mainly due to the investment income of the Changdi equity investment partnership of the Company
Total profit	30,423,182.05	12,921,893.35	135.44%	Mainly due to the impairment loss of assets of the current period, while the company transferred Changdi equity investment partnership formed investment income
Cash flow statement Items	Amount in the reporting period	Same period of the previous year , CNY	Proportion n f the change	Causes of change
Cash flow generated by business operation, net	-200,738,208.12	18,550,921.62	-1182.09%	Mainly due to the increase in taxes paid in the current period, the number of acceptance bills in the quarter due to more
Net cash flow generated by investment	264,097,295.53	-118,577,325.06	322.72%	Mainly due to the current period due to increase in wealth management products

Net cash flow generated by Financing	5,613,901.44	-34,422,806.47	116.31%	Mainly due to the decrease in the amount of bank repayment in the current period

II. Progress of Significant Events, their Influences and Analytical Notice on the Solutions

The optimize the company's capital structure and meet the needs of the company's operating funds, the company made the transfer of the Company's Share of Property of Changdi Equity Investment. The Content is available as The Announcement No. 2016-76,2016-78 and 2016-89 released by Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and http://www.cninfo.com.cn dated October 23, 2016,November 17,2016 and December 26, 2016 respectively .

On January 3, 2017, the Company formally signed an agreement on the transfer of the shares of Hangzhou Changdi Equity Investment Partnership Firm (limited partnership) with Zhejiang Juqing Investment Co., Ltd. and received the announcement from Zhejiang Juqing Investment Co., Ltd. on Jan. 17 Of the transfer of 73.68 million yuan.

III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Non-existence

IV. Anticipation of Business Performance from January to June, 2017

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Not applicable

V. Investment in securities

Non-existence

VI. Investment in derivatives

Non-existence

VII. Registration form of such Activities as Reception, Research, Communication, Interview in the Reporting Period

Nil

VIII. Outward Guarantee against the Regulations

Nil

IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties

Non-existence

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

Prepared by:：Hangzhou Steam Turbine Co., Ltd.

March 31, 2017

In RMB

Items	At the end of term	Beginning of term
Current asset：		
Monetary fund	963,520,330.47	895,037,559.34
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	598,481,186.07	479,716,321.62
Account receivable	1,850,030,050.66	1,870,173,348.32
Prepayments	500,527,501.83	202,184,858.83
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	33,995,911.23	31,024,707.72
Repurchasing of financial assets		
Inventories	1,875,368,114.41	1,901,544,358.26
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	642,270,509.40	863,018,479.59
Total of current assets	6,464,193,604.07	6,242,699,633.68
Non-current assets：		
Loans and payment on other’s behalf disbursed		
Disposable financial asset	3,275,053,230.80	3,060,865,862.60
Expired investment in possess		
Long-term receivable		
Long term share equity investment		
Property investment		
Fixed assets	619,751,044.63	615,922,109.91
Construction in progress	135,498,725.71	153,743,889.41
Engineering material		

Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	295,093,450.44	297,405,434.08
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	1,364,677.87	1,430,968.81
Deferred income tax asset	176,015,794.07	178,831,809.85
Other non-current asset		
Total of non-current assets	4,502,776,923.52	4,308,200,074.66
Total of assets	10,966,970,527.59	10,550,899,708.34
Current liabilities		
Short-term loans	189,000,000.00	173,000,000.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	103,937,144.69	143,007,715.10
Account payable	985,133,211.04	853,452,589.51
Advance payment	1,938,382,883.42	1,827,959,793.62
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	57,236,993.90	71,224,634.03
Tax payable	44,503,432.18	90,239,673.16
Interest payable		134,376.32
Dividend payable		
Other account payable	28,030,927.57	30,820,980.80
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		

