

Stock Code: 200771

Stock ID: Hangqilun B

Announcement No.:2025-84

Hangzhou Turbine Power Group Co., Ltd.

The Semi-Annual Report 2025

(Stock Code: **200771**)



August 2025

I. Important Remarks, Table of Contents and Definitions

The Board of Directors, the Supervisory Committee, the directors, the supervisors, and executives of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

Mr. **Ye Zhong**, The Company leader, Mr. **Zhao Jiamao**, Person in charge of accounting and Mr. **Lu Lin**, Person in charge of Accounting institute (accountant in charge) hereby confirm that the financial Report of Semi-Annual Report 2025 is authentic, accurate and complete.

All the directors attended the board meeting for the review of this Report.

This Report contains prospective descriptions, which doesn't constitute substantial commitment to investors. Investors are requested to be aware of the risks attached to their investment decisions.

The company's designated information disclosure media are: Shanghai Securities News (Chinese), Securities Times (Chinese), Hong Kong Commercial Daily (English), <http://www.cninfo.com.cn> (In English and Chinese), all information of the company is subject to the information published in the above selected media. Investors are advised to pay attention to investment risks.

The Company will not distribute cash dividend or bonus shares, neither capitalizing of common reserves for the report period.

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Documents available for inspection

- I. Financial Statements signed and sealed by the Chairman of the Board , chief accountant and director of the financial division;
- II. All the originals of the Company's documents and public notices disclosed in the newspapers designated by China Securities Regulatory Commission in the report period;
- III. Original copy of Resolutions of the Meeting of Board.

Definition

Terms to be defined	Refers to	Definition
Company, the Company	Refers to	Hangzhou Turbine Power Group Co., Ltd.
Holding shareholder, Turbine Holdings	Refers to	Hangzhou Turbine Holdings Co., Ltd.
Hangzhou Qitong	Refers to	Hangzhou Qitong Equity Investment Partnership (LP)
Zhejiang Industrial investment	Refers to	Zhejiang Provincial Industrial Investment Group Co., Ltd.
Zhejiang Development Asset Company	Refers to	Zhejiang Provincial Development Asset Management Co., Ltd
Hangzhou SASAC	Refers to	State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People's Government
Hangzhou Capital	Refers to	Hangzhou State-owned Capital Investment and Operation Co., Ltd.
The report period, During the reporting period	Refers to	January 1,2025-June 30,2025
Zhongneng Co.	Refers to	Hangzhou Zhongneng Steam Turbine Power Co., Ltd.
Hangfa Company	Refers to	Hangzhou Hangfa Power Generation Equipment Co., Ltd.
Casting Co.	Refers to	Hangzhou Steam Turbine Casting Co., Ltd.
Anhui Casting Company	Refers to	Anhui Hangqi Casting Technology Co., Ltd.
Packaged Tech. Co.	Refers to	Zhejiang Steam Turbine Packaged Technology Development Co., Ltd.
Machinery Co.	Refers to	Hangzhou Steam Turbine Machinery Equipment Co., Ltd.
Huayuan Company	Refers to	Zhejiang Huayuan Steam Turbine Machinery Co., Ltd
Auxiliary Machine Co.	Refers to	Hangzhou Steam Turbine Auxiliary Machinery Co., Ltd.
Guoneng Company	Refers to	Hangzhou Guoneng Steam Turbine Engineering Co., Ltd.
Turbine Co.	Refers to	Zhejiang Turbine Import & Export Co., Ltd.
New Energy Company	Refers to	Hangzhou Steam Turbine New Energy Co., Ltd.
Ranchuang Company	Refers to	Zhejiang Ranchuang Turbine Machinery Co., Ltd.
Western Power	Refers to	Pengzhou Western Power Blue Technology Co., Ltd.
Sales Company	Refers to	Hangzhou Steam Turbine Sales Service Co., Ltd.
Industry and trade company	Refers to	Hangzhou Steam Turbine Industry and trade Co., Ltd
Wuhu New Energy Company	Refers to	Wuhu Turbine New Energy Co., Ltd.
The Board of Directors	Refers to	The Board of Directors of Hangzhou Turbine Group Co., Ltd.
The Supervisory Committee	Refers to	The Supervisory Committee of Hangzhou Turbine Power Group Co., Ltd.
The Shareholders' Meeting	Refers to	The Board of Directors of Hangzhou Turbine Power Group Co., Ltd.
RMB, RMB0'000, RMB000'000'000	Refers to	RMB Yuan, RMB10 thousand Yuan, RMB100 million Yuan
MW	Refers to	Unit of power: 1000KW

II. Basic Information of the Company and Financial index

I. Basic Information

Stock ID	Hangqilun B	Stock Code	200771
Modified stock ID (if any)	Not applicable		
Stock Exchange Listed	Shenzhen Stock Exchange		
Company Name in Chinese	杭州汽轮动力集团股份有限公司		
Short form of Company Name in Chinese	杭汽轮		
Name in English	HANGZHOU TURBINE POWER GROUP CO.,LTD.		
Abbreviation in English	HTC		
Legal representative:	Ye Zhong		

II. Contact person and contact manner

	Secretary of the Board	Representative of Stock Affairs
Name	Wang Gang	Li Xiaoyang
Address	No.1188, Dongxin Road, Gongshu District, Hangzhou , Zhejiang	No.1188, Dongxin Road, Gongshu District, Hangzhou , Zhejiang
Tel.	0571-85780198	0571-85780438
Fax.	0571-85780433	0571-85780433
Email.	wg@htc.cn	lixiaoyang@htc.cn

III. Other Information

1.Way to contact the Company

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

☐ Applicable ☒ Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2024.

2. Information inquiry

Whether information disclosure and preparation place changed in reporting period or not

☐ Applicable ☒ Not applicable

None of the official presses, website, and place of enquiry has been changed in the semi report period. For details please find the Annual Report 2024.

3.Other relevant information

Did any change occur to other relevant information during the reporting period?

☐ Applicable ☒ Not applicable

IV. Summary of Accounting data and Financial index

May the Company make retroactive adjustment or restatement of the accounting data of the previous years

☐ Yes ☒ No

	This report term	Same period last year	YoY+/- (%)
Operating revenue (Yuan)	2,447,204,613.98	2,611,663,776.96	-6.30%
Net profit attributable to the shareholders of the listed company (Yuan)	153,051,073.44	191,499,563.85	-20.08%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	99,309,046.13	119,328,064.24	-16.78%
Cash flow generated by business operation, net (Yuan)	-167,557,418.79	-333,585,603.57	49.77%
Basic earning per share(Yuan/Share)	0.13	0.16	-18.75%
Diluted gains per share(Yuan/Share)	0.13	0.16	-18.75%
Net asset earning ratio (%)	1.65%	2.32%	-0.67%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (yuan)	17,545,420,432.17	17,252,082,445.96	1.70%
Shareholders' equity attributable to shareholders of the listed company (yuan)	9,384,027,013.25	8,954,601,724.44	4.80%

V. The differences between domestic and international accounting standards

1. Differences between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard

☐ Applicable ☒ Not applicable

Not existent

2. Differences between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard

☐ Applicable ☒ Not applicable

Not existent

VI. Non-recurring gain/loss Item and amounts

☒ Applicable ☐ Not applicable

In RMB

Item	Amount	Notes
Non-current asset disposal gain/loss(Including the write-off part for which assets impairment provision is made)	519,745.31	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	57,375,746.04	Mainly due to the government subsidies and other government subsidies such as R&D confirmed in the current period.
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the Company's normal business	5,808,861.28	Mainly due to the investment income of bank wealth management products
Reverse of the provision for impairment of accounts receivable undergoing impairment test individually	4,567,415.55	Mainly due to received receivables that were separately impaired by subsidiaries of New Energy Company and Hangfa Company
Gains/losses of debt restructure	1,823,910.00	
Operating income and expenses other than the aforesaid items	564,473.03	
Other gains and losses that meet the definition of exceptional gain/loss	-205,500.00	
Less: Influenced amount of income tax	11,661,783.62	
Amount of influence of minority interests (After tax)	5,050,840.28	
Total	53,742,027.31	

Details of other gains/losses items that meets the definition of non-recurring gains/losses:

☐Applicable☒Not applicable

There are no other gains/losses items that meet the definition of non-recurring gains/losses in the Company.

