Stock Code: 200771 Stock ID: Hangqilun B Announcement No. 2016-90

Announcement of Resolutions of the First Provisional shareholders' general meeting of Hangzhou Steam Turbine Co., Ltd. in 2016

The Company and all members of its board of directors hereby guarantee that the content of information disclosure is real, accurate, complete and free from any false record, misleading representation or material omissions.

Special remarks:

1. Notice and reminder of the shareholders' meeting were released on December 13,2016 with Securities Times, Shanghai Commercial Daily, Hong Kong Commercial Daily, and http://www.cninfo.com.cn, titled Announcement 2016-82.

2. No proposal was rejected at the meeting.

3. No resolution of previous shareholders' meeting was changed by this meeting.

I. Holding of the meeting

1. Time of the meeting:

(1) Time of the onsite meeting: December 28, 2016(Wednesday) 13：30;

(2) Time/date of online voting: Online voting through the trading system of SSE was 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.

2. Venue: Hangzhou Steam Turbine Co., Ltd. (No.357 Shiqiao Road, Hangzhou)

Meeting Room No. 2, the Conference Center

3. Way of meeting: This shareholders' meeting was held both onsite and online.

4. Convener: the Board of Directors of the Company

5. Host of the meeting: Chairman of the Company, Mr. Zheng Bin

6. The calling and holding procedures were complying with the Company Law, Rules of Listing of SSE, and the Articles of Association.

II. Delegates at the meeting

1. Presenting of the meeting by shareholders

Totally 365shareholders and attorneys presented the meeting, representing 520,601,916 shares, accounted of 69.04 % of the total voting shares. Among them there was 1 state-owned share holder holding 479,824,800 shares, accounted of 63.64% of the total voting shares; B-stock 364 holders, representing 40,777,116 shares, accounted of 5.41 % of total voting sdshares.

Totally 59 shareholders and attorneys presented at the onsite meeting, representing

501,215,750 shares, accounted of 66.47 % of total voting shares.

306 shareholders presented the meeting by online voting system, representing 19,386,166 shares accounted of 2.57 % of total voting share.

2. Presenting of other delegates

The directors, supervisors and executives of the Company, as well as the law consultant – Zhejiang Tiance Law Firm presented the meeting.

III. Proposals and voting results

The following proposals were voted and adopted at the meeting by means of online and onsite voting.

I. The meeting examined and adopted the Remuneration and Assessment Criteria for the 7th Term of Directors and Executives

	In favor		Objection		Waive	
	Number of shares	Proportion	Number of shares	Proportion	Number of shares	Proportion
Domestic holder	479,824,800	100%	0	0%	0	0%
B-share holder	20,541,965	50.38%	19,847,107	48.67%	388,044	0.95%
Total	500,366,765	96.11%	19,847,107	3.81%	388,044	0.07%
Including: votes by mid-small shareholders: (shareholders with 5% or lower of the capital shares)						
Mid-small shareholders	20,541,965	50.38%	19,847,107	48.67%	388,044	0.95%

2. The meeting examined and adopted the Allowance Scheme for the 7th Term of Independent Directors and Supervisors

	In favor		Objection		Waive	
	Number of shares	Proportion	Number of shares	Proportion	Number of shares	Proportion
Domestic holder	479,824,800	100%	0	0%	0	0%
B-share holder	21,038,749	51.59%	19,738,367	48.41%	0	0%
Total	500,863,549	96.21%	19,738,367	3.79%	0	0%
Including: votes by mid-small shareholders:						
Mid-small shareholders	21,038,749	51.59%	19,738,367	48.41%	0	0%

3. The meeting examined and adopted 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 proposals of company's largest shareholder Hangzhou Steam Turbine Power Group Co.,Ltd.

– the related party holding 479,824,800 shares, waived from the voting process. The results of voting by non-related shareholders are as the following:

	In favor		Objection		Waive	
	Number of shares	Proportion	Number of shares	Proportion	Number of shares	Proportion
Domestic holder	/	/	/	/	/	/
B-share holder	20,675,824	50.70%	19,490,600	47.80%	610,692	1.50%
Total	20,675,824	50.70%	19,490,600	47.80%	610,692	1.50%
Including: votes by mid-small shareholders:						
Mid-small shareholders	20,675,824	50.70%	19,490,600	47.80%	610,692	1.50%

4. The meeting examined and adopted the proposal to amendment draft of the Articles of Association（Revision 2016）

The proposal is a special proposal , the effective voting rights of the total number of shares of more than 2/3.

	In favor		Objection		Waive	
	Number of shares	Proportion	Number of shares	Proportion	Number of shares	Proportion
Domestic holder	479,824,800	100%	0	0%	0	0%
B-share holder	21,159,321	51.89%	19,015,103	46.63%	602,692	1.48%
Total	500,984,121	96.23%	19,015,103	3.65%	602,692	0.12%
Including: votes by mid-small shareholders:						
Mid-small shareholders	21,159,321	51.89%	19,015,103	46.63%	602,692	1.48%

IV. Legal Opinions from the Solicitors

1. Name of the law firm: Zhejiang Tianche Law Firm

2. Names of the lawyers: Liu Bin, Du Wen

3. Conclusive opinion:

In the lawyers' opinion, the convening and holding procedures, the qualification of attendees, and voting procedures of the First provisional Shareholders' Annual Meeting in 2016 was complying with the laws, regulations and the Articles of Association of the Company. Therefore the resolutions are legal and valid.

V. Documents for Reference

1. Resolutions of the First provisional Shareholders' Meeting in 2016 carrying the signatures of the directors and secretary of Board;

2. Legal opinion issued by Zhejiang Tianche Law Firm on the shareholders' meeting.

The above is for the attention of the shareholders.

This announcement is hereby made.

The Board of Directors of

Hangzhou Steam Turbine Co., Ltd.

December 28, 2016