

Stock Code: 200771 Stock ID: Hangqilun B Announcement No.:2020-46

**Hangzhou Steam Turbine Co., Ltd.**  
**Summary of the Semi-Annual Report 2020**

(Stock Code: 200771)



**August 2020**

## I. Important notes

The summary is abstract from full-text of summary of the semi-annual report, for more details information, investors should found in the full-text of summary of the semi-annual report that published on website of Shenzhen Stock Exchange and other website appointed by CSRC.

Non-standard auditor's opinion

Not applicable

Plans for profit distribution on ordinary shares or conversion of capital reserves into share capital proposed to the Board during the reporting period.

The Company will not distribute cash dividend or bonus shares, neither capitalizing of common reserves for the report period.

Plans for profit distribution on preference shares for the reporting period approved by the Board

Not applicable

## II. Basic information about the company

### 1. Company profile

Stock ID	Hangqilun B	Stock code	200771
Stock exchange for listing	Shenzhen Stock Exchange		
Contact person and contact manner	Board secretary	Securities affairs Representative	
Name	Li Guiwen	Wang Caihua	
Address	No. 357 Shiqiao Rd. Hangzhou	No. 357 Shiqiao Rd. Hangzhou	
Tel	0571-85780058	0571-85780438	
E-mail	lgw@htc.cn	wangch@htc.cn	

### 2. Major accounting data and financial indicators

Retrospective adjustment to or restatement of the accounting data for prior years by the Company

No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (yuan)	2,021,667,426.27	1,920,181,703.03	5.29%
Net profit attributable to the shareholders of the listed company (yuan)	230,908,137.72	160,325,133.00	44.02%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (yuan)	165,508,020.80	131,574,189.68	25.79%
Cash flow generated by business operation, net (yuan)	326,964,692.03	-9,340,596.37	3,600.47%
Basic earning per share(yuan/Share)	0.31	0.21	47.62%
Diluted gains per share(yuan/Share)	0.31	0.21	47.62%
Weighted average ROE(%)	3.53%	2.62%	0.91%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (yuan)	13,190,384,302.57	12,600,115,579.96	4.68%

Net assets attributable to shareholders of the listed company (yuan)	6,493,586,472.40	6,607,496,148.58	-1.72%
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## 3. Statement of shares held by top 10 shareholders

		In shares				
Total number of common shareholders at the end of the reporting period	12,533	The total number of preferred shareholders voting rights restored at period-end (if any)			0	
Shareholdings of the top 10 shareholders						
Name of the shareholder	Properties of shareholder	Share proportion %	Total shares	Conditional shares	Frozen or pledged	
					Status of shares	Amount
Hangzhou Steam Turbine Power Group Co., Ltd.	State-owned legal person	63.64%	479,824,800	479,824,800		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.80%	6,036,036	0		
Zhou Jie	Domestic Natural person	0.58%	4,341,100	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.56%	4,198,304	0		
China Merchants Securities (HK)Co., Ltd.	State-owned legal person	0.49%	3,705,777	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.49%	3,667,054	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.41%	3,054,577	0		
NORGES BANK	Foreign legal person	0.33%	2,514,529	0		
Xia Zulin	Domestic Natural person	0.31%	2,301,000	0		
Gu Yang	Domestic Natural person	0.20%	1,504,552	0		
Explanation on associated relationship among the aforesaid shareholders		<p>(1) Hangzhou Steam Turbine Power Group Co., Ltd. is the holder of state-shares of the Company, all other shareholders' are holders of domestic listed foreign shares (B shares)</p> <p>(2) There is no relationship between Hangzhou Steam Turbine Power Group Co., Ltd. and other shareholders;</p> <p>(3) Hangzhou Steam Turbine Power 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".</p>				
Notes to the shareholders involved in financing securities (if any)		Not applicable				

4. Changes of controlling shareholder or actual controller  
Changes of controlling shareholder in reporting period  
No change of controlling shareholder in reporting period.  
Changes of actual controller in reporting period  
No changes of actual controller in reporting period.

