

Stock code: 200771

Stock ID: Hangqilun B

Announcement No.2017-69

Hangzhou Steam Turbine Co., Ltd.
The Third Quarterly Report 2017(Text)

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.

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)	11,224,208,951.10	10,550,899,708.34	6.38%	
Net assets attributable to the shareholders of the listed company (RMB)	6,278,110,666.11	6,385,346,243.23	-1.68%	
	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)	925,501,518.37	5.84%	2,589,226,220.63	15.50%
Net profit attributable to the shareholders of the listed company (RMB)	19,997,776.79	168.75%	63,993,581.17	206.05%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	9,699,270.59	126.56%	13,259,488.98	116.58%
Cash flow generated by business operation, net (RMB)	--	--	199,924,781.38	-44.63%
Basic earning per share(RMB/Share)	0.027	169.23%	0.085	206.25%
Diluted gains per share(RMB/Share)(RMB/Share)	0.027	169.23%	0.085	206.25%
Weighted average income/asset ratio (%)	0.32%	1.02%	1.01%	2.45%

Items and amount of non-current gains and losses

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)	2,724,203.46	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	3,158,099.85	
Gain/loss from change of fair value of transactional financial asset and	52,715,774.41	

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		
Other non-business income and expenditures other than the above	3,384,963.82	
Less: Amount of influence of income tax	10,147,425.90	
Influence on minority shareholders' equity (after tax)	1,101,523.45	
Total	50,734,092.19	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

II.Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period
1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	14,916	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		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.63%	4,722,804	0		
NORGES BANK	Foreign legal person	0.57%	4,303,675	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.46%	3,454,046	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.35%	2,670,262	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.34%	2,546,600	0		
China Merchants Securities(HK)Co., Ltd.	State-owned legal person	0.31%	2,319,872	0		
Xia Zulin	Domestic Natural person	0.28%	2,147,400	0		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign legal person	0.25%	1,905,960	0		
CREDIT SUISSE AG HONG KONG BRANCH	Foreign legal person	0.23%	1,729,759	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			

BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,722,804	Foreign shares placed in domestic exchange	4,722,804
NORGES BANK	4,303,675	Foreign shares placed in domestic exchange	4,303,675
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	3,454,046	Foreign shares placed in domestic exchange	3,454,046
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,670,262	Foreign shares placed in domestic exchange	2,670,262
ISHARES CORE MSCI EMERGING MARKETS ETF	2,546,600	Foreign shares placed in domestic exchange	2,546,600
China Merchants Securities(HK)Co., Ltd.	2,319,872	Foreign shares placed in domestic exchange	2,319,872
Xia Zulin	2,147,400	Foreign shares placed in domestic exchange	2,147,400
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	1,905,960	Foreign shares placed in domestic exchange	1,905,960
CREDIT SUISSE AG HONG KONG BRANCH	1,729,759	Foreign shares placed in domestic exchange	1,729,759
Shenwan Hongyuan Securities(H.K)Co., Ltd.	1,368,900	Foreign shares placed in domestic exchange	1,368,900
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) 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		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

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

Not applicable

III. Significant Events

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

In RMB

Balance sheet items	Ending balance in CNY	Opening balance in CNY	Proportion of the change	Causes of change
Note receivable	631,626,005.81	479,716,321.62	31.67%	Mainly due to the notes receivable received in the current period increased
Advance payments	359,433,917.88	202,184,858.83	77.77%	Mainly due to current advances to raw materials increased
Note payable	195,415,523.63	143,007,715.10	36.65%	Mainly due to increase in acceptance of current period
Advances from customers	2,396,631,380.02	1,827,959,793.62	31.11%	Mainly due to the current increase in the new contract
Taxes and surcharges payable	18,561,605.50	90,239,673.16	-79.43%	Mainly due to there is no value-added tax at the beginning of this period
Deferred income	9,357,937.15	5,422,895.00	72.56%	Mainly due to increase in financial subsidies received in the current period
Income statement items	End of term	Same period of last term	Scale of change	Remarks on the change
Operation income	2,589,226,220.63	2,241,834,391.89	15.50%	Mainly due to this issue will further strengthen the market development efforts, increase the number of sales units
Operation cost	1,828,109,215.33	1,487,970,320.21	22.86%	Mainly due to the current operating income increased year on year, the corresponding increase in operating costs
Impairment loss on assets	95,749,825.99	166,025,332.68	-42.33%	Mainly due to the accounts receivable with long aging accounts are better recovered and bad debts are reduced
Investment income	106,730,672.88	21,938,936.95	386.49%	Mainly due to the current sale of Long Beach shares and received the formation of Hangzhou Bank dividend income increased
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	199,924,781.38	361,060,410.70	-44.63%	Mainly due to cash paid for the purchase of goods in the current period increased year on year
Net cash flow	-60,830,933.81	-460,559,408.37	86.79%	Mainly due to the net redemption and

generated by investment				investment income of the current financial products increased year on year
Net increasing of cash and cash equivalents	89,725,778.97	-155,001,766.35	157.89%	Mainly due to the net cash flow from investing activities increased during 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. Anticipation of Business Performance of 2017

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
August 31, 2017	Onsite investigation	Individual	Details are the relevant information disclosure (http://www.cninfo.com.cn/)

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

X. Implementation of the social Responsibility of taking targeted measures to alleviate poverty in light of local Conditions.

In The report third quarter, the company neither carried out the work of taking targeted measures to alleviate poverty in light of local conditions nor has such a plan.

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

October 25, 2017