

Stock code: 200771

Stock ID: Hangqilun B

Announcement No.2018-69

Hangzhou Steam Turbine Co., Ltd.

The Third Quarterly Report 2018(Full Text)

(Stock code: 200771)



October 2018

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. Zhao Jiamao, Chief financial officer and the Mr. Jin Can, 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. 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

	As at the end of the reporting period		As at the end of last year		Changed （%） over end of prev. year
Gross assets （Yuan）	11,705,467,175.92		10,830,597,182.38		8.08%
Net assets attributable to the shareholders of the listed company （Yuan）	6,041,748,628.95		5,884,816,809.55		2.67%
	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）	1,108,687,686.30	19.79%	3,392,818,668.43	31.04%	
Net profit attributable to the shareholders of the listed company （RMB）	163,313,243.33	716.66%	291,823,837.34	356.02%	
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company （RMB）	144,020,340.79	1,384.86%	233,491,067.51	1,660.94%	
Cash flow generated by business operation, net （RMB）	--	--	600,061,531.02	200.14%	
Basic earning per share(RMB/Share)	0.217	703.70%	0.387	355.29%	
Diluted gains per share(RMB/Share)(RMB/Share)	0.217	703.70%	0.387	355.29%	

Weighted average income/asset ratio (%)	2.73%	2.41%	4.89%	3.88%
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Items and amount of non-current gains and losses

In RMB yuan

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)	-15,902.82	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	22,867,462.28	
Gain/loss from debt reorganization	6,613,000.00	
In addition to normal business with the company effective hedging related business, holders of tradable financial assets, transactions and financial liabilities arising from changes in fair value gains and losses, as well as the disposal of trading of financial assets, trading financial liabilities and available-for-sale financial assets gains return on investment	38,271,017.01	
Net amount of non-operating income and expense except the aforesaid items	1,389,571.44	
Less: .Amount of influence of income tax	9,791,306.35	
Influence on minority shareholders' equity (after tax)	1,001,071.73	
Total	58,332,769.83	--

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	14,284	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		
Zhou Jie	Domestic Natural person	0.53%	3,960,000	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.46%	3,493,674	0		
China Merchants Securities (HK)Co., Ltd.	State-owned legal person	0.46%	3,459,717	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.46%	3,454,046	0		
NORGES BANK	Foreign legal person	0.37%	2,771,277	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.35%	2,652,063	0		
Xia Zulin	Domestic Natural person	0.30%	2,280,000	0		
Wang Yihu	Domestic Natural person	0.19%	1,441,324	0		
To 10 holders of unconditional shares						
Shareholders' Names	Amount of shares without sales restriction		Share type			
			Share type		Quantity	

VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,722,804	Foreign shares placed in domestic exchange	4,722,804
Zhou Jie	3,960,000	Foreign shares placed in domestic exchange	3,960,000
ISHARES CORE MSCI EMERGING MARKETS ETF	3,493,674	Foreign shares placed in domestic exchange	3,493,674
China Merchants Securities (HK)Co., Ltd.	3,459,717	Foreign shares placed in domestic exchange	3,459,717
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,454,046	Foreign shares placed in domestic exchange	3,454,046
NORGES BANK	2,771,277	Foreign shares placed in domestic exchange	2,771,277
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,652,063	Foreign shares placed in domestic exchange	2,652,063
Xia Zulin	2,280,000	Foreign shares placed in domestic exchange	2,280,000
Wang Yihu	1,441,324	Foreign shares placed in domestic exchange	1,441,324
CREDIT SUISSE AG HONG KONG BRANCH	1,301,759	Foreign shares placed in domestic exchange	1,301,759
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) Other Shareholders. 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 yuan

