

Hangzhou Steam Turbine Co., Ltd.

Performance Prospect for the First Quarter of 2021

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 prospect: January 1, 2021 to March 31, 2021
2. Estimated earnings: ☐ Losses ☒ Turning losses into profits ☐ Year-on-Year increase
☐ Year-on-Year decrease

3. Performance forecast table

Items	For this report period	Same period of the previous year
Net profit attributable to the shareholders of the listed company	Earnings: 145.36 million yuan–177.66million yuan	Losses: 15.52 million yuan
	Increased over the same period of last year: 1036.60% - 1244.72%	
Basic earnings per share	Earnings: 0.20 yuan/Share-0.24yuan/Share	Losses: 0.02 yuan/Share

II. Pre-audit of estimated earnings

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

III. Causation of change in business performance

1. In the first quarter of 2020, due to the impact of the “new corona-virus epidemic”, the Company and upstream and downstream enterprises in the industry delayed the resumption of work and production, and the delivery of customer orders was affected, resulting in losses in the same period last year. In the first quarter of 2021, the Company’s operations and the delivery of orders of upstream and downstream customers have basically recovered. During the reporting period, the Company’s sales scale and profitability have achieved substantial growth.
2. The gas turbine contract for the Huo’qiu project was terminated with Sinosteel Equipment Co., Ltd under the mediation of the court, and a compensation of 109 million yuan was obtained, which

's included the non-recurring profit and loss.

IV. Other relevant explanation

1. The estimated performance is the preliminary data, Actual results of will be released by the Company's 1st Quarterly Report 2021. investors are advised to make decisions prudently and pay attention to investment risks.

2. 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.

April 10, 2021