

Hangzhou Turbine Power Group Co., Ltd.

Announcement on Repurchase Cancellation of Some Restricted Stocks

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 October 30, 2023, Hangzhou Turbine Power Group Co., Ltd (hereinafter referred to as the Company) held the 14th meeting of the 8th term of the board of directors and the 3rd Meeting of the 9th term of the board of supervisors, in which it deliberated and passed the " Proposal on Repurchase and Cancellation of Some Restricted Shares". Hereby the relevant matters are explained as follows:

I. Relevant approval procedures and information disclosure that have been performed

1. On July 11, 2021, the 14th meeting of the Eighth Board of Directors reviewed and approved the *Proposal on the Company's Restricted Stock Incentive Plan (Draft) in 2021 and its Summary*, the *Proposal on the Company's Implementation Assessment Management Measures for the Restricted Stock Incentive Plan in 2021*, and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Restricted Stock Incentive Plan in 2021*, and the 9th Meeting of the Eighth Supervisors of the Company reviewed and approved the above related proposals. The Company disclosed related announcements such as the Restricted Stock Incentive Plan (Draft) and its Summary in 2021, the Implementation Assessment Management Measures for the Restricted Stock Incentive Plan in 2021, the Incentive Object List of the Restricted Stock Incentive Plan in 2021, the Self-inspection Form of Equity Incentive Plan, and the Legal Opinions of Shanghai Jintiancheng Law Firm on the 2021 Restricted Stock Incentive Plan of Turbine Co., Ltd.

Independent directors of the Company expressed their independent opinions on whether the equity incentive plan is conducive to the sustainable development of the Company and whether there is any harm to the interests of the Company and all shareholders. The Board of Supervisors of the Company issued the Verification Opinions on the Company's Restricted Stock Incentive Plan (Draft) in 2021.

2. On August 12, 2021, the Company disclosed the *Announcement on the Approval of Equity Incentive Plan by Hangzhou SASAC*. The Company received the Reply of Hangzhou Turbine Co., Ltd. on Implementing the Restricted Stock Incentive Plan in 2021 (HGZK [2021] No.45), and Hangzhou SASAC agreed in principle that the Company should implement the restricted stock incentive plan in 2021.

3. From July 12, 2021 to July 21, 2021, the Company publicized the names and positions of the incentive objects by posting the *Publicity of the Company's Restricted Stock Incentive Objects in 2021* on the Company's business premises, specifying the circumstances that forbids to be equity incentive objects, and the ways and means of feedback during the publicity period. As of the expiration of the publicity period, the Company has not received any objection from any organization or individual to the incentive object of this incentive plan.

On August 23, 2021, the Company disclosed the Publicity and Verification Opinions of the Board of Supervisors of the Company on the List of Incentive Objects of Restricted Stock Incentive Plan. The Board of Supervisors of the Company believes that the incentive objects listed in this incentive plan comply with the Administrative Measures, Trial Measures, Notice and other laws, regulations, normative documents and the scope and conditions of incentive objects stipulated in the Incentive Plan (Draft), and there is no circumstances that forbids to be incentive objects, and its qualification as the incentive objects of this incentive plan is legal and effective.

On August 23, 2021, the Company disclosed the Independent Financial Advisor's Report of CITIC Securities Co., Ltd. on the Restricted Stock Incentive Plan (Draft) in 2021 of Hangzhou Turbine Co., Ltd.

4. On August 27, 2021, the Company held the Second Provisional General Meeting of Shareholders in 2021, which reviewed and approved the *Proposal on the Company's Restricted Stock Incentive Plan in 2021 and its Summary*, the *Proposal on the Company's Implementation Assessment Management Measures for the Restricted Stock Incentive Plan in 2021*, and the *Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Matters Related to the Restricted Stock Incentive Plan in 2021*.

Meanwhile, the Company disclosed the Self-inspection Report on Insider Information of Restricted Stock Incentive Plan in 2021 and Stock Trading of Incentive Objects.

