

Hangzhou Steam Turbine Co., Ltd.
Announcement on Purchase of the Liability Insurance of Directors and Supervisors and Senior Management Personnel

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.

Hangzhou Steam Turbine Co., Ltd held the 17th Meeting of the 8th Board of Directors on September 27, 2021, in which the “Proposal on Purchase of the Liability Insurance of Directors and Supervisors and Senior Management Personnel” was reviewed and passed. The “Proposal on Purchase of the Liability Insurance of Directors and Supervisors and Senior Management Personnel ” shall be submitted to the Company’s Third provisional general meeting of shareholders of 2021 for deliberation.

In order to further improve the Company’ s risk management system, reduce the Company’ s operational risks, and promote the Company’ s directors, supervisors, and senior managers to more fully exercise their rights and perform their duties within their respective responsibilities, and protect the Company’ s and investors’ rights and interests, the Company intends to purchase liability insurance for all directors, supervisors, and senior managers in accordance with the relevant regulations of the China Securities Regulatory Commission's "Guidelines for the Governance of Listed Companies" and other relevant regulations. The details are as follows:

Policy-holder: Hangzhou Steam Turbine Co., Ltd.

The insured: The Company and its directors, supervisors, senior managers and Relevant responsible personnel

Insurance liability limit: No more than RMB 50 million (specifically subject to the final insurance contract signed)

Insurance premium: No more than RMB 100, 000/year (specifically subject to the final insurance contract signed)

Insurance period: 1 year (the insurance can be renewed or re-insured every year)

In order to improve the efficiency of decision-making, the Company's board of directors intends to request the Company's general meeting of shareholders to authorize the management to handle matters related to the purchase of the liability insurance of company's directors and supervisors and senior managers within the above-mentioned authority (including but not limited to determining other relevant responsible personnel; determining the insurance company; if the market changes, the liability limit, the total insurance premium and other insurance clauses shall be determined according to market conditions; selecting and appointing insurance brokerage companies or other intermediaries, signing relevant legal documents and handling insurance-related matters, etc.), as well as to handle the related matters such as renewal of the insurance or re-insuring for the directors, supervisors and senior managers on or before the expiration of the liability insurance contract.

This announcement is hereby made.

Hangzhou Steam Turbine Co., Ltd.

September 28, 2021