

Hangzhou Steam Turbine Power Group Co., Ltd.

Announcement on the progress of receiving compensation for relocation

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.

The Company signed the “Compensation Agreement for the Relocation of Non-residential Houses on State-owned Land” with Hangzhou Gongshu District Urban Construction Investment Development Group Co., Ltd. The Company received a total of RMB 1,299,324,850 for the compensation for relocation. For details, please refer to the Announcement of the progress of the relocation project on August 7, 2018 (Announcement No.: 2018-57).

The Company recently received a compensation of RMB 75,858,516.20 for the relocation, and it has received a total of compensation of RMB 924,969,680.51 for relocation as of the announcement date.

The Company shall handle the compensation for land requisition and relocation as a special payable in accordance with the provisions of the “No. 3 Accounting Standards for Business Enterprises Interpretation” and the “No. 16 Accounting Standards for Business Enterprises—Government Subsidies” by the Ministry of Finance. And the final accounting treatment shall be subject to the annual audit opinion of the accounting firm.

This announcement is hereby made.

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

November 2, 2022