Balance sheet items	Ending balance	Opening balance	Proportion of the change	Causes of change
Advance payments	22,867,462.28	3,158,099.85	624.09%	Mainly due to the increase in prepayments for raw materials during the period.
Other receivable	54,032,024.96	5,860,337.77	822.00%	Mainly due to the increase in dividends receivable from Hangzhou Bank pledged shares in the current period.
Other current assets	22,867,462.28	3,158,099.85	624.09%	Mainly due to the increase in the purchase of Financial management products during the period.
Construction in process	54,032,024.96	5,860,337.77	822.00%	Mainly due to the increase in construction investment in new plant projects and research buildings in the current period.
Notes payable and account payable	22,867,462.28	3,158,099.85	624.09%	Mainly due to the payment of materials and the issuance of acceptance bills for the current period.
Taxes payable	54,032,024.96	5,860,337.77	822.00%	Mainly due to the increase in income tax at the end of the period.
Long-term payable	22,867,462.28	3,158,099.85	624.09%	Mainly received the second demolition compensation in the current period.
Income statement items	End of term	Same period of last term	Scale of change	Remarks on the change
Operation revenue	3,392,818,668.43	2,589,226,220.63	31.04%	Mainly due to the realization of the company's key projects in the current period, the sales revenue increased year-on-year.
Taxes and surcharges payable	33,984,172.83	20,922,948.45	62.43%	Mainly due to the year-on-year increase in VAT payable in the current period.
Financial expenses	-9,991,434.12	12,279,377.17	-181.37%	Mainly due to the increase in interest income and net exchange income during the period.
Non-operation expenses	3,264,511.69	-1,268,990.81	357.25%	Mainly due to the increase in contract compensation in the current period.
Other gains	22,867,462.28	3,158,099.85	624.09%	Mainly due to the state-owned value-added tax

				relief for military products in the current period.
Income tax expenses	54,032,024.96	5,860,337.77	822.00%	Mainly due to the increase in profits during the period, resulting in an increase in current income tax expenses.
Cash flow statement Items	Amount in the reporting period	Same period of the previous year	Proportion of the change	Causes of change
Cash flow generated by business operation, net	600,061,531.02	199,924,781.38	200.14%	Mainly due to the increase in cash received from sales of goods during the period and the decrease in cash paid for the purchase of raw materials.
Net cash flow generated by investment	-417,696,615.32	-60,830,933.81	-586.65%	Mainly due to the increase in cash paid for the construction and construction projects in the current period.
Net increasing of cash and cash equivalents	-66,417,360.93	-43,551,275.93	-52.50%	Mainly due to the increase in dividends distributed during the period.

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

1. During the reporting period, the company promoted the construction of two major projects as planned, and fully prepared for the relocation work. As of the disclosure date, the company's steam turbine heavy-duty plant was put into operation and the painting workshop was first relocated to the heavy factory area; the company's scientific research building has been successfully completed and is expected to be delivered at the end of the year.

2. The company signed the “ Compensation Agreement for the Relocation of Non-residential Houses on State-owned Land” with Hangzhou Xiacheng City Construction Investment Development Group Co., Ltd. Up to now, it has received a total of RMB 306,793,224.24 for relocation compensation. The complete report is available as Announcement 2018-57 with Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and at www.cninfo.com.cn dated August 7, 2018.

Summary of important matters	Disclosure date	Temporary report disclosure of website query index
3、 The company received and confirmed the Hangzhou Bank's 2017 dividend income.	July 7, 2018	Announcement on receipt of dividends from hangzhou Bank. Disclosed by http://www.cninfo.com.cn . (2018-50)

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 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

In RMB yuan

Security category	Security code	Stock Abbreviation	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting Items	Sauce of the shares
Domestic and foreign stocks	600926	Hangzhou Bank	390,954,040.00	FVM	2,239,086,521.28	-113,022,410.36	1,474,843,560.28	0.00	0.00	0.00	2,126,064,110.92	Financial assets available for sale	Self funds
Total			390,954,040.00	--	2,239,086,521.28	-113,022,410.36	1,474,843,560.28	0.00	0.00	0.00	2,126,064,110.92	--	--
Disclosure Date of Announcement on Securities investment approved by the Board of Directors			Nil										
Disclosure Date of Announcement on Securities Investment Approved by the Shareholders Meeting (If any)			Nil										

VI. Entrusted financial management

Unit :Ten thousand yuan

Type	Source	Amount	Unexpired balance	Overdue amount
Bank financing product	Self fund	109,797	95,307	0
Brokerage financing product	Self fund	0	0	0
Trust financing product	Self fund	28,620	23,120	0
Other	Self fund	1,600.5	0	0
Total		140,017.5	118,427	0

Specific Circumstance of Trust Investment which is Large in single amount, low insecurity, poor in liquidity or unguaranteed in high risk

Not applicable

Situation with the appearance of principals which can not be recovered expectedly or other existing situations which may lead to impairment

Not applicable

VII. Investment in derivatives

Non-existence

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

Reception time	Way of reception	Types of visitors	Basic index
July 13,2018	Onsite investigation	Organization	Details are the relevant information disclosure (http://www.cninfo.com.cn/)

