

Stock Code: 200771

Stock ID: Hangqilun B

Announcement No.:2021-93

## Hangzhou Steam Turbine Co., Ltd.

### The Third Quarterly Report 2021

*The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. Not any false record, misleading statement or significant omission carried in this announcement.*

#### Important content reminder:

- 1.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.
2. Principal of the Company, Person in Charge of Accounting Works and Person in Charge of Accounting Organ (Accounting Officer) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.
3. Whether the Third Quarterly Report has been audited or not  
Yes No

#### I. Main financial data

##### (I) Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	This period	Increase/decrease in the period compared with the same period of the previous year	Year-begin to period-end	Increase/decrease from year-begin to period-end compared with the same period of the previous year
Operating income (Yuan)	1,114,367,481.21	-12.35%	4,080,387,932.28	23.91%
Net profit attributable to the shareholders of the listed company (Yuan)	151,725,602.91	14.71%	577,367,019.86	58.98%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	143,471,580.39	28.30%	401,984,713.67	44.95%
Cash flow generated by business operation, net (Yuan)	—	—	-134,439,561.16	-164.08%
Basic earning per share(Yuan/Share)	0.20	11.11%	0.77	60.42%
Diluted gains per share(Yuan/Share)	0.20	11.11%	0.77	60.42%
Weighted average return on equity (%)	1.80%	-0.12%	6.95%	1.73%
	End of this period	End of last period	Increase/decrease at the period-end compared with the end of the previous year	
Gross assets (Yuan)	15,537,499,466.07	15,392,653,924.41	0.94%	
Net assets attributable to the shareholders of the listed company (Yuan)	8,505,015,096.94	8,104,788,941.36	4.94%	

**(II) Items and amount of non-current gains and losses**

√ Applicable □ Not applicable

In RMB

Items	This period	Amount from year-begin to period -end	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-1,634,669.09	-74,706,946.57	
Tax refund, deduction and exemption that is examined and approved by authority exceeding or has no official approval document.	0.00	0.00	
Governmental Subsidy accounted as current gain/loss, except for those subsidies at with amount or quantity fixed by the national government and closely related to the Company's business operation.	2,810,019.00	90,351,803.25	
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	0.00	0.00	
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments	0.00	0.00	
Gain/loss on non-monetary asset swap	0.00	0.00	
Gain/loss on entrusting others with investments or asset management	0.00	0.00	
Asset impairment provisions due acts of God such as natural disasters	0.00	0.00	
Gains/losses of debt restructure	0.00	0.00	
Reorganization expenses, such as expenditure for allocation of employees and integration fee	0.00	0.00	
Gains/losses exceeding the fair value arising from transactions with obviously unfair prices	0.00	0.00	
Net gain and loss of the subsidiary under the common control and produced from enterprise consolidation from the beginning of the period to the consolidation date	0.00	0.00	
Gain and loss arising from contingent matters irrelevant with the Company's normal operation business	0.00	0.00	
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the Company's normal business	3,412,571.67	74,834,129.59	
Reverse of the provision for impairment of accounts receivable undergoing impairment test individually	0.00	0.00	
Gain/loss from external entrusted loan	0.00	0.00	
Gain and loss arising from change in the fair value of the investment based real estate measure afterwards by means of fair value model	0.00	0.00	
Influence upon the current gains and losses from the once-and-for-all adjustment over the current gains and losses according to the taxation and accounting laws and regulations	0.00	0.00	
Income from custodian charge obtained from entrusted operation	0.00	0.00	
Other non-operating income and expenditure except for the aforementioned items	6,791,776.32	118,609,377.53	
Other profit and loss items that meet the definition of non-operating profit and loss	0.00	0.00	
Less: Influenced amount of income tax	1,775,179.94	31,933,050.54	
Amount of influence of minority interests (After tax)	1,350,495.44	1,773,007.07	
Total	8,254,022.52	175,382,306.19	--

Other gain/loss items that qualified the definition of non-recurring profit (gains)/losses:

Applicable  Not applicable

The Company does not have other gain/loss items that qualified the definition of non-recurring profit (gains)/losses

Explanation on those non-recurring gain/loss listed in the “Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss” defined as recurring gain/loss

Applicable  Not applicable

The Company does not have the non-recurring gain/loss listed in the “Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss” defined as recurring gain/loss

