

Hangzhou Steam Turbine Power Group Co., Ltd.

**Announcement on the signing of a contract for the transfer of the right to the use
of state-owned construction land**

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 December 21, 2022, Hangzhou Steam Turbine Power Group Co., Ltd.(hereinafter referred to as the "Company") held the 30th meeting of the eighth board of directors, in which the "Proposal on Investing in the Construction of a Project with an Annual Output of 10 sets of Gas Turbine Units" was deliberated and passed, and agreed to invest in the construction of a project with an annual output of 10 sets of gas turbine units. Through the construction of this project, it can meet the full (empty) load test and R&D trial production of the Company's F-class 50MW class gas turbine. Combined with the Company's existing production facilities, the Company will form an annual production capacity of 10 sets of gas turbines.

According to the above resolution, the Company participated in the public listing and transfer of the use right of state-owned construction land organized by the Linping Branch of Hangzhou Municipal Bureau of Planning and Natural Resources in April 2023, and obtained the land use right of plot No. 14- [2023] of Linping Zhenggongchu.

Recently, the Company signed the "State-owned Construction Land Use Right Transfer Contract" with the Linping Branch of Hangzhou Municipal Bureau of Planning and Natural Resources, and the main content of the contract is announced as follows:

1. The land parcel number to be transferred under the contract is No. 14- [2023] of Linping Zhenggongchu, and the total area of the parcel is Forty-Three Thousand and Eight square meters (43,008 square meters), of which the area of the transferred parcel is Forty-Three Thousand and Eight square meters (43,008 square meters).

The parcel to be transferred under the contract is located in the Tunli community of Linping Street.

The planar boundaries of the parcels to be transferred under the contract are: east to the planned road, south, west and north to the existing road.

2. Parcel use: industrial land;

3. The term of transfer of the right to the use of state-owned construction land under the contract is 50 years, calculated from the date of signing the "Confirmation of the Delivery of State-owned Construction Land" for this parcel.

4. Land use right transfer price: 44.52 million yuan;

5. Payment period of land transfer fee: The transferee agrees to pay the transfer price of the right to use the state-owned construction land in a lump-sum payment(20% of which is used as a deposit for the performance of the contract) within 7 days from the date of signing this contract.

6. Main planning and design conditions:

If the transferee constructs new buildings, structures and their ancillary facilities within the parcel under the contract, it shall meet the planning conditions for the transfer parcel determined by the planning administrative department, of which the total construction area above ground is 77,414.4 square meters to 94,617.6 square meters.

According to the planning and design conditions determined by the planning department, the area for internal administrative office and living service facilities occupied in the contracted parcel shall not exceed 7% of the area of the transferred parcel, and its construction area shall not exceed 15% of the total construction area of the project.

This announcement is hereby made.

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

May 9, 2023