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Hangzhou Steam Turbine Co., Ltd.

Informative Notice of Progress on the Listed Transfer of the Share of Property of Hangzhou Changdi Equity Investment Partnership Firm

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.

On October 22, 2016, Hangzhou Steam Turbine Co.,Ltd held the fourth board meeting of the seventh session board of directors, in which the Proposal of Intending to Transfer the Share of Property of Hangzhou Changdi Equity Investment was examined and approved. It's agreed that the company shall list its 2.974% share of property of Hangzhou Changdi Equity Investment Partnership Firm (limited partnership) and make a transfer of such asset at the price not less than the assessed value in record confirmation by Supervision Department of state-owned assets. On November 17, 2016, the company commissioned Hangzhou Property Rights Exchange to publicly list the above-said underlying subject for transfer, with a starting price of RMB 73.68 million, （Details please refer to those published at Securities Times, Shanghai Securities Daily and at www.cninfo.com.cn dated October 23 , 2016 and November 17,2016. (Announcement No:2016-76, 2016-78). The transfer has got the regulatory approval of state-owned assets.

The early stage of the company has informed the Hangzhou Property Rights Exchange confirmati on Hangzhou Changdi Equity Investment Partnership Firm equity trading has been Zhejiang Juqing Investment Co., Ltd., a deal the price listed for transfer starting price (specific content see the company announcement :2016-89). The trade agreement has been signed by both parties confirm and finish in the near future, the company has been received on January 12, 2017 of the payment.

This announcement is hereby made.

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

January 17,2017