Notes on the definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items

☐Applicable☒Not applicable

The Company had no circumstances of definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items.

III. Management Discussion & Analysis

I. Main Business the Company is Engaged in During the Report Period

During the reporting period, the company's main business and business model did not change significantly. As the leading provider of turbo machinery equipment and relevant service in China, our company is mainly famous for designing and producing rotating turbo machinery like industrial steam turbines and gas turbines. Our company, one of the major companies drafting the industrial standard in Chinese domestic industry of industrial steam turbine, has developed into the biggest base to research, develop and produce industrial steam turbines in China and ranks first among industrial steam turbine producers in terms of the market occupancy. Holding the principle “our products should be based on clients’ demands” as our business mode and characteristic, our company designs and produces in accordance with every client’s personal demands so as to meet personalized needs in engineering projects to the utmost. To realize the fast research and development of our products, our company has adopted the advanced modular design technique and, on the other hand, introduces information technique to assist the collaborative production to achieve the resource saving and flexible production. In addition, our company also provides our clients with relevant service such as engineering programs, general engineering contracting, operation and maintenance of our products as well as remote control and so on.

Industrial steam turbines use the steam featuring high temperature and high pressure as their working medium so as to convert the thermal energy into mechanical energy to drive various industrial equipments through the rotating steam turbines. As for different objects driven by industrial steam turbines, the steam turbines could be divided into industrial driving steam turbines and industrial power-generation steam turbines. Mainly driving rotating machines like compressors, air blowers, pumps and squeezers, industrial driving steam turbines, as the core power part in numerous large-scale industrial equipments, are always introduced into some industries like oil refining, chemical engineering, chemical fertilizer, building materials, metallurgy, electric power, light industry and environmental production. The industrial power-generation steam turbines, mainly utilized to drive electric generators and provide thermal energy, are mainly adopted in private stations, regional projects of combined heat and power generation, power generation by recycling waste heat in industrial production, urban waster power plants and gas-steam combined cycle power stations in various industrial sectors. The gas turbines produced by our company are mainly used by metallurgical industry to recycle the waste heat from the blast furnace exhaust to generate power.

In the gas turbine business, the company cooperated with Siemens on SGT-800, an advanced natural gas turbine with high efficiency, high reliability and low emission, to enter the field of natural gas distributed energy, with its models gradually expanded to SGT300, SGT700 and SGT2000E. As the technology import and general supplier of Siemens gas turbine in China, the company has developed gas turbine business from two aspects: complete engineering and after-sales service, and has the independent engineering design capability of distributed energy combined cycle power station, established a complete system standard and supply chain system, and can complete the package business of processing & manufacturing, skid assembly, complete engineering, installation & debugging, technical training and so on outside the gas turbine body. In cogeneration/combined cycle power plants, oil and gas and other industrial applications that need small and medium-sized gas turbines in distributed energy projects, the company can not only provide customers with gas turbines and other equipment, but also provide customers with efficient overall solutions such as complete sets of gas turbine power plant equipment and engineering EPC, it can provide customers with operational support services throughout the product life, and this service model is conducive for the establishment of long-term business cooperation relationships between the company and its customers.

As the major producer of industrial equipments in China, our company is mainly benefited from the following factors in terms of the elements driving our business performance:

1. On the basis of market demands. The relevant market demands fluctuate differently due to various business

condition and investment cycles in different industrial fields. The company further made more specified positions toward the market for the products, implemented the differentiated marketing strategy, and integrated the business sectors and tapped into the potential. According to different customers' needs, it has further consolidated the original market position and broadened the market share in new fields through precise matching and precise policies.

2. Innovation and further reform in difficult areas of product technology: Our company continuously improves product technical performance and tackles hard issues in the scientific researches of product structure, core parts, basic design, manufacturing technology, material technology, etc. In addition, basing on clients' demands, To push forward the intelligence of our products and the development of the integration technology. Meantime, the company cooperated with universities, scientific research institutes to build the technological exchange and cooperation platform.

3. Upgrading of industrial structure transformation: The company jointed with Siemens to enter the distributed energy market and enhance the development and utilization of natural gas distributed energy. In the industrial fields Including the cogeneration /combined cycle power plant and the oil & gas project with distributed energy projects that adopt the small and medium gas turbines, the Company not only can provide gas turbine equipment for customers, but also can provide customers with complete sets of equipment for gas turbine power plant and the efficient integrated solutions. the Company took the new energy company as the platform to deeply explore the cogeneration needs of customers in the petrochemical field, and gradually transformed to engineering, systematization and financialization.

4. Brand and market position: The company's products have a good reputation and extensive brand influence in the domestic market, The company has maintained a leading market share in the domestic industrial drive. The company's products have a high reputation and brand influence in the domestic market.

5. Cost controlling level: As domestic labor costs continue to rise and the price of industrial products continue to decline, the product profitability is facing a severe test. In recent years, the company continuously improves the level of costs controlling by improving the organizational structure, optimizing business processes, enhancing the supply chain controlling, strengthening risk management, raising the efficiency of all the staff and so on.

6. Emphasis on quality engineering and services: promote the key project management, meticulously plan key projects, implement dynamic quality supervision; attach importance to products' after-sales service market, integrate existing resources to increase after-sales service initiative, extend product value chain, and promote the company's transformation from manufacturing to service.

II. Analysis On core Competitiveness

Firstly. Technological superiority: A complete technical innovation system was established. The Company has under its possession of national, provincial, and municipal grade technical centers, a doctoral workstation, and an academician workstation. Close co-operations were carried out with institutions and universities from throughout the country. As the main drafter of national standard on industrial steam turbine, the Company has the newest technical trend under its close observation. The Company is now providing nearly 800 different models of steam turbines to the customers , It has R&D capabilities covering industrial drive steam turbines below 150MW and industrial power generation steam turbines below 200MW. with Siemens Energy in the field of gas turbine, our company has been capable of selecting the model of the combined recycling project of distributed energy. our company has also been able to finish the independent processing or supporting work which doesn't need to depend on the gas turbine machine.

Secondly .The advantages of solutions. The modular design of industrial steam turbine and the production pattern featuring parallelization production enable our company to give considerations to the cost, date of delivery and clients' demands in the process of production in accordance with clients' personalized designs, thereby making our company capable of advancing with the development trend of individual requirements. Our company has always been devoting to the localization in terms of the gas turbine business so as to achieve the localized one-

stop service step by step Including the sale, production, installation, debugging, operation, training and after-sale service. Our company has always been striving to provide clients with the complete equipment of gas turbine power station and the efficient total solutions.

Thirdly, the Company has established strategic co-operations with main customers in the country. Further marketing approaches were carried on by involving itself in the customers' value. A sound and steady image has been set up in the domestic steam turbine market. In the global market, the Company has acquired multiple important certifications and has established a primary global recognition.

Fourthly, the Company has its complete service providing system. The Company is not only capable to provide onsite 24-hour service for the Company's own products, but also accumulated rich experiences in technical maintenance and reengineering of other manufacturers' products.

Fifthly, the Company has cultivated a significant advantage in human resources. Great importance has been attached to construction of work teams with collection of high-end workforce in the areas of research & development, At the same time, our company values the cooperation with universities. "Zhejiang Technical Association for Gas Turbines in Equipment Manufacturing Industry" was officially founded jointly by our company and Zhejiang University and other scientific research institutions to build a new platform for integration of production and research in terms of gas turbine technology. The Company has cultivated a significant advantage in human resources. Great importance has been attached to construction of work teams with collection of high-end workforce in the areas of research & development, designing, technique, testing, and quality control. An excellent workforce provides a sound foundation to lift quality and services.

