

Stock Code: 200771

Stock ID: Hangqilun B

Announcement No.2019-37

Hangzhou Steam Turbine Co., Ltd.

The First Quarterly Report 2019

(Stock Code: 200771)



April 2019

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 Mr.Zhao Jiamao, and the Chief of Accounting Department Mr. Jin Can hereby declare: the Financial Statement in the report is guaranteed to be truthful and complete.

II. Basic information about the company

I. Main financial data and indices

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (Yuan)	981,379,422.22	962,078,793.39	2.01%
Net profit attributable to the shareholders of the listed company (Yuan)	77,880,149.01	39,042,232.50	99.48%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	64,434,545.56	28,469,122.60	126.33%
Cash flow generated by business operation, net (Yuan)	-10,468,568.94	126,725,248.14	-108.26%
Basic earning per share(Yuan/Share)	0.10	0.05	100.00%
Diluted gains per share(Yuan/Share)	0.10	0.05	100.00%
Weighted average return on equity (%)	1.26%	0.66%	0.60%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)

Gross assets (Yuan)	12,035,257,391.97	11,569,169,903.81	4.03%
Net assets attributable to the shareholders of the listed company (Yuan)	6,364,721,242.43	6,007,540,929.16	5.95%

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)	-1,020.37	
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.	1,618,554.63	
Debt restructuring profit or loss	-526,315.79	
In addition to normal business with the company effective hedging related business, holders of tradable financial assets, transactions and financial liabilities arising from changes in fair value gains and losses, as well as the disposal of trading of financial assets, trading financial liabilities and available-for-sale financial assets gains return on investment	16,333,452.93	
Other non-operating income and expenditure beside for the above items	-281,890.11	
Less: Influenced amount of income tax	2,706,191.10	
Amount of influence of minority interests (After tax)	990,986.74	
Total	13,445,603.45	--

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 number of shareholders at the period-end and shareholdings of top 10 shareholders

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	13,879	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		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.63%	4,722,804	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.61%	4,596,779	0		
Zhou Jie	Domestic Natural person	0.56%	4,200,000	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.55%	4,144,859	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.49%	3,722,079	0		
China Merchants Securities(HK)Co., Ltd.	State-owned legal person	0.47%	3,508,541	0		
NORGES BANK	Foreign legal person	0.33%	2,514,529	0		
Xia Zulin	Domestic Natural person	0.31%	2,301,000	0		
Wang Yihu	Domestic Natural person	0.19%	1,441,324	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			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,722,804	Foreign shares placed in domestic exchange	4,722,804			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,596,779	Foreign shares placed in domestic exchange	4,596,779			
Zhou Jie	4,200,000	Foreign shares placed in domestic exchange	4,200,000			

ISHARES CORE MSCI EMERGING MARKETS ETF	4,144,859	Foreign shares placed in domestic exchange	4,144,859
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,722,079	Foreign shares placed in domestic exchange	3,722,079
China Merchants Securities(HK)Co., Ltd.	3,508,541	Foreign shares placed in domestic exchange	3,508,541
NORGES BANK	2,514,529	Foreign shares placed in domestic exchange	2,514,529
Xia Zulin	2,301,000	Foreign shares placed in domestic exchange	2,301,000
Wang Yihu	1,441,324	Foreign shares placed in domestic exchange	1,441,324
Haitong International Securities Company Limited-Account Client	1,371,396	Foreign shares placed in domestic exchange	1,371,396
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		

