

Hangzhou Steam Turbine Co., Ltd.

Resolutions of the 9th Meeting of the 7th Term of Supervisory Committee

The members of the Supervisory Committee 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 4th meeting of the 9th term of Supervisory Committee of Hangzhou Steam Turbine Co., Ltd. was called on March 15, 2018, and held in the afternoon of March 26, 2018 in the 2th meeting room of the reception center. All of the 5 supervisors presented the meeting. The supervisors examined and voted on the proposals at the meeting. Mr. Wang Gang, secretary of the Board, observed the meeting. The meeting procedures are legal and complying with the Company Law and Articles of Association.

The meeting was hosted by Chief Supervisory Mr. Li Shijie. The following proposals were examined at the meeting and passed by open ballot.

I. Work Report of the Supervisory Committee 2017

5 votes in favor, 0 objective, 0 waived; The proposal was passed. The complete report is available on the official website (<http://www.cninfo.com.cn>) of Shenzhen Stock Exchange dated March 28, 2018. (Announcement No. 2018-22). This report is subject to approval of the Shareholders' Meeting 2017.

II. Annual Report 2017 and Summary

5 votes in favor, 0 objective, 0 waived; The proposal was passed.

Upon inspection, the Committee deems that the producing and examination procedures of the Annual Report 2017 were legal and complying with the requirements of the CSRC. The Report is reflecting the financial position and business performance of the Company in the year frankly and completely. There is no false record, misleading statement, or material omission in the report.

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

III. The Financial Report 2017

5 votes in favor, 0 objective, 0 waived; The proposal was passed.

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

IV. The Dividend Plan 2017

5 votes in favor, 0 objective, 0 waived; The proposal was approved.

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

V. The Internal Control Introspection Report 2017

5 votes in favor, 0 objective, 0 waived; The proposal was passed. The Supervisory Committee

deems the Internal Control Introspection Report 2017 as reflecting the practice of the Company and the effective operation of internal control system.

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

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

The board of supervisors reckoned that: the “Buildings Leasing Agreement”, “Energy Supply and Management Agreement”, “Trademark Licensing Agreement” and “Land Lease Agreement” signed by the Company and the related party Hangzhou Steam Turbine Power Group Co., Ltd are all necessary for the production and operation, and the pricing follows the principles of fairness, openness and fairness; the deliberation and voting procedures of related party transactions are in compliance with the relevant provisions of “The Company Law,” “Securities Law,” and “Articles of Association of the Company” and have no circumstance jeopardizing the interests of the company and its shareholders, especially small and medium shareholders. This proposal is subject to examination of the Shareholders’ Meeting 2017, and Hangzhou Steam Turbine Power Group Co., Ltd. shall waive from voting of this proposal.

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

5 votes in favor, 0 objective, 0 waived; The proposal was passed.

The board of supervision considered that the company has carried out the provision for impairment of assets of year 2017 by conforming to the Accounting Standards for Enterprises and relevant regulations, which conformed to the Company’s real situation and more fairly reflected the Company’s financial and asset situation. On account of the lawful and compliant examination procedure of this matter, The provision for impairment of assets was agreed.

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

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

5 votes in favor, 0 objective, 0 waived; The proposal was passed.

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.

Documents for reference

1. The Resolutions of the 9th meeting of the Seventh board of Supervisory Committee signed by the supervisor present and bearing the seal of Supervisory Committee

The Supervisory Committee of Hangzhou Steam Turbine Co., Ltd.

March 28, 2018