Stock Code: 200771   Stock ID: Hangqilun B   Announcement No. 2016-70

Resolutions of the 4th 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.

Hangzhou Steam Turbine Co., Ltd. has served the notice for calling of the 4th meeting of the Seventh Board of Director in term of writing on October 14, 2016， and voted by means of telecommunication on October 21, 2016.

There are totally 11 members of the Board, and 11 effective votes were received as of October 21, 2016. This was complying with the provisions of the Company Law, Articles of Association, and Share Listing Rules of Shenzhen Stock Exchange, thus the meeting was legal and valid.

I.The meeting examined the full text and text of the Company.

Voting result: 11 directors voted in favor by telecommunication, 0 objection, 0 waive. The Full Text and Text of the 3rd Quarterly Report 2016 was examined and adopted.

The full text of the 3rd Quarterly Report 2016 is available as Announcement 2016-72 at www.cninfo.com.cn dated October 22, 2016. The text of the 3rd Quarterly Report 2016 is available as Announcement 2015-73 with Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily (English version) and at www.cninfo.com.cn dated October 22, 2016.

The Board inspected and discussed on the 3rd Quarterly Report 2016. All of the members considered the Report was frankly and completely reflecting the financial situation and business performance in the report term. The Board will assume joint and individual responsibilities for the accuracy, authentic, and completeness of the Report.

II.The meeting examined the Proposal on the Guarantee Provided by the Company and Hangzhou Steam Turbine Heavy Industry Co., Ltd. for Hangzhou Steam Turbine Power Group Co., Ltd。

Nie Zhonghai, Yan Jianhua, Yang Yongming, Zheng Bin and Ye Zhong – the related directors, waived from voting of this proposal. It was approved by 6 votes in favor, 0 objection and 0 waive. This proposal is subject to the examination at the Shareholders' Meeting .

Hangzhou Steam Turbine Power Group Co., Ltd. (Steam Turbine Heavy) the wholly owned subsidiary applied for a special construction fund of RMB 208 million from the China

Development Bank of the State Fund Development Co., Ltd. to increase steam turbine shares into the way the implementation of national policies. The China Development Bank was repurchased by Hangzhou Steam Turbine Group Co. Ltd (Steam Turbine Group). According to the requirements of China Development Bank, the Company and Steam Turbine Heavy provided guarantee for Steam Turbine Group to fulfill repurchase obligations. Details please refer to company announcement: Announcement of the Company on External Guarantee on October 22, 2016.(Announcement No:2016-75)

III.The meeting examined the Proposal of "Transfer of the company on the Changdi equity investment property "

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

The details of the Company's share transfer of Changdi's equity investment property are detailed in the announcement of the Company on October 22, 2016: "Announcement on Transfer of Property Share of Changdi Equity Investment" (Announcement No:2016-76)

The Board of Directors of Hangzhou Steam Turbine Co., Ltd.
October 21, 2016