

Stock code: 200771

Stock ID: Hangqilun B

Announcement No.2016-72



Hangzhou Steam Turbine Co., Ltd.

The 3<sup>rd</sup> Quarterly Report 2016(Full Text)

October 22,2016



## **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. Pu Yangshuo, Chief financial officer and the Mr.Zhao Jiamao, 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. Main financial data and changes of shareholders

### (1) Main accounting data and financial Index

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

Yes  No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (RMB)	8,142,499,935.46	7,683,777,005.63	5.97%	
Net assets attributable to the shareholders of the listed company (RMB)	4,158,811,119.51	4,219,337,312.80	-1.43%	
	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)	874,410,620.01	77.12%	2,241,834,391.89	44.76%
Net profit attributable to the shareholders of the listed company (RMB)	-29,088,489.63	63.18%	-60,340,727.82	32.41%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-36,516,519.69	58.57%	-79,994,834.02	27.48%
Cash flow generated by business operation, net (RMB)	--	--	361,060,410.70	31.00%
Basic earning per share(RMB/Share)	-0.039	62.86%	-0.080	32.20%
Diluted gains per share(RMB/Share)(RMB/Share)	-0.039	62.86%	-0.080	32.20%
Weighted average income/asset ratio (%)	-0.70%	1.13%	-1.44%	0.60%

In RMB

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)	-164,270.02	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business	2,212,295.21	

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	18,351,277.25	
Other non-business income and expenditures other than the above	6,824,593.39	
Less: Amount of influence of income tax	4,962,444.69	
Influence on minority shareholders' equity (after tax)	2,607,344.94	
Total	19,654,106.20	--

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	15,565	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		
Shenwan Hongyuan Securities(H.K)Co., Ltd.	Foreign Legal person	0.70%	5,243,266	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign Legal person	0.60%	4,488,965	0		
NORGES BANK	Foreign Legal person	0.57%	4,303,675	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign Legal person	0.44%	3,308,246	0		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign Legal person	0.33%	2,472,960	0		
AUSTRALIANSUPER PTY LTD	Foreign Legal person	0.28%	2,108,321	0		
Xia Zulin	Domestic natural person	0.28%	2,100,000	0		

	shares				
CREDIT SUISSE (HONG KONG) LIMITED	Foreign Legal person	0.27%	2,033,703	0	
China Merchants Securities(HK)Co., Ltd.	State-owned legal person	0.27%	2,028,803	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		
Shenwan Hongyuan Securities(H.K)Co., Ltd.	5,243,266	Foreign shares placed in domestic exchange	5,243,266		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	4,488,965	Foreign shares placed in domestic exchange	4,488,965		
NORGES BANK	4,303,675	Foreign shares placed in domestic exchange	4,303,675		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,308,246	Foreign shares placed in domestic exchange	3,308,246		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	2,472,960	Foreign shares placed in domestic exchange	2,472,960		
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	2,033,703	Foreign shares placed in domestic exchange	2,033,703		
China Merchants Securities(HK)Co., Ltd.	2,028,803	Foreign shares placed in domestic exchange	2,028,803		

BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	1,991,804	Foreign shares placed in domestic exchange	1,991,804
Explanation on associated relationship among the aforesaid shareholders	(1) It is unknown whether there is any relationship among the 10 unrestricted current-share holders. (2) None of other shareholders is acting-in-concert as described by Administration Rules of Information Disclosure on Change of Shareholding Position.		

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
Inventories	2,180,113,756.81	1,826,869,838.60	19.34%	Mainly due to the completion of the current sales unit does not increase
Other current assets	811,969,171.51	427,203,835.44	90.07%	Mainly due to current purchase of financial products increased
Construction in process	189,578,333.18	119,187,107.52	59.06%	Mainly due to the increase of the project cost of the scientific research building of the headquarters
Account payable	1,102,944,892.35	810,420,381.45	36.10%	Mainly due to department of large accessories to pay increased
Deferred income	13,620,580.13	6,804,425.00	100.17%	Mainly due to the Ministry received an increase in financial assistance for the current period
Income statement items	End of term	Same period of last term	Scale of change	Remarks on the change
Operation income	2,241,834,391.89	1,548,669,193.12	44.76%	Mainly due to current sales situation improved, sales units increased
Operation cost	1,487,970,320.21	998,351,747.61	49.04%	Mainly due to operating income increased year on year, the corresponding increase in operating

