Stock Code: 200771 Stock ID: Hangqilun B Announcement No. 2016-85

# Notice of Holding the First Provisional Shareholders' General Meeting of Hangzhou Steam Turbine Co., Ltd. in 2016

***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.***

## I. Profiles of the meeting

1. Description of the meeting: The First Provisional Shareholders' Meeting of Hangzhou Steam Turbine Co., Ltd.in 2016 (the Company)

2. Caller of the meeting: Board of Directors of the Company. The 5th meeting of the seventh Board of Directors was held on December 12, 2016, The meeting examined the Proposal of the Holding First provisional shareholders' general meeting in 2016. For details please find the Resolutions of the 5th Meeting of the seventh Board of Directors.(Announcement No. 2016-79).

3. Legality and validation of the meeting Calling of the shareholders' meeting is complying with the laws and regulations, government documents, standards, as well as the Articles of Association of the Company.

4. Time, date of the meeting

(1) Time/date of the onsite meeting: December 28, 2016(Wednesday), 13:30pm, meeting will be half a day.

(2) Time/date of online voting:

Online voting through the trading system of SSE will be 9:30¯¯11:30, 13:00¯¯15:00 December 28, 2016.

Votes can be made anytime between 15:00 December 27, 2016 and 15:00 December 28, 2016 through the online voting system provided by SSE.

5. Way of meeting

This shareholders' meeting will be held both onsite and online. Online voting system will be provided through the trading system and website of Shenzhen Stock Exchange (http://wltp.cninfo.com.cn). Current shareholders may vote online in the period as provided hereinabove.

6. Qualification for the meeting:

(1) All of the state-owned shareholders and B-share holders registered by China Securities Depository & Clearing Corporation Ltd. Shenzhen Branch at the closing of stock market at 3:00 PM, December 21 , 2016. Shareholders may attend the meeting personally or empower proxies to present the meeting. The proxies are not necessarily shareholders of the Company.

(2) Directors, supervisors, and executives of the Company.

(3) Legal consultant of the Company: Zhejiang Tiance Law Firm

7. Venue of the meeting: Meeting Room No.2 Reception Center. 357 Shiqiao Road, Xiacheng, Hangzhou, Zhejiang.

## II. Proposals to be examined at the meeting

I. To examine the Remuneration and Assessment Criteria for the 7th Term of Directors and Executives

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated December 13, 2016. (Announcement No. 2016-80).

II. To examine the Allowance Scheme for the 7$^{th}$ term of Independent Directors and Supervisors

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated December 13, 2016. (Announcement No. 2016-79).

III.To examine 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.

The complete report is available on the official website (http//www.cninfo.com.cn) of Shenzhen Stock Exchange dated October 22, 2016. (Announcement No. 2016-75).

IV. To examine the proposal to amendment draft of the Articles of Association（Revision 2016）

The Amendment Draft of the Articles of Association is available on the official website (Announcement No. 2016-81) with Securities Times, Shanghai Securities Daily, Hong Kong Commercial Daily (and at www.cninfo.com.cn.

Special remarks: Proposal 3 concerns of related transactions. Hangzhou Steam Turbine Power Group Co., Ltd. – the holding shareholder of the Company, shall waive from voting. Proposal 4 is a special proposal subject to the approval of more than two-thirds of the voting rights of all the shareholders. Except for the above proposal, all the other motions are ordinary. which can be adopted by over half of valid shares at the meeting.

## III. Registration issues

1. Way of registering: Shareholders please bring their ID card and shareholding account card to register at the Company. Registration at the Company or through mail or fax are acceptable both for shareholders or their attorneys.

2. Registration time limit: 15:30 December 23, 2016

3. Registration place: Board Office of the Company

4. Documents for registration:

(1) Shareholders please bring their ID card and shareholding account card to register at the Company. An “Power of Attorney” is essential for attorneys. Attorneys of shareholders shall take the shareholders’ account card, ID card of the consigner, the Power of Attorney, and his/her own

ID card to register.

(2) Legal person shareholders shall be represented by the legal representatives or the proxies empowered by the legal representatives to attend the meeting. Legal representatives shall provide their ID card, and effective evidence for his/her position. Proxies shall provide their ID cards and the Power of Attorney issued by the legal representative.

(3) When attorney of a shareholder is carry on consigning a third person to present at the shareholders' meeting, the Power of Attorney or other authorization papers shall be notarized. The notarized papers and the Power of Attorney shall be filed to the Company's house or place assigned by the notice.

### IV. Detailed Instructions for Participating in Online Voting

On this Shareholders' meeting, shareholders can vote via Shenzhen Stock Exchange trading system and online voting system (website:http://wltp.cninfo.com.cn). The instructions for online voting of shareholders' meeting can be seen in attachment I of Notice on Shareholders' Meeting--Detailed Instructions for Participating in Online Voting.

