

Stock Code: 200771

Stock ID: Hangqilun B

Announcement No.:2022-43

Hangzhou Steam Turbine Co., Ltd.**The First Quarter Report 2022**

The Company and its directors hereby guarantee that the content of information disclosure is real, accurate, complete and free from any false record, misleading representation or material omissions.

Important notes

1.The Board of Directors and the Supervisory Committee of the Company and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and or joint.

2. Person in charge of the Company, Person in charge of accounting and person in charge of accounting organ (accounting officer) hereby confirm that the financial information of this Quarterly Report is authentic, accurate and complete.

3. The first quarterly report 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

Yes No

Retroactive adjustment or restatement of causes

Merger of enterprises under the same control

	This period	Same period of last year		Changes of this period over same period of last year (%)
		Before adjustment	After adjustment	After adjustment
Operating revenue (Yuan)	1,788,987,236.29	1,181,683,010.42	1,250,479,486.22	43.06%
Net profit attributable to the shareholders of the listed company (Yuan)	184,043,460.08	161,578,759.88	128,410,233.92	43.32%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	138,956,828.84	54,440,724.84	54,440,724.84	155.24%
Net cash generated from /used in operating activities (Yuan)	-124,850,206.32	157,547,348.48	133,76,407.99	-193.82%
Basic earning per share(Yuan/Share)	0.25	0.22	0.17	47.06%
Diluted gains per share(Yuan/Share)	0.25	0.22	0.17	47.06%
Weighted average return on equity (%)	2.25%	1.92%	1.52%	0.73%

	End of this period	End of last period		Changes of this period-end over same period-end of last year(%)
		Before adjustment	After adjustment	After adjustment
Total assets (Yuan)	16,074,299,760.82	16,319,667,628.76	16,319,667,628.76	-1.50%
Net assets attributable to the shareholders of the listed company (Yuan)	8,420,244,930.35	7,927,485,773.65	7,927,485,773.65	6.22%

(II) Items and amount of non-current gains and losses√ Applicable Not applicable

In RMB

Items	Current amount	Note
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-3,768.85	
Tax refund, deduction and exemption that is examined and approved by authority exceeding or has no official approval document.	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.	3,471,802.66	
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	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	
Gain/loss on non-monetary asset swap	0.00	
Gain/loss on entrusting others with investments or asset management	0.00	
Asset impairment provisions due acts of God such as natural disasters	0.00	
Gains/losses of debt restructure	0.00	
Reorganization expenses, such as expenditure for allocation of employees and integration fee	0.00	
Gains/losses exceeding the fair value arising from transactions with obviously unfair prices	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	
Gain and loss arising from contingent matters irrelevant with the Company's normal operation business	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	12,424,103.43	
Reverse of the provision for impairment of accounts receivable undergoing impairment test individually	0.00	
Gain/loss from external entrusted loan	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	

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	
Income from custodian charge obtained from entrusted operation	0.00	
Operating income and expenses other than the aforesaid items	37,777,585.65	Mainly due to contract termination of liquidated damages income
Less: Influenced amount of income tax	7,873,995.92	
Amount of influence of minority interests (After tax)	709,095.73	
Total	45,086,631.24	--

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

Applicable Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Explain the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public ---

Extraordinary Profit/loss

Applicable Not applicable

There are no items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public ---

Extraordinary Profit/loss.

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

Applicable Not applicable

Balance sheet items	March 31,2022	December 31,2021	Year-on-year increase or decrease	Reason
Other current assets	12,282,671.80	66,174,951.42	-81.44%	Mainly due to after the merger of Steam Turbine Heavy Industry Co., Ltd last year, the original value-added tax credit that could not be deducted was deducted in the current period.
Development expenses	6,158,985.15	0.00		Mainly due to the expected capitalized gas turbine development expenses incurred in the current period.
Employees' wage payable	66,458,358.00	133,122,509.92	-50.08%	Mainly due to the year-end bonus accrued at the end of the previous year was paid in the current period.
Tax payable	52,298,356.66	81,622,378.10	-35.93%	Mainly due to the value-added tax and income tax balances payable at the end of the period decreased compared with the beginning of the period.
Special payable	10,381,765.74	7,249,677.56	43.20%	Mainly due to receive more than 4 million yuan of Government subsidies in this period
Income statement items	Current period	Last period	Year-on-year increase or decrease	Reason
Business income	1,788,987,236.29	1,250,479,486.22	43.06%	Mainly due to the increase in units delivered in this period, including the delivery of 2 gas turbines.
Business costs	1,268,556,153.69	867,218,040.52	46.28%	Mainly due to operating costs increased YOY incurred by the increase in operating income.
Business tax and surcharge	3,348,834.01	6,813,565.14	-50.85%	Mainly due to the original heavy industry value-added tax credit was offset in the current period after the heavy industry was absorbed and merged into the shares, resulting in a decrease in the value-added tax paid in the current period, and

