

Announcement of 2020 Preliminary Earnings Estimate of Hangzhou Steam Turbine Co., Ltd.

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.

Special Notice: This announcement contained only the preliminary 2020 annual financial data, which is without audited; it may have difference between the final disclosed data. Investors please do concern the investment risk.

I . Highlights of accounting data and financial index of 2020 annual year.

In RMB 10, 000

Items	For this report period	Same period of the previous year	Changed over last year (%)
Total Operating profit	449,644.52	427,984.85	5.06%
Operation profit	61,212.37	51,811.93	18.14%
Total profit	62,093.30	47,738.08	30.07%
Net profit attributable to the shareholders of the listed company	45,934.54	34,513.81	33.09%
Basic gains per share(RMB)	0.62	0.46	34.78%
Weighted average net asset earnings ratio (%)	6.24%	5.48%	0.76%
	End of 2020	End of 2019	Changed over last year (%)
Gross assets	1,539,265.39	1,260,011.56	22.16%
Shareholders' equity attributable to shareholders of the listed company	810,478.89	660,749.61	22.66%
Capital stock	75,401.04	75,401.04	0.00%
Net asset per share attributable to shareholders of the listed company(RMB)	11.04	8.76	26.03%

Note:

1. The company fills in the column with the data of consolidated statements.
2. During the reporting period, the company implemented share repurchase, and the repurchased shares were treasury shares, which were deducted from the share capital when calculating the earnings per share, weighted average return on net assets and net assets per share in the reporting period.

II. Description of operating performance and financial status

1. Operating conditions, financial status and main factors affecting operating performance during the reporting period

In 2020, the company achieved operating income of RMB 4.496 billion, with a year-on-year increase of 5.06%; The net profit attributable to shareholders of listed companies was RMB 459 million, with a year-on-year increase of 33.09%. The increase in operating income was mainly due to the increase in sales of auxiliary machines and accessories.

2. The main reasons for the fact that the increase or decrease of the relevant items in the above table is more than 30%

The main reasons for the year-on-year increase in total profit、 net profit and basic earnings per share are: the increase in sales revenue and gross profit margin leads to an increase in sales gross profit; When the company litigation dispute is closed, the estimated liabilities accrued in the previous period will be reversed in the current period.

III. Explanation of difference from previous performance forecast

There is no previous performance forecast in the company.

IV. Analysis of reasons for performance leakage and stock price changes

Not applicable。

V. Other notes

None.

The Board of Directors of Hangzhou Steam Turbine Co., Ltd.
April 10,2021