				costs
Sale expenses	112,598,400.85	103,927,345.93	8.34%	Mainly due to companies to maintain the market and maintain a stable sales efforts
Administrative expense	528,961,508.88	478,507,184.84	10.54%	Mainly caused by the increase in the Company's research and development expenditure year on year
Asset impairment loss	2,220,979.34	3,734,964.80	-40.54%	Mainly due to exchange gains arising from a stronger US dollar
Income expenses	337,824.85	11,535,844.37	-97.07%	Mainly due to decrease in profit for the period The corresponding decrease in income tax expense and increase in deferred income tax expenses arising from impairment
<b>Cash flow statement Items</b>	<b>Amount in the reporting period</b>	<b>Same period of the previous year , CNY</b>	<b>Proportion n f the change</b>	<b>Causes of change</b>
Cash flow generated by business operation, net	361,060,410.70	275,609,830.02	31.00%	Mainly due to the proportion of cash receipts in the sales of goods in the current period increased year on year
Net cash flow generated by investment	-460,559,408.37	-123,207,589.47	-273.81%	Mainly caused by the increase in the net amount of financial product expense at the current period
Net cash flow generated by Financing	-60,243,944.69	-129,049,862.51	53.32%	Mainly due to last year the company issued a dividend, not released this year
Net increasing of cash and cash equivalentents	-155,001,766.35	26,366,068.26	-687.88%	Mainly caused by the increase in the net amount of financial product expense at the current period

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

Not applicable

## 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. Prediction of Business performance for 2016.

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**

Not applicable

**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.

September 30, 2016

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	623,002,512.36	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	483,213,019.85	680,518,943.49
Account receivable	1,878,043,244.04	2,096,090,157.61
Prepayments	314,582,452.37	139,267,324.65
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		



Dividend receivable		
Other account receivable	33,968,910.09	25,574,057.29
Repurchasing of financial assets		
Inventories	2,180,113,756.81	1,826,869,838.60
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	811,969,171.51	427,203,835.44
Total of current assets	6,324,893,067.03	5,947,120,953.32
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	548,852,528.53	509,409,741.77
Expired investment in possess		
Long-term receivable		
Long term share equity investment		
Property investment		
Fixed assets	598,920,412.50	642,155,636.34
Construction in progress	189,578,333.18	119,187,107.52
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	299,148,619.58	304,949,207.18
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	1,761,646.23	2,029,471.80
Deferred income tax asset	179,345,328.41	158,924,887.70
Other non-current asset		
Total of non-current assets	1,817,606,868.43	1,736,656,052.31
Total of assets	8,142,499,935.46	7,683,777,005.63
Current liabilities		
Short-term loans	73,000,000.00	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	221,107,239.52	194,226,049.73
Account payable	1,102,944,892.35	810,420,381.45
Advance payment	1,967,220,814.77	1,736,820,949.19
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	74,837,906.27	70,257,474.46
Tax payable	34,241,271.31	36,008,109.09
Interest payable		
Dividend payable		
Other account payable	29,540,161.37	29,705,125.51
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	100,000.00	300,000.00
Other current liability		
Total of current liability	3,502,992,285.59	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	13,620,580.13	6,804,425.00
Deferred income tax liability	1,017,473.05	1,017,473.05
Other non-current liabilities	212,878.00	
Total non-current liabilities	138,580,931.18	131,551,898.05
Total of liability	3,641,573,216.77	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	-469,564.94	-852,752.00
Special reserves	31,196,267.98	31,764,920.51
Surplus reserves	621,112,807.78	621,112,807.78
Common risk provision		
Undistributed profit	2,613,370,863.60	2,673,711,591.42
Total of owner's equity belong to the parent company	4,158,811,119.51	4,219,337,312.80
Minority shareholders' equity	342,115,599.18	369,799,705.35
Total of owners' equity	4,500,926,718.69	4,589,137,018.15
Total of liabilities and owners' equity	8,142,499,935.46	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	265,657,955.72	387,916,202.79
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	237,903,792.45	365,504,827.88
Account receivable	1,435,196,594.64	1,637,391,672.98
Prepayments	214,509,246.87	53,440,645.95
Interest receivable		
Dividend receivable		
Other account receivable	7,807,360.89	12,245,371.97
Inventories	1,740,123,644.36	1,454,420,457.64

