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During the reporting period, the Company achieved new breakthroughs in gas turbine development. It completely completed the compressor test of independent gas turbine and obtained a series of key data, which was the first successful compressor test of civil gas turbine in China; It successfully completed the full-temperature and full-pressure test of the combustion chamber, which was the first time in China to carry out the test with a hydrogen mixing ratio of over 20% in the full-size combustion chamber of an independent heavy-duty gas turbine; It completed the first phase simulation test in the semi-physical laboratory and carried out the preparatory work for the complete machine test in an orderly manner; It gathered external superior resources, promoted the processing and manufacturing of the complete machine and hot end parts of the independent gas turbine in an orderly manner, and complete the first assembly of the rotor and the final assembly of the complete machine.

IV. Management Efficiency Improvement

During the reporting period, the Company started with the implementation of ERP projects and the construction and identification of "future factories" at the municipal level, and continuously improved its digitalization, integration and intelligence level; continuously improved and optimized platforms such as MES/PLM/OA and financial expense management system; comprehensively promoted the construction of digital factories, deployed 67 workstations in each workshop, and significantly improved the digitalization level of workshops; completed the development of data cockpit platform and carried out the construction of base 3D virtual factory.

During the reporting period, the Company further improved the assessment of economic responsibility system, optimized the assessment index system of each assessed subject, and realized scientific assessment methods, systematized assessment orientation, personalized assessment indicators and refined agreement contents of all departments. It started with project improvement to promote lean improvement, and declared and registered 30 lean improvement projects and 24 acceptance projects throughout the year. It carried out the evaluation of departmental lean management indicators in 10 departments, including Industrial Turbine Research Institute and Manufacturing Department, and promoted the improvement of lean management capabilities of all departments. It fully summarized the achievements of Lean 1.0, and formed a Lean 2.0 system plan by multi-dimensional construction.

During the reporting period, the Company focused on talent selection, use, education and retention, and continuously improved the efficiency of human resource management. It promoted the overall performance management, and 94% of the Company's grass-root employees participated in the annual overall performance assessment and result evaluation; It completed the Medium and Long-term Human Resource Allocation Planning Report for 2023-2028 around the strategic orientation of its transformation. The Company adhered to the working principles of "Party building leading, service centered, full participation, continuous improvement and incentive orientation" and compiled the Guiding Opinions on Cultural Entry, so as to comprehensively enhance the soft power of corporate culture.

3. Major accounting data and financial indicators

(1) Major accounting data and financial indicators for the last three years

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

	End of 2023	End of 2022	Changed over last year (%)	End of 2021
Gross assets (Yuan)	15,927,680,116.23	15,374,999,610.32	3.59%	16,319,667,628.76
Net assets attributable to shareholders of the listed company (Yuan)	7,899,275,900.66	8,328,481,114.19	-5.15%	7,927,485,773.65
Operating revenue (Yuan)	5,924,238,021.22	5,518,841,939.82	7.35%	5,788,288,588.91
Net profit attributable to the shareholders of the listed company (Yuan)	517,680,522.56	522,396,807.32	-0.90%	649,992,474.56
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	362,006,895.23	379,955,440.30	-4.72%	428,122,980.65
Cash flow generated by business operation, net (Yuan)	877,209,485.62	324,140,805.63	170.63%	71,809,489.02
Basic earning per share (Yuan/Share)	0.44	0.45	-2.22%	0.57
Diluted gains per share (Yuan/Share)	0.44	0.45	-2.22%	0.57
Net asset earning ratio (%)	6.38%	6.47%	-0.09%	8.01%

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating revenue	1,069,224,031.37	1,533,021,021.62	1,271,711,463.48	2,030,281,504.75
Net profit attributable to the shareholders of the listed company	-48,089,348.88	197,789,095.01	124,458,434.91	243,522,341.52
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	-59,744,696.75	164,860,343.72	93,744,617.14	163,146,631.12
Net Cash flow generated by business operation	-160,624,833.67	495,791,011.01	317,024,205.43	225,019,102.85

Any material difference between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports?

