Stock code：200771　　　Stock ID：Hangqilun B　　Announcement No.2017-68

Hangzhou Steam Turbine Co., Ltd.

The Third Quarterly Report 2017(Full Text)

（**Stock code：**200771）

October 2017

1 Important notes

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

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

Mr. Zheng Bin, The Company Leader, Mr. Pu Yangshuo, Chief financial officer and the Mr.Zhao Jiamao, the person in charge of the accounting department (the person in charge of the accounting)hereby confirm the authenticity and completeness of the financial report enclosed in the report.

II.Main financial data and changes of shareholders

（1）Main accounting data and financial Index

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

No

	As at the end of the reporting period	As at the end of last year		Changed （%）over end of prev. year
Gross assets（RMB）	11,224,208,951.10	10,550,899,708.34		6.38%
Net assets attributable to the shareholders of the listed company（RMB）	6,278,110,666.11	6,385,346,243.23		-1.68%
	Reporting period	Increase/decrease over the same period of last year（%）	Between beginning of the year to the end of the report period	Changed （%）over end of prev. year
Operating income（RMB）	925,501,518.37	5.84%	2,589,226,220.63	15.50%
Net profit attributable to the shareholders of the listed company（RMB）	19,997,776.79	168.75%	63,993,581.17	206.05%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company（RMB）	9,699,270.59	126.56%	13,259,488.98	116.58%
Cash flow generated by business operation, net（RMB）	--	--	199,924,781.38	-44.63%
Basic earning per share(RMB/Share)	0.027	169.23%	0.085	206.25%
Diluted gains per share(RMB/Share)(RMB/Share)	0.027	169.23%	0.085	206.25%
Weighted average income/asset ratio（%）	0.32%	1.02%	1.01%	2.45%

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)	2,724,203.46	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	3,158,099.85	
Gain/loss from change of fair value of transactional financial asset and	52,715,774.41	

liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets other than valid period value instruments related to the Company’s common businesses		
Other non-business income and expenditures other than the above	3,384,963.82	
Less：Amount of influence of income tax	10,147,425.90	
Influence on minority shareholders’ equity (after tax)	1,101,523.45	
Total	50,734,092.19	--

For the Company’s non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

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	14,916	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		
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		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.46%	3,454,046	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.35%	2,670,262	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.34%	2,546,600	0		
China Merchants Secutities(HK)Co., Ltd.	State-owned legal person	0.31%	2,319,872	0		
Xia Zulin	Domestic Natural person	0.28%	2,147,400	0		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign legal person	0.25%	1,905,960	0		
CREDIT SUISSE AG HONG KONG BRANCH	Foreign legal person	0.23%	1,729,759	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

BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,722,804	Foreign shares placed in domestic exchange	4,722,804
NORGES BANK	4,303,675	Foreign shares placed in domestic exchange	4,303,675
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,454,046	Foreign shares placed in domestic exchange	3,454,046
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,670,262	Foreign shares placed in domestic exchange	2,670,262
ISHARES CORE MSCI EMERGING MARKETS ETF	2,546,600	Foreign shares placed in domestic exchange	2,546,600
China Merchants Secutities(HK)Co., Ltd.	2,319,872	Foreign shares placed in domestic exchange	2,319,872
Xia Zulin	2,147,400	Foreign shares placed in domestic exchange	2,147,400
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	1,905,960	Foreign shares placed in domestic exchange	1,905,960
CREDIT SUISSE AG HONG KONG BRANCH	1,729,759	Foreign shares placed in domestic exchange	1,729,759
Shenwan Hongyuan Securities(H.K)Co., Ltd.	1,368,900	Foreign shares placed in domestic exchange	1,368,900
Explanation on associated relationship or concerted action of the above shareholders	(1）It is unknown to the Company if there is any relationship among the top 10 common share holders without restriction; (2) 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		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