Assets held for sales		
Non-current asset due in 1 year		
Other current asset	560,028,681.62	170,653,680.58
Total of current assets	4,461,227,276.55	4,081,572,859.79
Non-current assets:		
Disposable financial asset	505,047,165.02	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	295,219,059.53	334,677,256.20
Construction in progress	100,622,140.47	79,982,551.34
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	174,837,786.80	177,872,266.49
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	761,660.66	761,660.66
Deferred income tax asset	141,305,913.18	120,771,991.85
Other non-current asset		
Total of non-current assets	1,720,713,103.69	1,682,589,482.83
Total of assets	6,181,940,380.24	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	744,416,147.83	436,004,535.90
Advance payment	1,586,323,472.73	1,428,724,224.76
Employees' wage payable	32,625,585.87	51,373,858.57
Tax payable	12,250,139.72	3,538,126.39

Interest payable		
Dividend payable		
Other account payable	19,356,254.27	20,338,742.44
Classified as held for sale debt		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	2,394,971,600.42	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	6,838,405.13	22,250.00
Deferred income tax liability	1,017,473.05	1,017,473.05
Other non-current liabilities		
Total of Non-current liabilities	107,855,878.18	101,039,723.05
Total of liability	2,502,827,478.60	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	2,170,693,859.23	2,201,224,089.10
Total of owners' equity	3,679,112,901.64	3,709,643,131.51
Total of liabilities and owners' equity	6,181,940,380.24	5,764,162,342.62

## 3.Consolidated Income statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	874,410,620.01	493,672,866.88
Incl: Business income	874,410,620.01	493,672,866.88
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	898,062,001.19	580,669,969.95
Incl: Business cost	637,032,414.17	335,842,400.43
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	8,329,543.14	2,224,854.69
Sales expense	36,730,806.87	35,992,771.84
Administrative expense	173,854,590.33	163,337,321.94
Financial expenses	1,708,950.17	-1,197,475.54
Asset impairment loss	40,405,696.51	44,470,096.59
Add: Gains from change of fir value (“-”for loss )		
Investment gain (“-”for loss )	6,893,602.33	3,226,553.62
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss )		
III. Operational profit (“-”for loss	-16,757,778.85	-83,770,549.45
Add: Non-business income	3,051,550.49	10,459,046.84
Incl: Gains from disposal of non-current assets	100.00	-29,583.00
Less: Non business expenses	1,480,307.99	1,039,638.56

Incl: Loss from disposal of non-current assets	470.20	-303,677.88
IV.Total profit("-"for loss)	-15,186,536.35	-74,351,141.17
Less: Income tax expenses	3,171,756.19	245,388.17
V. Net profit ( "-"for net loss	-18,358,292.54	-74,596,529.34
Net profit attributable to the owners of parent company	-29,088,489.63	-78,993,858.42
Minority shareholders' equity	10,730,197.09	4,397,329.08
VI. Net after-tax of Other comprehensive income	18,461.17	-741,835.57
Net after-tax of other comprehensive income attributable to owners of the parent company.	7,860.70	-315,870.62
(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.	7,860.70	-315,870.62
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	7,860.70	-315,870.62
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity	10,600.47	-425,964.95
VII. Total comprehensive income	-18,339,831.37	-75,338,364.91
Total comprehensive income attributable to the owner of the parent company	-29,080,628.93	-79,309,729.04

Total comprehensive income attributable minority shareholders	10,740,797.56	3,971,364.13
VIII. Earnings per share		
(I) Basic earnings per share	-0.039	-0.105
(II) Diluted earnings per share	-0.039	-0.105

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: Pu Yangshuo    Accounting Dept Leader: Zhao Jiamao