Yes  No

4. Share capital and shareholders

(1) Number of holders of ordinary shares and preference shares with restored voting right and Top 10 shareholders

Total number of common shareholders at the end of the reporting period	Total shareholders at the end of the reporting period	Total number of preferred shareholders with voting rights restored at period-end	Total preferred shareholders at the end of the month from the date of disclosing the annual report
10,862	10,987	0	0

Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period-end	Amount of restricted shares held	Number or share pledged/frozen State of share	Amount
Hangzhou Turbine Holding Co., Ltd.	State-owned legal person	58.68%	689,715,889	689,715,889	Not applicable	0
Hangzhou Qitong Equity Investment Partnership (LP)	State-owned legal person	5.00%	58,810,799	58,810,799	Not applicable	0

China Merchants Securities(HK/Co., Ltd.	Foreign legal person	0.73%	8,522,368	0	Not applicable	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Foreign legal person	0.69%	8,169,032	0	Not applicable	0
Zhou Jie	Foreign legal person	0.68%	7,974,900	0	Not applicable	0
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.57%	6,736,634	0	Not applicable	0
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.56%	6,578,411	0	Not applicable	0
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.52%	6,144,344	0	Not applicable	0
NORGES BANK	Foreign legal person	0.33%	3,922,665	0	Not applicable	0
Xia Zulin	Domestic Natural person	0.32%	3,810,000	0	Not applicable	0

Explanation on associated relationship among the aforesaid shareholders

(1) Hangzhou Turbine Holdings Co., Ltd. is the holder of state-shares of the Company, all other shareholders are holders of domestic listed foreign shares (B shares)  
(2) There is no relationship between Hangzhou Turbine Holdings Co., Ltd.;  
(3) Hangzhou Turbine Holdings Co., Ltd. and Hangzhou Qitong Equity Investment Partnership (LP) are not an "action-in-concert" party with any of other shareholders as described by the "Administration Rules of Informational Disclosure about Change of Shareholding Status of PLCs".

Notes to the shareholders involved in financing securities (if any)

Not applicable

Lending of shares by the top ten shareholders participating in refinancing business

Applicable  Not applicable

The top ten shareholders have changed from the previous period

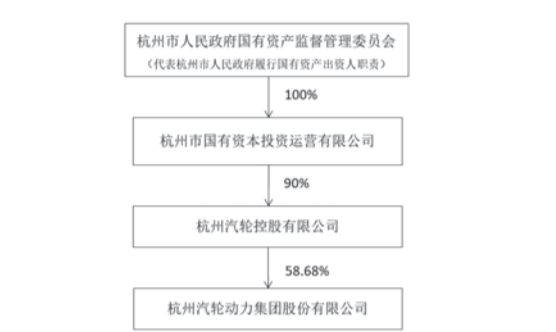
Applicable  Not applicable

(2) Total preference shareholders and the shares held by the Top 10 Preference shareholders

Applicable  Not applicable

The Company has no preferred shareholders during the reporting period.

(3) Block diagram of the ownership and control relations between the Company and the actual controller



5. Bonds in existence as of the approval date of the annual report

Applicable  Not applicable

III. Important Events

Nil

Hangzhou Turbine Power Group Co., Ltd.  
Chairman of the Board: Zheng Bin  
April 30, 2024

Stock Code: 200771 Stock ID: Hangqilun B  
Announcement No.: 2024-23

## Hangzhou Turbine Power Group Co., Ltd.

### Board of Directors Reports in 2023

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.