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
Note receivable	631,626,005.81	479,716,321.62	31.67%	Mainly due to the notes receivable received in the current period increased
Advance payments	359,433,917.88	202,184,858.83	77.77%	Mainly due to current advances to raw materials increased
Note payable	195,415,523.63	143,007,715.10	36.65%	Mainly due to increase in acceptance of current period
Advances from customers	2,396,631,380.02	1,827,959,793.62	31.11%	Mainly due to the current increase in the new contract
Taxes and surcharges payable	18,561,605.50	90,239,673.16	-79.43%	Mainly due to there is no value-added tax at the beginning of this period
Deferred income	9,357,937.15	5,422,895.00	72.56%	Mainly due to increase in financial subsidies received in the current period
Income statement items	**End of term**	**Same period of last term**	**Scale of change**	**Remarks on the change**
Operation income	2,589,226,220.63	2,241,834,391.89	15.50%	Mainly due to this issue will further strengthen the market development efforts, increase the number of sales units
Operation cost	1,828,109,215.33	1,487,970,320.21	22.86%	Mainly due to the current operating income increased year on year, the corresponding increase in operating costs
Impairment loss on assets	95,749,825.99	166,025,332.68	-42.33%	Mainly due to the accounts receivable with long aging accounts are better recovered and bad debts are reduced
Investment income	106,730,672.88	21,938,936.95	386.49%	Mainly due to the current sale of Long Beach shares and received the formation of Hangzhou Bank dividend income increased
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	199,924,781.38	361,060,410.70	-44.63%	Mainly due to cash paid for the purchase of goods in the current period increased year on year
Net cash flow	-60,830,933.81	-460,559,408.37	86.79%	Mainly due to the net redemption and

generated by investment				investment income of the current financial products increased year on year
Net increasing of cash and cash equivalents	89,725,778.97	-155,001,766.35	157.89%	Mainly due to the net cash flow from investing activities increased during the current period

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

Not applicable

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 of 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

Reception time	Way of reception	Types of visitors	Basic index
August 31, 2017	Onsite investigation	Individual	Details are the relevant information disclosure （http://www.cninfo.com.cn/）

VIII. Outward Guarantee against the Regulations

Not applicable

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

Non-existence

X. Implementation of the social Responsibility of taking targeted measures to alleviate poverty in light of local Conditions.

In The report third quarter, the company neither carried out the work of taking targeted measures to alleviate poverty in light of local conditions nor has such a plan.

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

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

September 30, 2017

In RMB

Items	At the end of term	Beginning of term
Current asset：		
Cash and bank balances	984, 763, 338. 31	895, 037, 559. 34
Settlement provision		
Due from banks and other financial institutions		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	631, 626, 005. 81	479, 716, 321. 62
Account receivable	1, 890, 911, 988. 49	1, 870, 173, 348. 32
Advance payments	359, 433, 917. 88	202, 184, 858. 83
Premium receivable		
Reinsurance receivable		
Reserve for reinsurance receivable		
Interest receivable		
Dividend receivable	6, 900, 000. 00	
Other receivable	22, 579, 000. 09	31, 024, 707. 72
Securities purchased under agreements to resell		
Inventories	2, 157, 037, 005. 13	1, 901, 544, 358. 26
Held-for-sale assets		
Current portion of non-current assets		
Other current asset	1, 051, 506, 201. 41	863, 018, 479. 59
Total of current assets	7, 104, 757, 457. 12	6, 242, 699, 633. 68
Non-current assets：		
Loans and advances		
Available-for-sale financial assets	2, 881, 452, 766. 48	3, 060, 865, 862. 60
Held-to-maturity investments		
Long-term receivable		
Long term share equity investment		
Property investment		

Fixed assets	581, 548, 823. 90	615, 922, 109. 91
Construction in progress	174, 101, 684. 00	153, 743, 889. 41
Construction materials		
Fixed assets pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	292, 973, 318. 92	297, 405, 434. 08
Research and Development Expenditures		
Goodwill		
Long-term prepaid expenses	1, 108, 007. 99	1, 430, 968. 81
Deferred income tax	188, 266, 892. 69	178, 831, 809. 85
Other non-current asset		
Total of non-current assets	4, 119, 451, 493. 98	4, 308, 200, 074. 66
Total of assets	11, 224, 208, 951. 10	10, 550, 899, 708. 34
Current liabilities		
Short-term bank loan facilities	197, 500, 000. 00	173, 000, 000. 00
Borrowings from central bank		
Deposits and placements from other financial institutions		
Placement from banks and other financial institution		
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable	195, 415, 523. 63	143, 007, 715. 10
Account payable	1, 105, 169, 157. 59	853, 452, 589. 51
Advances from customers	2, 396, 631, 380. 02	1, 827, 959, 793. 62
Securities sold under agreement to repurchase		
Fees and commissions payable		
Payroll payable	75, 799, 733. 03	71, 224, 634. 03
Taxes and surcharges payable	18, 561, 605. 50	90, 239, 673. 16
Interest payable		134, 376. 32
Dividend payable		
Other payable	30, 637, 671. 56	30, 820, 980. 80
Reinsurance amounts payable		
Provision of insurance contract		
Securities brokering		
Securities underwriting		