IX. Outward Guarantee against the Regulations

Not applicable

X. 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.

September 30, 2018

Items	In RMB yuan	
	At the end of term	Beginning of term
Current asset:		
Monetary fund	1,342,999,993.39	1,222,677,495.94
Settlement provision	0.00	0.00
Outgoing call loan	0.00	0.00
Financial assets measured at fair value with variations accounted into current income account	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable and account receivable	2,580,584,590.59	2,410,628,336.14
Including: Notes receivable	664,017,173.08	715,410,887.68
Account receivable	1,916,567,417.51	1,695,217,448.46
Advance payment	586,394,937.81	446,166,710.77
Insurance receivable	0.00	0.00
Reinsurance receivable	0.00	0.00
Provisions of Reinsurance contracts receivable	0.00	0.00
Other account receivable	38,177,796.01	23,805,005.57
Repurchasing of financial assets	0.00	0.00
Inventories	2,188,080,401.23	2,092,575,691.92
Assets held for sales	0.00	0.00
Non-current asset due in 1 year	0.00	0.00
Other current asset	1,229,525,764.77	904,426,265.79
Total of current assets	7,965,763,483.80	7,100,279,506.13
Non-current assets:		
Loans and payment on other's behalf disbursed	0.00	0.00
Available for sale of financial assets	2,250,394,141.72	2,417,780,984.08
Expired investment in possess	0.00	0.00
Long-term receivable	0.00	0.00
Long term share equity investment	5,800,000.00	5,800,000.00
Property investment	0.00	0.00
Fixed assets	526,924,872.84	566,710,937.10
Construction in progress	472,162,058.17	255,921,660.09
Production physical assets	0.00	0.00
Gas & petrol	0.00	0.00
Intangible assets	282,571,884.53	285,670,638.55
development expenses	0.00	0.00
Goodwill	0.00	0.00
Long-germ expenses to be amortized	367,261.52	253,886.90
Deferred income tax asset	201,483,473.34	198,179,569.53
Other non-current asset	0.00	0.00
Total of non-current assets	3,739,703,692.12	3,730,317,676.25
Total of assets	11,705,467,175.92	10,830,597,182.38
Current liabilities		
Short-term loans	139,600,000.00	115,500,000.00
Loan from Central Bank	0.00	0.00
Deposit received and hold for others	0.00	0.00

Call loan received	0.00	0.00
Financial liabilities measured at fair value with variations accounted into current income account	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable and account payable	1,422,196,611.90	1,098,125,424.57
Advance receipts	2,695,144,757.26	2,419,751,405.08
Selling of repurchased financial assets	0.00	0.00
Fees and commissions receivable	0.00	0.00
Employees' wage payable	98,652,710.32	79,525,773.69
Tax payable	47,981,958.73	34,920,073.37
Other account payable	29,730,854.53	28,128,478.10
Reinsurance fee payable	0.00	0.00
Insurance contract provision	0.00	0.00
Entrusted trading of securities	0.00	0.00
Entrusted selling of securities	0.00	0.00
Liabilities held for sales	0.00	0.00
Non-current liability due in 1 year	0.00	4,900,000.00
Other current liability	0.00	0.00
Total of current liability	4,433,306,892.74	3,780,851,154.81
Non-current liabilities:		
Long-term loan	122,800,000.00	100,000,000.00
Bond payable	0.00	0.00
Including: preferred stock	0.00	0.00
Sustainable debt	0.00	0.00
Long-term payable	515,885,987.27	447,292,297.73
Long-term payable employee's remuneration	0.00	0.00
Expected liabilities	0.00	0.00
Deferred income	4,063,615.00	4,063,615.00
Deferred income tax liability	261,264,306.39	278,217,667.94
Other non-current liabilities	0.00	0.00
Total non-current liabilities	904,013,908.66	829,573,580.67
Total of liability	5,337,320,801.40	4,610,424,735.48
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instrument	0.00	0.00
Including: preferred stock	0.00	0.00
Sustainable debt	0.00	0.00

Capital reserves	139,545,089.02	139,545,089.02
Less: Shares in stock	0.00	0.00
Other comprehensive income	1,474,288,831.20	1,570,358,510.09
Special reserves	24,247,895.56	25,369,714.61
Surplus reserves	621,112,807.78	621,112,807.78
Common risk provision	0.00	0.00
Retained profit	3,028,543,605.39	2,774,420,288.05
Total of owner's equity belong to the parent company	6,041,748,628.95	5,884,816,809.55
Minority shareholders' equity	326,397,745.57	335,355,637.35
Total of owners' equity	6,368,146,374.52	6,220,172,446.90
Total of liabilities and owners' equity	11,705,467,175.92	10,830,597,182.38