Non-current liability due in 1 year	18,400,000.00	18,500,000.00
Other current liability		
Total of current liability	3,364,624,592.80	3,208,339,762.54
Non-current liabilities：		
Long-term loan	4,900,000.00	4,900,000.00
Bond payable		
Including：preferred stock		
Sustainable debt		
Long-term payable	208,330,000.00	208,357,733.33
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income	5,845,868.90	5,422,895.00
Deferred income tax liability	414,668,504.95	378,256,646.95
Other non-current liabilities	1,206,800.00	
Total non-current liabilities	634,951,173.85	596,937,275.28
Total of liability	3,999,575,766.65	3,805,277,037.82
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instrument		
Including：preferred stock		
Sustainable debt		
Capital reserves	139,590,345.09	139,590,345.09
Less：Shares in stock		
Other comprehensive income	2,343,744,645.93	2,137,419,299.84
Special reserves	27,485,354.85	27,546,353.37
Surplus reserves	621,112,807.78	621,112,807.78
Common risk provision		
Undistributed profit	2,722,419,638.79	2,705,667,037.15
Total of owner's equity belong to the parent company	6,608,363,192.44	6,385,346,243.23
Minority shareholders' equity	359,031,568.50	360,276,427.29
Total of owners' equity	6,967,394,760.94	6,745,622,670.52
Total of liabilities and owners' equity	10,966,970,527.59	10,550,899,708.34

Legal Representative: Zheng Bin Person in charge of accounting：Pu Yangshuo Accounting Dept Leader: Zhao Jiamao

2.Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset：		
Monetary fund	369,257,687.80	293,454,126.93
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	382,706,768.83	269,527,716.22
Account receivable	1,363,790,459.95	1,424,950,696.58
Prepayments	395,928,522.54	115,383,408.34
Interest receivable		
Dividend receivable		
Other account receivable	66,758,184.15	68,004,706.24
Inventories	1,452,691,612.12	1,446,652,799.71
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	455,297,660.50	600,000,000.00
Total of current assets	4,486,430,895.89	4,217,973,454.02
Non-current assets：		
Disposable financial asset	3,234,293,541.22	3,020,106,173.02
Expired investment in possess		
Long-term receivable		
Long term share equity investment	502,919,378.03	502,919,378.03
Property investment		
Fixed assets	308,939,367.77	315,900,380.66
Construction in progress	89,029,121.20	94,170,909.99
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	172,814,800.34	173,826,293.57

R & D petrol		
Goodwill		
Long-germ expenses to be amortized	507,773.78	507,773.78
Deferred income tax asset	128,131,953.86	133,581,773.70
Other non-current asset		
Total of non-current assets	4,436,635,936.20	4,241,012,682.75
Total of assets	8,923,066,832.09	8,458,986,136.77
Current liabilities		
Short-term loans	100,000,000.00	100,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable	668,997,858.64	486,810,046.42
Advance payment	1,562,572,026.28	1,476,780,338.78
Employees' wage payable	34,306,740.86	44,035,408.19
Tax payable	25,023,298.55	64,247,326.24
Interest payable		
Dividend payable		
Other account payable	18,426,830.40	21,562,998.72
Classified as held for sale debt		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	2,409,326,754.73	2,193,436,118.35
Non-current liabilities：		
Long-term loan		
Bond payable		
Including：preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable to employees		
Special payable		
Expected liabilities		
Deferred income	422,973.90	
Deferred income tax liability	414,668,504.95	378,256,646.95
Other non-current liabilities		

Total of Non-current liabilities	415,091,478.85	378,256,646.95
Total of liability	2,824,418,233.58	2,571,692,765.30
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instrument		
Including：preferred stock		
Sustainable debt		
Capital reserves	138,953,250.09	138,953,250.09
Less：Shares in stock		
Other comprehensive income	2,344,134,018.80	2,137,800,156.80
Special reserves	10,870,071.58	10,874,033.85
Surplus reserves	602,356,402.65	602,356,402.65
Undistributed profit	2,248,324,455.39	2,243,299,128.08
Total of owners' equity	6,098,648,598.51	5,887,293,371.47
Total of liabilities and owners' equity	8,923,066,832.09	8,458,986,136.77

Legal Representative: Zheng Bin Person in charge of accounting：Pu Yangshuo Accounting Dept Leader: Zhao Jiamao

3.Consolidated Income statement

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	748,344,237.44	687,834,749.02
Incl：Business income	748,344,237.44	687,834,749.02
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	757,643,833.76	678,666,814.16
Incl：Business cost	525,196,208.66	393,516,347.50
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount provided as insurance contract reserves		

Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	8,821,742.95	3,928,086.05
Sales expense	41,648,800.76	35,428,813.22
Administrative expense	179,175,254.56	179,385,377.44
Financial expenses	3,052,664.28	1,358,713.95
Asset impairment loss	-250,837.45	65,049,476.00
Add：Gains from change of fir value （“-”for loss）		
Investment gain（“-”for loss）	35,686,339.58	4,321,846.55
Incl: investment gains from affiliates		
Gains from currency exchange（“-”for loss）		
III. Operational profit（“-”for loss）	26,386,743.26	13,489,781.41
Add ：Non-operational income	4,284,015.39	427,545.14
Including：Income from disposal of non-current assets		
Less：Non business expenses	247,576.60	995,433.20
Incl：Loss from disposal of non-current assets	2,499.60	2,286.95
IV.Total profit(“-”for loss)	30,423,182.05	12,921,893.35
Less：Income tax expenses	6,592,924.19	5,488,846.31
V. Net profit	23,830,257.86	7,433,047.04
Net profit attributable to the owners of parent company	16,752,601.64	6,620,245.62
Minority shareholders’ equity	7,077,656.22	812,801.42
VI. Other comprehensive income	206,313,862.01	-206,656.87
Net of profit of other comprehensive income attributable to owners of the parent company.	206,325,346.09	-87,993.67
（I）Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
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.		
（II） Other comprehensive income that will be reclassified into profit or loss.	206,325,346.09	-87,993.67
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale fin	206,333,862.00	

ancial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	-8,515.91	-87,993.67
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity	-11,484.08	-118,663.20
VII. Total comprehensive income	230,144,119.87	7,226,390.17
Total comprehensive income attributable to the owner of the parent company	223,077,947.73	6,532,251.95
Total comprehensive income attributable minority shareholders	7,066,172.14	694,138.22
VIII. Earnings per share		
（I）Basic earnings per share	0.02	0.01
(II)Diluted earnings per share	0.02	0.01

Legal Representative: Zheng Bin Person in charge of accounting：Pu Yangshuo Accounting Dept Leader: Zhao Jiamao

4. Income statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	518,830,806.22	444,691,641.41
Less：Business cost	377,206,922.31	249,624,442.47
Business tax and surcharge	4,229,839.47	2,196,050.90
Sales expense	25,219,505.56	22,321,192.89
Administrative expense	133,291,786.10	122,056,468.72
Financial expenses	2,450,317.94	-22,425.04
Asset impairment loss	-3,268,417.23	53,718,028.56
Add：Gains from change of fir value （“-”for loss）		
Investment gain（“-”for loss）	29,484,295.08	9,066,918.00
Incl: investment gains from affiliates		

II. Operational profit (“-”for loss)	9,185,147.15	3,864,800.91
Add ：Non-operational income	1,300,000.00	514.00
Including：Income from disposal of non-current assets		
Less：Non business expenses	10,000.00	455,391.64
Incl：Loss from disposal of non-current assets		
III.Total profit(“-”for loss)	10,475,147.15	3,409,923.27
Less：Income tax expenses	5,449,819.84	
IV. Net profit (“-”for net loss)	5,025,327.31	3,409,923.27
V.Net of profit of other comprehensive income	206,333,862.00	
（I）Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
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.		
（II）Other comprehensive income that will be reclassified into profit or loss.	206,333,862.00	
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	206,333,862.00	
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	211,359,189.31	3,409,923.27
VII. Earnings per share：		
(I) Basic earnings per share	0.007	0.0045
(II)Diluted earnings per share	0.007	0.0045

Legal Representative: Zheng Bin Person in charge of accounting：Pu Yangshuo Accounting Dept Leader: Zhao Jiamao

