Stock Code: 200771 Stock ID: Hangqilun B Announcement No. 2017-05

Hangzhou Steam Turbine Co., Ltd.

Resolutions of the 7th Meeting of the 7th Term of Board

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.

The notice for calling of the 7th session of the 7th term of Board of Hangzhou Steam Turbine Co., Ltd. was served on March 6, 2017, and the meeting was held in the morning of March 16, 2017 in the meeting room No.2 of the reception center of the Company. All of the 11 directors attended the meeting and examined and voted on the proposals on the meeting (Director Zheng Bin and Director Nie Zhonghai voted by telecommunication). Directors examined and voted on the proposals on the meeting. The meeting was hosted by Vice Chairman Yang Yongming.

The following proposals were examined at the meeting and passed by open ballot：

I. Work Report of the General Manager 2016

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

II. Work Report of the Board 2016

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated March 18, 2017. (Announcement No. 2017-13).

This proposal is subject to examination of the Shareholders' Meeting 2016.

III. Annual Report 2016 and Summary

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The Board inspected and discussed on the Annual Report 2015. All of the members considered the report was frankly and completely reflecting the financial situation and business performance in the report term (January 1 – December 31, 2016). The Board will assume joint and individual responsibilities for the accuracy, authentic, and completeness of the Report.

The full text of the Annual Report 2016 is available at http://www.cninfo.com.cn (Announcement No. 2017-07) on March 18, 2017. The summary of Annual Report 2016 is available as Announcement No. 2017-08 released by Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and http://www.cninfo.com.cn dated March 18, 2017.

This report is subject to approval of the Shareholders' Meeting 2016.

IV. The Financial Report 2016

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The full text of **the Financial Report 2016** is available at http://www.cninfo.com.cn (Announcement No. 2017-09) on March 18, 2017. This report is subject to approval of the

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Shareholders' Meeting 2016.

V. The Dividend Plan 2016

The proposal was adopted by 11 votes in favor, 0 objection, and 0 waive.

Basing on the audited financial accounts of 2016, the Company realized RMB42,075,038.98 of net profit. After providing RMB0.00 of surplus reserves, the accumulated retained profit is RMB2,243,299,128.08.

The profit distribution plan, which was proposed by the Board, is: The Company will not distribute cash dividend or bonus shares, neither capitalizing of common reserves for the report period. The Dividend Plan is subject to approval of the Shareholders' Meeting 2016.

VI. The Internal Control Introspective Report 2016

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated March 18, 2016. (Announcement No. 2017-24).

VII. Report of Related Transactions in 2016 and Projected for Year 2017

Nie Zhonghai, Yan Jianhua, Yang Yongming, Zheng Bin, and Ye Zhong – the related directors, waived from voting of this proposal. It was approved by 6 votes in favor, 0 objection and 0 waive.

The independent directors of the Company reviewed the proposal and issued the prior approval opinion before the board of directors convened, agreed to submit the proposal to the board of directors of the Company and expressed independent opinions on the matter. The independent directors issued the independent opinions against such item and see the Company Independent Directors' Special Instructions and Independent Opinions on Affiliated Parties' Capital Occupation, etc. for details(Announcement No. 2017-14).

The complete report is available as Announcement No. 2017-21 released by Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and http://www.cninfo.com.cn dated March 18, 2017.

This proposal is subject to examination of the Shareholders' Meeting 2016, and Hangzhou Steam Turbine Power Group Co., Ltd. shall waive from voting of this proposal.

VIII. The Proposal to extend the service of Pan-China CPA as auditor of the Company for year 2017

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated March 18, 2017. (Announcement No. 2017-11). This proposal is subject to the examination at the Shareholders' Meeting 2016.

IX. The Proposal of Remunerations for Directors and Executives for Year 2016

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The complete report is available in Chapter VIII of Annual Report 2016 released on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated March 18, 2017. (Announcement No. 2017-07).

X. The Proposal of the provision for impairment of assets of year 2016

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The board of directors reckoned that: the provision for impairment of assets was in

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accordance with the Accounting Standards for Enterprises and the company's management institution on provision for impairment of assets, and that was in line with the principle of prudence and was reasonable, objectively and fairly reflected the company's financial status, so the board agreed the provision for impairment of assets. The independent directors issued the independent opinions against such item and see the Company Independent Directors' Special Instructions and Independent Opinions on Affiliated Parties' Capital Occupation, etc. for details(Announcement No. 2017-14).

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated March 18, 2017. (Announcement No. 2017-18).

This proposal is subject to examination of the Shareholders' Meeting 2016.

XI. The Proposal of 2016 Annual Write-offs Asset of the Company

11 votes in favor, 0 objection, 0 waive, the proposal was adopted.

The Company's board of directors considers that this write-offs asset complied with Accounting Standards for Business Enterprises and management system on the Company's write-offs asset, which truly reflected the Company's financial condition, where the write-offs basis is sufficient and which won't involve with the Company's relate party. Therefore,the Company's board of directors agreed on this write-offs asset.

The independent directors issued the independent opinions against such item and see the *Company Independent Directors' Special Instructions and Independent Opinions on Affiliated Parties' Capital Occupation, etc.* for details (Announcement No. 2017-14).

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated March 18, 2017. (Announcement No. 2017-19).

XII. The Proposal of Using Idle Capital to Invest on Mid-short Term Financing Instruments in 2017

The proposal was adopted with 11 votes in favor, 0 objection and 0 waive.

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated March 18, 2017. (Announcement No. 2017-23).

XIII.The Proposal for the Debt Restructuring and Related Transaction Between the Company Holding Subsidiaries and Affiliated Parties

Nie Zhonghai, Yan Jianhua, Yang Yongming, Zheng Bin, and Ye Zhong – the related directors, waived from voting of this proposal. It was approved by 6 votes in favor, 0 objection and 0 waive.

The independent directors of the Company reviewed the proposal and issued the prior approval opinion before the board of directors convened, agreed to submit the proposal to the board of directors of the Company and expressed independent opinions on the matter. The independent directors issued the independent opinions against such item and see the Company Independent Directors' Special Instructions and Independent Opinions on Affiliated Parties' Capital Occupation, etc. for details(Announcement No. 2017-14).

The Proposal is available as Announcement No. 2017-12 released by Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and http://www.cninfo.com.cn dated March 18, 2017.

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XIV.Outer Strategic Investment and Cooperation Management Systems of Hangzhou Steam Turbine Co., Ltd.

The proposal was adopted with 11 votes in favor, 0 objection and 0 waive.

See the announcement *Outer Strategic Investment and Cooperation Management Systems* disclosed by the company on March 18, 2017 on the website (http//www.cninfo.com.cn) appointed by Shenzhen Stock Exchange for the detailed content for systems(Announcement No. 2017-22).

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

March 16, 2017

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