

Hangzhou Steam Turbine Co., Ltd.

Resolutions of the 20th 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 20th session of the 7th term of Board of Hangzhou Steam Turbine Co., Ltd. was served on March 15, 2018, and the meeting was held in the afternoon of March 26, 2018 in the meeting room No.2 of the reception center of the Company. All of the 10 directors attended the meeting and examined and voted on the proposals on the meeting (Director Ye Zhong voted by telecommunication). Directors examined and voted on the proposals on the meeting. The supervisors and senior executives of the Company observed the meeting. The meeting procedures are legal and complying with the Company Law and Articles of Association. The meeting was hosted by Chairman Zheng Bin.

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

I. Work Report of the General Manager 2017

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

II. Work Report of the Board 2017

10 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 28, 2018. (Announcement No. 2018-18).

This proposal is subject to examination of the Shareholders' Meeting 2017.

III. Annual Report 2017 and Summary

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

The Board inspected and discussed on the Annual Report 2017. 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, 2017). The Board will assume joint and individual responsibilities for the accuracy, authentic, and completeness of the Report.

The full text of the Annual Report 2017 is available at <http://www.cninfo.com.cn> (Announcement No. 2018-13) on March 28, 2018. The summary of Annual Report 2017 is available as Announcement No. 2018-14 released by Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and <http://www.cninfo.com.cn> dated March 28, 2018.

This report is subject to approval of the Shareholders' Meeting 2017.

IV. The Financial Report 2017

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

The complete report is available as Announcement 2018-15 with Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily and at www.cninfo.com.cn dated March 28, 2018.

This report is subject to approval of the Shareholders' Meeting 2017.

V. The Dividend Plan 2017

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

Basing on the audited financial accounts of 2017, the Company realized RMB 55,342,832.33 of Net profit. After providing RMB 0 of surplus reserves, the accumulated retained profit is RMB 2,298,641,960.41.

The profit distribution plan, which was proposed by the board, is : basing on the total capital share ended December 31, 2017, namely 754,010,400 shares, RMB 0.5 and no bonus share(tax included) will be distributed to each 10 shares, No capitalizing of common reserves will be implemented. Totally RMB 37,700,520.00 will be distributed, after the dividend distribution , the accumulated retained profit will be RMB 2,260,941,440.41

This report is subject to approval of the Shareholders' Meeting 2017.

VI. The Internal Control Introspective Report 2017

10 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 28, 2018. (Announcement No. 2018-25).

VIII. The Proposal to extend the service of Pan-China CPA as auditor of the Company for year 2018

10 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 28, 2018. (Announcement No. 2018-17). This proposal is subject to the examination at the Shareholders' Meeting 2017.

IX. The Proposal of Remunerations for Directors and Executives for Year 2017

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

The complete report is available in Chapter VIII of Annual Report 2017 released on the official website (<http://www.cninfo.com.cn>) of Shenzhen Stock Exchange dated March 28, 2018. (Announcement No. 2018-13).

X. The Proposal of the provision for impairment of assets of year 2017

10 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 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. 2018-19).

The complete report is available on the official website (<http://www.cninfo.com.cn>) of Shenzhen Stock Exchange dated March 28, 2018. (Announcement No. 2018-20).

This proposal is subject to examination of the Shareholders' Meeting 2017.

XI. The Proposal of 2017 Annual Write-offs Asset of the Company

10 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. 2018-19).

The complete report is available on the official website (<http://www.cninfo.com.cn>) of Shenzhen Stock Exchange dated March 28, 2018. (Announcement No. 2018-21).

XII.The Proposal on the Signing of a Related-party Transaction Agreement between the Company and Related Party Hangzhou Steam Turbine Power Group Co., Ltd.

Yan Jianhua, Yang Yongming, Zheng Bin and Ye Zhong – the related directors, waived from voting of this proposal (Associated relationship: Director of Hangzhou Steam Turbine Power Group Co., Ltd) . It was approved by 6 votes in favor, 0 objection and 0 waive.

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. 2018-19).

The complete report is available on the official website (<http://www.cninfo.com.cn>) of Shenzhen Stock Exchange dated March 28, 2018. (Announcement No. 2018-26).

XIII. The Proposal of calling the Shareholders' Annual Meeting 2017

10 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 28, 2018. (Announcement No. 2018-27).

Documents for reference

The Resolutions of the 20th meeting of the Seventh board of directors signed by the directors present and bearing the seal of the board of directors.

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

March 28, 2018