### (III) Particulars about changes in items of main accounting data and financial index and explanations of reasons

Applicable  Not applicable

Items	September 30,2021	December 31,2020	Scale of change	Remarks on the change
Monetary fund	1,462,293,595.04	1,829,481,187.49	-20.07%	Mainly due to the completion of the settlement of taxes and fees for the relocation compensation in the current period; the one-time paid corporate income tax of 178 million yuan; the return of the investment to China Development Fund Co., Ltd of 155 million yuan in the current period; and the payment of cash dividends of 184 million yuan.
Notes receivable	165,213,462.85	118,107,076.67	39.88%	Mainly due to the increase in collection in the current period compared with the previous year, and the corresponding increase in the amount settled by means of bills.
Prepayments	422,943,538.49	577,604,707.85	-26.78%	Mainly due to the arrival of auxiliary equipment purchased externally.
Other account receivable	28,932,952.36	20,786,864.53	39.19%	Mainly due to the increase in bid deposits
Long term share equity investment	11,456,132.77	23,355,441.61	-50.95%	Mainly due to the Zhongrun Company invested by Turbine Company is included in the scope of consolidation in the current period, and the offsets in long-term equity investment in consolidated statement;
Tax payable	63,426,850.94	281,909,641.60	-77.50%	Mainly due to the completion of the tax settlement of the relocation compensation in the current period, and the one-time payment of corporate income tax of 178 million yuan.
Other account payable	135,796,863.55	75,212,591.46	80.55%	Mainly due to the implementation of equity incentives in the current period, and the newly-increased restricted stock repurchase obligation of 102 million yuan;
Long-term payable[Note]	148,140,258.60	405,872,616.77	-63.50%	Mainly due to the return of the investment fund of 155 million yuan to China Development Fund Co., Ltd in the current period; the recognition of the relocation compensation income for the transfer of assets in the current period.
Items	This period	Same period of last year	Scale of change	Remarks on the change
Business income	4,080,387,932.28	3,293,030,746.28	23.91%	Mainly due to the sales in the same period last year were affected by the "new coronavirus " epidemic , and the business situation in the current period has basically recovered and the sales revenue has increased significantly YOY
Business costs	2,847,773,666.69	2,276,803,708.54	25.08%	Mainly due to the increase in sales revenue, thus led to the increase in costs.

Sale expenses	120,338,054.95	96,349,471.90	24.90%	It is mainly because the current travel expenses and hospitality expenses for business recovery increased year on year due to the impact of the "COVID-19" pandemic in the same period last year.
Administrative expenses	466,012,443.27	374,224,300.64	24.53%	It is mainly the employee salary growth due to performance growth; In the same period of last year, it was entitled to social security relief due to the "pandemic".
R & D Costs	245,059,239.44	149,057,849.53	64.41%	Mainly due to the increase in R&D investment in the current period.
Financial expenses	-12,881,126.27	-1,198,769.64	-974.53%	Mainly due to the net exchange gains in the current period and there was net exchange losses in the same period last year.
Loss of asset impairment	2,718,306.03	15,851,798.37	-82.85%	Mainly due to the write-back of contract asset impairment losses.
Credit impairment loss	26,238,443.31	-89,777,885.50	129.23%	Mainly due to the impact of the "new coronavirus" epidemic in the same period last year, the collection cycle of accounts receivable increased, however the collection situation in the current period is significantly better than that of the previous period, and the bad debts accrued are reversed.
Income from fair value change	-719,371.14	-563,570.54	-27.65%	Mainly due to change in the fair value of stocks held in the current period.
Investment income	164,218,127.24	130,972,800.84	25.38%	Mainly due to the recognition of the investment income of the convertible bonds of Bank of Hangzhou in the current period.
Other income	114,508,551.87	68,706,906.98	66.66%	Mainly due to the recognition of relocation compensation income for the transfer of assets in the current period.
Non-operating income	127,251,475.25	14,770,331.02	761.53%	Mainly due to the cancellation of the gas turbine contract for the Huoqiu project with Sinosteel Equipment Co., Ltd and the confirmed losses compensation of 109 million yuan.
Non-operating expenses	83,696,721.67	12,482,460.91	570.51%	Mainly due to the recognition of relocation losses for the transfer of assets in the current period.
Total of profit	743,637,832.55	505,926,151.00	46.99%	Mainly due to the sales were affected by the "new coronavirus" epidemic in the same period last year, however the business situation in the current period has basically recovered, and the gross profit of sales increased by 216 million yuan YOY; and the gained losses compensation of 109 million yuan for the gas turbine contract of Huoqiu project dissolved with Sinosteel Equipment Co., Ltd under court mediation.
Income tax expenses	96,929,021.29	63,090,730.25	53.63%	Mainly due to the increase in total profit and the corresponding increase in income tax.
Cash flow generated by business operation, net	-134,439,561.16	209,790,650.02	-164.08%	Mainly due to the YOY increase in income and profits in the current period and the completion of the tax settlement of the relocation compensation in the current period, which led to the increase in the "taxes paid" in the current period; in addition, the increase in performance and the increase in employee remuneration resulted in the YOY increase in "cash paid for employees".
Net cash flow generated by investment	87,938,282.17	-322,911,320.64	127.23%	Mainly due to the net purchase of wealth management products during the current period decreased by 311 million YOY; the YOY decrease in expenditures for steam turbine heavy industry construction projects resulted in a YOY decrease in "cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets".