III. Main business analysis

Summary

Found more in "I. Main businesses of the Company in the reporting period"

Changes in the financial data

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Financial expenses	-11,500,984.50	-1,527,962.04	-652.70%	Mainly due to the YOY decrease in interest expenses and net exchange losses.
Income tax expenses	36,656,002.96	7,273,851.67	403.94%	Mainly due to the increase in deferred income tax expenses.
Net cash flow arising from operating activities	-167,557,418.79	-333,585,603.57	49.77%	Mainly due to the increase in the goods payment recovered in this period.
Net cash flow generated by investment	-29,392,537.17	143,395,035.64	-120.50%	Mainly due to the YOY increase in net purchase of wealth management products.
Net cash flow generated by financing	-156,760,738.26	-704,972,737.54	77.76%	Mainly due to the decrease in dividends and the decrease in the amount of bank loans repaid in this period.
Net increasing of cash and cash equivalents	-354,957,255.27	-895,966,778.74	60.38%	Synthesizing the above reasons for changes

Major changes on profit composition or profit resources in reporting period

☐Applicable ☒Not applicable

No major changes on profit composition or profit resources occurred in reporting period.

Constitution of operation revenue

In RMB

	This report period	Same period last year	y-o-y
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	Amount	Proportion	Amount	Proportion	changes (+, -)
Total operating revenue	2,447,204,613.98	100%	2,611,663,776.96	100%	-6.30%
On Industry					
Boiler and power machine manufacture	2,225,938,876.80	90.96%	2,457,159,721.11	94.08%	-9.41%
Other	221,265,737.18	9.04%	154,504,055.85	5.92%	43.21%
On product					
Industrial steam turbine and complement	1,982,023,703.59	80.99%	1,865,505,641.92	71.43%	6.25%
Gas turbine	187,837,273.97	7.68%	551,482,249.85	21.12%	-65.94%
Hydroelectric generating set	56,077,899.24	2.29%	40,171,829.34	1.54%	39.60%
Service	190,332,845.41	7.78%	123,484,805.52	4.73%	54.13%
Other	30,932,891.77	1.26%	31,019,250.33	1.18%	-0.28%
On Area					
Domestic	2,184,835,379.80	89.28%	2,453,979,637.36	93.96%	-10.97%
Overseas	262,369,234.18	10.72%	157,684,139.60	6.04%	66.39%

Situation of Industry, Product and District Occupying the Company's Business Income and Operating Profit with Profit over 10%

√ Applicable □ Not applicable

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
On Industry						
Boiler and power machine manufacture	2,225,938,876.80	1,641,128,587.38	26.27%	-9.41%	-17.12%	6.86%
On product						
Industrial steam turbine	1,982,023,703.59	1,448,007,962.94	26.94%	6.25%	-0.57%	5.01%
On Area						
Domestic	2,184,835,379.80	1,563,955,855.72	28.42%	-10.97%	-19.29%	7.38%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest on year's scope of period-end.

□ Applicable √ Not applicable

IV. Analysis of Non-core Business

√ Applicable □ Not applicable

In RMB

	Amount	Proportion in total profit	Explanation of cause	Sustainable (yes or no)
Investment income	82,995,357.21	43.84%	Mainly due to dividends from Hangzhou Bank.	——
Fair value change profit or loss	101,415.84	0.05%	Mainly due to changes in the fair value of	——

			transactional financial assets.	
Impairment of asset	-42,816,689.71	-22.62%	Mainly due to the provision for bad debts of contract assets and inventory impairment.	——
Non-operating income	8,227,870.11	4.35%	Mainly due to the compensation income.	——
Non-operating expenses	7,688,655.26	4.06%	Mainly due to the compensation expenses	——
Credit impairment loss	-21,490,947.73	-11.35%	Mainly due to bad debt provision for accounts receivable	——
Other income	65,171,814.78	34.42%	Mainly due to government subsidies recognized in the current period for compensation for land expropriation and relocation, as well as other government subsidies such as R&D subsidies confirmed in the current period.	——

V. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

In RMB

	End of Reporting period		End of same period of last year		Change in percentage(%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
Monetary fund	1,886,247,400.98	10.75%	2,249,624,409.13	13.04%	-2.29%	——
Accounts receivable	2,383,786,365.00	13.59%	2,519,384,588.01	14.60%	-1.01%	——
Contract assets	848,482,677.93	4.84%	856,704,611.36	4.97%	-0.13%	——
Inventories	2,780,272,438.09	15.85%	2,557,564,668.61	14.82%	1.03%	——
Real Estate investment	4,969,013.44	0.03%	5,161,268.80	0.03%	0.00%	——
Fixed assets	2,102,740,968.03	11.98%	1,912,357,802.93	11.08%	0.90%	——
Construction in process	756,289,462.54	4.31%	867,580,986.71	5.03%	-0.72%	——
Using right assets	13,080,380.51	0.07%	20,524,948.08	0.12%	-0.05%	——
Short-term-Borrowing	353,551,946.60	2.02%	454,539,898.33	2.63%	-0.61%	——
Contract liabilities	2,493,615,870.46	14.21%	2,390,788,170.22	13.86%	0.35%	——
Long-term borrowing	472,027,895.86	2.69%	327,281,413.06	1.90%	0.79%	——
Lease liabilities	5,914,894.57	0.03%	6,690,983.41	0.04%	-0.01%	——

2. Major overseas assets

☐ Applicable ☒ Not applicable

3.Asset and Liabilities Measured by Fair Value

☒ Applicable ☐ Not applicable

In RMB

Item	Amount at year beginning	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Other changes	Amount at year end
Financial assets								
1. Transactional financial assets (Excluding Derivative financial assets)	669,850,839.08	101,415.84			690,000,000.00	826,000,000.00		533,952,254.92
2. Derivative financial assets								
3. Other debt investments								
4. Other Equity Instrument Investment	3,972,096,759.66	600,844,205.26	4,181,986,924.92					4,572,940,964.92
5. Other non-current financial assets	5,534,773.22							5,534,773.22
6. Receivable financing	598,790,851.05						46,110,018.08	644,900,869.13
Subtotal	5,246,273,223.01	600,945,621.10	4,181,986,924.92		690,000,000.00	826,000,000.00	46,110,018.08	5,757,328,862.19
Total of the above	5,246,273,223.01	600,945,621.10	4,181,986,924.92		690,000,000.00	826,000,000.00	46,110,018.08	5,757,328,862.19
Financial Liabilities	0.00							0.00

Other changes

None

Did great change take place in measurement of the principal assets in the reporting period ?

☐ Yes ☒ No**4. Restricted asset rights as of the end of this Reporting Period**

In RMB

Item	End of Book balance	End of book value	Type	Reason
Monetary fund	95,960,576.99	95,960,576.99	Pledge/Freeze	Bank acceptance bill deposit, bond deposit and frozen payment, etc.
Note receivable	32,493,289.73	30,460,518.79	Discounted/endorsed	Endorsed bills undue that have not been derecognized
Receivable financing	1,238.00	1,238.00	Pledge	Used to open a bill pool
Inventory	16,409,373.44	4,418,600.00	Mortgage	Financing for sale and leaseback
Fixed assets	497,340,997.09	414,352,321.28	Mortgage	Utilized for mortgage to obtain the bank loan
Construction in process	302,610,700.71	302,610,700.71	Mortgage	Utilized for mortgage to obtain the bank loan
Intangible assets	168,171,277.27	141,238,301.30	Mortgage	Utilized for mortgage to obtain the bank loan
Total	1,112,987,453.23	989,042,257.07		

VI. Analysis on investment Status

1. General

√ Applicable ☐ Not applicable

Investment in the Period(Yuan)	Investment at same period last year (Yuan)	Changes
176,674,382.44	324,443,912.53	-45.55%

2. Condition of Acquiring Significant Share Right Investment during the Report Period

√ Applicable ☐ Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Anticipated Income	Gain or Less or the Current Investment	Whether to Involve in Law suit	Date of Disclosure	Disclosure Index
Wuhu New Energy Company	Manufacturing	Established	10,000,000.00	100.00%	Self-fund	N/A	Long-term	photovoltaic power generation	Completed	0.00	0.00	No	/	/
Lianyungang Zhonghang Gas Turbine Technology Co., Ltd	Manufacturing	Established	45,000,000.00	45.00%	Self-fund	Jiangsu Yangji'e Petrochemical Group Co., Ltd	Long-term	Power generation, power transmission, power supply (distribution) and other services	Not yet funded	0.00	0.00	No	March 18,2025	http://www.cninfo.com.cn (2025-21)
Total	--	--	55,000,000.00	--	--	--	--	--	--	0.00	0.00	--	--	--