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

2.Parent Company Balance Sheet

In RMB yuan

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	916,564,000.24	654,407,180.33
Financial assets measured at fair value with variations accounted into current income account	0.00	0.00
Derivative financial assets	0.00	0.00
Notes receivable and account receivable	1,700,902,834.11	1,553,594,608.07
Including: Notes receivable	368,148,291.23	357,644,500.75
Account receivable	1,332,754,542.88	1,195,950,107.32
Advance payment	391,058,051.09	163,701,036.86
Other account receivable	21,768,829.35	11,211,538.86
Inventories	1,468,441,256.53	1,598,522,597.27
Assets held for sales	0.00	0.00
Non-current asset due in 1 year	0.00	0.00
Other current asset	869,541,143.44	737,474,571.12
Total of current assets	5,368,276,114.76	4,718,911,532.51
Non-current assets:		
Available for sale of financial assets	2,210,948,884.14	2,377,021,294.50
Expired investment in possess	0.00	0.00

Long-term receivable	0.00	0.00
Long term share equity investment	502,919,378.03	502,919,378.03
Property investment	0.00	0.00
Fixed assets	238,984,395.60	265,423,321.11
Construction in progress	195,854,732.86	151,569,540.89
Production physical assets	0.00	0.00
Gas & petrol	0.00	0.00
Intangible assets	167,757,334.19	169,780,320.65
Development expenses	0.00	0.00
Goodwill	0.00	0.00
Long-germ expenses to be amortized	126,943.46	253,886.90
Deferred income tax asset	152,071,235.92	146,802,178.11
Other non-current asset	0.00	0.00
Total of non-current assets	3,468,662,904.20	3,613,769,920.19
Total of assets	8,836,939,018.96	8,332,681,452.70
Current liabilities		
Short-term loans	0.00	0.00
Financial liabilities measured at fair value with variations accounted into current income account	0.00	0.00
Derivative financial liabilities	0.00	0.00
Notes payable and account payable	573,230,505.31	462,704,271.86
Advance receipts	1,927,831,540.60	1,817,869,660.07
Employees' wage payable	69,179,266.76	42,770,536.86
Tax payable	24,344,927.52	3,918,864.69
Other account payable	18,130,675.13	15,628,537.39
Classified as held for sale debt	0.00	0.00
Non-current liability due in 1 year	0.00	0.00
Other current liability	0.00	0.00
Total of current liability	2,612,716,915.32	2,342,891,870.87
Non-current liabilities:		
Long-term loan	100,000,000.00	100,000,000.00
Bond payable	0.00	0.00
Including: preferred stock	0.00	0.00
Sustainable debt	0.00	0.00
Long-term payable	306,790,724.24	237,067,491.46

Long-term payable to employees	0.00	0.00
Expected liabilities	0.00	0.00
Deferred income	0.00	0.00
Deferred income tax liability	261,264,306.39	278,217,667.94
Other non-current liabilities	0.00	0.00
Total of Non-current liabilities	668,055,030.63	615,285,159.40
Total of liability	3,280,771,945.95	2,958,177,030.27
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instrument	0.00	0.00
Including: preferred stock	0.00	0.00
Sustainable debt	0.00	0.00
Capital reserves	138,953,250.09	138,953,250.09
Less: Shares in stock	0.00	0.00
Other comprehensive income	1,474,843,560.28	1,570,912,609.09
Special reserves	9,362,821.15	9,629,800.19
Surplus reserves	602,356,402.65	602,356,402.65
Retained profit	2,576,640,638.84	2,298,641,960.41
Total of owners' equity	5,556,167,073.01	5,374,504,422.43
Total of liabilities and owners' equity	8,836,939,018.96	8,332,681,452.70

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

3.Consolidated Income statement of the Report period

Items	In RMB yuan	
	Amount in this period	Amount in last period
I. Total revenue	1,108,687,686.30	925,501,518.37
Incl: Business income	1,108,687,686.30	925,501,518.37
Interest income	0.00	0.00
Insurance fee earned	0.00	0.00
Fee and commission received	0.00	0.00
II. Total business cost	983,622,964.03	912,082,177.92
Incl: Business cost	698,663,985.04	635,724,163.85
Interest expenses	0.00	0.00