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

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	562,290,961.03	267,659,008.23
Less: Business cost	469,793,908.17	208,002,999.52
Business tax and surcharge	5,993,416.83	0.00
Sales expense	21,188,962.01	25,074,884.70
Administrative expense	105,829,118.79	104,296,835.88
Financial expenses	166,594.21	-1,927,945.06
Asset impairment loss	40,004,378.53	29,974,171.98
Add: Gains from change of fair value (“-”for loss)		0.00
Investment gain (“-”for loss)	15,582,740.93	1,249,986.09
Incl: investment gains from affiliates		
II. Operational profit (“-”for loss)	-65,102,676.58	-96,511,952.70
Add : Non-operational income	1,622,587.10	4,196,931.14
Including: Income from disposal of non-current assets		
Less: Non business expenses	714,604.52	472,554.73
Incl: Loss from disposal of non-current assets		
III. Total profit (“-”for loss)	-64,194,694.00	-92,787,576.29
Less: Income tax expenses	-11,099,901.06	-4,496,125.80
IV. Net profit (“-”for net loss)	-53,094,792.94	-88,291,450.49
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	-53,094,792.94	-88,291,450.49
VII. Earnings per share:		
( I ) Basic earnings per share	-0.070	-0.117
(II)Diluted earnings per share	-0.070	-0.117

## 5. Consolidated Income 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. Total operating income	2,241,834,391.89	1,548,669,193.12
Including: Operating income	2,241,834,391.89	1,548,669,193.12
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	2,314,529,335.97	1,660,201,348.38
Including: Operating cost	1,487,970,320.21	998,351,747.61
Interest expense		
Commission charge and commission expense		
Insurance discharge payment		

Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	16,752,794.01	8,559,448.11
Sales expense	112,598,400.85	103,927,345.93
Administrative expense	528,961,508.88	478,507,184.84
Financial expenses	2,220,979.34	3,734,964.80
Asset impairment loss	166,025,332.68	67,120,657.09
Add: Gains from change of fir value (“-”for loss )		
Investment gain (“-”for loss )	21,938,936.95	42,458,015.67
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss )		
III. Operational profit (“-”for loss	-50,756,007.13	-69,074,139.59
Add: Non-business income	9,896,312.51	16,744,253.39
Incl: Gains from disposal of non-current assets		
Less: Non business expenses	3,438,002.64	3,196,801.45
Incl: Loss from disposal of non-current assets		
IV.Total profit(“-”for loss)	-44,297,697.26	-55,526,687.65
Less: Income tax expenses	337,824.85	11,535,844.37
V. Net profit (“-”for net loss	-44,635,522.11	-67,062,532.02
Net profit attributable to the owners of parent company	-60,340,727.82	-89,276,191.74
Minority shareholders’ equity	15,705,205.71	22,213,659.72
VI. Net after-tax of Other comprehensive income	899,931.08	-1,114,979.45
Net after-tax of other comprehensive income attributable to owners of the parent company.	383,187.06	-474,753.79
(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.	383,187.06	-474,753.79
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	383,187.06	-474,753.79
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity	516,744.02	-640,225.66
VII. Total comprehensive income	-43,735,591.03	-68,177,511.47
Total comprehensive income attributable to the owner of the parent company	-59,957,540.76	-89,750,945.53
Total comprehensive income attributable minority shareholders	16,221,949.73	21,573,434.06
VIII. Earnings per share		
(I) Basic earnings per share	-0.080	-0.118
(II) Diluted earnings per share	-0.080	-0.118

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.

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

In RMB

Items	Amount in this period	Amount in last period
I. Business income	1,435,991,350.39	888,233,056.51
Less: Business cost	1,015,911,250.13	633,240,390.71
Business tax and surcharge	10,794,084.24	1,398,211.91
Sales expense	69,052,768.19	70,652,269.86
Administrative expense	335,119,956.57	308,110,674.99
Financial expenses	-1,276,257.31	2,903,060.49
Asset impairment loss	152,020,358.27	55,164,345.10

Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	94,396,560.64	148,139,180.05
Incl: investment gains from affiliates		
II. Operational profit	-51,234,249.06	-35,096,716.50
Add: Non-business income	1,640,400.14	7,082,545.09
Incl: Gains from disposal of non-current assets		
Less: Non business expenses	1,470,302.28	1,177,214.68
Incl: Loss from disposal of non-current assets		
III.Total profit	-51,064,151.20	-29,191,386.09
Less: Income tax expenses	-20,533,921.33	-8,144,808.63
IV. Net profit	-30,530,229.87	-21,046,577.46
V. Net after-tax of Other comprehensive income		
Net after –tax of profit of other comprehensive income attributable to owners of the parent company.		
(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	-30,530,229.87	-21,046,577.46
V. Earnings per share		
(I) Basic earnings per share	-0.040	-0.028
(II)Diluted earnings per share	-0.040	-0.028