In 2023, in strict accordance with laws and regulations such as the Company Law, Securities Law, Stock Listing Rules of Shenzhen Stock Exchange, and Guidelines for Standardized Operation of Shenzhen Stock Exchange listed companies self-regulation Guidelines No.1 — Main board listed companies standardized operation, as well as the Articles of Association, the Board of Directors of the company is responsible to all shareholders, diligently and effectively exercising its functions and powers, conscientiously implementing the resolutions of the shareholders' meeting, diligently carrying out all the work of the Board of Directors, and promoting the improvement of corporate governance and the development of all business operations of the company. The main work of the Board of Directors in 2023 is reported as follows:

I. Business operations of the company in 2023

2023 is the year when the Company promoted the implementation of the "14th Five-Year Plan", and it is also a crucial year to promote transformation and upgrading. In the industry environment of policy regulation and control, facing the competitive pattern of excess demand, the Company maintained strategic determination and patience, showed strong resilience and vitality, adapted to the changes in the complex market environment, and finally reached the extremely challenging annual business target, laying the confidence and foundation for the subsequent enterprise transformation and high-quality development. During the reporting period, The main work of the Board of Directors is reported as follows:

I. Strategic Navigation

During the reporting period, the Company launched the mid-term evaluation and adjustment of the "14th Five-Year" strategic plan, decomposed the mid-term adjustment report of the strategic plan, and extracted 11 performance indicators and 22 strategic tasks, paving the way for the subsequent strategy. It tracked the completion of strategic performance indicators every month and issued quarterly strategic performance analysis report, which provided effective basis for the Company's scientific decision-making. During the reporting period, the Company introduced Hangzhou Qitong, a strategic investor, to further improve the governance structure of listed companies and effectively guarantee the implementation of corporate strategies. In order to improve the main business, integrate the business resources of the Company's service sector, and smoothly promote the development of the Company's independent gas turbine, the Company evaluated and traded the equity of the Sales Company, the equity of the Machinery Company, and the intellectual property rights of the independent gas turbine, clarified the ownership, solved the outstanding problems, and further improved the Company's standardized operation level.

II. Market Development

During the reporting period, the Company achieved new breakthroughs in the traditional market. Under the situation that the electrification trend continued to deepen and the industry competition significantly intensified, the Company exceeded the annual target by taking orders for steam turbines. It continuously deepened its strategic cooperation with key customers, seized the opportunity of large-scale ethylene projects, and won the bid for all seven ethylene projects, including project of PetroChina Jilin Petrochemical. It exerted the influence of benchmarking projects in the coal chemical sector, improved the bid winning rate of products, and successively undertook many projects such as projects of Xinjiang Zhongtai, Hesheng Silicon Industry and Jinchang Nenghua. It undertook the first large-scale coal chemical project since the implementation of the "carbon peaking and carbon neutrality" policy, and was awarded with the project of all the Inner Mongolia Baofeng coal-to-olefin units, which became a successful case of the big customer system in the field of coal chemical industry. It concentrated on the target customers of superior products and obtained continuous and stable orders in superior provinces. It flexibly used the market competition strategy, and its market share of feed water pump/induced draft fan turbine in large power plants has obviously rebounded. During the reporting period, the Company achieved "first" products going abroad, and productive results in the Middle East and other regions in driving business, with a total of 11 sets of units came into effect throughout the year. The successful implementation of refrigeration compressor set in MTBE unit of SABIC Group in Saudi Arabia marked the first application of steam turbine compressor set made in China in local refining and chemical projects in Saudi Arabia, which opened up a new situation for high-end market expansion of China's power equipment in the

Middle East. Its word-of-mouth effect of feed water pump sector gradually appeared, and it won the bid for 10 sets of 300,000-grade feed water pump steam turbines in the Indonesian market throughout the year. It achieved results in the power generation sector, undertaking 12 sets of overseas projects throughout the year, and expanding its market to Cyprus, Syria, Mexico and Cote d'Ivoire.

III. Transformation and Upgrading

During the reporting period, the Company built an all-round integrated service model based on the whole life cycle of the unit and covering all links, and built and put into operation the "localization service" demonstration area in Pakistan. It completed the phase II construction of the service management platform, and realized the system information chain through the "life cycle management of large customer equipment". It integrated resources such as condition monitoring, fault diagnosis and life extension evaluation to promoted the construction of "Hangzhou Turbine Smart O&M Center". It established the management mechanism of customer return visit, patrol inspection and training; improved service quality and efficiency based on user demand, and realized service system standardization.