Fee and commission paid	0.00	0.00
Insurance discharge payment	0.00	0.00
Net claim amount paid	0.00	0.00
Net amount provided as insurance contract reserves	0.00	0.00
Insurance policy dividend paid	0.00	0.00
Reinsurance expenses	0.00	0.00
Business tax and surcharge	4,164,943.79	2,186,397.87
Sales expense	44,033,676.52	39,315,517.86
Administrative expense	119,519,553.39	114,058,767.46
R & D expenses	72,054,029.60	56,091,776.09
Financial expenses	-9,994,611.19	4,334,132.88
Including: Interest cost	3,096,191.82	2,542,658.52
Interest income	2,655,725.65	3,172,798.81
Asset impairment loss	55,181,386.88	60,371,421.91
Add: Other gains	2,529,767.83	652,862.58
Investment gain (“-”for loss)	70,813,800.50	17,742,166.35
Incl: Investment gains from affiliates	0.00	0.00
Fair value change income	0.00	0.00
Gains from currency exchange (“-”for loss)	0.00	0.00
Assets disposal income	-3,512.61	2,555,740.94
III. Operational profit (“-”for loss)	198,404,777.99	34,370,110.32
Add : Non-operational income	7,064,195.75	2,009,924.28
Less: Non-operational expenses	673,357.15	-1,537,490.37
IV .Gross profit(“-”for loss)	204,795,616.59	37,917,524.97
Less: Income tax expenses	22,054,153.14	-668,029.80
V. Net profit	182,741,463.45	38,585,554.77
(1) Categorized by going concern	182,741,463.45	38,585,554.77
(2) Termination of operating net profit	0.00	0.00
Net profit attributable to the owners of parent company	163,313,243.33	19,997,776.79
Minority shareholders' equity	19,428,220.12	18,587,777.98
VI. After tax net amount of comprehensive income	-23,360,682.96	-152,355,402.50
Net of profit of other comprehensive income attributable to owners of the parent company	-23,405,956.89	-152,071,929.42
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	0.00	0.00
1.Re-measurement of defined benefit plans of changes in net debt or net assets	0.00	0.00
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.	0.00	0.00
(II)	-23,405,956.89	-152,071,929.42
Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	0.00	0.00

2.Gains and losses from changes in fair value available for sale financial assets	-23,439,529.39	-151,861,722.43
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets	0.00	0.00
4.The effective portion of cash flow hedges and losses	0.00	0.00
5.Translation differences in currency financial statements	33,572.50	-210,206.99
6.Other	0.00	0.00
Net after-tax of other comprehensive income attributable to Minority shareholders' equity	45,273.93	-283,473.08
VII. Total comprehensive income	159,380,780.49	-113,769,847.73
Total comprehensive income attributable to the owner of the parent company	139,907,286.44	-132,074,152.63
Total comprehensive income attributable minority shareholders	19,473,494.05	18,304,304.90
VIII. Earnings per share		
(I) Basic earnings per share	0.217	0.027
(II)Diluted earnings per share	0.217	0.027

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

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

In RMB yuan

Items	Amount in this period	Amount in last period
I. Turnover	698,411,449.47	621,115,493.86
Less: Operation cost	422,591,187.82	469,564,314.90
Taxes and surcharge	853,658.87	-1,059,866.18
Sales expenses	28,830,027.49	24,919,849.58
Administrative expenses	78,734,803.39	67,825,021.24
R & D cost	49,502,603.39	35,954,115.57
Financial expenses	-9,515,143.09	2,694,873.23
Including: Interest cost	941,722.22	856,111.11
Interest income	1,672,779.68	2,359,676.57
Impairment loss on assets	49,956,816.30	56,967,035.94
Add: Other gains	1,603,129.49	0.00
Investment gains("-"for loss)	101,614,644.02	17,628,312.14
Including: investment income from associates and joint ventures	0.00	0.00
Fair value change income	0.00	0.00

