

Hangzhou Steam Turbine Co., Ltd.
Performance Prospect of the First Third Quarters of 2018

The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. Not any false record, misleading statement or significant omission carried in this announcement.

I. Prediction of business performance of the current term

1. Period of the prospect: January 1,2018 – September 30, 2018
2. Performance predicted: Increase compared with last period

Items	This report term (January- September 2018)	Same period last year (January-September 2017)
Net profit attributable to the shareholders of the listed company	Earnings : RMB275million–305RMB million	Earnings : RMB63.99 million
Basic earnings per share	Earnings : RMB0.37- RMB0.41	Earnings : RMB0.09

Information of expected performance for the third quarter of 2018(July 1,2018-September 30,2018):

Items	This report term (July- September 2018)	Same period last year (July-September 2017)
Net profit attributable to the shareholders of the listed company	Earnings : RMB146.49million–RMB176.49million	Earnings : RMB 20 million
Basic earnings per share	Earnings : RMB0.19- RMB0.23	Earnings : RMB0.03

II. Pre-audit of estimated earnings

The estimated earnings have not been pre-audited by certified public accountants.

III. Reason for change of earnings

Statement of the board about significant change in business performances: The net profit attributable to shareholders of listed companies increased year-on-year, mainly due to the increase in sales revenue from the delivery of units from January to September, and the company's profits increased accordingly.

IV. Other Relevant Explanation

1. The above is a preliminary prediction of the accounting department of the company .actual figures will be announced of by the third Quarterly Report 2018 released later.

2. Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and <http://www.cninfo.com.cn> are the official presses of the Company. Please be rational in your investment and be aware of the investment risks

The Board of Directors of Hangzhou Steam Turbine Co., Ltd.

October 13, 2018