

Stock code: 420063

Stock name: Wuguo B3

Announcement No.: 2021-032

**WUHAN BOILER COMPANY LIMITED**

**2021 QUARTERLY THREE REPORT**

## **Section I Important Notes**

The Board of Directors, the Board of Supervisors as well as all Board Directors, Supervisors and Senior Management of Wuhan Boiler Company Limited (hereinafter referred to as the “Company”) hereby warrant that this Report is authentic, accurate and complete without any misstatement, misleading statement or material omission and will take individual and joint and several liabilities for that.

All Board Directors attended the Board Meeting for reviewing this Report.

Stuart Adam Connor, the Company Principal, Song Yuchuan, the Accounting Principal, and Zhou Wei, the Accounting Division’s Principal (Accounting Manager), hereby ensure that the Financial Statements enclosed in this Report are authentic, accurate and complete.

## Section II Company Profile

### I. Major accounting data and financial indexes

Does the Company need to adjust retrospectively or restate accounting data of previous periods?

Yes  No

	Sep. 30, 2021	Dec. 31, 2020	Increase/decrease (%)	
Total assets (RMB)	958,663,264.71	1,126,853,242.15	-14.93%	
Owners' equity attributable to shareholders of the Company (RMB)	-1,655,215,050.24	-1,434,651,269.19	-15.37%	
	Jul. – Sep. 2021	Increase/decrease (%) as compared to same period last year	Jan. – Sep. 2021	Increase/decrease (%) as compared to same period last year
Gross operating revenues (RMB)	120,304,640.90	-40.88%	363,011,711.20	-45.56%
Net profit attributable to shareholders of the Company (RMB)	-76,323,441.61	-252.58%	-220,563,781.05	-59.11%
Net profit attributable to shareholders of the Company after excluding non-recurring gains and losses (RMB)	-92,412,885.61	-325.54%	-236,933,113.05	-70.66%
Net cash flow from operating activities (RMB)	-67,801,951.42	-503.91%	-285,180,857.98	35.27%
Basic EPS (RMB/share)	-0.26	-266.96%	-0.74	-57.45%
Diluted EPS (RMB/share)	-0.26	-266.96%	-0.74	-57.45%
The weighted average ROE	-5.71%	-4.05%	-15.34%	-4.26%

Items and amounts of non-recurring gains and losses

Applicable  Not applicable

Unit: RMB

Item	Jan.-Sep. 2021	Explanation
Government grants recognized in the current year, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	16,369,332.00	Mainly central high-quality development funds
Total	16,369,332.00	--

Explain the reasons if the Company classifies an item as a non-recurring gain/loss according to the definition in

the Explanatory Announcement No. 1 on Information Disclosure for Public Listed Companies – Non-recurring Gains and Losses, or classifies any non-recurring gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

Applicable Not applicable

In the report period, the Company didn't classify any non-recurring gain/loss item defined or mentioned in the Explanatory Announcement No. 1 on Information Disclosure for Public Listed Companies – Non-recurring Gains and Losses as a recurrent gain/loss item.

## II. Total number of shareholders at the period-end and shareholdings of the top ten shareholders

### 1. Total number of shareholders with common shares and shareholders with preference shares with resumed voting rights as well as shareholdings of the top ten shareholders

Unit: share

Total number of shareholders with common shares at the period-end		5216		Total number of shareholders with preference shares who had resumed their voting right at the end of the report period (if any)		-	
Shareholdings of the top ten shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of the shares held	Number of the restricted shares held	Pledged or frozen shares		
					Status of shares	Number of shares	
GE STEAM POWER INVESTMENT CO. LTD.	Domestic non-state-owned corporation	51.00%	151,470,000	151,470,000	-	-	
WUHAN BOILER GROUP CO., LTD	State-owned corporation	6.91%	20,530,000	20,530,000	-	-	
WANG XIAO	Domestic natural person	0.90%	2,672,800				
CHEN PENG	Domestic natural person	0.79%	2,331,545				
TANG HAIMING	Domestic natural person	0.53%	1,566,099				
HU ZHIHONG	Domestic natural person	0.47%	1,390,397				
CHEN CHUYUN	Domestic natural person	0.46%	1,367,450				