Assets disposal income	0.00	2,555,740.94
II. Operational profit (“-”for loss)	180,675,268.81	-15,565,797.34
Add : Non-operational income	6,804,403.21	1,892,394.36
Less: Non -operational expenses	0.00	-1,618,696.05
III.Gross profit(“-”for loss)	187,479,672.02	-12,054,706.93
Less: Income tax expenses	14,396,702.89	-3,501,175.09
IV. Net profit	173,082,969.13	-8,553,531.84
(1) Categorized by going concern	173,082,969.13	-8,553,531.84
(2) Termination of operating net profit	0.00	0.00
V.After tax net amount of comprehensive income	-23,439,529.39	-151,861,722.43
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	0.00	0.00
1.Re-measurement of defined benefit plans of changes in net debt or net assets	0.00	0.00
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.	0.00	0.00
(II) Other comprehensive income that will be reclassified into profit or loss.	-23,439,529.39	-151,861,722.43
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	0.00	0.00
2.Gains and losses from changes in fair value available for sale financial assets	-23,439,529.39	-151,861,722.43
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets	0.00	0.00
4.The effective portion of cash flow hedges and losses	0.00	0.00
5.Translation differences in currency financial statements	0.00	0.00
6.Other	0.00	0.00
VI. Total comprehensive income	149,643,439.74	-160,415,254.27
VII. Earnings per share:		
(I) Basic earnings per share	0.23	-0.011
(II)Diluted earnings per share	0.23	-0.011

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

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

In RMB yuan

Items	Amount in this period	Amount in last period
I. Total revenue	3,392,818,668.43	2,589,226,220.63
Including: Business income	3,392,818,668.43	2,589,226,220.63
Interest income	0.00	0.00
Insurance fee earned	0.00	0.00
Commission charge and commission income	0.00	0.00
II. Total Business cost	3,134,486,798.63	2,602,813,222.01
Including: Business cost	2,310,780,137.30	1,828,109,215.33
Interest expense	0.00	0.00
Commission chare and commission expense	0.00	0.00
Insurance discharge payment	0.00	0.00
Net claim amount paid	0.00	0.00
Insurance policy dividend paid	0.00	0.00
Insurance policy dividend paid	0.00	0.00
Reinsurance expenses	0.00	0.00
Business tax and surcharge	33,984,172.83	20,922,948.45
Sales expenses	121,041,978.74	121,189,533.71
Administrative expense	356,975,613.55	327,970,088.85
R & D cost	223,403,590.63	196,592,232.51
Financial expenses	-9,991,434.12	12,279,377.17
Including: Interest cost	9,518,675.26	7,785,823.29
Interest income	8,999,590.97	6,463,128.04
Asset impairment loss	98,292,739.70	95,749,825.99
Add: Other gains	22,867,462.28	3,158,099.85
Investment gain (“-”for loss)	107,958,407.94	106,730,672.88
Including: investment income from associates and joint ventures	0.00	0.00
Fair value change income	0.00	0.00
Gains from currency exchange (“-”for loss)	0.00	0.00
Assets disposal income	-3,512.61	2,741,359.47
III. Operational profit (“-”for loss)	389,154,227.41	99,043,130.82
Add : Non-operational income	11,253,922.23	3,862,626.79
Less: Non-operational expenses	3,264,511.69	-1,268,990.81
IV. Gross profit(“-”for loss)	397,143,637.95	104,174,748.42
Less: Income tax expenses	54,032,024.96	5,860,337.77
V. Net profit	343,111,612.99	98,314,410.65
(1) Categorized by going concern	343,111,612.99	98,314,410.65
(2) Termination of operating net profit	0.00	0.00
Net profit attributable to the owners of parent company	291,823,837.34	63,993,581.17

Minority shareholders' equity	51,287,775.65	34,320,829.48
VI.After tax net amount of comprehensive income	-96,070,528.59	-170,633,756.07
Net of profit of other comprehensive income attributable to owners of the parent company	-96,069,678.89	-170,687,028.76
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	0.00	0.00
1.Re-measurement of defined benefit plans of changes in net debt or net assets	0.00	0.00
2.Other comprehensive income under the equity method investee cannot be reclassified into profit or loss.	0.00	0.00
(II) Other comprehensive income that will be reclassified into profit or loss.	-96,069,678.89	-170,687,028.76
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.	0.00	0.00
2.Gains and losses from changes in fair value available for sale financial assets	-96,069,048.81	-170,726,532.67
3.Held-to-maturity investments reclassified to gains and losses of a available for sale financial assets	0.00	0.00
4.The effective portion of cash flow hedges and losses	0.00	0.00
5.Translation differences in currency financial statements	-630.08	39,503.91
6.Other	0.00	0.00
Net after-tax of other comprehensive income attributable to Minority shareholders' equity	-849.70	53,272.69
VII. Total comprehensive income	247,041,084.40	-72,319,345.42
Total comprehensive income attributable to the owner of the parent company	195,754,158.45	-106,693,447.59
Total comprehensive income attributable minority shareholders	51,286,925.95	34,374,102.17
VIII. Earnings per share		
(I) Basic earnings per share	0.387	0.085
(II) Diluted earnings per share	0.387	0.085

