

**Hangzhou Steam Turbine Power Group Co., Ltd.**

**Announcement on the completion of the cancellation of the remaining shares in the special securities account for repurchase namely the change of shares**

*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.*

Special Reminder:

1. Hangzhou Steam Turbine Power Group Co., Ltd cancelled the remaining shares in the special securities account for repurchase of 111,800 shares, which accounted for 0.0095% of the total share capital of the Company before the cancellation. After the completion of this cancellation, the total share capital of the Company is reduced from 1,175,556,200 shares to 1,175,444,400 shares.

2. Confirmed by the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd, the cancellation of the Company's repurchased shares has been completed on June 21st, 2023.

The completion of the cancellation of the remaining shares in the Company's special securities account for repurchase namely the change of shares is hereby announced as follows:

**I. Overview of the of share repurchase**

1. The Company held the second extraordinary general meeting of shareholders in 2019 on December 10, 2019, in which it deliberated and approved the share repurchase plan, and agreed that the Company shall repurchase the Company's shares through centralized bidding transactions with its own funds, with a total repurchase fund of not less than 160 million Hong Kong dollars (inclusive) and no more than 320 million Hong Kong dollars (inclusive), and the repurchase price shall not exceed 9.5 Hong Kong dollars per share, and the repurchased shares shall be used for the implementation of employee stock ownership plans or equity incentives. The term of share repurchase shall not exceed 12 months from the date of approval of the share repurchase plan by the

Company's second extraordinary general meeting of shareholders in 2019. For details, please refer to the Company's share repurchase report (Announcement No.: 2019-79) disclosed on December 21, 2019.

2. On February 18, 2020, the Company implemented the repurchase of shares for the first purchase, and disclosed the first repurchase of shares on February 19, 2020. For details, please refer to the "Announcement on the First Repurchase of the Company's Shares" (Announcement No.: 2020-02) disclosed by the Company on Cninfo Information Network on February 19, 2020.

3. As of November 30, 2020, the Company completed the share repurchase, and actually repurchased 19,551,800 shares of the Company, accounting for 2.59% of the Company's total share capital, with the highest price of repurchase was 9.17 HKD / share, the lowest price of repurchase was 7.22 HKD / share, and the total amount of funds used was 160,734,718.28 HKD. The repurchased shares will be used to implement the employee stock ownership plan or equity incentives, and if the Company fails to implement the afore-said purposes within 36 months after the completion of the share repurchase, or the repurchased shares are not fully used for the afore-said purposes, the unused part will be cancelled according to law. For details, please refer to the "Announcement on the Implementation Results of Share Repurchase Namely Change in Shares" (Announcement No.: 2020-71) disclosed by the Company on Cninfo Information Network (<http://www.cninfo.com.cn>) on December 2, 2020.

## **II. Information of use of repurchased shares**

1. According to the above-mentioned arrangements for the purpose of repurchasing shares, the Company held the 14th meeting of the 8th session of the Board of Directors, the 9th meeting of the 8th session of the Board of Supervisors and the second extraordinary general meeting of shareholders in 2021 on July 11, 2021 and August 27, 2021 respectively, and it deliberated and passed the "Proposal on the Company's 2021 Restricted Stock Incentive Plan and its Summary" and other relevant proposals.

2. On August 30, 2021, the Company held the 16th meeting of the 8th session of the Board of Directors and the 11th meeting of the 8th Board of Supervisors, in which it deliberated and passed the "Proposal on the First Grant of Restricted Shares to Incentive Objects" and other relevant proposals. On December 16, 2021, the "Proposal on Granting Part Reserved Restricted Shares to

Incentive Objects" was deliberated and passed in the 20th meeting of the 8th Session Board of Directors and the 13th meeting of the 8th Session Board of Supervisors of the Company.

3. On October 22, 2021, the Company completed the registration of the first grant of restricted shares, with 455 persons registered for the first time and 18,060,000 shares was registered. On January 14, 2022, the Company completed the registration of reserved restricted shares for the grant of 37 persons with the number of registered shares of 1,380,000. In total, the Company completed the transfer registration of 19.44 million restricted shares to 492 eligible incentive objects. After the completion of the registration of the afore-said grant, the remaining shares in the Company's repurchase special securities account are 111,800 shares.

### **III. Information of Cancellation of the repurchased shares**

The "Proposal on Cancellation of the Remaining Shares in the Special Securities Account for repurchase" was deliberated and passed in the 32nd meeting of the eighth session of the board of directors held on March 27, 2023 and the 2022 annual general meeting of shareholders held by the Company on April 19, agreed that the Company cancels the remaining 111,800 shares in the special securities account for repurchase and reduces the registered capital. For details, please refer to the "Announcement on Cancellation of the Remaining Shares in the Special Securities Account for Repurchase" disclosed by the Company on the Cninfo Information Network (<http://www.cninfo.com.cn>) on March 29, 2023(Announcement No.: 2023-23).

The Company has performed the procedures for notifying creditors of the cancellation of shares in accordance with relevant laws and regulations, as detailed in the "Announcement on Cancellation of Remaining Shares in the Special Securities Account for Repurchase Namely Notification to Creditors" disclosed by the Company on the Cninfo Information Network (<http://www.cninfo.com.cn>) on April 20, 2023(Announcement No.: 2023-37). As of the date of this announcement, the deadline for filing claims has expired, and during the filing period, the Company has not received written documents from relevant creditors requesting the Company to settle its debts in advance or provide corresponding guarantees.

As confirmed by the Shenzhen branch of China Securities Depository and Clearing Co., Ltd, the Company has completed the cancellation of the above-mentioned repurchased shares in the special securities account on June 21st, 2023. The cancellation number, the completion date and the

cancellation period of the repurchased shares comply with the requirements of relevant laws and regulations. After the completion of this cancellation, the total number of shares and the share structure of the Company will change accordingly. The cancellation of the repurchased shares in the special securities account will not have a material impact on the Company's financial position and operating results.

#### **IV. Change in shares**

After the completion of the above-mentioned share cancellation, the Company's share capital structure change is as follows:

Nature of shares	Before this change		Number of additions or decreases (shares)	After this change	
	Number (Shares)	Proportion		Number (Shares)	Proportion
I: Non-tradable shares	748, 526, 688	63. 67%		748, 526, 688	63. 68%
II.Tradable shares	427, 029, 512	36. 33%	-111, 800	426, 917, 712	36. 32%
Thereinto: 1. Limited tradable shares	29, 691, 414	2. 53%		29, 691, 414	2. 53%
2. Unlimited sale of tradable shares	397, 338, 098	33. 79%	-111, 800	397, 226, 298	33. 79%
III. Total share capital	1, 175, 556, 200	100. 00%	-111, 800	1, 175, 444, 400	100. 00%

#### **V. Arrangements for follow-up matters**

The Company will change its registered capital, modify its articles of association, handle industrial and commercial registration and filing procedures in accordance with relevant provisions such as The Company Law and the Articles of Association, and timely fulfill its information disclosure obligations in accordance with regulations

This announcement is hereby made.

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

June 27th, 2023