3.Situation of the Significant Non-equity Investment Undergoing in the Report Period

√ Applicable □ Not applicable

In RMB

New plant project	Self-built	Yes	General equipment manufacturing	Investment amount in this reporting period	Accrued Actual Investment Amount up to the End of Reporting	Capital Source	Project schedule	Anticipated income	Accrued Realized Income up to the	Reasons for not Reaching the Planned	Disclosure date	Disclosure Index
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					Period				End of Reporting Period	Schedule and Anticipated Income		
Annual output of 10 sets of gas turbine unit project	Self-built	Yes	General equipment manufacturing	20,449,666.42	453,261,387.92	Self fund+Loan for financial institutions	90.65%	0.00	0.00	N/A	December 22,2022	http://www.cninfo.com.cn (2022-90)
Production line project with an annual output of 15,000 tons of steel castings and 40,000 tons of forged blanks	Self-built	Yes	General equipment manufacturing	21,291,740.65	265,210,360.52	Self fund+Loan for financial institutions	79.15%	0.00	0.00	N/A	September 28,2021	http://www.cninfo.com.cn (2021-82)
Energy saving, carbon reduction, high-efficiency turbo machinery intelligent manufacturing service integration industrial base project	Self-built	Yes	General equipment manufacturing	101,694,604.81	282,635,538.54	Self fund+Loan for financial institutions	26.92%	0.00	0.00	N/A /	July 26,2022	http://www.cninfo.com.cn (2022-70)
Total	--	--	--	143,436,011.88	1,001,107,286.98	--	--	0.00	0.00	--	--	--

4.Investment of Financial Asset

(1) Securities investment

√ Applicable □ Not applicable

In RMB

Security category	Security code	Stock Abbre	Initial investment cost	Mode of accounti	Book value balance at the beginning of	Changes in fair value of the this	Cumulative fair value changes in	Purch ase	Sale amoun	Gain/l oss of	Book value balance at the end of the	Account ing Item	Sauce of the
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		viatio n:		ng measure ment	the reporting period	period	equity	amoun t in the this period	t in the this period	the reporti ng period	reporting period		shares
Domesti c and foreign stocks	600926	Hangz hou Bank	390,954,040.00	FVM	3,972,096,759.66	600,844,205.26	4,181,986,924.92				4,572,940,964.92	Other equity Instrum ent investm ent	Self funds
Domesti c and foreign stocks	000912	LUTI ANH UA	2,869,219.80	FVM	1,850,839.08	101,415.84					1,952,254.92	Financia l assets transacti on	Debt restruc turing
Total			393,823,259.80	--	3,973,947,598.74	600,945,621.10	4,181,986,924.92	0.00	0.00	0.00	4,574,893,219.84	--	--

(2) Investment in Derivatives

☐ Applicable ☒ Not applicable

The Company had no investment in derivatives in the reporting period.

5.Application of the raised capital

☐ Applicable ☒ Not applicable

The Company had no application of the raised capital in the reporting period.

VII. Sales of major assets and equity

1. Sales of major assets

☐ Applicable ☒ Not applicable

The Company had no sales of major assets in the reporting period.

2.Sales of major equity

☐ Applicable ☒ Not applicable

VIII. Analysis of the Main Share Holding Companies and Share Participating Companies

☒ Applicable ☐ Not applicable

Situation of Main Subsidiaries and the Joint-stock Company with over 10% net profit influencing to the Company

In RMB

Company Name	Company type	Leading products and services	Registered capital	Total assets	Net assets	Operating Income	Operating profit	Net Profit
Auxiliary Machine Co.	Subsidiaries	Manufacturing	80,000,000.00	620,002,979.65	312,545,706.73	282,373,710.05	31,940,663.58	29,090,749.59
Packaged Tech. Co.	Subsidiaries	Commerce & trade	51,000,000.00	160,139,128.23	105,081,766.23	136,887,246.90	15,517,822.34	12,750,410.68
Machinery Co.	Subsidiaries	Manufacturing	30,000,000.00	385,554,871.99	312,220,575.29	203,660,336.75	76,758,157.58	62,318,462.11
Turbine Co.	Subsidiaries	Commerce & trade	20,000,000.00	94,034,029.45	53,852,201.40	80,748,062.10	7,072,285.81	5,270,628.29
Zhongneng Company	Subsidiaries	Manufacturing	120,000,000.00	2,296,400,460.72	409,411,190.17	690,560,032.08	3,303,576.99	7,337,271.72
Casting Company	Subsidiaries	Manufacturing	29,500,000.00	990,379,814.52	386,689,525.13	247,420,750.99	5,414,278.35	4,217,645.64
New Energy Company	Subsidiaries	Manufacturing	500,000,000.00	1,505,182,717.49	504,526,706.91	251,450,671.96	42,331,782.83	29,938,283.41
Ranchuang Company	Subsidiaries	Manufacturing	155,000,000.00	349,542,580.55	154,613,196.83	111,942,678.22	-27,709,389.87	-30,528,798.99

Subsidiaries obtained or disposed in the reporting period

☒ Applicable ☐ Not applicable

Company name	The method of obtaining and disposing subsidiaries during the report period	The influence to the whole production and performance
Wuhu New Energy Company	Established	No significant impact

Notes of holding and stock-jointly companies

IX. Structured subject situation controlled by the company

☐ Applicable ☒ Not applicable

X. Risks facing the Company and countermeasures**1. Industry and market risks**

The Company's industry is closely related to the global and Chinese economic situation, international political situation, equipment investment of industrial enterprises and other factors. In recent years, the international political and economic environment has been complex, with slowing global economic growth, intensifying geopolitical conflicts, escalating international trade barriers, and increasing uncertainties in the external environment. The proposal of the national goal of "carbon peak and carbon neutrality" has had a profound impact on the downstream industries represented by petrochemicals, steel, electric power, building materials, etc. The Company will rely on technological innovation to highlight core technology advantages, expand marketing channels, innovate marketing work models, improve product quality, enhance terminal service capabilities, strive to improve product added value, actively tap into potential demand, and actively respond to and resolve market risks.

2. Contract performance risk

With the increase of uncertainties in the external environment, the Company has many contract changes in the process of contract execution, and project progress delays and suspensions occur from time to time, which has a great impact on the Company's internal product realization process. Meanwhile, with the increase in short-cycle orders, the cost and risk of the Company's performance of contracts also increase accordingly. The Company will further strengthen the ability to connect production and marketing, improve the speed and level of enterprises to respond to the market, and control the risk of contract execution.

3. Accounts receivable risk

With the sluggish operating performance of some downstream industry customers and the increase in investment project risks, there are persistent risks in the Company's accounts receivable recovery, which has a greater impact on the Company's operating performance. The Company will implement customer credit management, strengthen contract signing and performance risk control, increase the assessment and incentive of accounts receivable recovery, and reduce the adverse impact of overdue accounts receivable.

4. Exchange rate risk

The expansion of the Company's international procurement and international sales business will affect the Company's balance of payments due to exchange rate fluctuations, and there is a certain risk of exchange losses. With the increase in the two-way fluctuation of the RMB exchange rate, the uncertainty of exchange gains and losses has increased. The Company will refer to the exchange rate fluctuation cycle and adopt appropriate exchange rate risk management tools to minimize exchange losses.

5. The risk of declining profitability

With the intensification of market competition, the price of industrial products continues to fall, while the cost of domestic raw materials and labor continues to rise, and the profitability of the Company's products is facing a severe test. The Company will give full play to the role of budget service strategy and scientific allocation of resources to improve the overall cost control ability, coordinate the promotion of lean cost reduction, improve operational efficiency, and strive to resolve the risk of declining profitability.