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

Items	End of term	Beginning of term	Scale of change	Remarks on the change
Other current assets	781,347,086.94	1,188,747,955.74	-34.27%	Mainly due to the year-on-year decrease in wealth management
Construction in process	553,964,577.53	454,767,328.93	21.81%	Mainly due to the new investment in the current phase of the steam turbine heavy industry project with the progress of the project
Employees' wage payable	66,135,087.07	86,390,955.29	-23.45%	Mainly on the end of the current period provision for payment of wages
Other Comprehensive Income	1,656,792,172.11	1,377,168,522.74	20.30%	Mainly due to the increase in fair value of Hangzhou Bank's other equity instruments in the current period
Tax payable	90,528,916.89	62,405,200.62	45.07%	Mainly due to increase in value-added tax and income tax at the end of the period.
Income statement items	This period	Same period of last year	Scale of change	Remarks on the change
Financial expenses	4,347,822.25	13,846,986.06	-68.60%	Mainly due to the increase in interest income and the decrease in exchange losses in the current period
Asset impairment loss	-18,034,732.47	25,569,130.99	-170.53%	Mainly due to the good return of the current period, resulting in a decrease in the provision for bad debts of accounts receivable.
Cash flow statement Items	This period	Same period of last year	Scale of change	Remarks on the change
Net Cash flow generated by business operation	-10,468,568.94	126,725,248.14	-108.26%	Mainly due to the decrease in cash receipts for sales of goods during the period
Net cash flow generated by investment	305,922,724.58	-280,100,905.12	209.22%	Mainly due to the decrease in new wealth management products in the current period compared with the same period of last year.
Net cash flow generated by Financing	-37,535,954.10	10,881,462.31	-444.95%	Mainly due to the year-on-year increase in short-term loans

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

The company continued to promote the construction of steam turbine heavy industry projects as planned, and fully prepared for the relocation work. As of the disclosure date, the company's newly completed steam turbine power building (formerly the scientific research building) has been partially activated, and the steam turbine heavy industry has been partially activated.

Progress in the implementation of share repurchase

Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

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 January- June 2019

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Not applicable

V. Securities investment

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Sauce of the shares
Domestic and foreign stocks	600926	Hangzhou Bank	390,954,040.00	FVM	2,011,876,524.40	328,968,999.26	1,949,891,483.66	0.00	0.00	0.00	2,340,845,523.66	Other assets	Self funds
Total			390,954,040.00	--	2,011,876,524.40	328,968,999.26	1,949,891,483.66	0.00	0.00	0.00	2,340,845,523.66	--	--
Disclosure date for the notice of approval by the Board			Not applicable										
Disclosure date for the notice of approval by shareholders' Meeting			Not applicable										

VI. Investment in derivatives

Non-existence

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

No such cases in the reporting period.

VIII. Outward Guarantee against the Regulations

No such cases in the reporting period.

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.

In RMB

Items	March 31,2019	December 31,2018
Current asset :		
Monetary fund	1,637,876,350.79	1,382,392,009.59
Settlement provision		
Outgoing call loan		
Transactional financial assets	66,000,000.00	
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	2,630,906,374.10	2,535,887,430.48
Including: Notes receivable	553,627,623.69	595,089,175.22
Account receivable	2,077,278,750.41	1,940,798,255.26
Prepayments	418,751,932.09	370,958,990.74
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	33,424,412.22	32,552,458.76
Including: Interest receivable		
Dividend receivable	16,557,292.60	16,557,292.60
Repurchasing of financial assets		
Inventories	2,239,085,430.22	2,188,121,342.87
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	781,347,086.94	1,188,747,955.74
Total of current assets	7,807,391,586.36	7,698,660,188.18
Non-current assets:		
Loans and payment on other's behalf disbursed		
Debt investment		
Available for sale of financial assets		2,130,076,555.20
Other investment on bonds		
Expired investment in possess		
Long-term receivable		

Long term share equity investment	9,581,439.29	8,221,439.29
Other equity instruments investment	2,340,845,523.66	
Other non-current financial assets	52,200,030.80	
Property investment		
Fixed assets	778,843,408.32	783,740,928.49
Construction in progress	553,964,577.53	454,767,328.93
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	278,931,164.55	279,740,756.49
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	213,499,661.46	213,962,707.23
Other non-current asset		
Total of non-current assets	4,227,865,805.61	3,870,509,715.63
Total of assets	12,035,257,391.97	11,569,169,903.81
Current liabilities		
Short-term loans	119,500,000.00	139,600,000.00
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	1,480,422,463.77	1,350,583,381.53
Advance receipts	2,523,888,921.39	2,582,234,158.36
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	66,135,087.07	86,390,955.29
Tax payable	90,528,916.89	62,405,200.62
Other account payable	42,540,320.98	36,904,303.01
Including: Interest payable	100,958.90	437,314.72
Dividend payable		
Fees and commissions payable		

