Stock Code: 200771 Stock ID: Hangqilun B Announcement No. :2020-41

Hangzhou Steam Turbine Co., Ltd.

Announcement of Equity Allocation 2019

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 Note:

The 2019 annual profit distribution plan of Hangzhou Steam Turbine Co., Ltd was reviewed and approved in the annual shareholders general meeting of 2019 and it's as follows: The Company will distribute cash dividend (tax included) of RMB 2 per 10 shares, 0 bonus shares with no share increase by capital reserve to all shareholders, with the base is the company's total share capital of 754,010,400 shares at the end of 2019 excluded the shares purchased back as of the record date. The shares repurchased by the Company do not participate in the profit distribution.

2. The Company declares that the distribution plan implemented this time is consistent with the distribution plan reviewed and approved by the shareholders general meeting, Fixed allocation in proportion to allocation.

3. The implementation date of the distribution plan has not been more than two months away from the approval of the shareholders general meeting.

The equity allocation plan of Hangzhou Steam Turbine Co., Ltd. 2019 has been examined and adopted at the Shareholders' Meeting 2019 held on June 5,2020. The followings are the details about implementation of the plan.

4. In order to ensure the normal implementation of the profit distribution plan, the Company undertakes not to buy back the company during the period from the date of equity registration to the date of applying for dividend distribution business in The Shenzhen branch of China Securities Registration and Settlement Co., LTD.

I. The equity allocation plan

The equity allocation plan for year 2019 is: the base is 743,802,475 shares which is the Company's present total share capital of 754,010,400 (B shares: 274,185,600; 479,824,800 Domestic shares)

shares excluded the 10,207,925 shares that have been purchased back.the Company decided to distribute the before-tax cash dividend of RMB 2.00 per 10 shares (tax included), the foreign non-residential enterprise distributed the after -tax cash dividend of RMB 1.80 per 10 shares, for churchyard individual of B shareholders are subject different tax ratio, distributed cash dividend of RMB 2.00 per 10 shares firstly, and tax shall be paid according to the actual term of shareholding after reducing of shares(Note 1)

[Note 1: On first –in –first –out basis, shareholding periods are calculated upon each shareholders' account ,namely RMB 0.40 of tax per 10 shares for under 1 month(include);RMB 0.20 of tax per 10 share for between 1 month and 1year(include);no tax is payable for over one year.]

Special note: Since the company is a Sino-foreign joint venture, individual foreign investors may temporarily be exempted from dividend income tax.

For cash dividend to be distributed to B share shareholders, the computed exchange rate of B shares dividends shall be prescribed by the Articles of Association or Resolution of the shareholders general meeting(if the Company's Articles of Association or shareholders general meeting's resolution does not stipulate, the first working day after the resolution of the shareholders general meeting will be followed, that is, June 8, 2020 is the day that the central parity rate of RMB against Hong Kong dollar announced by the People's Bank of China (Hong Kong dollar: RMB= 1: 0.9146) is the exchange rate for payment by HK Dollar.

2. Registration day and Ex-dividend day

The final trading day: July 7, 2020；

Ex-dividend date: July 8, 2020；

The Equity registration date: July 10 2020.

The equity registration date for the equity distribution of domestic shares is: July 10,2020.

3. Qualifications for the dividend

All of the B shareholders registered by China Securities Depository & Clearing Corporation Ltd. Shenzhen Branch upon the closing of Shenzhen Stock Exchange in the afternoon of July 10, 2020 (The final trading day is July 7, 2020). By the close of the Shenzhen Stock Exchange on the afternoon of July 10, 2020, all shareholders of the company's domestic shares registered in the China Clearing Shenzhen Branch.

4. Way of distribution

The circulation B shares dividend will be directly transferred on July 10, 2020 into the shareholder's accounts of entrusted Security agency or entrusted bank; Shareholders whose B shares are entrusted on July 10, 2020, they can still withdraw their dividends at the former entrusted security agency or the entrusted banks.

The sponsor's state-owned legal person shares cash bonus will be distributed by the company on its own.

5. Others

If the B shareholder is not belong to the churchyard individual and non-residential enterprise ,but their bonuses tax are deducted, please contact with the Company before July 30, 2020 (including the date), and provide related materials requested by the Tax bureau, company will help to refund the tax after affirmed.

6. Consulting agencies and contacts

1. Consulting agency: Securities Regulatory Office of Hangzhou Steam Turbine Co., Ltd.
2. Consulting address: Team Turbine Power Building, No.1188 Dongxin Road, Hangzhou
3. Consulting contact: Wang Caihua, Fang Zixi
4. Consulting telephone: 0571-85780438、0571-85784762
5. Fax: 0571-85780433

7. Documents for Reference

1.Documents of China Clearing Shenzhen Branch confirming the specific timing of the profit distribution;

2.The resolutions of the 4th meeting of the Eighth board of directors

3.The Company's 2019 annual shareholders general meeting's resolution;

4.Other documents required by Shenzhen Stock Exchange.

Hangzhou Steam Turbine Co., Ltd.

July 1, 2020