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Hangzhou Steam Turbine Co., Ltd.

Announcement on the Holding Subsidiary- Zhejiang Steam Turbine Packaged Technology Development Co., Ltd. Intending to Transfer its Holding Equity of Zhejiang Supcon Solar Technology Co.,Ltd. by Listed Transaction

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. Overview of the transaction

1. Zhejiang Steam Turbine Packaged Technology Development Co., Ltd. (hereinafter referred to as "Steam Turbine Packaged Company"), a holding subsidiary to the Company, recently publicly listed its holding 3.54% (9.009 million yuan) shares of Zhejiang Supcon Solar Technology Co., Ltd(hereinafter referred to as "Supcon Solar Company").on the Hangzhou Property Rights Exchange, with the listed floor price of 54.59454 million yuan.

2.On November 1, 2019, the Company held the 38th meeting of the 7th Board of Directors by means of telecommunication voting. With 10 votes in favor, 0 votes against and 0 abstentions, The meeting examined and adopted the Proposal on the Holding Subsidiary- Steam Turbine Packaged Company Intending to Transfer its Holding Equity of Supcon Solar Company by Listed Transaction.

3. This transaction does not constitute a major asset restructuring as stipulated in the Measures for the Administration of Major Asset Restructuring of Listed Companies. The transaction does not need to be reviewed by the Company's shareholders' general meeting. This equity listing transfer has fulfilled the pre-recording procedures to the state-owned assets management department of Hangzhou for the state-owned assets transaction activities.

II. The basic information of the transaction subject

(1) Subject of the transaction

1. The name of the transaction subject

The subject of this transaction is the Steam Turbine Packaged Company's holding equity of Supcon Solar Company.

2. Basic information of the transaction subject

Company Name: Zhejiang Supcon Solar Technology Co., Ltd.

Unified social credit code：913300005561736010

Enterprise type: Limited liability Company(Natural person investment or holding)

Domicile of the Company: Room 918 of the 9/ F, the 15/ F, Building 1, No. 307, Liuhe Road, Puyan Street, Binjiang District, Hangzhou City, Zhejiang Province, China

Legal representative :Jin Jianxiang

Registered capital：265.11 million yuan

Date of establishment：May 19,2010

Business scope: Solar technology research and development, technical consulting and services, production and installation of electromechanical equipment, sales, installation and service of complete sets electromechanical equipment, installation and construction of electrical and mechanical engineering, sales, installation and service of complete sets of power plant equipment, industrial investment, export business operation. (Projects subject to approval according to law and be operated after approval by relevant departments)

Top ten shareholder names and shareholding ratio

No	Shareholder Name	Proportion of fund contribution
1	Hangzhou Yuri Investment Management Partnership（LP）	26.06%
2	Hangzhou Boiler Group Co., Ltd.	11.81%
3	Hangzhou Taiyitianze Investment Management Partnership（LP）	10.46%
4	Hangzhou Yizhida Investment Management Partnership（LP）	9.15%
5	Hangzhou Zhaofu Investment Partnership（LP）	7.15%
6	Zhangzhou Yuhui Equity Investment Management Partnership(LP）	5.42%
7	Zhejiang Steam Turbine Packaged Technology Development Co., Ltd.	3.54%
8	Zhong Guoqing	3.02%
9	Hangzhou Fuheng Venture Investment Partnership(LP）	2.46%
10	Jin Jianxiang	2.36%

3. Recent financial information of Zhejiang Supcon Solar Technology Co., Ltd.

In RMB

Period	Total assets	Net assets	Total liabilities	Revenue	Total profit	Not profit
Year 2018	779,803,661.38	363,149,440.18	416,654,221.20	337,597,074.89	2,850,085.37	3,009,286.90
January -September 2019	652,630,580.66	619,550,577.07	33,080,003.59	242,623,662.62	87,413,787.21	86,401,136.89

(II) Evaluation situation of the transaction subject

According to the "Evaluation Report on Total Equity Evaluation Project of all Shareholders of Supcon Solar Company" (No.436-(2019) Kunyuan Evaluation Report) issued by Kunyuan Asset Evaluation Co., Ltd on August 15, 2019, the evaluation value of the total equity of Supcon Solar Company's shareholders was 1,406,000,000 yuan, added value of 872,088,867.81 yuan or of 163.34% value-added rate compared with the book value of 533,911,132.19 yuan. The evaluation base date was June 30, 2019, and it's evaluated by using the asset-base approach and the income approach.

According to the evaluation result, the 3.54% share of Supcon Solar Company held by the Steam turbine Packaged Company is corresponding to a net asset valuation of 49.82 million yuan.

III. The main content of the transaction agreement

The equity transfer will be listed on the Property Rights Exchange for transaction, and the Steam-turbine Packaged Company will sign the relevant transfer agreement with the counterparty based on the listing result.

IV. Other arrangements for this transaction

Other arrangements have not yet been determined.

V. Purpose of the transaction and its impact on the company

(1) Purpose of the transaction

The Steam-turbine Packaged Technology Company invested 15 million yuan to obtain shareholding of Supcon Solar Company in 2011. In order to further optimize the asset structure and resource allocation and focus on the Company's core business development, and combine with the requirements for enhancement of corporate governance structure to reduce the management levels, the Company agreed that the Steam-turbine Packaged Company transfers its holding equity of Supcon Solar Company.

(2) The impact of the transaction on the listed company

This transfer of Steam-turbine Packaged Company’s holding equity of Supcon Solar Company is based on the overall strategy and operational needs, and it will not affect the Company's main business development. The equity transfer price shall be based on the evaluation report issued by the asset appraisal agency, and the final transaction price shall be subject to the entry transaction price. After the completion of the equity transfer, the Steam-turbine Packaged Technology Company will no longer hold any equity of Supcon Solar Company. The transaction will have a certain positive impact on the Company's 2019 profit. There is still uncertainty about whether this listing transaction of the equity transfer can be completed. Investors are advised to pay attention to investment risks.

VI. Documents available for inspection

1.Resolutions of the 38th Meeting of the seventh Board of Directors

2. Asset Evaluation Report (No. 436-[2019] Kunyuan Evaluation Report)

This announcement is hereby made.

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

November 1, 2019