6. Overseas market risks

The Company continues to implement the "going global" strategy, further expands overseas target markets, and enhances the Company's share and influence in the international market. However, at present, the overseas market is affected by geopolitical conflicts, changes in the internal political and economic situation and trade barrier policies, and there is great uncertainty in business expansion in overseas market. The Company will increase resource investment and overseas market efforts, formulate targeted marketing strategies for emerging markets and potential markets, and explore and optimize localized marketing paths.

XI. Formulation and implementation of market value management system and valuation boost plan

Whether the Company has established a market value management system

☐Yes☒No

Whether the Company has disclosed plans for valuation boost.

☐Yes☒No

XII. The implementation of the action plan of "Double improvement of quality and return".

Whether the Company has disclosed the action plan of "Double improvement of quality and return".

☐Yes☒No

IV Corporate Governance, Environmental and Social Responsibility

I. Changes of directors, supervisors and senior executives

☐Applicable ☒Not applicable

There were no changes in the directors, supervisors and senior executive of the Company during the Period, found more in the Annual Report 2024

II. Profit distribution plan and capitalizing of common reserves plan for the Period

☐Applicable ☒Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the semi-annual.

III. Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives

☒Applicable ☐Not applicable

(1) Equity incentive

(I) 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 Ninth 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 Allbright Law Offices on the 2021 Restricted Stock Incentive Plan of Hangzhou Steam 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.

(II) 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 Steam 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.

(III) From July 12, 2021 to July 21, 2021, the company will post the "Announcement of the Company's 2021 Restricted Stock Incentive Objects" through the company's business premises, publicizing the names and

positions of the incentive objects, and clarifying the circumstances under which they cannot become equity incentive objects. , as well as 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 objects 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 Steam Turbine Co., Ltd.

(IV) On August 27, 2021, the Company held the Second provisional Shareholders' General Meeting 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.

(V) 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 HK\$ 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.

(VI) 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.

(VII) 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 is agreed that December 16, 2021 will be reserved for granting restricted shares, and 1,380,000 restricted shares will be granted to 37 eligible incentive objects at a grant price of HK\$ 6.825 per share. Independent directors of the Company expressed independent opinions on relevant proposals of the Board of Directors

(VIII) On January 14, 2022, the Company completed the registration of reserved grant of restricted shares, with 37 registered shareholders reserved and 1,380,000 registered shares.

(IX) On December 21, 2022, the Company held the 30th meeting of the 8th session of the Board of Directors and the 19th meeting of the 8th session of the Board of Supervisors, in which it deliberated and passed the "Proposal on Repurchase and Cancellation of Some Restricted Shares" and "Proposal on Adjusting the Repurchase Quantity and Repurchase Price of the 2021 Restricted Stock Incentive Plan". In view of the fact that 9 of the incentive objects are no longer eligible for incentive objects due to retirement reasons, and 1 person is no longer eligible for incentive object due to personal reasons, it's agreed to repurchase and cancel a total of 531,180 shares of restricted shares held by them that have been granted but have not yet been lifted. Meanwhile, As the Company has implemented the profit distribution plan for 2021, according to the provisions of the *Incentive Plan*, the repurchase price and repurchase quantity of restricted stocks will be adjusted accordingly.

(X) On October 30, 2023, the Company convened the Third Meeting of the Ninth Board of Directors and the Third Meeting of the Ninth Board of Supervisors, and reviewed and approved the Proposal on Adjusting the Repurchase Quantity and Repurchase Price of the Restricted Stock Incentive Plan in 2021 and the Proposal on Repurchase and Cancellation of Some Restricted Stocks. In view that 14 incentive objects became ineligible due to retirement, 3 due to personal resignation, and 2 due to failure to achieve "Good" or above in performance ratings, the Company agreed to repurchase and cancel 434,803 restricted stocks in aggregate according to the Incentive Plan. As two people failed to achieve good or above performance assessment results, according to the Incentive Plan, it is agreed to repurchase and cancel their 12,355 restricted stocks that fail to meet the conditions for lifting the restricted sales in the first lifting period. In the meantime, as the Company has implemented the profit distribution plan for 2021, according to the provisions of the Incentive Plan, the repurchase price and repurchase quantity of restricted stocks will be adjusted accordingly.

At the same time, the Third Session of the Ninth Board of Directors and the Third Session of the Ninth Board of Supervisors of the Company reviewed and approved the Proposal on Achievement of Partial First-phase Lifting of Restricted Sale of the First Grant Part of the Restricted Stock Incentive Plan in 2021, and the Board of Directors of the Company agreed to handle the lifting of the restricted sales for 451 incentive objects who met the conditions for lifting the restricted sales in the first lifting period of the first grant. The total number of restricted stocks lifted this time was 9,254,045. The independent directors of the Company expressed their independent opinions on this matter, and the Board of Supervisors expressed their opinions on this matter.

(XI) On January 16, 2024, the Fourth Session of the Ninth Board of Directors and the Fourth Session of the Ninth Board of Supervisors of the Company reviewed and approved the Proposal on Achievement of Partial First-phase Lifting of Restricted Sale of the Reserved Grant Part of Restricted Stock Incentive Plan in 2021, and the Board of Directors of the Company agreed to handle the lifting of the restricted sales for 36 incentive objects who met the conditions for lifting the restricted sales in the first lifting period of the reserved grant part. The total number of restricted stocks lifted this time was 700,128. The Board of Supervisors issued a clearly agreed opinion on this matter.

(XII) On October 28, 2024, the Company held the ninth meeting of the ninth session board of directors and the eighth meeting of the ninth session board of supervisors, at which the "Proposal on Adjusting the Repurchase Price of the 2021 Restricted Stock Incentive Plan" and "Proposal on Repurchasing and Canceling Part of the Restricted Shares" were deliberated and passed. In view of the fact that 3 of the incentive recipients resigned due to personal reasons and no longer qualified as incentive recipients, according to the Incentive Plan, it's agreed to repurchase and cancel a total of 62,712 restricted shares held by them that had been granted but had not yet been released. Meanwhile, since the Company has completed the implementation of the 2023 profit distribution plan, the repurchase price of restricted shares shall be adjusted accordingly in accordance with the provisions of the incentive plan.

Meanwhile, the "Proposal on the Achievement of the Second Phase of the Lifting of the Restricted Stock for the First Grant of the 2021 Restricted Stock Incentive Plan" was passed in the ninth meeting of ninth board of directors and in the eighth meeting of the ninth Meeting board of supervisors of the Company, and agreed to handle the lifting of the restriction on the sale of 440 incentive recipients who meet the conditions for the second release of the restricted stock of the first grant part, and the total number of restricted shares released this time is 8,936,928 shares. The Supervisory Board issued an unequivocal opinion on the matter.

(XIII). On January 17, 2025, the Company held the 11th meeting of the 9th session board of directors and the 10th meeting of the 9th session board of supervisors, in which the "Proposal on Repurchasing and Canceling Part of the Restricted Shares" was deliberated and passed. In view of the fact that 3 of the incentive recipients resigned due to personal reasons and no longer qualified as incentive recipients, according to the Incentive Plan, it's agreed to repurchase and cancel a total of 42,120 restricted shares held by them that had been granted but had not yet been released.

The "Proposal on the Achievement of the Second Phase of the Lifting of the Restricted Sale Conditions of the Reserved Grant Part of the 2021 Restricted Stock Incentive Plan" was passed in the 11th meeting of the 9th session board of directors and in the 10th session meeting of the 9th session board of supervisors of the Company, and agreed to handle the lifting of the restriction on sale of 35 incentive recipients who meet the conditions for the second release of the restricted stock of the reserved grant part, and the total number of restricted shares released this time is 689,832 shares. The Supervisory Board issued an unequivocal opinion on the matter.