Reinsurance fee payable		
Contract Liabilities		
Liabilities held for sales		
Non-current liability due within 1 year	100,100,000.00	100,100,000.00
Other current liability		
Total of current liability	4,423,115,710.10	4,358,217,998.81
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	22,700,000.00	22,700,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	473,308,843.54	474,876,451.26
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	43,448,778.30	44,675,128.30
Deferred income tax liability	293,515,296.46	244,169,946.57
Other non-current liabilities		
Total non-current liabilities	832,972,918.30	786,421,526.13
Total of liability	5,256,088,628.40	5,144,639,524.94
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	151,684,419.65	151,684,419.65
Less: Shares in stock		
Other comprehensive income	1,656,792,172.11	1,377,168,522.74
Special reserve	20,697,186.36	21,020,671.47
Surplus reserves	621,112,807.78	621,112,807.78
Common risk provision		
Retained profit	3,160,424,256.53	3,082,544,107.52
Total of owner's equity belong to the parent company	6,364,721,242.43	6,007,540,929.16

Minority shareholders' equity	414,447,521.14	416,989,449.71
Total of owners' equity	6,779,168,763.57	6,424,530,378.87
Total of liabilities and owners' equity	12,035,257,391.97	11,569,169,903.81

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

2.Parent Company Balance Sheet

In RMB

Items	March 31, 2019	December 31, 2018
Current asset :		
Monetary fund	1,128,980,955.32	877,357,020.98
Transactional financial assets	66,000,000.00	
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	1,720,369,440.28	1,676,913,196.88
Including: Notes receivable	253,764,623.34	302,284,986.43
Account receivable	1,466,604,816.94	1,374,628,210.45
Prepayments	239,254,834.85	208,498,421.20
Other account receivable	52,559,156.42	19,984,760.06
Including: Interest receivable		
Dividend receivable	16,557,292.60	16,557,292.60
Inventories	1,605,223,908.55	1,584,030,951.83
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	558,668,023.95	890,000,000.00
Total of current assets	5,371,056,319.37	5,256,784,350.95
Non-current assets:		
Debt investment		
Available for sale of financial assets		2,090,631,297.62
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	502,919,378.03	502,919,378.03
Other equity instruments investment	2,340,845,523.66	
Other non-current financial assets	12,754,773.22	

Property investment		
Fixed assets	450,780,087.64	448,890,495.75
Construction in progress	171,204,399.99	142,310,055.48
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	165,734,347.73	165,734,347.73
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	161,324,402.66	163,871,631.81
Other non-current asset		
Total of non-current assets	3,805,562,912.93	3,514,357,206.42
Total of assets	9,176,619,232.30	8,771,141,557.37
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	686,376,431.31	654,853,099.86
Advance receipts	1,803,448,290.59	1,877,069,335.29
Contract Liabilities		
Employees' wage payable	41,137,106.47	43,332,523.01
Tax payable	56,888,515.45	37,809,874.53
Other account payable	27,780,355.44	24,708,959.22
Including: Interest payable	100,958.90	212,010.69
Dividend payable	0.00	0.00
Liabilities held for sales		
Non-current liability due within 1 year	100,000,000.00	100,000,000.00
Other current liability		
Total of current liability	2,715,630,699.26	2,737,773,791.91
Non-current liabilities:		
Long-term loan		
Bond payable		
Including: preferred stock		