[Note]Including special payable

**II. Shareholders Information****(I) Total number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders**

In shares

Total number of common shareholders at the period-end	10,764	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		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.95%	7,174,515	0		
China Merchants Securities(HK)Co., Ltd.	State-owned legal person	0.73%	5,467,368	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.66%	5,012,509	0		
Zhou Jie	Domestic Natural person	0.61%	4,621,400	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.56%	4,217,482	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.52%	3,898,263	0		
NORGES BANK	Foreign legal person	0.33%	2,514,529	0		
Xia Zulin	Domestic Natural person	0.31%	2,320,000	0		
Gu Yang	Domestic Natural person	0.21%	1,568,324	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	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED			7,174,515	Foreign shares placed in domestic exchange	7,174,515	
China Merchants Securities(HK)Co., Ltd.			5,467,368	Foreign shares placed in domestic exchange	5,467,368	
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND			5,012,509	Foreign shares placed in domestic exchange	5,012,509	
Zhou Jie			4,621,400	Foreign shares placed in domestic exchange	4,621,400	
VANGUARD EMERGING MARKETS STOCK INDEX FUND			4,217,482	Foreign shares placed in domestic exchange	4,217,482	
ISHARES CORE MSCI EMERGING MARKETS ETF			3,898,263	Foreign shares placed in domestic exchange	3,898,263	

NORGES BANK	2,514,529	Foreign shares placed in domestic exchange	2,514,529
Xia Zulin	2,320,000	Foreign shares placed in domestic exchange	2,320,000
Gu Yang	1,568,324	Foreign shares placed in domestic exchange	1,568,324
Wang Yihu	1,539,966	Foreign shares placed in domestic exchange	1,539,966
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)	None		

## (II) Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable  Not applicable

## III. Other significant events

Applicable  Not applicable

### 1. Restricted stock incentive plan of 2021

1) On July 11, 2021, the 14th meeting of the eighth board of directors of the Company was held, in which the "Proposal on the Company's 2021 Restricted Stock Incentive Plan (Draft)" and its Summary, the "Proposal on the Implementation Evaluation and Management Measures of the Stock Incentive Plan" and the "Proposal on the Request to the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Matters Related to the 2021 Restricted Stock Incentive Plan" were deliberated and approved, and the afore-mentioned proposals were reviewed and approved by the ninth meeting of the eighth Board of Supervisors of the Company.

2) On August 12, 2021, the Company disclosed the "Announcement on the Approval by the Hangzhou SASAC for the Stock Incentive Plan". The Company received the "Approval on Hangzhou Steam Turbine Co., Ltd's 2021 Restricted Stock Incentive Plan" by the State-owned Assets Supervision and Administration Commission of the Hangzhou Municipal People's Government (No. 45 -[2021] Hang Guo Zi Kao), and the Hangzhou SASAC agreed in principle to the Company's implementation of its 2021 restricted stock incentive plan.

3) On August 27, 2021, the Company held the second Provisional general meeting of shareholders in 2021, in which the "Proposal on the Company's 2021 Restricted Stock Incentive Plan (Draft)" and its Summary, the "Proposal on the Implementation Evaluation and Management Measures of the Stock Incentive Plan" and the "Proposal on the Request to the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Matters Related to the 2021 Restricted Stock Incentive Plan" were deliberated and approved,

4) On August 30, 2021, the "Proposal on Granting Restricted Stocks to Incentive Objects for the First Time" was

reviewed and approved in the 16th meeting of the 8th Board of Directors and the 11th meeting of the 8th Board of Supervisors held by the Company. The board of directors of the Company considered that the conditions for granting restricted stocks as stipulated in the incentive plan have been met, and agreed to grant 18.17 million restricted stocks to 457 incentive objects that meet the granting conditions on September 1, 2021 with the grant price of HKD 6.825 per share.