2. Implementation of the ESOP plan

☐ Applicable ☒ Not applicable

3. Other employee incentives

☐ Applicable ☒ Not applicable

IV. Environmental information disclosure situation

Whether the listed companies and their main subsidiaries are included in the list of enterprises that disclose environmental information according to law

☐ Yes ☒ No

V. Social responsibility

With "driving industrial civilization and sustaining China's power" as its business mission, the company leads the its reform and development with the development concept of "innovation, coordination, green, openness and sharing". While standardized operation and operation according to law, it strives to shoulder due social responsibilities and promote the harmonious development of the company, shareholders, investors, employees, suppliers, customers, consumers and the whole society.

(1) While the company is committed to long-term development and realization of shareholder value, it pays attention to the natural environment and resources, and undertakes corresponding responsibilities to shareholders, employees, customers, suppliers, communities and other relevant stakeholders to realize the harmony, coordination and unity of sustainable development between the company and society.

(2) The company has formulated the "social responsibility management standard", which defines the company's responsibilities and standard requirements in protecting shareholders and creditors, protects the interests of employees, ensures safety in production, environmental protection, energy conservation and emission reduction, and social welfare undertakings, and defines the importance of social responsibility.

(3) The company has further strengthened the protection of the rights and interests of small and medium-sized investors, strengthened the management of investor relations, and established communication channels in all aspects. For news affecting major changes in the company's stock price, the company has actively verified the information content to clarify the facts, and issued announcements when necessary to announce the actual situation of the company, so as to protect the legitimate rights and interests of small and medium-sized investors.

(4) The company treats suppliers and users in good faith and always maintains good commercial credit and excellent contract performance level. The company has established a strategic cooperation relationship with suppliers, set up a convenient information communication platform, and continuously improved the level of cooperation between the two parties. The company provides customers with high-quality products and professional services, as well as personalized business solutions adapted to different environments, which are well received by customers.

(5) The company actively promotes the professional development of employees, continuously improves the professional environment of employees, and protects the physical and mental health of employees. The company has a number of highly skilled talents such as national technical experts and provincial and municipal technical competition pacesetters, and has set up a number of skilled master studios in the production line to create a golden blue collar team in modern manufacturing. The company has further raised the level of medical expenses subsidies for employees, and provided health insurance and cancer prevention insurance for employees. Throughout the year, the company has continuously carried out group cultural activities, expanded the venues for cultural and sports activities for employees, supported employees to spontaneously establish various cultural organizations, and created a dynamic enterprise atmosphere. During the reporting period, the Company carried out labor competitions, skills competitions, and mass innovation activities; it carried out the construction and creation of five-type teams, and deeply cultivated the rock plan; organized ten batches of 697 employees to recuperate.

(6) The company attaches great importance to environmental protection and energy conservation and emission reduction. The company has set up special assessment indicators to strictly regulate all kinds of environmental behaviors in the business process. It strengthens the management of hazardous wastes and strictly controls the transfer and storage of hazardous wastes. The company's safe disposal rate of hazardous wastes has reached 100%. During the reporting period, the company's emission tests Including waste water, waste gas, noise and other Item all met the national standards. The company has formulated energy consumption control indicators for various departments, incorporated energy consumption indicators into the annual assessment system, vigorously carried out energy-saving publicity, regularly organized energy-saving inspections, and implemented a number of energy-saving renovation projects. The total comprehensive energy consumption for the whole year decreased significantly year on year.

(7) The Company continues to support and carry out public welfare undertakings. During the reporting period, it actively responded to the call of the Hangzhou Municipal Party Committee, the Municipal

Government and Shiqiao Street of the "Spring Breeze Action", played a leading and demonstration role of caring enterprises, and donated a total of 510,000 yuan to the "Spring Breeze Action"; The Company supported the education of rural areas in mountain villages, and helped Zhongzhou Town Primary School in Chun'an County with books, sporting goods, intangible cultural heritage handicrafts and other in-kind items, with the value totaled in 17,000 yuan.

V. Important Events

I. The fulfilled commitments in the reporting period and under-fulfillment commitments by the end of the reporting period made by the company, shareholder, actual controller, acquirer, director, supervisor, senior management personnel and other related parties.

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Other commitments made to minority shareholders	Hangzhou Turbine Power Group Co., Ltd., Hangzhou Turbine Technology Co., Ltd. and other transferors	Commitment to the transfer target company's accounts receivable recovery and other matters	http://www.cninfo.com.cn (Announcement No.: 2021-101 and 2021-102)	November 16, 2021		Under Fulfillment
Whether commitments are fulfilled on time	Yes					

Note: Hangzhou Turbine Power Group Co., Ltd has been renamed as Hangzhou Turbine Holdings Co., Ltd, and Hangzhou Turbine Power Technology Co., Ltd has been renamed as Hangzhou Guoyu Property Management Co., Ltd.

II. Particulars about the non-operating occupation of funds by the controlling shareholder

□ Applicable √ Not applicable

No such cases in the reporting period.

III. Illegal provision of guarantees for external parties

□ Applicable √ Not applicable

No such cases in the reporting period.

IV. Engagement and disengagement of CPAs firm

Whether the semi-annual financial report has been audited

☐ Yes ☒ No

The semi-annual financial report of the Company has not been audited

V. Notes for “non-standard audit report” of CPAs firm during the Reporting Period by board of directors and supervisory board

☐ Applicable ☒ Not applicable

VI. Notes for the related information of “non-standard audit reports” last year by board of directors

☐ Applicable ☒ Not applicable

VII. Bankruptcy and restructuring

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

VIII. Litigations and arbitrations

Significant litigations and arbitrations

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

Other lawsuits

☐ Applicable ☒ Not applicable

IX. Punishments and rectifications

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

X. Credit conditions of the Company as well as its controlling shareholder and actual controller

☐ Applicable ☒ Not applicable

XI. Material related transactions**1. Related transactions in connection with daily operation**

☒ Applicable ☐ Not applicable

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price (in 10 thousand Yuan)	Related transaction amount (in 10 thousand Yuan)	Proportion in similar transactions (%)	Trading limit approved (in 10 thousand Yuan)	Whether over the approved limit or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
Hangzhou Oxygen Plant Group Co., Ltd and its holding subsidiaries	A subsidiary enterprise of Hangzhou Capital	Sell goods	Auxiliary machine, spare parts, industrial steam turbine	Market price	Market price	5,410.32		5,664.86	No	Bank deposit/Commercial bill	Not applicable	April 15, 2025	Announcement No.: 2025-40
Total				--	--	5,410.32	--	5,664.86	--	--	--	--	--
Detail of sales return with major amount involved				N/A									
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period (if applicable)				Not applicable									
Reasons for major differences between trading price and market reference price (if applicable)				Not applicable									

2. Related-party transactions arising from asset acquisition or sold

☐Applicable ☒Not applicable

No such cases in the reporting period.

3. Related-party transitions with joint investments

☐Applicable ☒Not applicable

No such cases in the reporting period.

4. Credits and liabilities with related parties

☐Applicable ☒Not applicable

No such cases in the reporting period.

5. Transactions with related finance company, especially one that is controlled by the Company

☐Applicable ☒Not applicable

No such cases in the reporting period.

