Stock Code: 200771　　Stock ID: Hangqilun B　　Announcement No. 2016-02

Hangzhou Steam Turbine Co., Ltd.
Announcement on the progress of major Events

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.

For Hangzhou Steam Turbine Power Group Co., Ltd.(hereinafter referred to as“HSTG”) , the holding shareholder of Hangzhou Steam Turbine Co., Ltd., is planning a major project, the Company has applied to Shenzhen Stock Exchange(hereinafter referred to as“SZSE”) to suspend trading of the stock(Stock Code: 200771 Stock ID: Hangqilun B) as of May 29, 2015(Friday) , and has disclosed “ Announcement of Suspension of Stock Trading for Major Project on Planning by Holding Shareholder” (2015-33). Henceforth, the Company will disclose announcement of major issues progress every 5 trading day.

The announcement (2015-62) of the Company published on August 28 disclosed that HSTG is arranging Turbine Group Mixed Ownership Reform according to the unified deployment of Hangzhou State-owned Asset Commission. The announcement (2015-76) of the Company published on November 10 disclosed that intermediary which conducts asset appraisal and financial audit for this reform implemented audit and assessment work in the middle of October, 2015 according to the unified deployment of Hangzhou State-owned Asset Commission. On December 4, 2015, the Company convened the first provisional shareholders' General meeting in 2015, after the attended shareholders and the shareholder representatives examined and adopted the Proposal on Extending of Suspending Period of the Company's Stock Trading through live voting and network voting. (Announcement No.2015-84).According to the deliberation result of the shareholder's meeting, the shareholders' meeting agreed to extend the suspending period of stock trading, of which the resumption date shall not be over 3 months as of the deliberation date of shareholder's meeting, which is before March 4, 2016.

To ensure the fair information disclosing and to safeguard the interests of investors, according to “Stock Listing Rules of Shenzhen Exchange Stock”, the Company has applied that the Company's shares will continue suspending as of January 5,2016. During the suspension period, the Company will fulfill the obligation of disclosing information according to the progress of the issue and relevant provisions. Investors please follow relevant announcements of the Company and be aware of the investment risks.

This announcement is hereby made.

The Board of Directors of Hangzhou Steam Turbine Co., Ltd.
January 5,2016