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Announcement No.2016-51

Hangzhou Steam Turbine Co., Ltd.

The 1st Quarterly Report 2016

April 2016

I. Important Prompt

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

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

Chairman Mr. Zheng Bin, Chief Financial Officer Pu Yangshuo, and the Chief of Accounting Department Ms. Zhao Jiamao hereby declare: the Financial Statement in the report is guaranteed to be truthful and complete.

II. Main financial data and changes of shareholders

I. Main financial data and indices

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

No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (RMB)	687,834,749.02	492,164,586.38	39.76%
Net profit attributable to the shareholders of the listed company (RMB)	6,620,245.62	7,698,917.29	-14.01%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	2,908,791.39	2,401,000.86	21.15%
Cash flow generated by business operation, net (RMB)	18,550,921.62	-49,305,018.54	137.62%
Basic earning per share(RMB/Share)	0.01	0.01	
Diluted gains per share(RMB/Share)(RMB/Share)	0.01	0.01	
Weighted average return on equity (%)	0.16%	0.18%	-0.02%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (RMB)	7,831,657,292.38	7,683,777,005.63	1.92%
Net assets attributable to the shareholders of the listed company (RMB)	4,225,792,870.27	4,219,337,312.80	0.15%

Items and amount of non-current gains and losses

Applicable Not applicable

In RMB

Non-recurring gain and loss items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-2,286.95	
Government subsidy recognized in current gain and	314,200.00	

loss(excluding those closely related to the Company's business and granted under the state's policies)		
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets other than valid period value instruments related to the Company's common businesses.	4,321,846.55	
Other non-operating income and expenditure except for the aforementioned items	29,495.30	
Less: Amount of influence of income tax	810,718.47	
Amount of influence of minority interests (After tax)	141,082.20	
Total	3,711,454.23	--

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	15,963	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	Overseas legal person	4.88%	13,388,185	0		
NORGES BANK	Overseas legal person	1.57%	4,303,675	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	1.04%	2,861,636	0		
GIC PRIVATE LIMITED	Overseas legal person	0.97%	2,665,330	0		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Overseas legal person	0.93%	2,546,768	0		
First Shanghai Securities Co., Ltd.	Overseas legal person	0.83%	2,278,901	0		
BOCHK INVESTMENT FUNDS-BOCHK CHINA GOLDEN DRAGON FUND	Overseas legal person	0.83%	2,273,227	0		
AUSTRALIANSUPER PTY LTD	Overseas legal person	0.77%	2,108,321	0		
Xia Zulin	Domestic Natural person	0.77%	2,100,000	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	13,388,185	Foreign shares placed in domestic exchange	13,388,185			
NORGES BANK	4,303,675	Foreign shares placed in domestic exchange	4,303,675			

VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	2,861,636	Foreign shares placed in domestic exchange	2,861,636
GIC PRIVATE LIMITED	2,665,330	Foreign shares placed in domestic exchange	2,665,330
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	2,546,768	Foreign shares placed in domestic exchange	2,546,768
First Shanghai Securities Co., Ltd.	2,278,901	Foreign shares placed in domestic exchange	2,278,901
BOCHK INVESTMENT FUNDS-BOCHK CHINA GOLDEN DRAGON FUND	2,273,227	Foreign shares placed in domestic exchange	2,273,227
AUSTRALIANSUPER PTY LTD	2,108,321	Foreign shares placed in domestic exchange	2,108,321
Xia Zulin	2,100,000	Foreign shares placed in domestic exchange	2,100,000
CREDIT SUISSE (HONG KONG) LIMITED	2,040,503	Foreign shares placed in domestic exchange	2,040,503
Explanation on associated relationship or concerted action of the above shareholders	(1) There is not any relationship between Hangzhou Steam Turbine Group Power Group Co., Ltd. and other shareholders; (2) It is unknown to the Company if there is any relationship among the top 10 common share holders without restriction; (3) Hangzhou Steam Turbine Group Co., Ltd. is not an “action-in-concert” party with any of other shareholders as described by the “Administration Rules of Informational Disclosure about Change of Shareholding Statues of PLCs”.		
Note to the top 10 common stockholders involved in margin financing & securities lending (If any)	Not applicable		

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company

have no buy –back agreement dealing in reporting period.