5. On August 30, 2021, the Company convened the 16th Meeting of the Eighth Board of Directors and the 11th Meeting of the Eighth Board of Supervisors, and respectively reviewed and approved the *Proposal on Granting Restricted Stocks to Incentive Objects for the First Time*. The Board of Directors of the Company considered that the granting conditions of restricted stocks

stipulated in this incentive plan had been fulfilled, and agreed to grant 18.17 million restricted stocks to 457 incentive objects who meet the granting conditions on September 1, 2021 for the first time, at a price of HKD 6.825 per share. The Board of Supervisors of the Company verified the list of incentive objectives again and issued a clear consent opinion. Independent directors of the Company expressed their agreed independent opinions on this.

6. On October 22, 2021, the Company completed the registration of granting restricted shares for the first time, with 455 people registered for the first time and 18,060,000 shares registered.

7. On December 16, 2021, the 20th Meeting of the 8th Board of Directors and the 13th Meeting of 8th Board of Supervisors of the Company reviewed and approved the Proposal on Granting Reserved Restricted Shares to Incentive Objects, It's agreed to grant 1,380,000 restricted shares to 37 incentive objects who meet granting conditions on December 16,2021-which is the pre-reserved stock grant date, with a grant price of HKD 6.825 per share. The Supervisory Committee of the Company verified the list of incentive objects and issued a clear consent opinion. Independent directors of the Company expressed in dependent opinions on relevant proposal of the Board of Directors.

8. On January 14, 2022, the Company completed the registration of the reserved restricted shares for the grant of 37 persons and the number of registered shares of 1,380,000.

9. On December 21, 2022, the Company held the 30th meeting of the Eighth Board of Directors and the 19th meeting of the Eighth Board of Supervisors, and deliberated and passed the *Proposal on Repurchase Cancellation of Some Restricted Stocks* and the *Proposal on Adjusting the Repurchase Quantity and Repurchase Price of the Restricted Stock Incentive Plan in 2021*, agreeing to repurchase and cancel a total of 531,180 restricted stocks held by 9 retirees and 1 resigned employee, which have been granted but have not been lifted for sales restriction. Meanwhile, because the Company has completed the profit distribution plan for 2021, according to the provisions of the *Restricted Stock Incentive Plan (Draft) in 2021*, the repurchase price of restricted stocks was adjusted from RMB 5.6764 per share (HK\$ 6.825 per share) to RMB 4.06 per share. On March 27, 2023, the Company completed the repurchase and cancellation of 531,180 shares of restricted incentive shares of 10 incentive objects, and issued the announcement -"Announcement on the Completion of Partial Restricted Shares Repurchase and Cancellation".

II.Reasons, quantity, price and sources of funds for the repurchase cancellation of some restricted stocks

1. Repurchase cancellation reason

1.1. According to the Company's *Restricted Stock Incentive Plan (Draft) in 2021* (hereinafter referred to as the *Incentive Plan* and this Incentive Plan), "If the incentive object retires, or cancels or terminates the labor relationship with the Company due to objective reasons such as job transfer beyond personal control, the incentive object can still lift the restricted sales according to its specific years of service during the performance assessment period. In addition to the foregoing, the remaining restricted stocks whose restricted sale have not been released may not be released from the restricted sale, and the Company shall repurchase them at the granted price plus the interest of bank deposits in the same period. If the incentive object leaves the Company due to personal reasons such as resignation, layoffs, expiration of the contract, etc., and the negative impact mentioned in Article 2 (4) of Chapter 13 of this plan has not been caused, the restricted stocks of the incentive object that have been granted according to this plan but have not been released from the restricted sale will be repurchased by the Company at the granted price."