Sustainable debt		
Lease liability		
Long-term payable	264,213,580.51	264,512,388.24
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	41,944,793.30	41,944,793.30
Deferred income tax liability	293,515,296.46	244,169,946.57
Other non-current liabilities		
Total non-current liabilities	599,673,670.27	550,627,128.11
Total of liability	3,315,304,369.53	3,288,400,920.02
Owners' equity		
Share capital	754,010,400.00	754,010,400.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	138,953,250.09	138,953,250.09
Less: Shares in stock		
Other comprehensive income	1,657,407,761.11	1,377,784,111.74
Special reserve	7,524,745.76	7,609,505.31
Surplus reserves	602,356,402.65	602,356,402.65
Retained profit	2,701,062,303.16	2,602,026,967.56
Total of owners' equity	5,861,314,862.77	5,482,740,637.35
Total of liabilities and owners' equity	9,176,619,232.30	8,771,141,557.37

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

3.Consolidated Income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	981,379,422.22	962,078,793.39
Including: Business income	981,379,422.22	962,078,793.39
Interest income		
Insurance fee earned		
Fee and commission received		

II. Total business cost	885,437,628.30	923,882,796.39
Including: Business cost	687,084,952.75	677,035,461.03
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	10,002,595.20	8,754,883.42
Sales expense	42,946,925.81	38,457,390.31
Administrative expense	103,213,462.27	102,361,451.02
R & D costs	55,876,602.49	57,857,493.56
Financial expenses	4,347,822.25	13,846,986.06
Including: Interest expense	3,742,052.78	3,157,102.73
Interest income	5,685,034.53	3,602,405.87
Asset impairment loss	-18,034,732.47	25,569,130.99
Credit impairment loss		
Add: Other income	1,618,554.63	367,707.12
Investment gain (“-”for loss)	16,333,452.93	16,889,734.98
Including: investment gains from affiliates		
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
III. Operational profit (“-”for loss)	113,893,801.48	55,453,439.10
Add : Non-operational income	85,765.95	2,932,814.41
Less: Non-operating expense	894,992.22	266,922.74
IV. Total profit(“-”for loss)	113,084,575.21	58,119,330.77
Less: Income tax expenses	18,054,696.67	9,310,235.49
V. Net profit	95,029,878.54	48,809,095.28
(I) Classification by business continuity		
1.Net continuing operating profit	95,029,878.54	48,809,095.28
2.Termination of operating net profit		

(II) Classification by ownership		
Net profit attributable to the owners of parent company	77,880,149.01	39,042,232.50
Minority shareholders' equity	17,149,729.53	9,766,862.78
VI. Net after-tax of other comprehensive income	279,623,649.37	-39,617,101.50
Net of profit of other comprehensive income attributable to owners of the parent company.	279,623,649.37	-39,616,527.30
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	279,623,649.37	
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	279,623,649.37	
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.		-39,616,527.30
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.Gains and losses from changes in fair value available for sale financial assets		-39,616,101.50
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		-425.80
9.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		-574.20

VII. Total comprehensive income	374,653,527.91	9,191,993.78
Total comprehensive income attributable to the owner of the parent company	357,503,798.38	-574,294.80
Total comprehensive income attributable minority shareholders	17,149,729.53	9,766,288.58
VIII. Earnings per share		
(I) Basic earnings per share	0.10	0.05
(II) Diluted earnings per share	0.10	0.05

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

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Revenue	576,342,586.70	665,826,865.49
Including: Business cost	391,240,784.15	501,571,098.74
Business tax and surcharge	5,971,671.17	6,750,023.51
Sales expense	22,828,881.22	19,855,662.21
Administrative expense	73,427,839.51	60,560,685.42
R & D costs	31,160,922.92	40,184,459.92
Financial expenses	2,105,878.62	12,917,968.41
Including: Interest expenses	1,967,737.57	1,862,055.93
Interest income	5,028,554.95	2,452,159.72
Asset impairment loss	-16,981,527.65	26,529,217.37
Credit impairment loss		
Add: Other income	298,807.73	0.00
Investment gain (“-”for loss)	44,838,301.36	44,093,063.87
Including: investment gains from affiliates		
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
II. Operational profit (“-”for loss)	111,725,245.85	41,550,813.78
Add : Non-operational income	12,700.00	3,116,732.00
Less: Non -operational expenses	592,962.79	130,524.05