				a decrease in accrued taxes and surcharges.
Financial expenses	5,313,707.09	3,066,720.40	73.27%	Mainly due to a net exchange loss in the current period and there was a net exchange gain the same period last year.
Investment gain (“-”for loss)	12,491,713.99	2,590,048.97	382.31%	Mainly due to the increase in the wealth management products with income recognized at maturity in the current period compared with the previous year.
Other income	3,751,924.89	10,058,629.52	-62.70%	Mainly due to the relocation expenses recognized in other income in the current period decreased compared with the same period of last year;
Non-operating income	39,983,542.00	118,072,268.36	-66.14%	Mainly due to the received compensation of RMB 109 million paid by Sinosteel Equipment Co., Ltd in the same period of the previous year.
Non-operating expenses	2,486,602.85	1,342,295.64	85.25%	Mainly due to the increase in quality compensation expenses in the current period.
Income tax expenses	40,840,560.27	33,370,278.11	22.39%	Mainly due to the increase in the total sales profit in the current period and the increase in the provision of income tax.
Cash flow generated by business operation, net	-124,850,206.32	133,076,407.99	-193.82%	Mainly due to the YOY decrease in the amount collected in the current period and the increase in cash paid for the purchase of gas turbines and other stockpiles.
Net cash flow generated by investment	126,672,172.27	-780,529,009.29	116.23%	Mainly due to the decrease in the net purchase of wealth management, and there was RMB 688 million paid in cash to purchase the convertible bonds in the same period last year paid.
Net cash flow generated by Financing	-3,028,838.60	-34,600,606.64	91.25%	Mainly due to the YOY increase in net bank loans.

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		11,106		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	0.91%	6,828,085	0	
China Merchants Securities(HK)Co., Ltd.	State-owned legal person	0.72%	5,453,675	0	
Zhou Jie	Domestic Natural person	0.62%	4,695,100	0	
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.59%	4,434,453	0	
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.53%	4,031,463	0	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.51%	3,857,182	0	
NORGES BANK	Foreign legal person	0.33%	2,514,529	0	
Xia Zulin	Domestic Natural person	0.32%	2,381,200	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	6,828,085	Foreign shares placed in domestic exchange	6,828,085		
China Merchants Securities(HK)Co., Ltd.	5,453,675	Foreign shares placed in domestic exchange	5,453,675		
Zhou Jie	4,695,100	Foreign shares placed in domestic exchange	4,695,100		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,434,453	Foreign shares placed in domestic exchange	4,434,453		
ISHARES CORE MSCI EMERGING MARKETS ETF	4,031,463	Foreign shares placed in domestic exchange	4,031,463		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	3,857,182	Foreign shares placed in domestic exchange	3,857,182		
NORGES BANK	2,514,529	Foreign shares placed in domestic exchange	2,514,529		
Xia Zulin	2,381,200	Foreign shares placed in domestic exchange	2,381,200		
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		

		domestic exchange	
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		

(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

IV. Quarterly financial statements

(I) Financial statement

1. Consolidated balance sheet

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

In RMB

Items	Ending balance	Opening balance
Current asset:		
Monetary fund	1,635,565,185.39	1,622,883,247.79
Settlement provision		
Outgoing call loan		
Transactional financial assets	814,577,649.26	960,645,259.82
Derivative financial assets		
Notes receivable	176,021,171.62	215,046,941.09
Account receivable	2,247,391,167.66	1,997,950,120.70
Financing receivable	697,446,924.10	816,653,211.21
Prepayments	515,860,422.62	443,770,434.91
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	50,531,334.59	44,163,396.56
Including: Interest receivable		
Dividend receivable		
Repurchasing of financial assets		

