

Securities Code: 420063

Securities Abbr.: WuguoB5

Public Announcement No.: 2019-002

## Summary of 2018 Annual Report of Wuhan Boiler Company Limited

### I. Important notes

This Summary of 2018 Annual Report is abstracted from the full text of 2018 Annual Report. In order to have a full understanding of the operating results, financial status and future development planning of the Company, investors are suggested to read the full text carefully on the media designated by the China Securities Regulatory Commission (the “CSRC”).

Independent auditor’s unqualified modified opinion

Applicable  Not applicable

Preplan for profit distribution to shareholders with common shares or transferring capital reserve into share capital for the report period which has been reviewed and approved by the Board of Directors

Applicable  Not applicable

The Company planned not to distribute cash dividends, or grant bonus shares, or transfer capital reserve into share capital.

Preplan for profit distribution to shareholders with preference shares for the report period which has been reviewed and approved by the Board of Directors

Applicable  Not applicable

### II. Company profile

#### 1. Stock profile

Stock abbreviation	WuguoB5	Stock code	420063
Stock transfer system	National Equities Exchange and Quotations (NEEQ)		
Contact Information	Board Secretary	Securities Representative	
Name	Jin Lin	Bi Lihong	
Office address	No. 1, Liufangyuan Road, East Lake New Technology Development Zone, Wuhan, Hubei	No. 1, Liufangyuan Road, East Lake New Technology Development Zone, Wuhan, Hubei	
Fax	(027) 81993701	(027) 81993701	
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E-mail address	lin.jin@ge.com	lihong.bi@ge.com	

#### 2. Brief introduction to main business or products in the report period

The Company’s business scope is research, design, development and manufacturing of power plant boilers, special boilers, pressure vessel of Class 1, 2 & 3, boiler auxiliary equipment and desulfurization equipment, and sales of self-manufactured product (related governmental permit shall be obtained before engaging in the projects required mandatory license).

No changes occurred to the main business model and business line of the Company in the report period.

### 3. Accounting and financial highlights

#### (1) Accounting and financial highlights for past three years

Does the Company adjust retrospectively or restate accounting data of previous years?

Yes  No

Unit: RMB Yuan

	2018	2017	Increase/decrease of current year over last year	2016
Operating revenues	1,050,871,541.78	1,469,899,569.27	-28.51%	1,444,699,375.15
Net profit attributable to shareholders of the Company	26,652,233.62	127,919,167.49	-79.16%	5,588,202.73
Net profit attributable to shareholders of the Company after excluding non-recurring gains and losses	26,517,878.60	107,478,875.35	-75.33%	-35,293,159.50
Net cash flows from operating activities	195,815,162.72	44,543,285.84	339.61%	-78,260,423.81
Basic EPS (RMB Yuan/share)	0.09	0.43	-79.07%	0.02
Diluted EPS (RMB Yuan/share)	0.09	0.43	-79.07%	0.02
Weighted average ROE (%)	-2.18%	-9.51%	7.33%	-0.40%
	As of Dec. 31, 2018	As of Dec. 31, 2017	Increase or decrease of this year-end than last year-end (%)	As of Dec. 31, 2016
Total assets	1,236,668,941.72	1,200,726,969.91	2.99%	1,366,003,628.07
Net assets attributable to shareholders of the Company	-1,194,395,210.61	-1,281,838,103.18	6.82%	-1,409,200,270.67

#### (2) Accounting highlights by quarter

Unit: RMB Yuan

	Q1	Q2	Q3	Q4
Operating revenues	199,112,498.59	357,885,020.24	214,521,031.07	279,352,991.88
Net profit attributable to shareholders of the Company	-30,218,951.64	109,021,214.21	-13,829,667.22	-38,320,361.73
Net profit attributable to shareholders of the Company after excluding non-recurring gains and losses	-30,472,784.84	108,750,046.06	-13,791,837.00	-37,967,545.62
Net cash flows from operating activities	38,328,881.19	90,705,354.55	-77,094,033.58	143,874,960.56

Any material difference between the financial indicators above or their summations and those which have been disclosed in Quarterly or Interim reports?

