

Hangzhou Steam Turbine Co., Ltd. 2018 Performance Forecast

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 – December 31, 2018

2. Performance predicted: Increase compared with last period

Items	This report term	Same period last year
Net profit attributable to the shareholders of the listed company	Earnings: 320 million yuan–390 million yuan	Earnings: 68.75 million
	Increase over the same period of last year: 365.45%—467.27%	
Basic earnings per share	Earnings: About 0.42 yuan—0.52 yuan	Earnings: 0.09 yuan

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 larger increased year-on-year, mainly due to the increase in sales revenue from the delivery of units during the year, and the company's profits increased accordingly.

IV. Other relevant explanation

The above forecast is a primary calculating of the Company's accounting department. For actual data please catch up with the annual report 2018 which will be released later.

Shanghai Securities Daily, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn are the official presses of the Company for information disclosure.

This announcement is hereby made.

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

January 23, 2019