Stock Code：200771 Stock ID: Hangqilun B Announcement No.2018-31

Hangzhou Steam Turbine Co., Ltd.

The 1st Quarterly Report 2018

April 2018

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 Mr.Zhao Jiamao, and the Chief of Accounting Department Mr. 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

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

No

	This period	Same period of last year	Changes of this period over same period of last year（%）
Operating income（Yuan）	962,078,793.39	748,344,237.44	28.56%
Net profit attributable to the shareholders of the listed company（Yuan）	39,042,232.50	16,752,601.64	133.05%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company（Yuan）	28,469,122.60	-15,980,860.17	278.15%
Cash flow generated by business operation, net（Yuan）	126,725,248.14	-200,738,208.12	163.13%
Basic earning per share(Yuan/Share)	0.05	0.02	150.00%
Diluted gains per share(Yuan/Share)	0.05	0.02	150.00%
Weighted average return on equity（%）	0.66%	0.24%	0.42%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets（Yuan）	11,272,663,036.41	10,830,597,182.38	4.08%
Net assets attributable to the shareholders of the listed company（Yuan）	5,883,629,092.31	5,884,816,809.55	-0.02%

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
Govemment subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	367,707.12	
Gain/loss from change of fair value of transactional financial asset and 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.	10,610,466.29	
Other non-operating income and expenditure except for the aforementioned items	2,665,142.71	

Less: Amount of influence of income tax	2,879,534.93	
Amount of influence of minority interests（After tax）	190,671.29	
Total	10,573,109.90	--

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	14,467	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		
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		
Zhou Jie	Domestic Natural person	0.44%	3,291,800	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.41%	3,113,501	0		
China Merchants Secutities(HK)Co., Ltd.	State-owned legal person	0.36%	2,692,800	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.34%	2,593,651	0		
Xia Zhulin	Domestic Natural person	0.29%	2,179,300	0		
CREDIT SUISSE AG HONG KONG BRANCH	Foreign legal person	0.23%	1,728,159	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
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	3,454,046

		placed in domestic exchange	
Zhou Jie	3,291,800	Foreign shares placed in domestic exchange	3,291,800
ISHARES CORE MSCI EMERGING MARKETS ETF	3,113,501	Foreign shares placed in domestic exchange	3,113,501
China Merchants Secutities(HK)Co., Ltd.	2,692,800	Foreign shares placed in domestic exchange	2,692,800
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,593,651	Foreign shares placed in domestic exchange	2,593,651
Xia Zhulin	2,179,300	Foreign shares placed in domestic exchange	2,179,300
CREDIT SUISSE AG HONG KONG BRANCH	1,728,159	Foreign shares placed in domestic exchange	1,728,159
Wang Yihu	1,429,024	Foreign shares placed in domestic exchange	1,429,024
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

Items	This period	Same period of last year	Proportion of the change	Causes of change
Other current assets	1,177,474,776.04	904,426,265.79	30.19%	Mainly due to the year-on-year increase in wealth management
Construction in process	344,980,750.76	255,921,660.09	34.80%	Mainly due to the increase in investment in construction projects and research buildings of the Steam Turbine Company during the current period
Operation revenue	962,078,793.39	748,344,237.44	28.56%	Mainly due to the increase in production and sales and the increase in inventory unit sales during the current period
Asset impairment loss	25,569,130.99	-250,837.45	10293.51%	Mainly due to the increase in bad debts due to accounts receivable in this period
Investment income	16,889,734.98	35,686,339.58	-52.67%	Mainly due to the sale of Changdi's equity in the same period last year
Cash flow generated by business operation, net	126,725,248.14	-200,738,208.12	163.13%	Mainly due to the year-on-year increase in the proportion of cash receipts in sales of goods sold in the current period
Net cash flow generated by investment	-280,100,905.12	264,097,295.53	-206.06%	Mainly due to the increase in net expenditure on wealth management products during the current period
Net cash flow generated by Financing	10,881,462.31	5,613,901.44	93.83%	Mainly due to the year-on-year increase in borrowings

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

Summary of important matters	Disclosure date	Temporary report disclosure of website query index
Hangzhou Municipal Government will include the steam turbine Shiqiao Road plant area and its surrounding areas in the development and reconstruction of the lighthouse unit city of Xiacheng District in Hangzhou. The company will initiate the relocation of the Shiqiao Road plant area in accordance with relevant requirements. The company has signed an "Agreement on Relocation of Non-Residential Houses on State-Owned Land" with Hangzhou Xiacheng District Urban Construction Investment Development Group Co., Ltd., and the city investment company will pay the relevant relocation compensation fees.	March 21,2018	Disclosed by http://www.cninfo.com.cn (Announcement No. 2018-10)