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II. Performance of the Board of Directors according to law during the reporting period

(I) Perform work duties according to law and improve the level of scientific decision-making

1. About Board Meetings

In 2023, a total of 7 Board meetings. The Board of Directors reviewed such trading matters as investment in Western Power, provision of guarantee for New Energy Company, wealth management entrustment, daily related party transactions, foreign donations, application for bank credit, waiver of the priority right to transfer the shares of Western Power, transfer of the shares of Automobile Sales Company, acquisition of the shares of Machinery and Equipment Company, and exclusive licensing of gas turbine intangible assets. It also reviewed the proposals on asset impairment, asset write-off, profit distribution, re-appointment of accounting firm, remuneration scheme for directors and senior managers, repurchase and cancellation of shares, change of English name of the Company, amendment of articles of association, revision of remuneration management system for directors and senior managers, allowance for independent directors and supervisors, nomination of directors candidates, appointment of general manager and deputy general manager, revision of internal control manual, repurchase cancellation and lifting of restricted sales of share-based incentive restricted stock. For board meetings and deliberation matters details, please refer to the annex.

2. Information about the Independent Directors' Duty Performance

The company's independent directors strictly abide by the relevant laws and regulations such as the Company Law, Shenzhen Stock Exchange Listed Company Self-Discipline Supervision Guide No. 1 - Standardized Operation of Main Board Listed Companies, and the Guiding Opinions on Establishing an Independent Director System in Listed Companies, attend relevant meetings, carefully review the proposals of the board of directors, perform their duties diligently, express independent opinions, and give full play to the role of independent directors. For board meetings and deliberation matters details, please refer to the annex.

3. Information about the Duty Performance of Special Committees

The Board of Directors shall set up special committees such as audit, remuneration, strategy and nomination. During the reporting period, the Company organized 7

special committees of the Board of Directors. The Audit Committee has played a professional role in communicating with independent directors and audit institutions and deliberating the Company's periodic reports and major financial matters; According to the Company's remuneration appraisal methods and appraisal settlement, the Remuneration and Appraisal Committee discusses the formation of specific remuneration plans for directors and senior managers, and reviews and recognizes the results of the Company's equity incentive appraisal and expresses opinions; The Nomination Committee examines and expresses opinions on the proposed senior managers.

(II) Continuously improve the corporate governance system and ensure the company's compliance in operation

In order to continuously improve the Company's remuneration appraisal for senior managers, it has revised the Remuneration Management System for Directors and Senior Managers. Due to the change of registered capital of the Company and the requirements of Zhejiang Market Supervision Administration, it revised the Articles of Association in time.

The Company continued to strengthen the strategic control and standardized operation management of its holding subsidiaries. By dispatching directors and supervisors to the holding subsidiaries, the Company reviewed the major business matters of the holding subsidiaries around the Company's development strategy and operating principles, held regular meetings on the financial standardized operation of the subsidiaries, urged rectification on the problems found, constantly improved the financial management and internal control management of the holding subsidiaries, and effectively improved the overall standardized operation management level of listed companies.

(III) Strengthen the management of information disclosure and well ensure the control of insider information circulation

In 2023, the company issued a total of 96 announcements. The information disclosure is true, accurate, complete, timely and fair, and the listed company's information disclosure obligations are fulfilled in compliance.

The Board of Directors has formulated and effectively implemented the insider information management system, defined the scope of insiders of insider information, and strengthened the accountability for insider information disclosure. Directors, supervisors, senior managers and information disclosure related staff of the Company strictly abide by the system requirements and control the transmission range of inside information in the actual work. The Company has strictly registered and managed insiders of inside information, reminded relevant personnel in writing to keep confidential and signed confidentiality commitments. The chairman and the secretary of the board of directors shall sign and confirm the insider information file and report it to the Shenzhen Stock Exchange.