Yes  No

#### 4. Share capital and shareholders

##### (1) Numbers of shareholders with common shares and shareholders with preference shares with resumed voting rights as well as shareholdings of top 10 shareholders

Unit: share

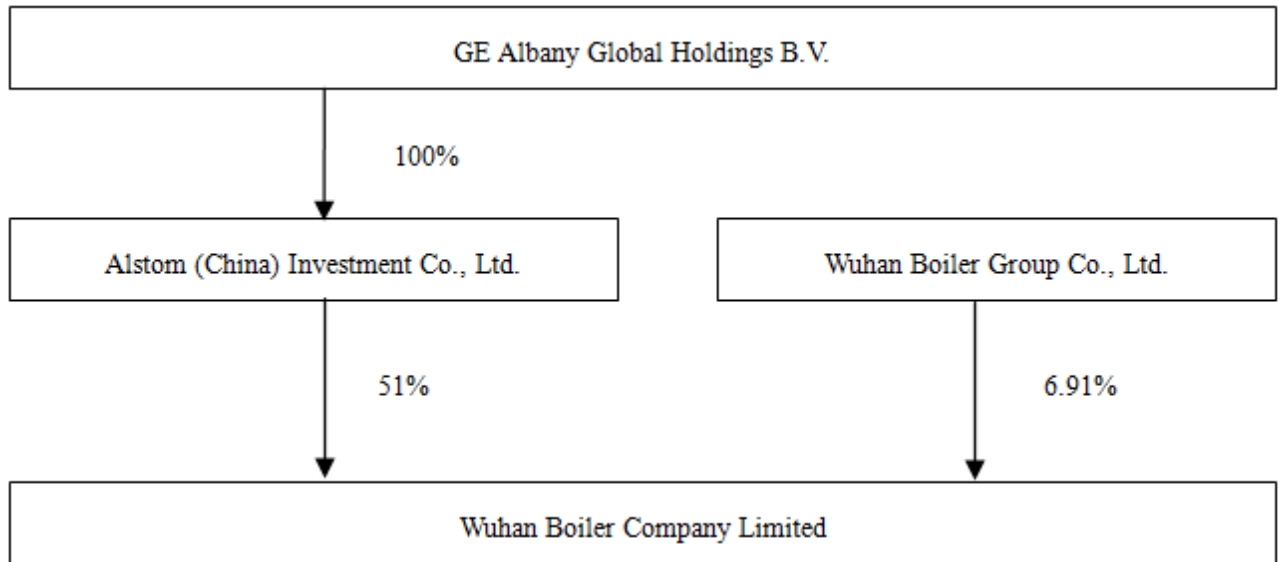
Total number of shareholders with common shares at the end of the report period	5,308	Total number of shareholders with common shares at previous month-end of this report's disclosure	5,308	Total number of shareholders with preference shares who had resumed their voting right at the end of the report period	0	Total number of shareholders with preference shares with resumed voting rights at previous month-end of this report's disclosure	0
Top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Number of restricted shares held	Pledged or frozen shares		
					Status of shares	Number of shares	
ALSTOM (CHINA) INVESTMENT CO., LTD	Domestic non-state-owned corporation	51.00%	151,470,000				
WUHAN BOILER GROUP CO., LTD	State-owned corporation	6.91%	20,530,000				
WANG XIAO	Domestic natural person	0.90%		2,672,800			
CHEN PENG	Domestic natural person	0.79%		2,331,545			
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			
ZHUANG CHANGXIONG	Domestic natural person	0.35%		1,045,000			
Explanation on affiliated relationship or persons acting in concert among the above-mentioned shareholders	Alstom (China) Investment Co., Ltd. (the first principal shareholder of the Company) and Wuhan Boiler Group Co., Ltd. (the second principal shareholder of the Company) hold non-tradable shares of the Company. No affiliated relationship exists between Alstom (China) Investment Co., Ltd. (the first principal shareholder of the Company), Wuhan Boiler Group Co., Ltd. (the second principal shareholder of the Company) and the other shareholders with tradable shares, and they are not						

	persons acting in concert as defined in the Administrative Rules on Information Disclosure about Changing of Shareholding Status. 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 shareholders participating in the margin trading business (if any)	Not applicable