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

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

In RMB yuan

Items	Amount in this period	Amount in last period
I. Turnover	2,189,150,333.95	1,737,260,574.47
Less: Business cost	1,515,016,894.16	1,318,546,461.50
Taxes and surcharge	20,834,534.64	7,296,536.20
Sales expenses	70,905,475.62	74,276,730.74
Administrative expense	233,577,791.35	204,899,573.50
R & D cost	161,617,772.84	149,028,291.26
Financial expenses	-10,794,244.88	8,841,881.84
Including: Interest cost	3,846,459.27	2,549,722.22
Interest income	5,902,263.69	4,040,603.14
Asset impairment loss	82,930,149.30	84,610,943.77
Add: Other gains	19,859,416.82	0.00
Investment gain (“-”for loss)	199,260,434.93	158,941,964.67
Including: investment income from associates and joint ventures	0.00	0.00
Fair value change income	0.00	0.00
Assets disposal income	0.00	2,555,740.94
II. Operational profit (“-”for loss)	334,181,812.67	51,257,861.27
Add : Non-operational income	10,929,928.48	3,305,008.31
Less: Non-operational expenses	991,089.95	-1,604,826.65
III. Gross profit (“-”for loss)	344,120,651.20	56,167,696.23
Less: Income tax expenses	28,421,452.77	-8,278,292.12
IV. Net profit	315,699,198.43	64,445,988.35
(1) Categorized by going concern	315,699,198.43	64,445,988.35
(2) Termination of operating net profit	0.00	0.00
V. After tax net amount of comprehensive income	-96,069,048.81	-170,726,532.67
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	0.00	0.00
1. Re-measurement of defined benefit plans of changes in net debt or net assets	0.00	0.00
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.	0.00	0.00
(II) Other comprehensive income that will be reclassified into profit or loss.	-96,069,048.81	-170,726,532.67
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.	0.00	0.00
2. Gains and losses from changes in fair value available for sale financial assets	-96,069,048.81	-170,726,532.67
3. Held-to-maturity investments reclassified to gains and loss	0.00	0.00

ses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses	0.00	0.00
5.Translation differences in currency financial statements	0.00	0.00
6.Other	0.00	0.00
VI. Total comprehensive income	219,630,149.62	-106,280,544.32
VII. Earnings per share:		
(I) Basic earnings per share	0.419	0.085
(II)Diluted earnings per share	0.419	0.085

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

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

In RMB yuan

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	2,922,174,240.29	2,568,093,696.92
Net increase of customer deposits and capital kept for brother company	0.00	0.00
Net increase of loans from central bank	0.00	0.00
Net increase of inter-bank loans from other financial bodies	0.00	0.00
Cash received against original insurance contract	0.00	0.00
Net cash received from reinsurance business	0.00	0.00
Net increase of client deposit and investment	0.00	0.00
Net increase of the financial assets that are measured at fair value and whose movement is counted to the current gain and loss	0.00	0.00
Cash received as interest, processing fee and commission	0.00	0.00
Net increase of inter-bank fund received	0.00	0.00
Net increase of repurchasing business	0.00	0.00
Tax returned	4,436,443.28	14,404,590.75
Other cash received from business operation	23,972,719.40	17,353,241.43
Sub-total of cash inflow	2,950,583,402.97	2,599,851,529.10
Cash paid for purchasing of merchandise and services	1,410,074,595.43	1,552,659,985.01
Net increase of client trade and advance	0.00	0.00
Net increase of savings n central bank and brother company	0.00	0.00