Held-for-sale liabilities		
Current portion of non-current liabilities	18,200,000.00	18,500,000.00
Other current liability		
Total of current liability	4,037,915,071.33	3,208,339,762.54
Non-current liabilities：		
Long-term bank loan facilities	4,900,000.00	4,900,000.00
Bond payable		
Including：preferred stock		
Perpetual capital securities		
Long-term payable	208,330,000.00	208,357,733.33
Long-term employee benefits payable		
Grants payable		
Provisions		
Deferred income	9,357,937.15	5,422,895.00
Deferred tax liabilities	348,128,435.30	378,256,646.95
Other non-current liabilities		
Total non-current liabilities	570,716,372.45	596,937,275.28
Total of liability	4,608,631,443.78	3,805,277,037.82
Equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instrument		
Including：preferred stock		
Perpetual capital securities		
Reserves	139,540,528.72	139,590,345.09
Less: treasury shares		
Other comprehensive income	1,966,732,271.08	2,137,419,299.84
Specialized reserve	27,054,040.21	27,546,353.37
Surplus reserves	621,112,807.78	621,112,807.78
General risk reserve		
Retained earnings	2,769,660,618.32	2,705,667,037.15
Equity contributable to parent company	6,278,110,666.11	6,385,346,243.23
Minority interests	337,466,841.21	360,276,427.29
Total equity	6,615,577,507.32	6,745,622,670.52
Total liabilities and equity	11,224,208,951.10	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：		
Cash and bank balances	421,340,324.19	293,454,126.93
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	350,159,893.86	269,527,716.22
Account receivable	1,359,168,529.95	1,424,950,696.58
Advance payments	194,016,464.86	115,383,408.34
Interest receivable		
Dividend receivable	6,900,000.00	
Other receivable	6,607,402.36	68,004,706.24
Inventories	1,678,989,682.85	1,446,652,799.71
Held-for-sale assets		
Current portion of non-current assets		
Other current asset	705,331,300.24	600,000,000.00
Total of current assets	4,722,513,598.31	4,217,973,454.02
Non-current assets：		
Available-for-sale financial assets	2,840,693,076.90	3,020,106,173.02
Held-to-maturity investments		
Long-term receivable		
Long term share equity investment	502,919,378.03	502,919,378.03
Property investment		
Fixed assets	274,298,601.26	315,900,380.66
Construction in progress	103,519,757.21	94,170,909.99
Construction materials		
Fixed assets pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	172,814,800.34	173,826,293.57
Research and Development Expenditures		
Goodwill		
Long-term prepaid expenses	507,773.78	507,773.78

Deferred income tax	141,860,065.82	133,581,773.70
Other non-current asset		
Total of non-current assets	4,036,613,453.34	4,241,012,682.75
Total of assets	8,759,127,051.65	8,458,986,136.77
Current liabilities		
Short-term bank loan facilities	100,000,000.00	100,000,000.00
Financial liabilities at fair value through profit and loss		
Derivative financial liabilities		
Notes payable	5,000,000.00	
Account payable	677,239,078.34	486,810,046.42
Advances from customers	1,786,049,944.76	1,476,780,338.78
Payroll payable	41,888,478.82	44,035,408.19
Taxes and surcharges payable	2,876,061.30	64,247,326.24
Interest payable		
Dividend payable		
Other payable	14,438,407.90	21,562,998.72
Held-for-sale liabilities		
Current portion of non-current liabilities		
Other current liability		
Total of current liability	2,627,491,971.12	2,193,436,118.35
Non-current liabilities：		
Long-term bank loan facilities		
Bond payable		
Including：preferred stock		
Perpetual capital securities		
Long-term payable		
Long-term employee benefits payable		
Grants payable		
Provisions		
Deferred income	2,547,016.05	
Deferred income tax	348,128,435.30	378,256,646.95
Other non-current liabilities		
Total of Non-current liabilities	350,675,451.35	378,256,646.95
Total liability	2,978,167,422.47	2,571,692,765.30
Equity		
Share capital	754,010,400.00	754,010,400.00