2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Not applicable

III. Significant Events

I. Changes in the principal accounting statement items and financial indications and the causes

Balance sheet items	Ending balance in CNY	Opening balance in CNY	Proportion of the change	Causes of change
Monetary funds	617,412,115.04	751,596,796.24	-17.85%	Mainly caused by the purchase of financial product at the current period
Short-term loans	55,250,000.00	85,350,000.00	-35.27%	Mainly caused by the casting subsidiary's repayment of bank debt at the current period
Account receivable	1,023,941,174.17	810,420,381.45	26.35%	Mainly caused by the increase in the payable with tentative estimation of the head office
Profit statement items	Amount in the reporting period	Same period of the previous year , CNY	Proportion of the change	Causes of change
Turnover	687,834,749.02	492,164,586.38	39.76%	Mainly caused by the sales incomes realized according to the contract's progress at the current period
Administrative expense	179,385,377.44	162,410,760.41	10.45%	Mainly caused by the increase in the Company's research and development expenditure year on year
Asset impairment loss	65,049,476.00	-44,831,478.70	245.10%	Mainly caused by the increase in long-aging receivables and in bad-debt provision with large corresponding withdrawal
Total profit	12,921,893.35	22,910,055.62	-43.60%	Mainly caused by large increase in the assets impairment loss withdrawn form the current receivables
Cash flow statement Items	Amount in the reporting period	Same period of the previous year , CNY	Proportion of the change	Causes of change
Cash flow generated by business operation, net	18,550,921.62	-49,305,018.54	137.62%	Mainly caused by that the sales of 2015 substantially decreased the corresponding tax carried over the this year's payment year on year

Net cash flow generated by investment	-118,577,325.06	111,725,212.49	-206.13%	Mainly caused by the increase in the net amount of financial product expense at the current period
Net cash flow generated by Financing	-34,422,806.47	-10,925,944.80	-215.06%	Mainly caused by the decrease in the current bank debt year on year

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

For Hangzhou Steam Turbine Group Co., Ltd., the holding shareholder of the Company, is according with the unified deployment of Hangzhou State-owned Asset Commission, the Company is arranging Turbine Group Mixed Ownership Reform. After the Company's application to Shenzhen Stock Exchange, the Company's shares suspended trading as of May 29, 2015. During the suspension, the Company will fulfill the obligation of disclosing information according to the reform progress and relevant provisions. On March 4, 2016, the Company disclosed the progress of major issues and the announcement of resumption of trading (2016-11) .

Description of Significant Events	Date of Disclosure	Inquiry index of the website for disclosing provisional reports
The company's application submitted to Shenzhen Stock Exchange, the company's share trading shall be resumed on the morning of the day of March 4, 2016.	March 4,2016	http://www.cninfo.com.cn(2016-11)
Hangzhou Stream Turbine Group, the controlling shareholder's the Company, made a pause in the mixed ownership reform.	April 1,2016	http://www.cninfo.com.cn(2016-41)

III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Non-existence

IV. Anticipation of Business Performance from January to June, 2016

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Not applicable

V. Investment in securities

Non-existence

VI. Investment in derivatives

Non-existence

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

Reception time	Way of reception	Types of visitors	Basic index
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March 25, 2016	Onsite investigation	Organization	2016-01
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VIII. Outward Guarantee against the Regulations

Not applicable

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

Non-existence

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

Prepared by: Hangzhou Steam Turbine Co., Ltd.