III. Total profit("-"for loss)	111,144,983.06	44,537,021.73
Less: Income tax expenses	12,109,647.46	2,491,113.26
IV. Net profit	99,035,335.60	42,045,908.47
1.Net continuing operating profit	99,035,335.60	42,045,908.47
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	279,623,649.37	-39,616,101.50
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	279,623,649.37	
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	279,623,649.37	
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.		-39,616,101.50
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. Gains and losses from changes in fair value available for sale financial assets		-39,616,101.50
4. Other comprehensive income arising from the reclassification of financial assets		
5.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements		
9.Other		
VI. Total comprehensive income	378,658,984.97	2,429,806.97
VII. Earnings per share		
(I) Basic earnings per share	0.13	0.06
(II)Diluted earnings per share	0.13	0.06

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

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	745,588,958.09	838,220,339.60
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 amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
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	2,148,686.90	2,374,074.97
Other cash received from business operation	8,746,017.84	5,420,749.00
Sub-total of cash inflow	756,483,662.83	846,015,163.57
Cash paid for purchasing of merchandise and services	447,021,932.25	425,452,604.80
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 in financial assets held for trading purposes		
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	193,009,920.39	189,311,016.30
Taxes paid	83,045,359.81	64,394,773.79
Other cash paid for business activities	43,875,019.32	40,131,520.54

Sub-total of cash outflow from business activities	766,952,231.77	719,289,915.43
Net cash generated from /used in operating activities	-10,468,568.94	126,725,248.14
II. Cash flow generated by investing		
Cash received from investment retrieving		80,000,000.00
Cash received as investment gains	16,333,452.93	16,889,734.98
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	1,024,205,268.55	880,265,735.99
Sub-total of cash inflow due to investment activities	1,040,538,721.48	977,155,470.97
Cash paid for construction of fixed assets, intangible assets and other long-term assets	130,558,742.18	100,656,376.09
Cash paid as investment	1,360,000.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	602,697,254.72	1,156,600,000.00
Sub-total of cash outflow due to investment activities	734,615,996.90	1,257,256,376.09
Net cash flow generated by investment	305,922,724.58	-280,100,905.12
III.Cash flow generated by financing		
Cash received as investment	2,312,067.15	
Including: Cash received as investment from minor shareholders		
Cash received as loans	19,000,000.00	42,000,000.00
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities	21,312,067.15	42,000,000.00
Cash to repay debts	39,100,000.00	23,900,000.00
Cash paid as dividend, profit, or interests	19,548,513.32	7,218,537.69
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	199,507.93	
Sub-total of cash outflow due to financing activities	58,848,021.25	31,118,537.69
Net cash flow generated by financing	-37,535,954.10	10,881,462.31
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,433,860.34	-9,365,315.99
V.Net increase of cash and cash equivalents	255,484,341.20	-151,859,510.66
Add: balance of cash and cash equivalents at the beginning of term	1,262,186,817.20	1,222,677,495.94

VI ..Balance of cash and cash equivalents at the end of term	1,517,671,158.40	1,070,817,985.28
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Legal Representative: Zheng Bin Person in charge of accounting: Zhao Jiamao Accounting Dept Leader: Jin Can

6. Cash Flow Statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	357,531,475.37	337,257,363.43
Tax returned		198,416.10
Other cash received from business operation	5,091,255.25	2,486,269.96
Sub-total of cash inflow	362,622,730.62	339,942,049.49
Cash paid for purchasing of merchandise and services	217,084,052.44	225,206,170.83
Cash paid to staffs or paid for staffs	118,261,725.24	119,618,256.32
Taxes paid	46,199,590.52	29,555,820.94
Other cash paid for business activities	19,700,026.88	11,564,241.82
Sub-total of cash outflow from business activities	401,245,395.08	385,944,489.91
Net cash generated from /used in operating activities	-38,622,664.46	-46,002,440.42
II. Cash flow generated by investing		
Cash received from investment retrieving		80,000,000.00
Cash received as investment gains	44,838,301.36	16,083,463.87
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	520,000,000.00	685,025,355.14
Sub-total of cash inflow due to investment activities	564,838,301.36	781,108,819.01
Cash paid for construction of fixed assets, intangible assets and other long-term assets	49,962,456.00	32,378,236.48
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	220,000,000.00	895,000,000.00
Sub-total of cash outflow due to investment activities	269,962,456.00	927,378,236.48