Other equity instrument		
Including：preferred stock		
Perpetual capital securities		
Reserves	138,953,250.09	138,953,250.09
Less: treasury shares		
Other comprehensive income	1,967,073,624.13	2,137,800,156.80
Specialized reserve	10,820,835.88	10,874,033.85
Surplus reserves	602,356,402.65	602,356,402.65
Retained earnings	2,307,745,116.43	2,243,299,128.08
Total equity	5,780,959,629.18	5,887,293,371.47
Total liabilities and equity	8,759,127,051.65	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 of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	925,501,518.37	874,410,620.01
Including: business revenue	925,501,518.37	874,410,620.01
Interest income		
Premiums earned		
Fees and commissions income		
II. Total operating cost	912,082,177.92	898,062,001.19
Including: Cost of sales	635,724,163.85	637,032,414.17
Interest expense		
Fees and commissions expense		
Cash surrender amount		
Net expenses of claim settlement		
Net provisions for insurance contract reserves		
Policy dividend expenses		
Reinsurance expenses		
Business taxes and surcharges	2,186,397.87	8,329,543.14
Selling expenses	39,315,517.86	36,730,806.87
Administrative expense	170,150,543.55	173,854,590.33
Financial expenses	4,334,132.88	1,708,950.17

Impairment loss on assets	60,371,421.91	40,405,696.51
Add: Gain from fair-value changes(“-“for loss)		
Investment income(“-“for loss)	17,742,166.35	6,893,602.33
Including: investment income from associates and joint ventures		
Gain on foreign exchange(“-“for loss)		
Other income		
III. Operating profit（“-”for loss）	31,161,506.80	-16,757,778.85
Add:Non-operating income	5,218,527.80	3,051,550.49
Including：Gains from disposal of non-current assets	2,555,740.94	100.00
Less：Non business expenses	-1,537,490.37	1,480,307.99
Incl：Loss from disposal of non-current assets	12,090.90	470.20
IV. Profit before tax(“-“for loss)	37,917,524.97	-15,186,536.35
Less: Income tax expense	-668,029.80	3,171,756.19
V. Net profit (“-“for net loss)	38,585,554.77	-18,358,292.54
Net profit attributable to the owners of parent company	19,997,776.79	-29,088,489.63
Minority interests	18,587,777.98	10,730,197.09
VI. Other comprehensive income after tax	-152,355,402.50	18,461.17
Net of profit of other comprehensive income attributable to owners of the parent company	-152,071,929.42	7,860.70
（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 de bt or net assets		
2.Other comprehensive income under the equity method investe e can not be reclassified into profit or loss.		
（II） Other comprehensive income that will be reclassified into profit or loss.	-152,071,929.42	7,860.70
1.Other comprehensive income under the equity method investe e can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-151,861,722.43	
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	-210,206.99	7,860.70
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity	-283,473.08	10,600.47
VII. Total comprehensive income	-113,769,847.73	-18,339,831.37
Total comprehensive income attributable to the owner of the parent company	-132,074,152.63	-29,080,628.93
Total comprehensive income attributable minority shareholders	18,304,304.90	10,740,797.56
VIII. Earnings per share		
（I）Basic earnings per share	0.027	-0.039
(II)Diluted earnings per share	0.027	-0.039

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

4.Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I.Revenue	621,115,493.86	562,290,961.03
Less：Business cost	469,564,314.90	469,793,908.17
Business tax and surcharge	-1,059,866.18	5,993,416.83
Selling expenses	24,919,849.58	21,188,962.01
Administrative expense	103,779,136.81	105,829,118.79
Financial expenses	2,694,873.23	166,594.21
Impairment loss on assets	56,967,035.94	40,004,378.53
Add: Gain from fair-value changes("-"for loss)		
Investment income("-"for loss)	17,628,312.14	15,582,740.93
Including: investment income from associates and joint ventures		
Other income		
II. Operational profit（"-"for loss）	-18,121,538.28	-65,102,676.58
Add:Non-operating income	4,448,135.30	1,622,587.10
Including：Gains from disposal of non-current assets	2,555,740.94	
Less:Non-operating expenses	-1,618,696.05	714,604.52

Incl：Loss from disposal of non-current assets		
IV. Profit before tax(“-“for loss)	-12,054,706.93	-64,194,694.00
Less: Income tax expense	-3,501,175.09	-11,099,901.06
V. Net profit (“-“for net loss)	-8,553,531.84	-53,094,792.94
VI.Net of profit of other comprehensive income	-151,861,722.43	
（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.	-151,861,722.43	
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	-151,861,722.43	
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	-160,415,254.27	-53,094,792.94
VII. Earnings per share：		
（I）Basic earnings per share	-0.011	-0.070
(II)Diluted earnings per share	-0.011	-0.070

