

Stock Code: 200771 Stock ID: Hangqilun B Announcement No. 2017-11

Hangzhou Steam Turbine Co., Ltd.
Announcement on Extending the Auditing Services of
Pan-China CPA to Year 2017

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.

According to the Notice of China Securities Regulatory Commission [2012]42, Shenzhen Stock Exchange Share Listing Rules (Revised 2014), and Working Criteria of Auditing Committee of Board, the Company held meetings of the Auditing Committee on February 24, 2017 and March 6, 2017 respectively. Good communications were made with Pan-China CPA regarding the annual report.

The 7th meeting of the 7th term of Board were held on March 16, 2017, on which the proposal to extend the service of Pan-China CPA as auditor of the Company for year 2017 was adopted.

The Board of Directors suggests that Pan-China CPA has been providing auditing services with all diligence and professional standard. The auditing report is appropriately reflecting the financial position and performances of the Company of year 2016. The results are according with the practical situation of the Company.

Auditors assigned by Pan-China CPA are fully capable of their duties and have been conducting auditing works on schedule. They also provided suggestions to the Company in the process. They have satisfied in all aspects the needs of auditing works of the Company. Therefore the Company propose to extend its services to year 2017.

The auditing fee for year 2017 is proposed of RMB 0.9 million; and the internal control auditing fee of RMB 0.26 million.

This proposal is subject to the examination at the Shareholders' Meeting 2016.

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

March 18, 2017