Cash paid for original contract claim	0.00	0.00
Cash paid for interest, processing fee and commission	0.00	0.00
Cash paid for policy dividend	0.00	0.00
Cash paid to staffs or paid for staffs	546,423,474.68	516,677,860.36
Taxes paid	268,804,298.07	204,017,110.68
Other cash paid for business activities	125,219,503.77	126,571,791.67
Sub-total of cash outflow from business activities	2,350,521,871.95	2,399,926,747.72
Cash flow generated by business operation, net	600,061,531.02	199,924,781.38
II.Cash flow generated by investing		
Cash received from investment retrieving	101,314,432.00	87,259,813.79
Cash received as investment gains	98,301,115.34	99,830,672.88
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	4,138.00	16,449,715.72
Net cash received from disposal of subsidiaries or other operational units	0.00	0.00
Other investment-related cash received	3,373,416,055.08	2,862,767,338.00
Sub-total of cash inflow due to investment activities	3,573,035,740.42	3,066,307,540.39
Cash paid for construction of fixed assets, intangible assets and other long-term assets	323,721,857.46	-19,054,636.97
Cash paid as investment	67,000,000.00	100,243,111.17
Net increase of loan against pledge	0.00	0.00
Net cash received from subsidiaries and other operational units	0.00	0.00
Other cash paid for investment activities	3,600,010,498.28	3,045,950,000.00
Sub-total of cash outflow due to investment activities	3,990,732,355.74	3,127,138,474.20
Net cash flow generated by investment	-417,696,615.32	-60,830,933.81
III.Cash flow generated by financing		
Cash received as investment	0.00	0.00
Incl: Cash received as investment from minor shareholders	0.00	0.00
Cash received as loans	144,800,000.00	114,500,000.00
Cash received from bond placing	0.00	0.00
Other financing –related cash received	0.00	0.00
Sub-total of cash inflow from financing activities	144,800,000.00	114,500,000.00
Cash to repay debts	102,800,000.00	90,300,000.00
Cash paid as dividend, profit, or interests	108,417,360.93	46,822,775.75

Incl: Dividend and profit paid by subsidiaries to minor shareholders	0.00	0.00
Other cash paid for financing activities	0.00	20,928,500.18
Sub-total of cash outflow due to financing activities	211,217,360.93	158,051,275.93
Net cash flow generated by financing	-66,417,360.93	-43,551,275.93
IV. Influence of exchange rate alternation on cash and cash equivalents	4,374,942.68	-5,816,792.67
V.Net increase of cash and cash equivalents	120,322,497.45	89,725,778.97
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	1,342,999,993.39	984,763,338.31

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

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

In RMB yuan

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,652,796,257.32	1,571,897,429.24
Tax returned	1,710,862.98	1,250,418.38
Other cash received from business operation	8,454,029.21	7,165,542.91
Sub-total of cash inflow	1,662,961,149.51	1,580,313,390.53
Cash paid for purchasing of merchandise and services	851,307,428.18	1,003,979,797.77
Cash paid to staffs or paid for staffs	363,539,423.10	355,704,642.77
Taxes paid	162,465,388.01	104,637,532.52
Other cash paid for business activities	39,414,332.67	44,601,771.76
Sub-total of cash outflow from business activities	1,416,726,571.96	1,508,923,744.82
Cash flow generated by business operation, net	246,234,577.55	71,389,645.71
II.Cash flow generated by investing		
Cash received from investment retrieving	100,000,000.00	78,558,351.80
Cash received as investment gains	189,603,142.33	152,041,964.67
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	0.00	16,038,461.54
Net cash received from disposal of subsidiaries or other operational units	0.00	0.00
Other investment-related cash received	2,429,775,072.51	1,815,992,395.89

Sub-total of cash inflow due to investment activities	2,719,378,214.84	2,062,631,173.90
Cash paid for construction of fixed assets, intangible assets and other long-term assets	120,259,505.35	42,300,701.68
Cash paid as investment	66,000,000.00	100,000,000.00
Net cash received from subsidiaries and other operational units	0.00	0.00
Other cash paid for investment activities	2,480,000,000.00	1,855,000,000.00
Sub-total of cash outflow due to investment activities	2,666,259,505.35	1,997,300,701.68
Net cash flow generated by investment	53,118,709.49	65,330,472.22
III.Cash flow generated by financing		
Cash received as investment	0.00	0.00
Cash received as loans	0.00	0.00
Cash received from bond placing	0.00	0.00
Other financing –related cash received	0.00	0.00
Sub-total of cash inflow from financing activities	0.00	0.00
Cash to repay debts	0.00	0.00
Cash paid as dividend, profit, or interests	41,558,617.59	2,549,722.22
Other cash paid for financing activities	0.00	0.00
Sub-total of cash outflow due to financing activities	41,558,617.59	2,549,722.22
Net cash flow generated by financing	-41,558,617.59	-2,549,722.22
IV. Influence of exchange rate alternation on cash and cash equivalents	4,362,150.46	-6,284,198.45
V.Net increase of cash and cash equivalents	262,156,819.91	127,886,197.26
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	916,564,000.24	421,340,324.19

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

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 23, 2018