6. Transactions with related finance company controlled by the Company

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

7. Other significant related-party transactions

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

XII. Significant contracts and execution**1. Entrustments, contracting and leasing****(1) Entrustment**

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

(2) Contracting

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

(3) Leasing

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

2. Significant Guarantees

☒ Applicable ☐ Not applicable

In RMB10,000

Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)										
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee (If any)	Counter-guarantee (If any)	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guarantee of the Company for the controlling subsidiaries										
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee (If any)	Counter-guarantee (If any)	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)

			nt)							
New Energy Company	October 31,2023	30,000	January 18,2024	9,172.78	The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Ranchuang Company	April 15,2025	11,000	June 27,2025	2,200	The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Total of guarantee for subsidiaries approved in the period(B1)		11,000		Total of actual guarantee for subsidiaries in the period (B2)		2,200				
Total of guarantee for subsidiaries approved at period-end(B3)		41,000		Total of actual guarantee for subsidiaries at period-end(B4)		11,372.78				
Guarantee of the subsidiaries for the controlling subsidiaries										
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guaranty (If any)	Counter-guarantee (If any)	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Guoneng Company	November 15,2023	6,000	August 24,2023	1,966.11	The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Guoneng Company	November 15,2023	6,000	August 24,2023	96.98	The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Guoneng Company	November 15,2023	5,000	August 30,2023		The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Hangfa Company	March 29,2023	8,000	October 14,2022	6,350.54	The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Hangfa Company	March 29,2023	4,000	November 3,2022	3,070.5	The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Hangfa	September	1,500	August	154.21	The joint			Two years	No	No

Company	16,2023		25,2023		liability guaranty			from the date of expiration of the principal debt		
Anhui Casting Company	August 3,2024	5,453	July 18,2024	5,453	The joint liability guaranty			Two years from the date of expiration of the principal debt	No	No
Total guarantee quota to the subsidiaries approved in the reporting period (C1)		0		Total amount of guarantee to the subsidiaries actually incurred in the reporting period (C2)		14,193.50				
Total guarantee quota to the subsidiaries approved at the end of the reporting period (C3)		35,953		Total balance of actual guarantee to the subsidiaries at the end of the reporting period (C4)		17,091.34				
Total of Company's guarantee （namely total of the large three aforementioned）										
Total of guarantee in the Period （A1+B1+C1）		11,000		Total of actual guarantee in the Period （A2+B2+C2）		16,393.50				
Total of guarantee at Period-end （A3+B3+C3）		76,953		Total of actual guarantee at Period-end A4+B4+C4）		28,464.12				
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+B4+C4)				3.03%						
Including										
Amount of guarantee for shareholders, actual controller and its associated parties （D）							0.00			
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly （E）							15,028.25			
Proportion of total amount of guarantee in net assets of the company exceed 50% （F）							0.00			
Total guarantee Amount of the abovementioned guarantees （D+E+F）							15,028.25			
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees （If any）							Not applicable			
Explanations on external guarantee against regulated procedures(If any)							Not applicable			

Description of the guarantee with complex method

Not applicable

3.Situation of Entrusted Finance

√ Applicable □ Not applicable

In RMB10,000

Specific type	Source of funds for entrusted financial management	The Occurred Amount of Entrusted Wealth-management	Undue balance	Amount overdue	Un-recovered of overdue amount
Bank financial products	Self fund	69,000	53,200	0	0
Total		69,000	53,200	0	0

The detailed information of entrusted wealth-management with significant amount or low safety, poor liquidity or high risk with no promise of principal

□ Applicable √ Not applicable

Entrusted financing appears to be unable to recover the principal or there may be other circumstances that may result in impairment

☐ Applicable ☒ Not applicable

4. Other significant contract

☐ Applicable ☒ Not applicable

No such cases in the reporting period.

XIII. Explanation on other significant events

☒ Applicable ☐ Not applicable

1. In order to accelerate the commercialization process of independent gas turbines, comprehensively deepen the construction of independent gas turbine testing and application demonstration bases, and accelerate the implementation of demonstration base projects and industrial integration, the Company intends to jointly invest in the establishment of a joint venture company ---Lianyungang Zhonghang Gas Turbine Technology Co., Ltd., with Jiangsu Yangjing Petrochemical Group Co., Ltd.-which is the enterprise authorized by the Management Committee of the National East, Central and West Regional Cooperation Demonstration Zone (Lianyungang Xuwei New Area) . For details, please refer to the announcement released by the Company on the website of Cninfo(Announcement No.:2025-21).

2.On March 30, 2025, Hangzhou Qitong and Zhejiang Industrial Investment and Provincial Development Assets Company signed the "Share Transfer Agreement on the share of Hangzhou Turbine Power Group Co., Ltd.", and Hangzhou Qitong intends to transfer 35,286,479 non-tradable shares of the Company (accounting for 3.0032% of the Company's total share capital) to Zhejiang Industrial Investment through the transfer of agreement, and transfer 23,524,320 non-tradable shares of the Company (accounting for 2.0022% of the Company's total share capital) to Provincial Development Asset Company. On May 12, 2025, the Company received the securities transfer registration confirmation document issued by China Securities Depository and Clearing Co., Ltd. forwarded by Hangzhou Qitong, and Hangzhou Qitong has completed the transfer registration of the above-mentioned agreement to transfer the shares, with a transfer date of April 30, 2025. which was detailed in the relevant announcement disclosed by the Company on Cninfo Information Network (<http://www.cninfo.com.cn>) on April 2 2025 and May 13, 2025(Announcement No.:2025-22, 2025-63).

3. The Company held the 14th meeting of the ninth session of the board of directors on April 24, 2025, in which the "Proposal on the Share Exchange Absorption and Merger of Hangzhou Turbine Power Group Co., Ltd.by Hangzhou Hirisun Technology Incorporated.namely the Related Party Transaction Plan” was deliberated and approved, which was detailed in the relevant announcement disclosed by the Company on Cninfo Information Network (<http://www.cninfo.com.cn>) on April 26, 2025; The Company held the second extraordinary shareholders' general meeting in 2025 on June 6, 2025, in which the "Proposal on the Transaction in Compliance with the Relevant Laws and Regulations on the Major Asset Restructuring of Listed Companies" and other major asset restructuring-related proposals were deliberated and approved, and the content of which was detailed in the relevant announcement published by the Company on Cninfo Information Network (<http://www.cninfo.com.cn>) on June 7, 2025; On June 20, 2025, the Company received the "Notice on Accepting the Application Document for the Share Exchange Absorption and Merger of Hangzhou Turbine

Power Group Co., Ltd. by Hangzhou Hirisun Technology Incorporated." (No. 90 [2025] SZSE Shangshen) issued by the Shenzhen Stock Exchange forwarded by Hirisun, which was detailed in the relevant announcement disclosed by the Company on Cninfo Information Network (<http://www.cninfo.com.cn>) on June 24, 2025.

4. The Company held the 18th meeting of the ninth board of directors and the third extraordinary shareholders' general meeting in 2025 on July 7, 2025 and July 25, 2025 respectively, in which the "Proposal on the Absorption Merger of Wholly-owned Subsidiary" was deliberated and approved. In order to improve the efficiency of resource allocation, avoid overlapping investment, and continue to optimize the Company's overall operational efficiency, the Company intends to absorb and merge the complete-set company through legal procedures. After the completion of the absorption and merger, the independent legal personality of the complete-set 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. which was detailed in the relevant announcement disclosed by the Company on Cninfo Information Network (<http://www.cninfo.com.cn>) on July 9, 2025 and July 26, 2025 (Announcement No.: 2025-76, 2025-78).

XIV. Significant event of subsidiary of the Company

☐ Applicable ☒ Not applicable

VI. Change of share capital and shareholding of Principal Shareholders

I. Changes in share capital

1. Changes in share capital

	Before the change		Increase/decrease (+, -)					In shares After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
I. Shares with conditional subscription	748,526,688	63.70%	0	0	0	0	0	748,526,688	63.71%
1. Founder's stock	748,526,688	63.70%	0	0	0	0	0	748,526,688	63.71%
Domestic legal person shares	748,526,688	63.70%	0	0	0	0	0	748,526,688	63.71%
II. Shares with unconditional subscription	426,482,909	36.30%	0	0	0	-104,832	-104,832	426,378,077	36.29%
2. Foreign shares in domestic market	426,482,909	36.30%	0	0	0	-104,832	-104,832	426,378,077	36.29%
III. Total of capital shares	1,175,009,597	100.00%	0	0	0	-104,832	-104,832	1,174,904,765	100.00%

Reasons for share changed

☒ Applicable ☐ Not applicable

1. In view of the fact that 3 of the incentive objects resigned due to personal reasons and no longer qualified as incentive objects, according to the "2021 Restricted Stock Incentive Plan (Draft)", a total of 62,712 restricted shares held by them that have been granted but have not yet been lifted were repurchased and cancelled. (See Announcement 2024-63 for details)

2. In view of the fact that 3 of the incentive objects resigned due to personal reasons and no longer qualified as incentive objects, according to the "2021 Restricted Stock Incentive Plan (Draft)", a total of 42,120 restricted shares held by them that have been granted but have not yet been lifted were repurchased and cancelled. (See Announcement 2025-07 for details).