Net cash flow generated by investment	294,875,845.36	-146,269,417.47
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	2,078,789.36	1,974,653.15
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	2,078,789.36	1,974,653.15
Net cash flow generated by financing	-2,078,789.36	-1,974,653.15
IV. Influence of exchange rate alternation on cash and cash equivalents	-2,550,457.20	-9,124,849.87
V. Net increase of cash and cash equivalents	251,623,934.34	-203,371,360.91
Add: balance of cash and cash equivalents at the beginning of term	842,347,117.83	654,407,180.33
VI ..Balance of cash and cash equivalents at the end of term	1,093,971,052.17	451,035,819.42

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

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

Consolidated balance sheet

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment
Current asset:			
Monetary fund	1,382,392,009.59	1,382,392,009.59	
Transactional financial assets	Not applicable	66,000,000.00	66,000,000.00
Financial assets measured at fair value with variations accounted into current income account		Not applicable	

Notes receivable & account receivable	2,535,887,430.48	2,535,887,430.48	
Including: Notes receivable	595,089,175.22	595,089,175.22	
Account receivable	1,940,798,255.26	1,940,798,255.26	
Prepayments	370,958,990.74	370,958,990.74	
Other account receivable	32,552,458.76	32,552,458.76	
Dividend receivable	16,557,292.60	16,557,292.60	
Inventories	2,188,121,342.87	2,188,121,342.87	
Other current assets	1,188,747,955.74	1,188,747,955.74	
Total of current assets	7,698,660,188.18	7,764,660,188.18	66,000,000.00
Non-current assets:			
Available-for-sale financial assets	2,130,076,555.20	Not applicable	-2,130,076,555.20
Long term share equity investment	8,221,439.29		
Other equity instruments investment	Not applicable	2,011,876,524.40	2,011,876,524.40
Other non-current Finance assets	Not applicable	52,200,030.80	52,200,030.80
Fixed assets	783,740,928.49	783,740,928.49	
Construction in progress	454,767,328.93	454,767,328.93	
Intangible assets	279,740,756.49	279,740,756.49	
Deferred tax assets	213,962,707.23	213,962,707.23	
Total of non-current assets	3,870,509,715.63	3,804,509,715.63	-66,000,000.00
Total of assets	11,569,169,903.81	11,569,169,903.81	
Current liabilities			
Short-term loans	139,600,000.00	139,600,000.00	
Notes payable & account payable	1,350,583,381.53	1,350,583,381.53	
Advance payment	2,582,234,158.36	2,582,234,158.36	
Employees' wage payable	86,390,955.29	86,390,955.29	
Tax payable	62,405,200.62	62,405,200.62	
Other account payable	36,904,303.01	36,904,303.01	
Including: Interest payable	437,314.72	437,314.72	
Non-current liability due within 1 year	100,100,000.00	100,100,000.00	
Total of current liability	4,358,217,998.81	4,358,217,998.81	
Non-current liabilities:			
Long-term loan	22,700,000.00	22,700,000.00	
Long-term payable	474,876,451.26	474,876,451.26	
Deferred income	44,675,128.30	44,675,128.30	
Deferred income tax liability	244,169,946.57	244,169,946.57	