LI ZHIJIAN	Domestic natural person	0.43%	1,286,281			
HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C	Foreign corporation	0.40%	1,185,114			
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned corporation	0.40%	1,176,836			
Shareholdings of the top ten shareholders with non-restricted shares						
Name of shareholder	Number of non-restricted shares held	Type of shares				
		Type	Number of shares			
WANG XIAO	2,672,800	Domestically listed stock for foreign investors	2,672,800			
CHEN PENG	2,331,545	Domestically listed stock for foreign investors	2,331,545			
TANG HAIMING	1,566,099	Domestically listed stock for foreign investors	1,566,099			
HU ZHIHONG	1,390,397	Domestically listed stock for foreign investors	1,390,397			
CHEN CHUYUN	1,367,450	Domestically listed stock for foreign investors	1,367,450			
LI ZHIJIAN	1,286,281	Domestically listed stock for foreign investors	1,286,281			
HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C	1,185,114	Domestically listed stock for foreign investors	1,185,114			
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	1,176,836	Domestically listed stock for foreign investors	1,176,836			
ZHUANG CHANGXIONG	1,045,000	Domestically	1,045,000			

		listed stock for foreign investors	
SUN WEIWEI	966,567	Domestically listed stock for foreign investors	966,567
Explanation on affiliated relationship or persons acting in concert among the above-mentioned shareholders	The top ten shareholders of the Company are public shareholders with tradable shares. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders with tradable shares and whether there are persons acting in concert among them. The Company is not aware of whether there is any affiliated relationship among the top ten shareholders and the top ten shareholders with tradable share.		
Explanation on the top ten shareholders with common shares participating in the margin trading business (if any)	Not applicable		

Whether the top 10 shareholders with common shares and the top 10 shareholders with tradable common shares of the Company reach agreement of buy-back trading in the report period?

Yes  No

No top 10 shareholders with common shares and top 10 shareholders with tradable common shares of the Company carried out any agreed buy-back trading in the report period.

## 2. Total number of shareholders with preference shares and shareholdings of the top ten shareholders with preference shares

Applicable  Not applicable

## III. Other significant events

Applicable  Not applicable

On September 30, 2021, the Company disclosed Announcement No. 2021-027 on Reminder from the Board of Directors. As disclosed in the Announcement, it was informed by its controlling shareholder GE Steam Power Investment Co., Ltd. (GESPI) that GESPI signed the Agreement on the Acquisition of Shares of Wuhan Boiler Company Limited with Daoben Automatic Component Co., Ltd. on September 28, 2021. For details of this transaction, please refer to the Report on the Acquisition of Wuhan Boiler Company Limited, the Financial Consultant's Report of Vanho Securities Co., Ltd. on the Report on the Acquisition of Wuhan Boiler Company Limited, the Legal Opinion of Beijing Yingke (Wuhan) Law Firm on the Report on the Acquisition of Wuhan Boiler Company Limited, and the Legal Opinion of Dewell & Partners Law Firm on the Acquisition of Wuhan Boiler Company Limited, which were all disclosed on September 28, 2021. In strict compliance with the applicable laws and regulations such as the Interim Measures of the National Equities Exchange and Quotations System for Information Disclosure of Companies Listed on Behalf of Other Entities on STAQ and NET of the National Equities Exchange and Quotations System and Companies Exiting from the Market, the Company will closely follow the said transaction and fulfill its duty of information disclosure in a timely manner as the transaction proceeds. Investors are reminded to exercise caution when making investment decisions.

## Section III Significant Events

### I. Major changes of main accounting statement items and financial indicators in the report period, as well as reasons for the changes

