

Hangzhou Steam Turbine Co., Ltd.

Announcement on Bidding Matters of the Company's Project

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.

In recent days, Hangzhou Steam Turbine Co., Ltd. received the notice of award from Kunshan GCL Blue Sky Distributed Energy Company, confirming that it wins the bidding and will supply gas turbogenerator, steam turbogenerator, heat recovery boiler equipment for GCL Blue Sky Distributed Energy Company.

I. Bidding

1. Bidder: GCL Blue Sky Distributed Energy Company
2. Bid winner: Hangzhou Steam Turbine Co., Ltd.
3. Project: GCL Blue Sky Distributed Energy
4. Scope: respectively two sets of gas turbogenerator, steam turbogenerator, heat recovery boiler equipment and after-sales service

The company has no relationship with the bidder.

II. Influence of Bidding Project on the Company

1. This is the first project the company wins after entry into the field of natural gas distributed energy, which will play an active role in helping the company speed up expanding the distributed energy market and reinforce its business strategy for gas turbine, and will set a good example for upcoming similar projects at home and abroad.
2. The project won't have any big effect on the company's business independence.
3. This project, if successfully carried out, will play an active role in the operation and development of company.

III. Risk Warning of this Bidding Project

Despite receipt of letter of acceptance, the contract hasn't been executed yet, and the specific implementation condition and payment terms are yet to be

determined. Therefore, the project's influence on the company's revenue and cash flow is uncertain. Please be noted to be cautious with decision-making and prevent against investment risk.

The Board of Directors of Hangzhou Steam Turbine Co., Ltd.
April 7, 2016