Among the incentive objects of the Company's restricted stock incentive plan in 2021, 14 people no longer have the incentive object qualification due to retirement, and 3 no longer has the incentive object qualification due to personal reasons. The Board of Directors deliberated and decided that the above-mentioned retirees can still release the restricted sale of the corresponding shares according to the agreed conditions according to their specific tenure in the performance assessment period, and the remaining restricted sale that have not been released from the restricted sale shall not be released from the restricted sale, and the Company will repurchase and cancel them according to the granted price plus the interest of bank deposits in the same period; The above-mentioned restricted stocks that have been granted but have not been released from the restricted sale of the former employees shall be subject to repurchase cancellation by the Company according to the granted price.

1.2 According to the Company's "Administrative Measures for the Implementation Assessment of the 2021 Restricted Stock Incentive Plan", the individual-level assessment of the incentive objects shall be carried out in an annual manner, and the restricted shares that cannot be lifted in the current period due to the results of the individual-level performance appraisal shall not be deferred to the next period and shall be repurchased by the Company according to the grant price.

Among the incentive objects of the Company's 2021 restricted stock incentive plan, the

performance appraisal results of 2 people in the 2021 assessment year did not reach good or above, and the board of directors deliberated and decided to repurchase and cancel the restricted shares that did not meet the conditions for lifting the restriction during the first lifting period.

2. Repurchase quantity and price

According to the provisions of Chapter 14 of the *Incentive Plan*, after the restricted stock granted to the incentive object has completed the share registration, if the Company has any matters that affect the total share capital or the share price of the Company, such as capital reserve conversion to share capital, share dividend distribution, share allotment or share reduction, and dividend payment, the Company shall make corresponding adjustments to the repurchase quantity and price of the restricted stock whose restricted sale has not been lifted.

For details of the quantity and price adjustment of this repurchase of restricted stock, please refer to the Company's *Announcement on Adjusting the Quantity and Price of the Restricted Stock Incentive Plan in 2021*.(2023-81)

The quantity, price and funds of restricted stock repurchase involving incentive objects are as follows:

In RMB

Name of incentive object	Number of restricted stocks granted (shares)	Adjusted Number of restricted stocks granted (shares)	Repurchase reason	Proportion of repurchase	Repurchase quantity (after adjustment) (shares)	Repurchase price (after adjustment)	Interest	Repurchase funds
Li Jiansheng	200,000	312,000	Statutory retirement	34%	106,080	3.13	11,802	343,832
Mao Hanzhong	100,000	156,000	Statutory retirement	34%	53,040	3.13	5,901	171,916
Yu Hong	100,000	156,000	Statutory retirement	34%	53,040	3.13	5,901	171,916
Bao Guoan	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Chang Kangmin	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Lv Yinghua	20,000	31,200	Statutory retirement	34%	10,608	3.06	994	33,454
Zhu Binqi	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Tang Ziqiang	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Feng Jianguo	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Fang Zhiyang	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Cao Xuan	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Guo Yichao	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Song Wenjun	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Wu Hicai	20,000	31,200	Statutory retirement	34%	10,608	3.13	1,180	34,383
Zhou Lingmin	20,000	31,200	Leave office	100%	31,200	3.13	0	97,656

Chen Xiangquan	20,000	31,200	Leave office	100%	31,200	3.13	0	97,656
Zhu Peiliang	20,000	31,200	Leave office	100%	31,200	3.06	0	95,472
Sun Weiguo	20,000	31,200	Individual-level performance appraisal	6.6%	2,059	3.13	0	6,445
Shao Leiyan	20,000	31,200	Individual-level performance appraisal	33%	10,296	3.13	0	32,226
Total quantity					434,803	Total amount		1,394,403

Note: The above-mentioned interest amount is calculated from September 10, 2021 to the actual repurchase date (December 30, 2022) by taking the incentive price of restricted stock (the price corresponding to the number of repurchased shares) paid by the incentive object as the principal and according to the RMB one-year deposit rate of financial institutions published by the People's Bank of China as 1.50%.

3. Total funds and sources

The repurchase price payable by the Company for this restricted stock repurchase is RMB 1,394,403, all of which are the Company's own funds.