March 31, 2016

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	617, 412, 115. 04	751, 596, 796. 24
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	594, 834, 359. 13	680, 518, 943. 49
Account receivable	2, 040, 361, 691. 48	2, 096, 090, 157. 61
Prepayments	200, 783, 587. 26	139, 267, 324. 65
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	29, 516, 586. 03	25, 574, 057. 29
Repurchasing of financial assets		
Inventories	2, 107, 366, 923. 14	1, 826, 869, 838. 60
Assets held for sales		

Non-current asset due in 1 year		
Other current asset	523,708,432.72	427,203,835.44
Total of current assets	6,113,983,694.80	5,947,120,953.32
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	509,409,741.77	509,409,741.77
Expired investment in possess		
Long-term receivable		
Long term share equity investment		
Property investment		
Fixed assets	621,839,340.63	642,155,636.34
Construction in progress	123,915,505.02	119,187,107.52
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	302,658,403.15	304,949,207.18
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	1,890,730.11	2,029,471.80
Deferred income tax asset	157,959,876.90	158,924,887.70
Other non-current asset		
Total of non-current assets	1,717,673,597.58	1,736,656,052.31
Total of assets	7,831,657,292.38	7,683,777,005.63
Current liabilities		
Short-term loans	55,250,000.00	85,350,000.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	179,925,130.35	194,226,049.73
Account payable	1,023,941,174.17	810,420,381.45

Advance payment	1, 740, 931, 262. 70	1, 736, 820, 949. 19
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	49, 716, 277. 33	70, 257, 474. 46
Tax payable	20, 071, 907. 42	36, 008, 109. 09
Interest payable		
Dividend payable		
Other account payable	33, 918, 873. 15	29, 705, 125. 51
Reinsurance fee payable	300, 000. 00	300, 000. 00
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	3, 104, 054, 625. 12	2, 963, 088, 089. 43
Non-current liabilities:		
Long-term loan	123, 400, 000. 00	123, 400, 000. 00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable	330, 000. 00	330, 000. 00
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income	10, 297, 155. 13	6, 804, 425. 00
Deferred income tax liability	1, 017, 473. 05	1, 017, 473. 05
Other non-current liabilities	147, 000. 00	
Total non-current liabilities	135, 191, 628. 18	131, 551, 898. 05
Total of liability	3, 239, 246, 253. 30	3, 094, 639, 987. 48
Owners' equity		
Share capital	754, 010, 400. 00	754, 010, 400. 00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	139, 590, 345. 09	139, 590, 345. 09

Less: Shares in stock		
Other comprehensive income	-940,745.67	-852,752.00
Special reserves	31,688,226.03	31,764,920.51
Surplus reserves	621,112,807.78	621,112,807.78
Common risk provision		
Undistributed profit	2,680,331,837.04	2,673,711,591.42
Total of owner's equity belong to the parent company	4,225,792,870.27	4,219,337,312.80
Minority shareholders' equity	366,618,168.81	369,799,705.35
Total of owners' equity	4,592,411,039.08	4,589,137,018.15
Total of liabilities and owners' equity	7,831,657,292.38	7,683,777,005.63

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

2.Parent Company Balance Sheet

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	202,977,385.03	387,916,202.79
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	245,173,422.33	365,504,827.88
Account receivable	1,568,349,222.00	1,637,391,672.98
Prepayments	91,866,300.52	53,440,645.95
Interest receivable		
Dividend receivable		
Other account receivable	39,994,141.93	12,245,371.97
Inventories	1,709,815,843.44	1,454,420,457.64
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	340,498,476.72	170,653,680.58
Total of current assets	4,198,674,791.97	4,081,572,859.79
Non-current assets:		
Disposable financial asset	465,604,378.26	465,604,378.26
Expired investment in possess		

Long-term receivable		
Long term share equity investment	502,919,378.03	502,919,378.03
Property investment		
Fixed assets	318,881,804.93	334,677,256.20
Construction in progress	83,069,302.75	79,982,551.34
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	176,860,773.26	177,872,266.49
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	761,660.66	761,660.66
Deferred income tax asset	120,771,991.85	120,771,991.85
Other non-current asset		
Total of non-current assets	1,668,869,289.74	1,682,589,482.83
Total of assets	5,867,544,081.71	5,764,162,342.62
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		13,500,000.00
Account payable	590,701,193.65	436,004,535.90
Advance payment	1,402,737,749.73	1,428,724,224.76
Employees' wage payable	30,602,543.02	51,373,858.57
Tax payable	2,965,692.91	3,538,126.39
Interest payable		
Dividend payable		
Other account payable	22,951,394.44	20,338,742.44
Classified as held for sale debt		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	2,049,958,573.75	1,953,479,488.06