## 7. 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	2,205,347,661.82	1,863,008,900.61
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	6,238,100.28	3,923,733.08
Other cash received from business operation	20,878,728.24	39,495,626.45
Sub-total of cash inflow	2,232,464,490.34	1,906,428,260.14
Cash paid for purchasing of merchandise and services	1,092,177,371.39	802,483,049.81
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	503,817,181.35	515,899,321.06
Taxes paid	144,485,145.93	207,976,861.79

Other cash paid for business activities	130,924,380.97	104,459,197.46
Sub-total of cash outflow from business activities	1,871,404,079.64	1,630,818,430.12
Cash flow generated by business operation, net	361,060,410.70	275,609,830.02
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	21,938,936.95	42,458,402.03
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	17,000.00	149,120.20
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	988,800,000.00	1,189,105,999.95
Sub-total of cash inflow due to investment activities	1,010,755,936.95	1,231,713,522.18
Cash paid for construction of fixed assets, intangible assets and other long-term assets	63,172,558.56	44,795,233.90
Cash paid as investment	39,442,786.76	10,419,276.30
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	1,368,700,000.00	1,299,706,601.45
Sub-total of cash outflow due to investment activities	1,471,315,345.32	1,354,921,111.65
Net cash flow generated by investment	-460,559,408.37	-123,207,589.47
III.Cash flow generated by financing		
Cash received as investment	706,350.00	11,740,000.00
Incl: Cash received as investment from minor shareholders		
Cash received as loans	121,402,502.11	90,400,000.00
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	122,108,852.11	102,140,000.00
Cash to repay debts	134,036,536.05	90,600,000.00
Cash paid as dividend, profit, or interests	48,316,260.75	140,589,862.51
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	182,352,796.80	231,189,862.51
Net cash flow generated by financing	-60,243,944.69	-129,049,862.51
IV. Influence of exchange rate alternation on cash and cash equivalents	4,741,176.01	3,013,690.22
V.Net increase of cash and cash equivalents	-155,001,766.35	26,366,068.26
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	596,595,029.89	640,324,132.17

## 8. Cash Flow Statement of the Parent 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	1,323,738,157.07	1,222,686,383.60
Tax returned	359,071.25	2,122,030.27
Other cash received from business operation	10,169,189.04	1,643,931.08
Sub-total of cash inflow	1,334,266,417.36	1,226,452,344.95
Cash paid for purchasing of merchandise and services	633,403,646.46	598,048,343.03
Cash paid to staffs or paid for staffs	350,255,025.51	352,513,290.86
Taxes paid	49,736,744.31	96,364,022.69
Other cash paid for business activities	41,745,681.57	21,553,427.07
Sub-total of cash outflow from business activities	1,075,141,097.85	1,068,479,083.65
Cash flow generated by business operation, net	259,125,319.51	157,973,261.30
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	94,396,560.64	148,139,577.52
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	16,900.00	1,926.00

Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	430,000,000.00	200,000,000.00
Sub-total of cash inflow due to investment activities	524,413,460.64	348,141,503.52
Cash paid for construction of fixed assets, intangible assets and other long-term assets	46,790,472.41	25,625,615.45
Cash paid as investment	39,442,786.76	11,593,912.79
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	820,000,000.00	360,000,601.50
Sub-total of cash outflow due to investment activities	906,233,259.17	397,220,129.74
Net cash flow generated by investment	-381,819,798.53	-49,078,626.22
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	19,402,502.11	
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	19,402,502.11	
Cash to repay debts	19,486,536.05	
Cash paid as dividend, profit, or interests	2,610,507.34	78,902,151.12
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	22,097,043.39	78,902,151.12
Net cash flow generated by financing	-2,694,541.28	-78,902,151.12
IV. Influence of exchange rate alternation on cash and cash equivalents	3,130,773.23	2,411,623.05
V.Net increase of cash and cash equivalents	-122,258,247.07	32,404,107.01
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	265,657,955.72	280,913,517.85



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equivalents at the end of term		
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**II. Auditor's report**

The Q3 Report is not audited.

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

October 22, 2016