

Hangzhou Steam Turbine Co., Ltd.
Announcement on the progress of External investment and related
transactions

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 external investment

On February 25, 2019, Hangzhou Steam Turbine Co., Ltd. held the 29th meeting of the 7th Board of Directors in the form of communication voting, in which the Proposal on the Joint External Investment and Related Transactions with Related Parties was reviewed and approved, and the Announcement on the Joint External Investment and Related Transactions with Related Parties was disclosed on the Cninfo website on February 26, 2019(Announcement No.:2019-11). The company planned to establish Zhejiang Ruanchuang Turbine Machinery Co., Ltd. together with Hangzhou Steam Turbine Power Group Co., Ltd. , Hunan Chongde Industrial Technology Co., Ltd., Hengfeng Tools Co., Ltd., Mechanical Science Research Institute Zhejiang Branch Co., Ltd., Hangzhou Bohua Laser Technology Co., Ltd.,and Zhejiang Hengying Power Technology Co., Ltd.

II. The progress of external investment

On February 28, 2019, the Ruanchuang Company completed the industrial and commercial registration procedures and obtained the Business License issued by the Hangzhou Municipal Market Supervision Administration. The relevant registration information is as follows:

(1) Basic information

Unified social credit code : 91330100MA2GKE0K6G

Company Name: Zhejiang Ruanchuang Turbine Machinery Co., Ltd.(Limited liability company)

Legal representative: Sui Yongfeng

Place of Registration: Room 506, South Building, No. 2 Chaofeng East Road, Yuhang Economic Development Zone, Hangzhou City

Registered capital: 25 million yuan

Date of incorporation: February 28,2019

Business Scope: Engages in technology development, product development, manufacturing, testing, technical services, technology transfer, Technical advice, sales; patent agency. (Projects subject to approval according to law may be operated after approval by relevant departments)

(II) Equity Structure

Shareholder Name	Subscribed Capital Contribution(Ten thousands)	Shareholding Ratio
Hangzhou Steam Turbine Co., Ltd.	1140	45.6%
Hangzhou Steam Turbine Power Group Co., Ltd.	1000	40%
Hunan Chongde Industrial Technology Co., Ltd.	100	4%
Hengfeng Tools Co., Ltd.	85	3.4%
Mechanical Science Research Institute Zhejiang Branch Co., Ltd.	75	3%
Hangzhou Bohua Laser Technology Co., Ltd.	50	2%
Zhejiang Hengying Power Technology Co., Ltd.	50	2%

(III) Other information

According to the relevant provisions of the "No. 33 Accounting Standards for Business Enterprises-Consolidated Financial Statements", the control condition of that company by the Company was not met, thus Ruanchuang Company is not included in the scope of the company's consolidated financial statements. Investors are advised to invest rationally and pay attention to risks.

This announcement is hereby made.

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

March 7, 2019