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

5. Consolidated Income statement between the beginning of the year and end of the report period

In RMB

Items	Amount in this period	Amount in last period
I. Revenue	2,589,226,220.63	2,241,834,391.89
Including：Operating income	2,589,226,220.63	2,241,834,391.89
Interest income		

Insurance gained		
Commission charge and commission income		
II. Total operating cost	2,602,813,222.01	2,314,529,335.97
Including：Operating cost	1,828,109,215.33	1,487,970,320.21
Interest expense		
Commission chare and commission expense		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	20,922,948.45	16,752,794.01
Selling expenses	121,189,533.71	112,598,400.85
Administrative expense	524,562,321.36	528,961,508.88
Financial expenses	12,279,377.17	2,220,979.34
Asset impairment loss	95,749,825.99	166,025,332.68
Add：Gains from change of fir value （“-”for loss）		
Investment gain（“-”for loss）	106,730,672.88	21,938,936.95
Incl: investment gains from affiliates		
Gains from currency exchange（“-”for loss）		
Other income		
III. Operational profit（“-”for loss	93,143,671.50	-50,756,007.13
Add：Non-business income	9,773,377.68	9,896,312.51
Incl：Gains from disposal of non-current assets	2,752,651.04	17,399.04
Less：Non business expenses	-1,257,699.24	3,438,002.64
Incl：Loss from disposal of non-current assets	28,447.58	181,669.06
IV.Total profit(“-”for loss)	104,174,748.42	-44,297,697.26
Less：Income tax expenses	5,860,337.77	337,824.85
V. Net profit（“-”for net loss	98,314,410.65	-44,635,522.11
Net profit attributable to the owners of parent company	63,993,581.17	-60,340,727.82
Minority shareholders’ equity	34,320,829.48	15,705,205.71
VI. Net after-tax of Other comprehensive income	-170,633,756.07	899,931.08
Net after-tax of other comprehensive income attributable to owners of the pa	-170,687,028.76	383,187.06

rent company.		
（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.	-170,687,028.76	383,187.06
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	-170,726,532.67	
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	39,503.91	383,187.06
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity	53,272.69	516,744.02
VII. Total comprehensive income	-72,319,345.42	-43,735,591.03
Total comprehensive income attributable to the owner of the parent company	-106,693,447.59	-59,957,540.76
Total comprehensive income attributable minority shareholders	34,374,102.17	16,221,949.73
VIII. Earnings per share		
（I）Basic earnings per share	0.085	-0.080
(II)Diluted earnings per share	0.085	-0.080

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

6.Profit Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period

I.Revenue	1,737,260,574.47	1,435,991,350.39
Less：Business cost	1,318,546,461.50	1,015,911,250.13
Business tax and surcharge	7,296,536.20	10,794,084.24
Selling expenses	74,276,730.74	69,052,768.19
Administrative expense	353,927,864.76	335,119,956.57
Financial expenses	8,841,881.84	-1,276,257.31
Asset impairment loss	84,610,943.77	152,020,358.27
Add：Gains from change of fir value （“-”for loss）		
Investment gain（“-”for loss）	158,941,964.67	94,396,560.64
Incl: investment gains from affiliates		
Other income		
II. Operational profit	48,702,120.33	-51,234,249.06
Add：Non-business income	5,860,749.25	1,640,400.14
Incl：Gains from disposal of non-current assets	2,555,740.94	17,299.04
Less：Non business expenses	-1,604,826.65	1,470,302.28
Incl：Loss from disposal of non-current assets	1,824.00	10,000.00
III.Total profit	56,167,696.23	-51,064,151.20
Less：Income tax expenses	-8,278,292.12	-20,533,921.33
IV. Net profit	64,445,988.35	-30,530,229.87
V. Net after-tax of Other comprehensive income	-170,726,532.67	
（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.	-170,726,532.67	
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 financial assets	-170,726,532.67	
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	-106,280,544.32	-30,530,229.87
VII.Earnings per share		
（I）Basic earnings per share	0.085	-0.040
(II)Diluted earnings per share	0.085	-0.040