#### IV. Quarterly financial statements

##### (I) Financial statement

##### 1. Consolidated balance sheet

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

In RMB

Items	September 30,2021	December 31,2020
Current asset:		
Monetary fund	1,462,293,595.04	1,829,481,187.49
Settlement provision		
Outgoing call loan		
Transactional financial assets	975,835,414.52	1,021,681,809.34
Derivative financial assets		
Notes receivable	165,213,462.85	118,107,076.67
Account receivable	1,853,099,928.02	1,618,798,305.46
Financing receivable	794,883,045.54	774,663,468.76
Prepayments	422,943,538.49	577,604,707.85
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	28,932,952.36	64,392,157.13
Including: Interest receivable		
Dividend receivable		43,605,292.60
Repurchasing of financial assets		
Inventories	2,512,417,807.79	2,171,753,113.46
Contract assets	566,865,058.01	486,569,325.17
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	47,627,914.45	48,964,817.02
Total of current assets	8,830,112,717.07	8,712,015,968.35
Non-current assets:		
Loans and payment on other's behalf disbursed		
Creditor's Investment		
Other Creditor's Investment		
Long-term receivable		
Long term share equity investment	11,456,132.77	23,355,441.61
Other equity instruments investment	4,059,096,825.58	4,056,378,073.52

Other non-current financial assets	16,503,105.13	18,376,081.45
Property investment		
Fixed assets	1,223,263,083.54	1,094,505,770.45
Construction in progress	757,865,094.91	804,921,709.95
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	238,211,995.71	273,812,314.29
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	400,990,511.36	409,288,564.79
Other non-current asset		
Total of non-current assets	6,707,386,749.00	6,680,637,956.06
Total of assets	15,537,499,466.07	15,392,653,924.41
Current liabilities		
Short-term loans	213,800,000.00	216,722,803.41
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	194,854,601.95	230,724,303.75
Account payable	1,347,468,510.00	1,207,797,820.78
Advance receipts		
Contract liabilities	2,925,111,064.24	2,871,186,991.05
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	118,501,748.19	116,400,157.12
Tax payable	63,426,850.94	281,909,641.60
Other account payable	135,796,863.55	75,212,591.46
Including: Interest payable	136,986.30	
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	500,000.00	1,001,088.89
Other current liability	378,444,327.29	374,106,541.36
Total of current liability	5,377,903,966.16	5,375,061,939.42
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	21,600,000.00	21,623,520.00
Bond payable		
Including: preferred stock		
Sustainable debt		



Lease liability		
Long-term payable	148,140,258.60	405,872,616.77
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	482,517,778.09	489,416,290.74
Deferred income tax liability	550,221,417.84	550,540,278.99
Other non-current liabilities		
Total non-current liabilities	1,202,479,454.53	1,467,452,706.50
Total of liability	6,580,383,420.69	6,842,514,645.92
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	158,232,700.43	153,617,619.65
Less: Shares in stock	144,078,948.09	144,078,948.09
Other comprehensive income	3,117,537,050.89	3,114,962,386.84
Special reserve	16,983,676.15	17,699,635.27
Surplus reserves	621,112,807.78	621,112,807.78
Common risk provision		
Retained profit	3,981,217,409.78	3,587,465,039.91
Total of owner's equity belong to the parent company	8,505,015,096.94	8,104,788,941.36
Minority shareholders' equity	452,100,948.44	445,350,337.13
Total of owners' equity	8,957,116,045.38	8,550,139,278.49
Total of liabilities and owners' equity	15,537,499,466.07	15,392,653,924.41

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

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

Items	In RMB	
	Amount in this period	Amount in last period
I. Turnover	4,080,387,932.28	3,293,030,746.28
Including: Operating income	4,080,387,932.28	3,293,030,746.28
Interest income		
Insurance fee earned		
Commission charge and commission income		
II. Total operating costs	3,687,355,026.18	2,914,829,558.53
Including : Operating costs	2,847,773,666.69	2,276,803,708.54
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Appropriation of deposit for duty, net		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	21,052,748.10	19,592,997.56