## V. Misc. issues

1. Shareholders and attorneys shall bring the original copies of papers when presenting the meeting.
2. Contact:
Mail address: Board of Directors' Office, Hangzhou Steam Turbine Co., Ltd., No.357 Shiqiao Rd., Hangzhou, Zhejiang, P.R. China;
Post code: 310022
Tel: Yu Changquan (0571)85780432
Wang Caihua (0571)85780438、85784758
Fax:（0571）85780433
3. The meeting will last half a day. Shareholders shall pay their own travel and accommodation expenses.

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

December 15, 2016

Attachment 1：

### Detailed Instructions for Participating in Online Voting

Shareholders may use the trading system and internet voting system to vote for the meeting (http://wltp.cninfo.com.cn). Details are:

I. Procedure of Online Voting

1.Voting codes: 360771

2. Short Abbreviation : Hangqi Voting

3. Proposal setting and Voting

(1) The table about the "Proposal Code" corresponding to the Proposals of this Shareholders' General Meeting:

| **No. of proposal** | **Title of the proposal** | Code |
|---|---|---|
| General proposal | All proposal | 100 |
| Proposal 1 | The Remuneration and Assessment Criteria for the 7th Term of Directors and Executives | 1.00 |
| Proposal 2 | The Allowance Scheme for the 7$^{th}$ term of Independent Directors and Supervisors | 2.00 |
| Proposal 3 | Proposal on the Guarantee Provided by the Company and Hangzhou Steam Turbine Heavy Industry Co., Ltd. for Hangzhou Steam Turbine Power Group Co., Ltd. | 3.00 |
| Proposal 4 | Proposal to amendment draft of the Articles of Association（Revision 2016） | 4.00 |

（2）The motion of this meeting is a non-cumulative voting motion,Filling in and submitting the voting opinion Fill in the voting opinion in consent or objection or abstention;

(3) By voting on "all proposals" shareholder means collective opinion on all proposals. The 1st vote shall prevail when votes are repeated at general vote and individual vote. Votes on individual proposal shall prevail when it is voted before the general vote. Un-voted proposals are default to the vote on general. The general vote shall prevail when it is voted before individual votes.

(II) Procedure for Voting through Shenzhen Stock Exchange trading system

1. Polling hours: trading hour on December 28, 2016, namely, from 9:30 a.m. to 11:30 a.m., and from 13:00 p.m. to 15:00 p.m..

2. Shareholders can log on the trading client of securities company and vote through trading system.

(III) Procedure for Voting through Shenzhen Stock Exchange the Online **Voting System**

1. The online voting system is available for voting from 15:00 p.m. on December 27, 2016 to 15:00 p.m. on December 28, 2016.

2.To vote through online voting system, shareholder shall, in accordance with the regulations on Guidelines for Online Service Identity Authentication of Shenzhen Stock Exchange Investors (revised in April, 2016), handle the formalities for identity authentication and obtain the digital certificate of Shenzhen Stock Exchange or service password for investors of Shenzhen Stock Exchange. The specific identity authentication process can be accessed by logging on the online voting system http://wltp.cninfo.com.cn for more guidance.

3. With the service password or digital certificate, shareholders can log on http://wltp.cninfo.com.cn and vote through the online voting system of Shenzhen Stock Exchange within the allotted time.

Attachment 2：

## Power of Attorney

Hangzhou Steam Turbine Co., Ltd.

Mr.(Ms) is hereby authorized to attend the first provisional shareholders’ general meeting of Hangzhou Steam Turbine Co., Ltd.in 2016. And exercise voting right on behalf of me/my company.

| No | Title of the proposal | Votes | | |
|---|---|---|---|---|
| | | In favor | Waive | Objection |
| Proposal 1 | The Remuneration and Assessment Criteria for the 7th Term of Directors and Executives | | | |
| Proposal 2 | The Allowance Scheme for the $7^{th}$ term of Independent Directors and Supervisors | | | |
| Proposal 3 | Proposal on the Guarantee Provided by the Company and Hangzhou Steam Turbine Heavy Industry Co., Ltd. for Hangzhou Steam Turbine Power Group Co., Ltd. | | | |
| Proposal 4 | Proposal to amendment draft of the Articles of Association（Revision 2016） | | | |

Signature of authorizer： ___________ ID number (or Business License No.______________

Number of shares held：_______ Stock account number of the authorized：

Signature of proxy： ______________ Identity card number：__________________

Date of authorization：_________________

Notes :1.The validity of this authorization: from the date of this power of attorney signed to the end of this general meeting

2.The company commisioned must be stamped with the official seal

3.Power of attorney copy or self-made in accordance with the above format are valid