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

7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

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	2,568,093,696.92	2,205,347,661.82
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	14,404,590.75	6,238,100.28
Other cash received from business operation	17,353,241.43	20,878,728.24
Sub-total of cash inflow	2,599,851,529.10	2,232,464,490.34
Cash paid for purchasing of merchandise and services	1,552,659,985.01	1,092,177,371.39
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	516,677,860.36	503,817,181.35
Taxes paid	204,017,110.68	144,485,145.93
Other cash paid for business activities	126,571,791.67	130,924,380.97
Sub-total of cash outflow from business activities	2,399,926,747.72	1,871,404,079.64
Cash flow generated by business operation, net	199,924,781.38	361,060,410.70
II.Cash flow generated by investing		
Cash received from investment retrieving	87,259,813.79	
Cash received as investment gains	99,830,672.88	21,938,936.95
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	16,449,715.72	17,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	2,862,767,338.00	988,800,000.00
Sub-total of cash inflow due to investment activities	3,066,307,540.39	1,010,755,936.95
Cash paid for construction of fixed assets, intangible assets and other long-term assets	-19,054,636.97	63,172,558.56
Cash paid as investment	100,243,111.17	39,442,786.76
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	3,045,950,000.00	1,368,700,000.00
Sub-total of cash outflow due to investment activities	3,127,138,474.20	1,471,315,345.32
Net cash flow generated by investment	-60,830,933.81	-460,559,408.37
III.Cash flow generated by financing		
Cash received as investment		706,350.00
Incl: Cash received as investment from minor shareholders		
Cash received as loans	114,500,000.00	121,402,502.11
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	114,500,000.00	122,108,852.11
Cash to repay debts	90,300,000.00	134,036,536.05
Cash paid as dividend, profit, or interests	46,822,775.75	48,316,260.75
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	20,928,500.18	
Sub-total of cash outflow due to financing activities	158,051,275.93	182,352,796.80
Net cash flow generated by financing	-43,551,275.93	-60,243,944.69
IV. Influence of exchange rate alternation on cash and cash equivalents	-5,816,792.67	4,741,176.01

V.Net increase of cash and cash equivalents	89,725,778.97	-155,001,766.35
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	984,763,338.31	596,595,029.89

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

8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

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	1,571,897,429.24	1,323,738,157.07
Tax returned	1,250,418.38	359,071.25
Other cash received from business operation	7,165,542.91	10,169,189.04
Sub-total of cash inflow	1,580,313,390.53	1,334,266,417.36
Cash paid for purchasing of merchandise and services	1,003,979,797.77	633,403,646.46
Cash paid to staffs or paid for staffs	355,704,642.77	350,255,025.51
Taxes paid	104,637,532.52	49,736,744.31
Other cash paid for business activities	44,601,771.76	41,745,681.57
Sub-total of cash outflow from business activities	1,508,923,744.82	1,075,141,097.85
Cash flow generated by business operation, net	71,389,645.71	259,125,319.51
II.Cash flow generated by investing		
Cash received from investment retrieving	78,558,351.80	
Cash received as investment gains	152,041,964.67	94,396,560.64
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	16,038,461.54	16,900.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	1,815,992,395.89	430,000,000.00
Sub-total of cash inflow due to investment activities	2,062,631,173.90	524,413,460.64
Cash paid for construction of fixed assets, intangible assets and other long-term assets	42,300,701.68	46,790,472.41
Cash paid as investment	100,000,000.00	39,442,786.76
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	1,855,000,000.00	820,000,000.00
Sub-total of cash outflow due to investment activities	1,997,300,701.68	906,233,259.17

Net cash flow generated by investment	65,330,472.22	-381,819,798.53
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans		19,402,502.11
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities		19,402,502.11
Cash to repay debts		19,486,536.05
Cash paid as dividend, profit, or interests	2,549,722.22	2,610,507.34
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	2,549,722.22	22,097,043.39
Net cash flow generated by financing	-2,549,722.22	-2,694,541.28
IV. Influence of exchange rate alternation on cash and cash equivalents	-6,284,198.45	3,130,773.23
V.Net increase of cash and cash equivalents	127,886,197.26	-122,258,247.07
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	421,340,324.19	265,657,955.72

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

II. Auditor‘s report

Whether the Q3 report is audited

The Q3 Report is not audited.

Hangzhou Steam Turbine Co., Ltd.

Chairman of the Board: Zheng Bin

October 25, 2017