

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

### **Announcement on the absorption and merger of the wholly-owned Subsidiaries**

*The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. There are no false records, misleading statements, or significant omissions in this announcement.*

#### **I. Overview of the absorption merger**

##### **(1) Basic information**

Zhejiang Steam Turbine Packaged Technology Development Co., Ltd. (hereinafter referred to as "Packaged Tech Company"), a wholly-owned subsidiary of the Company, was established in 2001, and its main business scope is to provide the Company with the design, manufacture and supporting services of turbine instrumentation and control systems, and to undertake the business of turbine technical transformation and complete sets of equipment. With the deepening of the strategic layout of the Company's service business, as there are functional overlap and duplication between the Packaged Tech Company and other subsidiaries of the Company in terms of the business units, the Company intends to absorb and merge the Packaged Tech Company in accordance with legal procedures in order to improve the efficiency of resource allocation, avoid duplication of investment, and continuously optimize the overall operation efficiency of the Company. After the completion of the merger, the independent legal personality of the Packaged Tech Company will be cancelled, and all its assets (including qualifications), creditor's rights, debts and businesses will be inherited by the Company in accordance with the law.

##### **(2) Whether it constitutes a major asset reorganization**

The merger does not constitute a major asset restructuring.

##### **(3) Whether it constitutes a related party transaction**

The merger does not constitute a related transaction.

##### **(4) Deliberation and voting**

On July 7, 2025, the Company held the 18th meeting of the 9th Board of Directors, in which the "Proposal on Absorbing and Merging the Wholly-owned Subsidiary" was approved, with the voting results were: 9 votes agreed, 0 votes against, and 0 abstentions, and the proposal still needs to be submitted to the Company's shareholders' general meeting for deliberation.

#### **II. Basic information of the merged party**

1. Company name: Zhejiang Steam Turbine Packaged Technology Development Co., Ltd.

2. Registered address: 5/F, Turbine Power Building, No. 1188, Dongxin Road, Gongshu District, Hangzhou City, Zhejiang Province
3. Unified social credit code: 913300007266001608
4. Enterprise type: limited liability company (sole proprietorship of a legal person not invested or controlled by a natural person)
5. Legal representative: Shi Yuhan
6. Registered capital: RMB 51 million
7. Date of establishment: January 21, 2001
8. Business scope: development of mechanical and electrical equipment control devices, technical consulting services, complete sets of equipment services, sales of complete sets of mechanical and electrical equipment, sales and services of complete sets of power station equipment, import and export business.

9. Major financial data for the most recent three and a half years (In RMB)

	March 31,2025	December 31,2024	December 31,2023	December 31,2022
<b>Total assets</b>	250,612,170.51	279,477,972.36	305,688,235.12	298,406,581.81
<b>Liabilities</b>	131,366,578.55	161,663,415.58	192,377,954.41	184,447,638.15
<b>Net assets</b>	119,245,591.96	117,814,556.78	113,310,280.71	113,958,943.66
	January-March 2025	Year 2024	Year 2023	Year 2022
<b>Operating income</b>	39,218,634.85	297,936,833.10	254,473,287.14	234,634,434.19
<b>Net profit</b>	1,414,236.41	24,779,108.68	19,590,595.78	18,789,173.15

### III. The method, scope and related arrangements of the merger

- (1) The absorption and merger method this time is the overall absorption and merger of the Packaged Tech Company by the Company, and all the assets, personnel, creditor's rights and debts, rights and obligations of the Packaged Tech Company are transferred to the Company and shall be inherited by the Company. After the completion of the merger, the Company will take over all the surviving business of the merged party-the Packaged Tech Company. The Company continues to operate, and the Packaged Tech Company shall be cancelled.
- (2) After the merging parties have performed their respective statutory approval procedures, the specific implementation of the merger procedures will be carried out, and the parties shall prepare balance sheets and asset lists, and perform the procedures of notifying creditors and making announcements.
- (3) The merging parties shall jointly complete the delivery of all the assets of the Packaged Tech Company to the merging party, and go through the asset transfer procedures and the relevant ownership change registration procedures.

#### **IV.The impact of the merger on the Company**

(1) The absorption merger is conducive to the Company's integration of resources, optimization of the Company's management structure, and improvement of operational efficiency, which is in line with the Company's development strategy and will have a positive impact on the Company's development.

(2) The Packaged Tech Company is a wholly-owned subsidiary of the Company, and its financial statement have been included in the scope of the Company's consolidated statement, so the absorption merger will not have a substantial impact on the Company's financial position and will not harm the interests of the Company and its shareholders.

(3) The merger does not involve changes in the Company's total share capital and registered capital.

#### **Documents available for inspection**

1.Resolutions of the 18th Meeting of the 9th Board of Director

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

July 9,2025