√Applicable Not applicable

1. Other receivable decreased by 85.62%, mainly due to collection of other receivable which are booked in prior period.
2. Contract assets decreased by 51.13%, mainly due to the transfer of contract assets confirmed at the beginning of the year into accounts receivable.
3. Other current assets decreased by 61.86%, mainly due to the decrease in VAT to be deducted.
4. Construction in progress decreased by 100%, mainly due to the cleanup of long-aged construction in progress.
5. Accounts payable decreased by 37.08%, mainly due to payment of previous accounts payable.
6. Contract liabilities decreased by 84.31%, mainly because the amount in the book value at the beginning of the year confirmed revenue.
7. Tax payable increased by 34.53%, mainly due to the increase in personal income tax payable.
8. Other payable decreased by 43.36%, mainly due to the payment of previous payables.
9. Operation revenue decreased by 45.56%, mainly because GE withdrew from the coal power market and didn't receive new orders in 2021, so the reduction in the implementation of projects led to a decrease in sales.
10. Operating cost decreased by 34.89%, mainly due to the reduction of projects in production, and the corresponding reduction in cost input.
11. Tax and surcharges increased by 44.37%, mainly due to additional tax for VAT increase this period
12. Selling expenses decreased by 65.73%, mainly due to selling department expense and tendering expense decrease.
13. Administration expenses increased by 291.03%, mainly due to large amounts of dismissal benefits.
14. Other income increased by 864.89%, mainly due to the increase in government subsidies.
15. Credit impairment loss decreased by 96.88%, mainly due to the contractual asset loss provision in the prior period from Waste-To-Energy Boilers project.
16. Asset impairment losses increased by 100%, mainly due to the provision for impairment of fixed assets.
17. Income tax expense increased by 100%, mainly because the company is not likely to obtain future taxable profits that can be used to deduct temporary differences and tax losses, the income tax expense for deductible temporary differences has not been accrued.
18. Net cash flows from operating activities increased by 35.27%, mainly due to payment for projects material decrease this period.
19. Net cash flow generated from investment activities increased by 98.15%, mainly due to the decrease of cash out paid for fixed assets this period
20. Net cash flow generated from financing activities decreased by 39.96%, mainly due to the decrease of entrusted loans this period.

## **II. Progress and influence of significant events, as well as the analysis and explanation on solutions**

Applicable  Not applicable

Progress on any share repurchase

Applicable  Not applicable

Progress on reducing the repurchased shares by means of centralized bidding

Applicable  Not applicable

## **III. Commitments ongoing at the period-end made by the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other parties**

Applicable  Not applicable

No such cases in the report period.

## **IV. Investment in financial assets**

### **1、Securities investment**

Applicable  Not applicable

No such cases in the report period.

### **2、Derivatives Investment**

Applicable  Not applicable

## **V. Progress of investment projects with raised funds**

Applicable  Not applicable

## **VI. Forecast for 2021 business performance**

A warning and explanation of the reason for predicting that the cumulative net profit from the beginning of the year to the end of the next reporting period may be a loss or a significant change compared with the same period of the previous year.

Applicable  Not applicable

## **VII. Major contracts for daily operations**

Applicable  Not applicable

## **VIII. Wealth management entrustment**

Applicable  Not applicable

There was no entrusted financial management during the reporting period.

### IX. Illegal provision of guarantees for external parties

Applicable  Not applicable

During the reporting period, the company had no violations of external guarantees.

### X. Occupation of the Company's funds by its controlling shareholders or its related parties for non-operating purposes

Applicable  Not applicable

During the reporting period, there was no non-operating capital occupation of the listed company by the controlling shareholder and its related parties.

### XI. Researches, visits and interviews received in this report period

Applicable  Not applicable

Date	Location of reception	Way of reception	Visitor type	Visitor	Main inquiry information	Index of the basic situation of the survey
Jun. 3, 2021	WBC	By phone	Individual	Shareholder	Inquired about the controlling shareholder's plan for the Company for the coming future: No new news from the controlling shareholder. Please keep an eye on the Company's announcements. The Company will disclose in a timely manner.	No
Jul. 2, 2021	WBC	By phone	Individual	Shareholder	Inquired about potential buyers: No new news from the controlling shareholder. Please keep an eye on the Company's announcements. The Company will disclose in a timely manner. Inquired about whether the Company is working in three shifts: No.	No
Aug. 17, 2021	WBC	By phone/email	Individual	Shareholder	Inquired about whether the Company still exists: Yes. Inquired about how to have share ownership confirmed and registered: Please contact the customer manager of your securities firm. Or, you may refer to the Announcement on the Confirmation and Registration of Share Ownership disclosed by the Company in 2015.	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Wuguo B-delisted: Announcement on the Confirmation and Registration of Share Ownership, dated Jul. 16, 2015

Oct 28<sup>th</sup>, 2021