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 2018

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, 2018

In RMB

Items	At the end of term	Beginning of term
Current asset：		
Monetary fund	1,070,817,985.28	1,222,677,495.94
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	776,434,815.48	715,410,887.68
Account receivable	1,898,745,897.31	1,695,217,448.46
Prepayments	568,287,140.60	446,166,710.77
Insurance receivable		
Reinsurance receivable		

Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable	6,900,000.00	6,900,000.00
Other account receivable	18,641,678.17	16,905,005.57
Repurchasing of financial assets		
Inventories	2,079,218,821.38	2,092,575,691.92
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	1,177,474,776.04	904,426,265.79
Total of current assets	7,596,521,114.26	7,100,279,506.13
Non-current assets：		
Loans and payment on other’s behalf disbursed		
Disposable financial asset	2,291,173,805.84	2,417,780,984.08
Expired investment in possess		
Long-term receivable		
Long term share equity investment	5,800,000.00	5,800,000.00
Property investment		
Fixed assets	556,107,765.78	566,710,937.10
Construction in progress	344,980,750.76	255,921,660.09
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	284,263,034.33	285,670,638.55
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	253,886.90	253,886.90
Deferred income tax asset	193,562,678.54	198,179,569.53
Other non-current asset		
Total of non-current assets	3,676,141,922.15	3,730,317,676.25
Total of assets	11,272,663,036.41	10,830,597,182.38
Current liabilities		
Short-term loans	115,700,000.00	115,500,000.00
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		
Notes payable	223,404,435.48	215,409,958.92
Account payable	1,019,508,759.39	882,715,465.65
Advance payment	2,707,463,440.23	2,419,751,405.08
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees’ wage payable	63,979,418.16	79,525,773.69
Tax payable	42,639,701.03	34,920,073.37
Interest payable	25,254.17	268,860.77

Dividend payable	0.00	0.00
Other account payable	29,896,375.95	27,859,617.33
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	0.00	4,900,000.00
Other current liability		
Total of current liability	4,202,617,384.41	3,780,851,154.81
Non-current liabilities：		
Long-term loan	122,800,000.00	100,000,000.00
Bond payable		
Including：preferred stock		
Sustainable debt		
Long-term payable	209,633,466.66	209,633,466.66
Long-term payable employees's remuneration		
Special payable	237,663,831.07	237,658,831.07
Expected liabilities		
Deferred income	4,097,725.24	4,063,615.00
Deferred income tax liability	271,226,591.20	278,217,667.94
Other non-current liabilities		
Total non-current liabilities	845,421,614.17	829,573,580.67
Total of liability	5,048,038,998.58	4,610,424,735.48
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instrument		
Including：preferred stock		
Sustainable debt		
Capital reserves	139,545,089.02	139,545,089.02
Less：Shares in stock		
Other comprehensive income	1,530,741,982.79	1,570,358,510.09
Special reserves	24,756,292.17	25,369,714.61
Surplus reserves	621,112,807.78	621,112,807.78
Common risk provision		
Undistributed profit	2,813,462,520.55	2,774,420,288.05
Total of owner's equity belong to the parent company	5,883,629,092.31	5,884,816,809.55
Minority shareholders' equity	340,994,945.52	335,355,637.35
Total of owners' equity	6,224,624,037.83	6,220,172,446.90
Total of liabilities and owners' equity	11,272,663,036.41	10,830,597,182.38

Legal Representative: Zheng Bin Person in charge of accounting：Zhao Jiamao 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	451,035,819.42	654,407,180.33
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable	439,639,586.31	357,644,500.75
Account receivable	1,315,801,142.98	1,195,950,107.32
Prepayments	199,873,397.64	163,701,036.86
Interest receivable		
Dividend receivable	34,909,600.00	6,900,000.00
Other account receivable	5,553,530.47	4,311,538.86
Inventories	1,503,469,757.24	1,598,522,597.27
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	940,672,888.57	737,474,571.12
Total of current assets	4,890,955,722.63	4,718,911,532.51
Non-current assets：		
Disposable financial asset	2,250,414,116.26	2,377,021,294.50
Expired investment in possess		
Long-term receivable		
Long term share equity investment	502,919,378.03	502,919,378.03
Property investment		
Fixed assets	259,076,832.64	265,423,321.11
Construction in progress	205,910,369.33	151,569,540.89
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	169,780,320.65	169,780,320.65
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	253,886.90	253,886.90
Deferred income tax asset	144,311,064.85	146,802,178.11
Other non-current asset		
Total of non-current assets	3,532,665,968.66	3,613,769,920.19
Total of assets	8,423,621,691.29	8,332,681,452.70
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		