Non-current liabilities:		
Long-term loan	100,000,000.00	100,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable to employees		
Special payable		
Expected liabilities		
Deferred income	3,514,980.13	22,250.00
Deferred income tax liability	1,017,473.05	1,017,473.05
Other non-current liabilities		
Total of Non-current liabilities	104,532,453.18	101,039,723.05
Total of liability	2,154,491,026.93	2,054,519,211.11
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	138,953,250.09	138,953,250.09
Less: Shares in stock		
Other comprehensive income		
Special reserves	13,098,989.67	13,098,989.67
Surplus reserves	602,356,402.65	602,356,402.65
Undistributed profit	2,204,634,012.37	2,201,224,089.10
Total of owners' equity	3,713,053,054.78	3,709,643,131.51
Total of liabilities and owners' equity	5,867,544,081.71	5,764,162,342.62

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

3.Consolidated Income statement

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	687,834,749.02	492,164,586.38
Incl: Business income	687,834,749.02	492,164,586.38

Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	678,666,814.16	475,487,480.86
Incl: Business cost	393,516,347.50	323,494,418.80
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	3,928,086.05	2,790,342.25
Sales expense	35,428,813.22	33,169,650.97
Administrative expense	179,385,377.44	162,410,760.41
Financial expenses	1,358,713.95	-1,546,212.87
Asset impairment loss	65,049,476.00	-44,831,478.70
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	4,321,846.55	2,705,961.44
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	13,489,781.41	19,383,066.96
Add : Non-operational income	427,545.14	4,764,884.00
Including: Income from disposal of non-current assets		
Less: Non business expenses	995,433.20	1,237,895.34
Incl: Loss from disposal of non-current assets	2,286.95	
IV.Total profit(“-”for loss)	12,921,893.35	22,910,055.62
Less: Income tax expenses	5,488,846.31	8,797,005.43
V. Net profit	7,433,047.04	14,113,050.19
Net profit attributable to the owners of parent company	6,620,245.62	7,698,917.29
Minority shareholders' equity	812,801.42	6,414,132.90
VI. Other comprehensive income	-206,656.87	-78,978.29
Net of profit of other comprehensive income attributable to owners of the parent company.	-87,993.67	-33,628.64
(I) Other comprehensive income items that will not be reclassified into		

gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-87,993.67	-33,628.64
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity	-118,663.20	-45,349.65
VII. Total comprehensive income	7,226,390.17	14,034,071.90
Total comprehensive income attributable to the owner of the parent company	6,532,251.95	7,665,288.65
Total comprehensive income attributable minority shareholders	694,138.22	6,368,783.25
VIII. Earnings per share		
(I) Basic earnings per share	0.01	0.01
(II) Diluted earnings per share	0.01	0.01

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

4. Income statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	444,691,641.41	341,346,099.84
Less: Business cost	249,624,442.47	257,152,480.22
Business tax and surcharge	2,196,050.90	369,162.31
Sales expense	22,321,192.89	22,736,698.67
Administrative expense	122,056,468.72	106,269,020.69
Financial expenses	-22,425.04	1,724,356.87
Asset impairment loss	53,718,028.56	-28,650,041.06
Add: Gains from change of fir value (“-”for loss)		

Investment gain ("-"for loss)	9,066,918.00	56,348,295.89
Incl: investment gains from affiliates		
II. Operational profit ("-"for loss)	3,864,800.91	38,092,718.03
Add : Non-operational income	514.00	2,700,000.00
Including: Income from disposal of non-current assets		
Less: Non business expenses	455,391.64	368,782.00
Incl: Loss from disposal of non-current assets		
III.Total profit("-"for loss)	3,409,923.27	40,423,936.03
Less: Income tax expenses		
IV. Net profit ("-"for net loss)	3,409,923.27	40,423,936.03
V.Net of profit of other comprehensive income		
(I)Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II)		
Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	3,409,923.27	40,423,936.03
VII. Earnings per share:		
(I) Basic earnings per share	0.0045	0.05
(II)Diluted earnings per share	0.0045	0.05