Total non-current liabilities	786,421,526.13	786,421,526.13	
Total of liability	5,144,639,524.94	5,144,639,524.94	
Owners' equity			
Share capital	754,010,400.00	754,010,400.00	
Capital reserves	151,684,419.65	151,684,419.65	
Other comprehensive income	1,377,168,522.74	1,377,168,522.74	
Special reserve	621,112,807.78	621,112,807.78	
Surplus reserves	3,082,544,107.52	3,082,544,107.52	
Retained profit	6,007,540,929.16	6,007,540,929.16	
Total of owner's equity belong to the parent company	416,989,449.71	416,989,449.71	
Minority shareholders' equity	6,424,530,378.87	6,424,530,378.87	
Total of owners' equity	11,569,169,903.81	11,569,169,903.81	
Total of liabilities and owners' equity	11,569,169,903.81	11,569,169,903.81	

Parent Company Balance Sheet

In RMB

Items	December 31, 2018	January 1, 2019	Adjustment
Current asset:			
Monetary fund	877,357,020.98	877,357,020.98	
Transactional financial assets	Not applicable	66,000,000.00	66,000,000.00
Financial assets measured at fair value with variations accounted into current income account		Not applicable	
Notes receivable & account receivable	1,676,913,196.88	1,676,913,196.88	
Including: Notes receivable	302,284,986.43	302,284,986.43	
Account receivable	1,374,628,210.45	1,374,628,210.45	
Prepayments	208,498,421.20	208,498,421.20	
Other account receivable	19,984,760.06	19,984,760.06	
Dividend receivable	16,557,292.60	16,557,292.60	
Inventories	1,584,030,951.83	1,584,030,951.83	
Other current assets	890,000,000.00	890,000,000.00	
Total of current assets	5,256,784,350.95	5,322,784,350.95	66,000,000.00
Non-current assets:			

Available-for-sale financial assets	2,090,631,297.62	Not applicable	-2,090,631,297.62
Long term share equity investment	502,919,378.03	502,919,378.03	
Other equity instruments investment	Not applicable	2,011,876,524.40	2,011,876,524.40
Other non-current Finance assets	Not applicable	12,754,773.22	12,754,773.22
Fixed assets	448,890,495.75	448,890,495.75	
Construction in progress	142,310,055.48	142,310,055.48	
Intangible assets	165,734,347.73	165,734,347.73	
Deferred income tax assets	163,871,631.81	163,871,631.81	
Total of non-current assets	3,514,357,206.42	3,448,357,206.42	-66,000,000.00
Total of assets	8,771,141,557.37	8,771,141,557.37	
Current liabilities			
Notes payable & Account payable	654,853,099.86	654,853,099.86	
Advance payment	1,877,069,335.29	1,877,069,335.29	
Employees' wage payable	43,332,523.01	43,332,523.01	
Tax payable	37,809,874.53	37,809,874.53	
Other account payable	24,708,959.22	24,708,959.22	
Including: Interest payable	212,010.69	212,010.69	
Dividend payable	0.00	0.00	
Non-current liability due within 1 year	100,000,000.00	100,000,000.00	
Total of current liability	2,737,773,791.91	2,737,773,791.91	
Non-current liabilities:			
Long-term payable	264,512,388.24	264,512,388.24	
Deferred income	41,944,793.30	41,944,793.30	
Deferred income tax liability	244,169,946.57	244,169,946.57	
Total non-current liabilities	550,627,128.11	550,627,128.11	
Total of liability	3,288,400,920.02	3,288,400,920.02	
Owners' equity			
Share capital	754,010,400.00	754,010,400.00	
Capital reserves	138,953,250.09	138,953,250.09	
Other comprehensive income	1,377,784,111.74	1,377,784,111.74	
Special reserve	602,356,402.65	602,356,402.65	
Surplus reserves	2,602,026,967.56	2,602,026,967.56	
Retained profit	5,482,740,637.35	5,482,740,637.35	
Total of owners' equity	8,771,141,557.37	8,771,141,557.37	

Total of liabilities and owners' equity	8,771,141,557.37	8,771,141,557.37	
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2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

Not applicable

III. Auditor' report

Is the First Quarterly Report be audited?

The First Quarterly report is not audited.

Hangzhou Steam Turbine Co., Ltd.
Chairman of the Board: Zheng Bin
April 27,2019