5. Total preference shareholders and the shares held by the Top 10 Preference shareholders  
The Company has no preferred shareholders.

6. Corporate bond

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due:

No

### III. Discussion and analysis of operation

1. Business Operation summary in the reporting period

Whether the company needs to comply with the disclosure requirements of the particular industry

No

During reporting period, based on the annual work policy of "decisively relocate and rebuild, intensively study market, develop culture-based company, and strive to be the first-class", while focusing on the prevention and control of the pandemic, the company also promotes the relocation in an orderly manner to ensure production capacity, execute precise marketing to grasp orders from key projects and emerging markets, continuously research technology to make competitive products with craftsmanship spirit, and lead the company with culture and drive it's growth through management improvement.

In the first half of 2020, the company realized operating income of 2021.6674 million yuan, total profit of 299.8415 million yuan and net profit of 269.296 million yuan, of which net profit attributable to shareholders of listed companies was 230.9081 million yuan. Compared with the same period of last year, the operating income increased by 5.29% year on year, total profit increased by 35.40% year on year, net profit increased by 45.83% year on year, and net profit attributable to shareholders of listed companies increased by 44.02% year on year.

Good results have been achieved.1. Decisive relocation and rebuilding to ensure productivity

During the reporting period, the company lists relocation work as "Project No. 1", emphasizing on construction and equipment relocation. The company started a full relocation on May 8, 2020. At present, major production workshops such as stator workshop, rotor workshop, assembly workshop, joint workshop, and distribution center have been relocated and the steam turbine no-load test bench is already equipped with on-site commissioning capability. More than 100 sets of devices are relocated and enter into full installation and commissioning stage.

2. Precise marketing and intensive market research

In petrochemical field, the company successfully signed 30 sets of devices for Shenghong Petrochemical Group's large-scale refining and chemical integration project, and ethylene compressors with 1.2 million tons/year capacity for SINOPEC Zhenhai Refining & Chemical Company. In coal chemical industry, the company signed orders of 21 sets of steam turbines from Shanxi Coal and Chemical Group's 1.8 million tons of ethylene glycol

project (Phase I). In new thermal power market, the company obtained air compressor contracts with Hengming Chemical Fiber Company, Taiaisi Company and Xinzhonggang Company. Affected by the global pandemic, as the company's main overseas client projects are in suspension or postponement, a total of 15 sets devices have been ordered from overseas markets.

### 3. Continue to innovate and strive to be first-class

In reporting period, the company have overall established 22 new product development (5) and scientific research projects (17). The company promoted the ethylene unit project of Zhenhai Refinery and Chemical as planned, completed the trial production of the subcritical unit regulating-stage moving blade pin, and completed technical development for Hong Kong Garbage Power Station, Dalian Hengli Flash Unit, Jieyang 1.4 million tons/year ethylene cracking gas turbine, and Sanjiang ethylene unit, etc.

### 4. Develop culture-based company and improve management

The Company issued the "Corporate Culture Construction Implementation Outline for 2020-2022" to start the corporate culture journey, promoted the solid implementation of corporate culture construction projects, and continuously promoted the deep integration of corporate cultural soft power and corporate management hard power. The Company continued to promote the MES system, the blade production management multi-system, supply chain system, the tridimensional WMS system adoption application research, and the quality inspection process information management and control research projects, and it continued to promote the construction of the Company's industrial Internet application service platform, user service platform, and continuously improved the Company's Product "smart manufacturing" ability, comprehensively promoted the "lean production" and continuously improved the "lean production" evaluation system.

#### 2. Issues involve with financial reports

(1) Statement on changes of accounting policies, accounting estimations, and accounting basis comparing with the last fiscal year

No Particulars about the changes in aspect of accounting policy estimates or calculation method in period.

(2) Statement on correcting of material accounting error and retrospective adjustment

No retrospective correction of material accounting error in the report period.

(3) Statement on change of consolidation range comparing with the previous fiscal year

The Company had no particular about the change of consolidation range compared in reporting period.

Hangzhou Steam turbine Co., Ltd.

Board chairman: Zheng Bin

August 27,2020