Sales expense	120,338,054.95	96,349,471.90
Administrative expense	466,012,443.27	374,224,300.64
R & D expense	245,059,239.44	149,057,849.53
Financial expenses	-12,881,126.27	-1,198,769.64
Including: Interest expense		5,329,306.31
Interest income		17,901,857.94
Add: Other income	114,508,551.87	68,706,906.98
Investment gain (“-”for loss)	164,218,127.24	130,972,800.84
Including: investment gains from affiliates		
Financial assets measured at amortized cost cease to be recognized as income		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value	-719,371.14	-563,570.54
Credit impairment loss	26,238,443.31	-89,777,885.50
Impairment loss of assets	2,718,306.03	15,851,798.37
Assets disposal income	86,115.56	247,042.99
III. Operating profit (“-”for loss)	700,083,078.97	503,638,280.89
Add : Non-operating income	127,251,475.25	14,770,331.02
Less: Non-operating expense	83,696,721.67	12,482,460.91
IV. Total profit (“-”for loss)	743,637,832.55	505,926,151.00
Less: Income tax expenses	96,929,021.29	63,090,730.25
V. Net profit	646,708,811.26	442,835,420.75
(I) Classification by business continuity		
1.Net continuing operating profit	646,708,811.26	442,835,420.75
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	577,367,019.86	363,173,795.29
2.Minority shareholders’ equity	69,341,791.40	79,661,625.46
VI. Net after-tax of other comprehensive income	2,930,308.14	605,384,949.78
Net of profit of other comprehensive income attributable to owners of the parent company.	2,574,664.05	605,431,537.23
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	2,310,939.26	605,466,083.75
1.Re-measurement of defined benefit plans of changes in net debts		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	2,310,939.26	605,466,083.75
4. Changes in the fair value of the company’s credit risks		
5.Other		
(II)Other comprehensive income that will be reclassified into profit or loss	263,724.79	-34,546.52
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial		

assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements	263,724.79	-34,546.52
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity	355,644.09	-46,587.45
VII. Total comprehensive income	649,639,119.40	1,048,220,370.53
Total comprehensive income attributable to the owner of the parent company	579,941,683.91	968,605,332.52
Total comprehensive income attributable minority shareholders	69,697,435.49	79,615,038.01
VIII. Earnings per share		
( I ) Basic earnings per share	0.77	0.48
(II)Diluted earnings per share	0.77	0.48

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

### 3. 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 rendering of services	3,387,546,814.72	2,607,152,774.53
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		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	9,351,243.94	22,819,721.43
Other cash received from business operation	21,099,352.58	77,016,992.26
Sub-total of cash inflow	3,417,997,411.24	2,706,989,488.22
Cash paid for purchasing of merchandise and services	2,227,826,121.76	1,566,748,951.77
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	658,998,777.26	575,081,051.90
Taxes paid	475,337,117.75	206,435,051.56
Other cash paid for business activities	190,274,955.63	148,933,782.97
Sub-total of cash outflow from business activities	3,552,436,972.40	2,497,198,838.20
Net cash generated from /used in operating activities	-134,439,561.16	209,790,650.02

II. Cash flow generated by investing		
Cash received from investment retrieving		111,324,104.00
Cash received as investment gains	214,344,700.50	120,959,785.65
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,857,528.12	56,094.42
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	3,836,372,098.28	2,623,800,855.51
Sub-total of cash inflow due to investment activities	4,052,574,326.90	2,856,140,839.58
Cash paid for construction of fixed assets, intangible assets and other long-term assets	176,064,044.73	301,575,885.22
Cash paid as investment		1,360,000.00
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	3,788,572,000.00	2,876,116,275.00
Sub-total of cash outflow due to investment activities	3,964,636,044.73	3,179,052,160.22
Net cash flow generated by investment	87,938,282.17	-322,911,320.64
III. Cash flow generated by financing		
Cash received as investment	320,000.00	
Including: Cash received as investment from minor shareholders		
Cash received as loans	163,800,000.00	187,700,000.00
Other financing –related cash received	102,514,926.39	
Sub-total of cash inflow from financing activities	266,634,926.39	187,700,000.00
Cash to repay debts	167,000,000.00	120,300,000.00
Cash paid as dividend, profit, or interests	264,576,562.25	249,711,915.24
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	155,000,000.00	122,722,788.00
Sub-total of cash outflow due to financing activities	586,576,562.25	492,734,703.24
Net cash flow generated by financing	-319,941,635.86	-305,034,703.24
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,289,765.75	-8,374,753.69
V. Net increase of cash and cash equivalents	-368,732,680.60	-426,530,127.55
Add: balance of cash and cash equivalents at the beginning of term	1,710,208,279.45	1,645,907,650.92
VI ..Balance of cash and cash equivalents at the end of term	1,341,475,598.85	1,219,377,523.37

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

**(II) Adjustments to the Financial Statements**

**1. Adjustment of the relevant items of the financial statements at the current year beginning according to the new standards for financial instruments, the new standards for revenues and the new standards for lease implemented commencing from year 2021**

Applicable  Not applicable

**2. Note to the retroactive adjustment of the previous comparative data according to the new standards for financial instruments and the new standards for lease implemented commencing from year 2021**

Applicable  Not applicable

**(III) Auditor' report**

Is the Third Quarterly Report be audited?

Yes  No

The Third Quarterly report is not audited.

Hangzhou Steam Turbine Co., Ltd.

Chairman of the Board: Zheng Bin

October 21, 2021