III. Changes of share capital structure after this repurchase cancellation

After the repurchase cancellation is completed, the total number of shares of the Company will be changed from 1,175,444,400 shares to 1,175,009,597 shares. The changes of the Company's share capital structure are as follows:

Nature of shares	Before the changes		Increase or decrease in quantity (shares)	After the changes	
	Quantity (shares)	Proportion		Quantity (shares)	Proportion
I. Unlisted tradable shares	748,526,688	63.68%		748,526,688	63.70%
II. Listed tradable shares	426,917,712	36.32%	-434,803	426,482,909	36.30%
In which: 1. Restricted tradable shares	29,691,414	2.53%	-434,803	29,256,611	2.49%
2. Non-restricted tradable shares	397,226,298	33.79%		397,226,298	33.81%
III. Total share capital	1,175,444,400	100.00%	-434,803	1,175,009,597	100.00%

After the repurchase cancellation is completed, the controlling shareholder and actual controller of the Company will not change, and the Company's equity distribution still meets the listing conditions. Meanwhile, this Incentive Plan will continue to be implemented in accordance with the

requirements of laws and regulations.

V. Impact of this repurchase cancellation of some restricted stocks on the Company

The repurchase cancellation of some restricted stocks will not have a substantial impact on the Company's financial status and operating results, and will not lead to the change of the Company's control rights, nor will it change the Company's status as a listed company, and there will be no harm to the interests of shareholders, especially minority shareholders.

VI. Opinions of independent directors

This repurchase cancellation of some restricted stocks are in compliance with the *Administrative Measures* and the Company's *Incentive Plan*, and the procedures are legal and compliant. This repurchase cancellation will not affect the continued implementation of the *Incentive Plan*, or the Company's continuing operations, nor will it harm the interests of the Company and its shareholders.

VII. Opinions of the Board of Supervisors

The Board of Supervisors believes that this repurchase cancellation of some restricted stocks by the Company complies with the *Administrative Measures* and other laws and regulations as well as the relevant provisions of the *Incentive Plan*, and conforms to the unanimous interests of all shareholders and incentive objects of the Company. The deliberation procedure of the Board of Directors on the repurchase cancellation of restricted stocks is in compliance with relevant regulations and is legal and effective. The Company's share repurchase funds are all its own funds, which will not have a substantial impact on the Company's financial position and operating results, nor will it affect the diligence of the Company's management team and core backbone, nor will it harm the interests of the Company and all of its shareholders. To sum up, the Board of Supervisors agreed to repurchase cancellation of some restricted stocks.

VIII. Conclusive comments of legal opinions

The Company's repurchase and cancellation matter has fulfilled the necessary approvals and authorizations at this stage, and complies with the relevant laws, regulations, and normative documents such as the *Administrative Measures* and complies with relevant provisions of the "Incentive Plan". The reason, number, price and source of funds for the repurchase and cancellation of some restricted shares comply with the relevant laws, regulations, normative documents such as the *Administrative Measures* and relevant provisions of the *Incentive Plan*, which is legal and valid.

The Company still needs to handle the procedures such as reducing the registered capital and deregistering the shares in accordance with the provisions of The Company Law and other laws and regulations, and perform the corresponding information disclosure obligations in accordance with the law.

IX. Verification opinion of independent financial consultant

After verification, the independent financial adviser considered that the necessary approvals and authorizations have been obtained for the repurchase and cancellation of some restricted shares by the Company, which complies with the provisions of The Company Law, The Securities Law, the Administrative Measures and this incentive plan. The above matter is still subject to the relevant procedures for the repurchase and cancellation of restricted stock in accordance with relevant regulations, and it shall fulfill information disclosure obligations in accordance with relevant regulations.

X. Documents for reference

1. Resolution of the 3rd meeting of the 9th term Board of Directors;
2. Independent directors' independent opinion on matters related to the 3rd meeting of the 9th term Board of Directors;
3. Resolution of the 3rd meeting of the 9th term Board of Supervisors;
4. Legal opinion;
5. Independent Financial Advisor Report.

This announcement is hereby made.

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

October 31, 2023