Inventories	2,500,247,923.86	3,041,643,747.35
Contract assets	657,370,581.13	583,026,649.99
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	12,282,671.80	66,174,951.42
Total of current assets	9,307,295,032.03	9,791,957,960.84
Non-current assets:		
Loans and payment on other's behalf disbursed		
Creditor's Investment		
Other Creditor's Investment		
Long-term receivable	139,941,093.20	153,741,093.20
Long term share equity investment		
Other equity instruments investment	3,830,859,413.28	3,485,440,140.92
Other non-current financial assets	14,654,773.22	14,792,533.96
Property investment	6,696,335.10	6,903,986.07
Fixed assets	1,630,779,659.02	1,658,423,191.83
Construction in progress	442,394,798.76	517,835,956.11
Production physical assets		
Oil & gas assets		
Use right assets	30,921,364.79	30,437,778.92
Intangible assets	276,965,578.77	277,469,707.24
Development expenses	6,158,985.15	
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	387,632,727.50	382,665,279.67
Other non-current asset		
Total of non-current assets	6,767,004,728.79	6,527,709,667.92
Total of assets	16,074,299,760.82	16,319,667,628.76
Current liabilities		
Short-term loans	249,800,000.00	250,065,920.45
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	288,205,243.72	309,404,319.27
Account payable	1,657,896,218.13	1,910,150,188.14
Advance receipts	812,701.37	812,701.37
Contract liabilities	2,695,489,872.73	3,052,515,293.06
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	66,458,358.00	133,122,509.92
Tax payable	52,298,356.66	81,622,378.10
Other account payable	405,555,248.83	434,578,338.13
Including: Interest payable		

Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	17,180,833.32	17,607,722.97
Other current liability	347,718,193.58	395,640,629.47
Total of current liability	5,781,415,026.34	6,585,520,000.88
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	180,804,135.55	180,830,007.55
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability	22,371,192.03	22,575,754.77
Long-term payable	10,711,765.74	7,579,677.56
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	727,017,103.32	729,438,751.74
Deferred income tax liability	515,965,141.88	464,172,915.14
Other non-current liabilities		
Total non-current liabilities	1,456,869,338.52	1,404,597,106.76
Total of liability	7,238,284,364.86	7,990,117,107.64
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	298,382,910.14	282,946,030.50
Less: Shares in stock	144,078,948.09	144,078,948.09
Other comprehensive income	2,922,967,041.87	2,629,477,756.99
Special reserve	18,158,565.62	18,369,033.52
Surplus reserves	625,178,089.82	625,178,089.82
Common risk provision		
Retained profit	3,945,626,870.99	3,761,583,410.91
Total of owner's equity belong to the parent company	8,420,244,930.35	7,927,485,773.65
Minority shareholders' equity	415,770,465.61	402,064,747.47
Total of owners' equity	8,836,015,395.96	8,329,550,521.12
Total of liabilities and owners' equity	16,074,299,760.82	16,319,667,628.76

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

2. Consolidated Income Statement

In RMB

Items	Current period	Last period
I. Income from the key business	1,788,987,236.29	1,250,479,486.22
Incl: Business income	1,788,987,236.29	1,250,479,486.22

Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,544,630,767.37	1,147,179,097.27
Incl: Business cost	1,268,556,153.69	867,218,040.52
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	3,348,834.01	6,813,565.14
Sales expense	46,212,368.82	46,442,184.93
Administrative expense	135,702,564.20	122,601,686.57
R & D costs	85,497,139.56	101,036,899.71
Financial expenses	5,313,707.09	3,066,720.40
Including: Interest expense	7,205,885.86	7,819,939.68
Interest income	3,962,049.43	2,706,822.08
Add: Other income	3,751,924.89	10,058,629.52
Investment gain (“-”for loss)	12,491,713.99	2,590,048.97
Incl: 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	-67,610.56	29,579.62
Credit impairment loss	-75,474,967.16	-70,213,126.20
Impairment loss of assets	16,210,996.87	17,857,537.80
Assets disposal income	-3,244.58	-42,944.94
III. Operational profit (“-”for loss)	201,265,282.37	63,580,113.72
Add : Non-operational income	39,983,542.00	118,072,268.36
Less: Non-operating expense	2,486,602.85	1,342,295.64
IV. Total profit (“-”for loss)	238,762,221.52	180,310,086.44
Less: Income tax expenses	40,840,560.27	33,370,278.11
V. Net profit	197,921,661.25	146,939,808.33
(I) Classification by business continuity		
1.Net continuing operating profit	197,921,661.25	146,939,808.33
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	184,043,460.08	128,410,233.92
2.Minority shareholders’ equity	13,878,201.17	18,529,574.41
VI. Net after-tax of other comprehensive income	293,489,284.88	455,255,032.45
Net of profit of other comprehensive income attributable to owners of the parent company.	293,489,284.88	455,255,032.45
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	293,489,284.88	455,255,032.45

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.		
3. Changes in the fair value of investments in other equity instruments	293,489,284.88	455,255,032.45
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.		
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		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	491,410,946.13	602,194,840.78
Total comprehensive income attributable to the owner of the parent company	477,532,744.96	583,665,266.37
Total comprehensive income attributable minority shareholders	13,878,201.17	18,529,574.41
VIII. Earnings per share		
(I) Basic earnings per share	0.25	0.17
(II)Diluted earnings per share	0.25	0.17

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

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

3. Consolidated Cash flow statement

In RMB

Items	Current period	Last period
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,058,270,245.53	1,283,740,325.19
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	2,576,435.19	2,559,611.29

Other cash received from business operation	13,305,845.06	43,896,620.61
Sub-total of cash inflow	1,074,152,525.78	1,330,196,557.09
Cash paid for purchasing of merchandise and services	726,828,613.28	684,534,707.86
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	267,198,844.00	259,325,520.36
Taxes paid	88,450,273.16	141,965,913.25
Other cash paid for business activities	116,525,001.66	111,294,007.63
Sub-total of cash outflow from business activities	1,199,002,732.10	1,197,120,149.10
Net cash generated from /used in operating activities	-124,850,206.32	133,076,407.99
II. Cash flow generated by investing		
Cash received from investment retrieving		814,851.80
Cash received as investment gains	12,403,494.81	9,081,744.56
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	6,500.00	197,987.44
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	648,000,000.00	1,137,000,539.97
Sub-total of cash inflow due to investment activities	660,409,994.81	1,147,095,123.77
Cash paid for construction of fixed assets, intangible assets and other long-term assets	31,736,192.54	113,052,133.06
Cash paid as investment	1,630.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	502,000,000.00	1,814,572,000.00
Sub-total of cash outflow due to investment activities	533,737,822.54	1,927,624,133.06
Net cash flow generated by investment	126,672,172.27	-780,529,009.29
III. Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		
Cash received as loans	23,800,000.00	13,800,000.00
Other financing –related cash received		
Sub-total of cash inflow from financing activities	23,800,000.00	13,800,000.00
Cash to repay debts	23,800,000.00	43,120,172.54
Cash paid as dividend, profit, or interests	2,427,453.62	5,280,434.10
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	601,384.98	
Sub-total of cash outflow due to financing activities	26,828,838.60	48,400,606.64
Net cash flow generated by financing	-3,028,838.60	-34,600,606.64
IV. Influence of exchange rate alternation on cash and cash equivalents	-581,538.97	673,277.86
V. Net increase of cash and cash equivalents	-1,788,411.62	-681,379,930.08
Add: balance of cash and cash equivalents at the beginning of term	1,467,538,968.07	1,850,354,648.10

VI ..Balance of cash and cash equivalents at the end of term	1,465,750,556.45	1,168,974,718.02
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Legal Representative: Zheng Bin Person in charge of accounting: Zhao Jiamao Accounting Dept Leader: Jin Can

(II) Auditors 'Report

Is the First Quarterly Report be audited?

Yes No

The First Quarterly report is not audited.

The Board of Directors of Hangzhou Steam Turbine Co., Ltd.

April 27, 2022