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

5. Consolidated Cash flow statement

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	634, 119, 438. 95	545, 839, 862. 44
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	206, 444. 13	2, 243, 631. 99
Other cash received from business operation	4, 527, 768. 44	8, 738, 087. 71
Sub-total of cash inflow	638, 853, 651. 52	556, 821, 582. 14
Cash paid for purchasing of merchandise and services	352, 945, 569. 94	269, 085, 899. 39
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	179, 244, 664. 51	174, 687, 085. 20
Taxes paid	51, 177, 497. 74	124, 021, 842. 68
Other cash paid for business activities	36, 934, 997. 71	38, 331, 773. 41
Sub-total of cash outflow from business activities	620, 302, 729. 90	606, 126, 600. 68
Cash flow generated by business operation, net	18, 550, 921. 62	-49, 305, 018. 54
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	5, 321, 846. 55	5, 301, 195. 26

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		24,250.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	282,000,000.00	383,999,999.98
Sub-total of cash inflow due to investment activities	287,321,846.55	389,325,445.24
Cash paid for construction of fixed assets, intangible assets and other long-term assets	27,199,171.61	14,568,642.55
Cash paid as investment		5,975,590.25
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	378,700,000.00	257,055,999.95
Sub-total of cash outflow due to investment activities	405,899,171.61	277,600,232.75
Net cash flow generated by investment	-118,577,325.06	111,725,212.49
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	20,000,000.00	55,400,000.00
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities	20,000,000.00	55,400,000.00
Cash to repay debts	50,100,000.00	55,400,000.00
Cash paid as dividend, profit, or interests	4,322,806.47	10,925,944.80
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	54,422,806.47	66,325,944.80
Net cash flow generated by financing	-34,422,806.47	-10,925,944.80
IV. Influence of exchange rate alternation on cash and cash equivalents	264,528.71	1,669,114.22
V.Net increase of cash and cash equivalents	-134,184,681.20	53,163,363.37
Add: balance of cash and cash equivalents at the beginning of term	751,596,796.24	613,958,063.91
VI ..Balance of cash and cash equivalents at the end of term	617,412,115.04	667,121,427.28

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

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	384,359,061.84	329,122,942.49
Tax returned		2,122,030.27
Other cash received from business operation	3,837,208.00	526,913.71
Sub-total of cash inflow	388,196,269.84	331,771,886.47
Cash paid for purchasing of merchandise and services	209,390,179.45	212,838,807.91
Cash paid to staffs or paid for staffs	124,656,555.17	123,377,161.90
Taxes paid	13,782,902.84	80,459,433.07
Other cash paid for business activities	40,683,952.46	10,909,165.95
Sub-total of cash outflow from business activities	388,513,589.92	427,584,568.83
Cash flow generated by business operation, net	-317,320.08	-95,812,682.36
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	9,066,918.00	56,348,295.89
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	120,000,000.00	30,000,000.00
Sub-total of cash inflow due to investment activities	129,066,918.00	86,348,295.89
Cash paid for construction of fixed assets, intangible assets and other long-term assets	23,359,420.46	5,779,711.97
Cash paid as investment		5,975,590.25
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	290,000,000.00	
Sub-total of cash outflow due to investment activities	313,359,420.46	11,755,302.22
Net cash flow generated by investment	-184,292,502.46	74,592,993.67
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Cash received from bond placing		

Other financing –related ash received		
Sub-total of cash inflow from financing activities		
Cash to repay debts		
Cash paid as dividend, profit, or interests		1, 150, 000. 00
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities		1, 150, 000. 00
Net cash flow generated by financing		-1, 150, 000. 00
IV. Influence of exchange rate alternation on cash and cash equivalents	-328, 995. 22	756, 465. 27
V.Net increase of cash and cash equivalents	-184, 938, 817. 76	-21, 613, 223. 42
Add: balance of cash and cash equivalents at the beginning of term	387, 916, 202. 79	248, 509, 410. 84
VI ..Balance of cash and cash equivalents at the end of term	202, 977, 385. 03	226, 896, 187. 42

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

II. Auditors' Report

The first Quarterly Report not audited

Hangzhou Steam Turbine Co., Ltd.
Chairman of the Board: Zheng Bin

April 21,2016