Notes payable	6,400,000.00	5,400,000.00
Account payable	513,807,704.45	457,304,271.86
Advance payment	1,842,138,764.87	1,817,869,660.07
Employees' wage payable	34,203,328.83	42,770,536.86
Tax payable	23,541,468.28	3,918,864.69
Interest payable		112,597.22
Dividend payable		
Other account payable	18,337,608.12	15,515,940.17
Classified as held for sale debt		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	2,438,428,874.55	2,342,891,870.87
Non-current liabilities：		
Long-term loan	100,000,000.00	100,000,000.00
Bond payable		
Including：preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable to employees		
Special payable	237,067,491.46	237,067,491.46
Expected liabilities		
Deferred income	34,110.24	
Deferred income tax liability	271,226,591.20	278,217,667.94
Other non-current liabilities		
Total of Non-current liabilities	608,328,192.90	615,285,159.40
Total of liability	3,046,757,067.45	2,958,177,030.27
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	1,531,296,507.59	1,570,912,609.09
Special reserves	9,560,194.63	9,629,800.19
Surplus reserves	602,356,402.65	602,356,402.65
Undistributed profit	2,340,687,868.88	2,298,641,960.41
Total of owners' equity	5,376,864,623.84	5,374,504,422.43
Total of liabilities and owners' equity	8,423,621,691.29	8,332,681,452.70

Legal Representative: Zheng Bin Person in charge of accounting：Zhao Jiamao 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	962,078,793.39	748,344,237.44
Incl：Business income	962,078,793.39	748,344,237.44
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	923,882,796.39	757,643,833.76
Incl：Business cost	677,035,461.03	525,196,208.66
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	8,754,883.42	8,821,742.95
Sales expense	38,457,390.31	41,648,800.76
Administrative expense	160,218,944.58	179,175,254.56
Financial expenses	13,846,986.06	3,052,664.28
Asset impairment loss	25,569,130.99	-250,837.45
Add：Gains from change of fir value （“-”for loss）		
Investment gain（“-”for loss）	16,889,734.98	35,686,339.58
Incl: investment gains from affiliates		
Gains from currency exchange（“-”for loss）		
Assets disposal income		-2,499.60
Other income	367,707.12	2,486,351.20
III. Operational profit（“-”for loss）	55,453,439.10	28,870,594.86
Add ：Non-operational income	2,932,814.41	1,797,664.19
Less：Non business expenses	266,922.74	245,077.00
IV.Total profit(“-”for loss)	58,119,330.77	30,423,182.05
Less：Income tax expenses	9,310,235.49	6,592,924.19
V. Net profit	48,809,095.28	23,830,257.86
(1) Categorized by going concern	48,809,095.28	23,830,257.86
(2) Termination of operating net profit		
Net profit attributable to the owners of parent company	39,042,232.50	16,752,601.64
Minority shareholders' equity	9,766,862.78	7,077,656.22
VI. Other comprehensive income	-39,617,101.50	206,313,862.01
Net of profit of other comprehensive income attributable to owners of the parent company.	-39,616,527.30	206,325,346.09
（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 l	-39,616,527.30	206,325,346.09

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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	-39,616,101.50	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	-425.80	-8,515.91
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity	-574.20	-11,484.08
VII. Total comprehensive income	9,191,993.78	230,144,119.87
Total comprehensive income attributable to the owner of the parent company	-574,294.80	223,077,947.73
Total comprehensive income attributable minority shareholders	9,766,288.58	7,066,172.14
VIII. Earnings per share		
（I）Basic earnings per share	0.05	0.02
(II)Diluted earnings per share	0.05	0.02

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

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	665,826,865.49	518,830,806.22
Less：Business cost	501,571,098.74	377,206,922.31
Business tax and surcharge	6,750,023.51	4,229,839.47
Sales expense	19,855,662.21	25,219,505.56
Administrative expense	100,745,145.34	133,291,786.10
Financial expenses	12,917,968.41	2,450,317.94
Asset impairment loss	26,529,217.37	-3,268,417.23
Add：Gains from change of fir value （“-”for loss）		
Investment gain（“-”for loss）	44,093,063.87	29,484,295.08
Incl: investment gains from affiliates		
Assets disposal income		
Other income		
II. Operational profit（“-”for loss）	41,550,813.78	9,185,147.15
Add ：Non-operational income	3,116,732.00	1,300,000.00
Less：Non business expenses	130,524.05	10,000.00
III.Total profit(“-”for loss)	44,537,021.73	10,475,147.15
Less：Income tax expenses	2,491,113.26	5,449,819.84
IV. Net profit	42,045,908.47	5,025,327.31
(1) Categorized by going concern	42,045,908.47	5,025,327.31
(2) Termination of operating net profit		
V.Net of profit of other comprehensive income	-39,616,101.50	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.	-39,616,101.50	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 fin ancial assets	-39,616,101.50	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	2,429,806.97	211,359,189.31
VII. Earnings per share：		

