

Hangzhou Steam Turbine Co., Ltd.
**Indicative announcement on the free transfer of the controlling shareholder's
state-owned equity**

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. The basic situation of the free transfer of state-owned equity of the
controlling shareholder**

Hangzhou Steam Turbine Co., Ltd. has recently received the "Notice Regarding the Free Transfer of State-owned Equity of Hangzhou Steam Turbine Power Group Co., Ltd." (No. 133 - [2020] Hangzhou State-owned Assets Supervision and Administration Commission)-forwarded by the controlling shareholder-Hangzhou Steam Turbine Power Group Co., Ltd. and the Notice was issued by the State-owned Assets Supervision and Administration Commission of the Hangzhou Municipal People's Government, stated that the Hangzhou State-owned Assets Supervision and Administration Commission transferred its holding of 90% of the state-owned equity of Hangzhou Steam Turbine Group to Hangzhou State-owned Capital Investment and Operation Co., Ltd. in free.

II. Equity transfer plan

1. Base date for equity transfer: December 31, 2019.
2. The transfer equity and value: Hangzhou SASAC holds 90% of the state-owned equity of Hangzhou Steam Turbine Group, involving the book value of state-owned net assets of RMB 5,582,958,144.88.

**III. Basic information of Hangzhou State-owned Capital Investment and
Operation Co., Ltd.**

Hangzhou Capital is a wholly state-owned company funded and established by the Hangzhou State-owned Assets Supervision and Administration Commission. The basic information is as follows:

Company type: limited liability company (wholly state-owned)

Legal representative: Jin Xuhu

Date of establishment: November 28, 2018

Registered capital: RMB 10,000 million

Operating period: Long-term

Address: Room 201, No. 19, Liuying Lane, Xiacheng District, Hangzhou City, Zhejiang.

Unified Social Credit Code: 91330100MA2CFRGP3C

Business scope: State-owned asset management within the scope of authorization of the municipal government, assets operation entrusted by the municipal government and related departments, investment and investment management and consulting services, asset management and disposal, equity management, equity investment fund management (without approval of financial and other regulatory authorities , it shall not engage in financial services such as financing deposits from the public, financing guarantees, and wealth management on behalf of clients); wholesale and retail: coal (no storage), non-ferrous metals, steel raw materials and products, wood, coke, pulp, chemical products and raw materials, asphalt (Except for dangerous chemicals and precursor chemicals), gold products, plastic raw materials and products, general machinery, building materials, cement, rubber products, primary edible agricultural products (except medicines), cotton, feed, fuel oil, petroleum products (except for refined oil, dangerous chemicals and easy-to-use chemicals), glass products, paper products, hardware and electrical appliances, machinery and equipment, plumbing equipment, auto parts, instrumentation, computer hardware and software and accessories, electronic products, needles, textiles; food operation; import and export of goods and technology (except for items prohibited by laws and administrative regulations, and items restricted by laws and administrative regulations can only be operated after obtaining permits); other legal items that do not need to be submitted for approval. (Projects that are subject to approval in accordance with the law can be operated only after approval by relevant departments)

IV.Changes in the Company's property rights and control relationships after the equity transfer

After the transfer of state-owned equity, the Company's controlling shareholder is still Hangzhou Steam Turbine Group, and the actual controller is still Hangzhou SASAC, thus there are no changes of relationships. After the completion of the transfer of state-owned equity, Hangzhou State-owned Capital Investment and Operation Co., Ltd. holds 90% of the shares of Hangzhou Steam Turbine Group, and

the controlling shareholder of Hangzhou Steam Turbine Group is changed from Hangzhou SASAC to Hangzhou State-owned Capital Investment Operation Co., Ltd.

V.Other

1. This free transfer will not affect the Company's normal production and operation, and there is no situation that harms the Company and the interests of small and medium shareholders of the Company.

2. This equity change is a free transfer of state-owned equity under the same control, and it is in compliance with the provisions of paragraph 1, item (1) of the "Measures for the Administration of the Acquisition of Listed Companies" of the Article 63, and it may be exempt from issuing an offer.

3. The free transfer of state-owned equity involves follow-up work such as disclosure of acquisition reports by relevant information disclosure obligors. The Company's board of directors will strictly follow the requirements of relevant laws and regulations to urge related parties to perform their information disclosure obligations in a timely manner.

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

December 30, 2020