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Announcement on voluntary disclosure of information on important project contracts of Hangzhou Steam Turbine Co., Ltd.

Recently, Hangzhou Steam Turbine Co., Ltd. and Hengli Petrochemical (Dalian) Refining & Chemical Co., Ltd. signed a 20 million tons / year refining and integration project turbo-generator and drive compressor, feed pump with steam turbine contract, the total amount of this contract RMB 555.88 million (subject to the actual settlement shall prevail).

I.Introduction of the cooperative project

Hengli Petrochemical (Dalian) Refining & Chemical Co., Ltd., which entered the petrochemical industry in 2010, now processes three PTA production lines with the annual production capacity of 6.6 million tons. In 2014, for extension of the industrial chain, it invested the 20 million tons/year refinery-chemical integration project, and the project is expected to be put into operation at the beginning of 2019.

II. Main contents of the contract

1. Name of the project: 20 million tons/year refinery-chemical integration project

2. Project location: No.298 Changsong Road Changxing Island Economic Zone, Dalian City Liaoning Province

3. The number of sets in the project: 43 sets

4. Scope of the contract: Equipment selection and supply and guiding the installation and commissioning

5. The project period: 17 months (Commenced from the date of signing the contract)

6. Contract Amount: RMB 555.88 million Only

III.Impact on the Listed Company

The turbine contract of 20 million tons/year refinery-chemical integration project of Hengli Petrochemical (Dalian) Refining & Chemical Co., Ltd. is the biggest single contract for steam turbines to date. The smooth implementation of the project is conducive to enhance the company's market competitiveness and the company's brand influence, thus to provide strong support for the company entering the top class international manufacturers. This signed project contract will have a positive impact on the company's future business performance, and the performance of the contract will not affect the company's operating independence.

IV.Remind of the project risk

This project may have the risk that the progress is not working as expected, so please be aware of the risk and be prudent in your investment.

This announcement is hereby made.

The Board of Directors of Hangzhou Steam Turbine Co., Ltd.
March 31, 2017