5. Consolidated Cash flow statement

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rending of services	558,114,951.23	634,119,438.95
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		
Net increase of the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned		206,444.13
Other cash received from business operation	5,675,366.23	4,527,768.44
Sub-total of cash inflow	563,790,317.46	638,853,651.52
Cash paid for purchasing of merchandise and services	439,261,241.07	352,945,569.94
Net increase of client trade and advance		
Net increase of savings n central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	181,268,694.01	179,244,664.51
Taxes paid	105,253,360.58	51,177,497.74
Other cash paid for business activities	38,745,229.92	36,934,997.71
Sub-total of cash outflow from business activities	764,528,525.58	620,302,729.90
Cash flow generated by business operation, net	-200,738,208.12	18,550,921.62
II.Cash flow generated by investing		

Cash received from investment retrieving	48,558,351.80	
Cash received as investment gains	35,686,339.58	5,321,846.55
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	407,144.18	
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	845,700,000.00	282,000,000.00
Sub-total of cash inflow due to investment activities	930,351,835.56	287,321,846.55
Cash paid for construction of fixed assets, intangible assets and other long-term assets	20,254,540.03	27,199,171.61
Cash paid as investment	20,000,000.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	626,000,000.00	378,700,000.00
Sub-total of cash outflow due to investment activities	666,254,540.03	405,899,171.61
Net cash flow generated by investment	264,097,295.53	-118,577,325.06
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	36,000,000.00	20,000,000.00
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	36,000,000.00	20,000,000.00
Cash to repay debts	20,100,000.00	50,100,000.00
Cash paid as dividend, profit, or interests	1,926,513.37	4,322,806.47
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	8,359,585.19	
Sub-total of cash outflow due to financing activities	30,386,098.56	54,422,806.47
Net cash flow generated by financing	5,613,901.44	-34,422,806.47
IV. Influence of exchange rate alternation on cash and cash equivalents	-490,217.72	264,528.71
V.Net increase of cash and cash equivalents	68,482,771.13	-134,184,681.20
Add: balance of cash and cash equivalents at the beginning of term	895,037,559.34	751,596,796.24
VI ..Balance of cash and cash equivalents at the end of term	963,520,330.47	617,412,115.04

Legal Representative: Zheng Bin Person in charge of accounting：Pu Yangshuo Accounting Dept Leader: Zhao Jiamao

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rending of services	431,634,661.29	384,359,061.84
Tax returned		
Other cash received from business operation	812,899.66	3,837,208.00
Sub-total of cash inflow	432,447,560.95	388,196,269.84
Cash paid for purchasing of merchandise and services	338,102,954.16	209,390,179.45
Cash paid to staffs or paid for staffs	124,416,505.09	124,656,555.17
Taxes paid	71,346,176.98	13,782,902.84
Other cash paid for business activities	11,779,176.90	40,683,952.46
Sub-total of cash outflow from business activities	545,644,813.13	388,513,589.92
Cash flow generated by business operation, net	-113,197,252.18	-317,320.08
II.Cash flow generated by investing		
Cash received from investment retrieving	48,558,351.80	
Cash received as investment gains	29,484,295.08	9,066,918.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	430,000,000.00	120,000,000.00
Sub-total of cash inflow due to investment activities	508,042,646.88	129,066,918.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	12,874,611.09	23,359,420.46
Cash paid as investment	20,000,000.00	
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	285,000,000.00	290,000,000.00
Sub-total of cash outflow due to investment activities	317,874,611.09	313,359,420.46
Net cash flow generated by investment	190,168,035.79	-184,292,502.46
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Cash received from bond placing		
Other financing –related ash received		

Sub-total of cash inflow from financing activities		
Cash to repay debts		
Cash paid as dividend, profit, or interests	837,500.00	
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	837,500.00	
Net cash flow generated by financing	-837,500.00	
IV. Influence of exchange rate alternation on cash and cash equivalents	-329,722.74	-328,995.22
V.Net increase of cash and cash equivalents	75,803,560.87	-184,938,817.76
Add: balance of cash and cash equivalents at the beginning of term	293,454,126.93	387,916,202.79
VI ..Balance of cash and cash equivalents at the end of term	369,257,687.80	202,977,385.03

Legal Representative:Zheng Bin Person in charge of accounting：Pu Yangshuo Accounting Dept Leader: Zhao Jiamao

II. Auditors' Report

The first Quarterly Report Not audited

Hangzhou Steam Turbine Co., Ltd.
Chairman of the Board: Zheng Bin
April 26,2017