（I）Basic earnings per share	0.056	0.007
(II)Diluted earnings per share	0.056	0.007

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

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I.Cash flows from operating activities		
Cash received from sales of goods or rending of services	838,220,339.60	558,114,951.23
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 trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	2,374,074.97	
Other cash received from business operation	5,420,749.00	5,675,366.23
Sub-total of cash inflow	846,015,163.57	563,790,317.46
Cash paid for purchasing of merchandise and services	425,452,604.80	439,261,241.07
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	189,311,016.30	181,268,694.01
Taxes paid	64,394,773.79	105,253,360.58
Other cash paid for business activities	40,131,520.54	38,745,229.92
Sub-total of cash outflow from business activities	719,289,915.43	764,528,525.58
Cash flow generated by business operation, net	126,725,248.14	-200,738,208.12
II.Cash flow generated by investing		
Cash received from investment retrieving	80,000,000.00	48,558,351.80
Cash received as investment gains	16,889,734.98	35,686,339.58
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	880,265,735.99	845,700,000.00
Sub-total of cash inflow due to investment activities	977,155,470.97	930,351,835.56
Cash paid for construction of fixed assets, intangible assets and other long-term assets	100,656,376.09	20,254,540.03
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	1,156,600,000.00	626,000,000.00
Sub-total of cash outflow due to investment activities	1,257,256,376.09	666,254,540.03

Net cash flow generated by investment	-280,100,905.12	264,097,295.53
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	42,000,000.00	36,000,000.00
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	42,000,000.00	36,000,000.00
Cash to repay debts	23,900,000.00	20,100,000.00
Cash paid as dividend, profit, or interests	7,218,537.69	1,926,513.37
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	31,118,537.69	30,386,098.56
Net cash flow generated by financing	10,881,462.31	5,613,901.44
IV. Influence of exchange rate alternation on cash and cash equivalents	-9,365,315.99	-490,217.72
V.Net increase of cash and cash equivalents	-151,859,510.66	68,482,771.13
Add: balance of cash and cash equivalents at the beginning of term	1,222,677,495.94	895,037,559.34
VI ..Balance of cash and cash equivalents at the end of term	1,070,817,985.28	963,520,330.47

Legal Representative: Zheng Bin Person in charge of accounting：Zhao Jiamao 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	337,257,363.43	431,634,661.29
Tax returned	198,416.10	
Other cash received from business operation	2,486,269.96	812,899.66
Sub-total of cash inflow	339,942,049.49	432,447,560.95
Cash paid for purchasing of merchandise and services	225,206,170.83	338,102,954.16
Cash paid to staffs or paid for staffs	119,618,256.32	124,416,505.09
Taxes paid	29, 555, 820. 94	71, 346, 176. 98
Other cash paid for business activities	11,564,241.82	11,779,176.90
Sub-total of cash outflow from business activities	385,944,489.91	545,644,813.13
Cash flow generated by business operation, net	-46,002,440.42	-113,197,252.18
II.Cash flow generated by investing		
Cash received from investment retrieving	80,000,000.00	48,558,351.80
Cash received as investment gains	16,083,463.87	29,484,295.08
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	685,025,355.14	430,000,000.00
Sub-total of cash inflow due to investment activities	781,108,819.01	508,042,646.88
Cash paid for construction of fixed assets, intangible assets and other long-term assets	32,378,236.48	12,874,611.09
Cash paid as investment		20,000,000.00
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	895,000,000.00	285,000,000.00
Sub-total of cash outflow due to investment activities	927,378,236.48	317,874,611.09
Net cash flow generated by investment	-146,269,417.47	190,168,035.79
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	1,974,653.15	837,500.00
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	1,974,653.15	837,500.00
Net cash flow generated by financing	-1,974,653.15	-837,500.00
IV. Influence of exchange rate alternation on cash and cash equivalents	-9,124,849.87	-329,722.74

V.Net increase of cash and cash equivalents	-203,371,360.91	75,803,560.87
Add: balance of cash and cash equivalents at the beginning of term	654,407,180.33	293,454,126.93
VI ..Balance of cash and cash equivalents at the end of term	451,035,819.42	369,257,687.80

Legal Representative: Zheng Bin Person in charge of accounting：Zhao Jiamao 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 26,2018