**(2) Number of shareholders with preference shares and shareholdings of top 10 of them**

Applicable  Not applicable  
 No preference shares in the report period

**(3) The ownership and controlling relationship between the Company and its actual controller in form of diagram**



**5. Corporate bonds**

Corporate bonds publicly offered and listed on the stock exchange which were undue before the approval date of this report or were due but could not be redeemed in full  
 None

**III. Performance discussion and analysis**

**1. Business review for report period**

Is the Company subject to the disclosure requirements for special industries?  
 No

In 2018, China’s economy remained stable, but not without changes and concerns. The complicated and harsh external environment, as well as the downward pressure on economy, caused increasing uncertainty in power demand growth. Investment in hydroelectricity, thermal power and nuclear power continued to slide from the previous year. In face of shrinking markets, the Company showed no fear. It proactively developed solar-powered

boiler, lignite-fired boiler and other new technologies, adopted welding robots and other new production techniques, as well as actively expanded boiler upgrade service on overseas markets in addition to new boiler building. With the guide of *the Belt and the Road*, the Company continues to expand China boiler and mill market with its advanced technology and high efficiency boiler products and positively work hard for GE internal orders. Management believes that the Company can make continuous and stable development with the dedication of all employees and the full support from GE.

In 2018, GE signed a contract with SEPCOIII Electric Power Construction Co., Ltd. to supply boilers and turbo-generators for the Pakistan Lucky 1X660MW power plant project. And the Company is responsible for supplying the 660MW tower boiler for the said project. As such, the Company has the experience of lignite-fired tower boiler design and supply, as well as sufficient workload for the workshops. Under the leadership of the management, the Company proactively made innovations. It has independently developed the hanging pipe welding robot production line, which has started production. This has increased welding efficiency and quality, laid a solid foundation for the gradual replacement of manual welding with automatic welding, as well as boosted the Company's confidence in the independent development of intelligent equipment.

According to the Chinese accounting standards, for 2018, the Company achieved operating revenues of RMB 1,050,871,541.78, a decline of 28.51% over last year; total profit of RMB 56,129,985.00, representing a year-on-year drop of 60.07%; and net profit attributable to shareholders of the Company of RMB 26,652,233.62, decreasing 79.16% from last year.

## 2. Major changes in main business in the report period

Applicable  Not applicable

## 3. Products contributing over 10% of main business revenue or profit

Applicable  Not applicable

Unit: RMB Yuan

Product	Operating revenue	Operating profit	Gross profit margin (%)	Operating revenue: +/-% from last year	Operating profit: +/-% from last year	Gross profit margin: +/-% from last year
Boilers and auxiliary	1,046,310,913.21	174,178,427.85	16.65%	-28.73%	-28.08%	-0.75%

## 4. Seasonal or periodic characteristics in operating performance that need special attention

Applicable  Not applicable

## 5. Major YoY changes in operating revenues, operating costs and net profit attributable to shareholders with common shares or their composition

Applicable  Not applicable

## 6. Listing suspension or termination

Applicable  Not applicable

## 7. Issue related to financial report

### (1) Explanation on changes in accounting policy, accounting estimates and measurement methods

Applicable  Not applicable

No changes in accounting policy, accounting estimates and measurement methods in the report period as compared with the financial report of last year.

**(2) Explanation on retrospective restatements due to correction of significant accounting errors in the report period**

Applicable  Not applicable

No retrospective restatements due to correction of significant accounting errors in the report period.

**(3) Explanation on changes of consolidation scope**

Applicable  Not applicable

No change of the consolidation scope as compared with the financial report of last year.

April 24, 2019