

Hangzhou Steam Turbine Co., Ltd.

Announcement on the voluntary disclosure of information on the signing of the 3.2 million tons/year light hydrocarbon comprehensive processing and utilization project of Lianyungang Petrochemical

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.

I. Overview

Hangzhou Steam Turbine Co., Ltd recently signed a contract of 3.2 million tons/year light hydrocarbon comprehensive processing and utilization project with Lianyungang Petrochemical Co., Ltd, with a total contract amount of almost 200 million yuan (that shall be subject to the settlement).

II. Introduction of the cooperation project

Lianyungang Petrochemical Co., Ltd is a holding subsidiary of the Satellite Petrochemical, which is the largest acrylic manufacturer in China, as well as one of the world's top five acrylic manufacturers. Lianyungang Petrochemical has an industrial chain centering on C2 (mainly downstream industry of ethylene, namely PE, SM, EO MEG and so on), and Lianyungang Petrochemical's 3.2 million tons/year light hydrocarbon comprehensive processing and utilization project is located in the Lianyungang base of satellite petrochemical. The satellite petrochemical plans to form the industrial integration pattern of C2 and C3 (mainly refers to propylene and its downstream, such as PP, PO, MPG, acrylic acid and ester, and butyl octanol) through the construction of the Lianyungang base.

III The main content of the contract

1. Project Name: 3.2 million tons/year light hydrocarbon comprehensive processing and utilization project of Lianyungang Petrochemical Co., Ltd

2. Project Location: Petrochemical Industrial Park Xuwei New District Lianyungang City, Jiangsu Province

3. Number of project units: 8 units

4. Project contracting scope: steam turbines for 2 sets of three-unit use of 1.25 million tons/year ethylene device, steam turbines for 2 sets of 900,000 tons/year EOEG device use

5. Project cycle: 2 years

IV. The impact on the listed company

The 3.2 million tons/year light hydrocarbon comprehensive processing and utilization project of Lianyungang Petrochemical Co., Ltd is the first set of more than one million tons ethane to ethylene project in China. This iconic demonstration project will play an active leading role in the future development of the ethylene market. The signing of this project contract has enhanced the company's competitiveness in the ethylene market and is conducive to enlarge the influence of the company's brand.

V. Project risk tips

The risk of implementation of this project is less than expected, and investors are advised to make careful decisions and pay attention to prevent investment risks.

This announcement is hereby made.

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

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