(IV) Strengthen the management of investor relations and earnestly protect the rights and interests of investors

The Company provides a convenient communication platform for investors, answers investors' questions on the "Hudongyi" platform of Shenzhen Stock Exchange, and actively answers investors' concerns through daily telephone answering and email reply. It pays attention to public opinion monitoring, understands the reports and evaluations of investors, capital markets and the media on the company, and reports the concerns of investors to the management in a timely manner. The Company has participated in the performance briefing of state-owned listed companies organized by Shenzhen Stock Exchange and shown investors the Company's new development and established a good interactive relationship with investors.

(V) Effectively implement the resolutions of the shareholders' meeting and implement a prudent dividend policy

In 2023, the Board of Directors of the company convened 3 general meetings of shareholders, Review the Company's major business decisions and major governance issues. The Board of Directors timely implemented the resolutions of the General Meeting of Shareholders, and completed all work authorized by the General Meeting of Shareholders.

The Company's profit distribution policy maintains continuity and stability, and fully considers the reasonable return to investors. On June 16, 2023, the Company completed the distribution of equity in 2022. with the total share capital of 980,179,980 shares at the end of the year deducting 111,800 treasury shares repurchased as of date of record by Company and 531,180 shares of share capital were cancelled due to the retirement and resignation of equity incentive objects in December 2022, that is, 979,537,000 shares, the Company would distribute cash dividend to all the shareholders at the rate of CNY 3.0 for every 10 shares (with tax inclusive), 2 bonus shares, and no reserve would be converted into share capital.

III. Development prospect

In 2024, on the basis of firmly implementing the "14th Five-Year Plan" and continuing the overall business thinking in 2023, the company put forward the working policy of "reducing costs and increasing efficiency, improving lean, focusing on culture and service transformation" around the transformation and high-quality development, and made overall arrangements for the work in 2024.

I. Focus on four major tasks and gather high-quality development synergies

Development of gas turbine. According to the progress requirements of the development work plan of the independent gas turbine, focus on the construction of the complete machine test capacity, the second phase of semi-physical test, the development of independent O&M technology, and start the operation test of the independent gas turbine. Energy transformation. Concentrate on building a new energy business platform, launch an intelligent O&M system for low-carbon thermal power plants as soon as possible, make existing industries better and stronger in term of energy intelligence, and expand the industrial chain from the comprehensive low-carbon equipment of energy. Accelerate the progress of SGT series gas turbine technology and after-sales localization, enhance the engineering ability, expand the market scope of engineering business, and strive to realize the integrated development of gas turbine business and engineering business.

Speed up transformation. Integrate the service resources of the whole group, build the organizational framework and management mode of the Company's service center, and position and build a competitive business core. Continue to promote the "double framework" implementation, focus on expanding customer coverage, enrich data volume, promote the online operation of customer platforms, and extend to the engineering sector. Continue to promote the digital engineering construction of the "full life cycle management" service framework, establish and maintain customer communication channels, enhance customer experience and stickiness, and gradually realize digital and intelligent full life cycle services.

Deepen reform. Focus on the main business, strengthen the core business, strengthen the construction of the board of directors, and improve the governance mechanism of scientific and technological enterprises. Establish and improve the market-oriented selection and employment mechanism, improve the tenure system and contractual management of managers, and build a multi-level, multi-channel and high-quality talent "selection and retention" system. Strengthen the market-oriented incentive and restraint mechanism and improve the remuneration management system.

II. Comprehensively enhance market competitiveness based on the three business sectors

Tap into the market potential. Continue to strengthen the pre-sales efforts, obtain project information through multiple channels, and adopt a flexible and balanced price linkage strategy to maintain the Company's profit level and market price balance. Give full play to the advantages of the key account management system with the promotion of the key account management system as the main aspect, further consolidate and improve the market share of draft pressure power generation, feed water pump induced draft fan and core drive, and build a solid market cornerstone of the Company. Well ensure overseas hot spots, key market layout and "localization" management, accelerate the pace of overseas market expansion, increase investment and support in overseas markets, optimize overseas project execution management, and improve the service efficiency of overseas markets.

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