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Hangzhou Steam Turbine Co., Ltd.
2015 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. Forecast of business performance of the current term

1. Period of the forecast: Jan 1st – Dec 31st 2015

2. Direction: Loss

3. Summary of performance

(1) Summary of performance Jan-Dec 2015

Items	Current term (Jan-Dec 2015)	Same period last year (Jan-Dec 2014)
Net profit attributable to the shareholders of the listed company	Loss:RMB140 million— RMB 170 million	Profit：RMB 352.0774 million
Basic earnings per share	Loss: about RMB 0.21	Profit ：RMB 0.47

II. Audition on the business performance prediction

This forecast of performance is not audited.

III. Causation of change in business performance

The business performance significantly declined in the report period, of which the main reason was the influence of domestic and foreign markets economy, which decreased quantity occured in orders and the customer's increasing demands for pausing or delaying in delivery, resulting in a significant decrease in sales income. Meanwhile, the occupation of products with good profitability in annual achieving sales products slid sharply, which led to a substantial decrease year on year in the gross profit. Secondly, the impairment loss sharply increased led to the substantial decrease in net profit.

IV. Related remark

The above forecast is a primary calculating of the Company’s accounting department. For actual data please catch up with the annual report 2015 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.

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

January 30, 2016