Stock Code: 200771   Stock ID: Hangqilun B   Announcement No. 2016-60

Resolutions of the 3rd Meeting of the Seventh Board of Directors of Hangzhou Steam Turbine Co., Ltd.

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.

The notice for calling of the 3rd meeting of the Seventh Board of Director of Hangzhou Steam Turbine Co., Ltd. was served on August 2, 2016, and the meeting was held in the morning of August 12, 2016 in the meeting room No.2 of the reception center of the Company. All of the 11 directors presented the meeting （Director Ye Zhong voted by telecommunication m and other presented the meeting onsite）and examined and voted on the proposals on the meeting. The supervisors and senior executives of the Company observed the meeting. The meeting procedures are legal and complying with the Company Law and Articles of Association.

The meeting was presided by Chairman Zheng Bin.

The following proposals were examined at the meeting and passed by open ballot.

I. The Semiannual Report 2016 and the Summary

11 votes in favor, 0 objection, 0 waive, the Report was passed.

The Board inspected and discussed on the Semiannual Report 2016.All of the members considered the Report was frankly and completely reflecting the financial situation and business performance in the report term (January 1,2016 – June 30, 2016). The Board will assume joint and individual responsibilities for the accuracy, authentic, and completeness of the Report.

The full text of the Semiannual Report 2016 is available at http://www.cninfo.com.cn (Announcement No. 2016-62) on August 13, 2016. The summary of Semiannual Report 2016 is available as Announcement No. 2016-63 released by Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily ,as well as http://www.cninfo.com.cn dated August 13, 2016.

II. The Company entrusted financial management system (revised in 2016)

11 votes in favor, 0 objection, 0 waive, the Proposal was passed.

The detail content please refer to the announcement of the company entrusted financial management system（revised in 2016）(Announcement No. 2015-65).

III. About the company organization adjustment

11 votes in favor, 0 objection, 0 waive, the Proposal was passed.

In order to implement the company strategy "13th Five-Year Strategic Plan", integrating productio n functions, improve the internal organization efficiency, the company adjusted the production org anization structure.

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

August 12，2016