Approval of change of the shares

☒ Applicable ☐ Not applicable

1. On October 28, 2024, the Company held the 9th meeting of the ninth board of directors and the eighth meeting of the ninth session of the board of supervisors, in which the "Proposal on Repurchase and Cancellation of Some Restricted Shares" was deliberated and approved. In view of the fact that 3 of the incentive objects resigned due to personal reasons and no longer qualified as incentive objects, according to the "2021 Restricted Stock Incentive Plan (Draft)", a total of 62,712 restricted shares held by them that have been granted but have not yet been lifted were repurchased and cancelled.

2. On January 17, 2025, the Company held the 11th meeting of the ninth board of directors and the 10th meeting of the ninth session of the board of supervisors, in which the "Proposal on Repurchase and Cancellation of

Some Restricted Shares" was deliberated and approved. In view of the fact that 3 of the incentive objects resigned due to personal reasons and no longer qualified as incentive objects, according to the "2021 Restricted Stock Incentive Plan (Draft)", a total of 42,120 restricted shares held by them that have been granted but have not yet been lifted were repurchased and cancelled.

Ownership transfer of share changes

☒ Applicable ☐ Not applicable

1. On March 13, 2025, the Company completed the repurchase and cancellation of 62,712 restricted shares, with a total share capital of 1,175,009,597 shares before cancellation and 1,174,946,885 shares of the Company after cancellation.

2. On May 14, 2025, the Company completed the repurchase and cancellation of 42,120 restricted shares, with a total share capital of 1,174,946,885 shares before cancellation and 1,174,904,765 shares of the Company after cancellation.

Implementation progress of shares buy-back

☒ Applicable ☐ Not applicable

1. On March 13, 2025, the Company completed the repurchase and cancellation of 62,712 restricted shares .

2. On May 14, 2025, the Company completed the repurchase and cancellation of 42,120 restricted shares .

Implementation progress of reducing holdings of shares buy-back by centralized bidding

☐ Applicable ☒ Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

☐ Applicable ☒ Not applicable

Other information necessary to disclose or need to disclosed under requirement from security regulators

☐ Applicable ☒ Not applicable

2. Change of shares with limited sales condition

☒ Applicable ☐ Not applicable

In RMB

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Ye Zhong	292,500	0	0	292,500	Equity incentive	/

					restricted stocks and restricted sales for senior managers.	
Zheng Bin	292,500	0	0	292,500	Equity incentive restricted stocks and restricted sales for senior managers.	/
Li Shijie	234,000	102,960	102,960	234,000	Equity incentive restricted stocks and restricted sales for senior managers.	February 11,2025
Yang Yongming	234,000	0	0	234,000	Equity incentive restricted stocks and restricted sales for senior managers.	/
Wang Gang	234,000	0	0	234,000	Equity incentive restricted stocks and restricted sales for senior managers.	/
Cai Weijun	234,000	0	0	234,000	Equity	/

					incentive restricted stocks and restricted sales for senior managers.	
Kong Jianqiang	234,000	0	0	234,000	Equity incentive restricted stocks and restricted sales for senior managers.	/
Wang Zhengrong	234,000	0	0	234,000	Equity incentive restricted stocks and restricted sales for senior managers.	/
Zhao Jiamao	234,000	0	0	234,000	Equity incentive restricted stocks and restricted sales for senior managers.	/
Li Guiwen	312,000	78,000	0	234,000	Equity incentive restricted stocks and restricted sales for senior managers.	April 25,2025

Other	9,341,601	691,704	0	8,649,897	Equity incentive restricted stocks and restricted sales for senior managers.	February 11, 2025
Total	11,876,601	872,664	102,960	11,106,897	--	--

II. Securities issue and listing

☐ Applicable ☒ Not applicable

III. Particulars about the shareholders and substantial controller

In shares

Total number of common shareholders at the end of the reporting period		10,904	Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (See note 8)		0			
Particulars about shares held above 5% by shareholders or top ten shareholders(Excludes shares lent through refinancing)								
Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Non-restricted ordinary shares held	Number or share pledged/frozen	
							State of share	Amount
Hangzhou Turbine Holdings Co., Ltd.	State-owned legal person	58.70%	689,715,889	0	689,715,889	0	Not applicable	0
Zhejiang Provincial Industrial Investment Group Co., Ltd.	State-owned legal person	3.00%	35,286,479	35,286,479	35,286,479	0	Not applicable	0
Zhejiang Provincial Development Asset Management Co., Ltd	State-owned legal person	2.00%	23,524,320	23,524,320	23,524,320	0	Not applicable	0
China Merchants Securities (HK)Co., Ltd.	Foreign legal person	0.85%	9,984,871	371,410	0	9,984,871	Not applicable	0
Zhou Jie	Domestic Natural person	0.73%	8,570,000	92,000	0	8,570,000	Not applicable	0
Xia Zulin	Domestic Natural person	0.61%	7,150,000	1,206,000	0	7,150,000	Not applicable	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Foreign legal person	0.59%	6,941,642	-332,035	0	6,941,642	Not applicable	0
VANGUARD TOTAL INTERNATIONAL STOCK	Foreign legal person	0.50%	5,855,511	0	0	5,855,511	Not applicable	0

INDEX FUND							le	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.45%	5,288,623	55,900	0	5,288,623	Not applicab le	0
NORGES BANK	Foreign legal person	0.33%	3,922,665	0	0	3,922,665	Not applicab le	0
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable)（See Notes 3）		Not applicable						
Explanation on associated relationship among the aforesaid shareholders		(1) Hangzhou Turbine Holdings Co., Ltd. Has no relationship with other shareholders; (2) Zhejiang Industrial Investment Group Co., Ltd. and Zhejiang Development Asset Management Co., Ltd. belong to the common controlled enterprises by Zhejiang State-owned Capital Operation Co., Ltd., and the two parties are concert parties. (3) Whether any association or acting-in-concert relationships exist among other shareholders remains unknown.						
Above shareholders entrusting or entrusted with voting rights, or waiving voting rights		Not applicable						
Top 10 shareholders Including the special account for repurchase (if any) (see note 10)		Not applicable						
Shareholding of top 10 shareholders of unrestricted shares(Excluding shares lent through refinancing and Top management lock-in stock)								
Name of the shareholder			Quantity of unrestricted shares held at the end of the reporting period	Share type				
				Share type		Quantity		
China Merchants Securities (HK)Co., Ltd			9,984,871	Foreign shares placed in domestic exchange			9,984,871	
Zhou Jie			8,570,000	Foreign shares placed in domestic exchange			8,570,000	
Xia Zulin			7,150,000	Foreign shares placed in domestic exchange			7,150,000	
GUOTAI JUNAN SECURITIES（HONG KONG）LIMITED			6,941,642	Foreign shares placed in domestic exchange			6,941,642	
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND			5,855,511	Foreign shares placed in domestic exchange			5,855,511	
VANGUARD EMERGING MARKETS STOCK INDEX FUND			5,288,623	Foreign shares placed in domestic exchange			5,288,623	
NORGES BANK			3,922,665	Foreign shares placed in domestic exchange			3,922,665	
VFTC INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II			2,990,964	Foreign shares placed in domestic exchange			2,990,964	
Shenwan Hongyuan Securities (HK) Co., Ltd.			2,920,074	Foreign shares placed in domestic exchange			2,920,074	
Gu Yang			2,860,043	Foreign shares placed in domestic exchange			2,860,043	
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders			It is unknown to the Company if there is any relationship among the top 10 common share holders without restriction;					
Notes to the shareholders involved in financing securities (if any)(See Notes 4)			Not applicable					

Information of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares participating in the lending of shares in securities lending and borrowing business

☐ Applicable ☒ Not applicable

The top 10 shareholders and the top 10 shareholders of unrestricted tradable shares have changed compared with the previous period due to the securities lending/returning of shares in securities lending and borrowing business

☐ Applicable ☒ Not applicable

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

☐ Yes ☒ No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

IV. Changes of shares held by directors, supervisors and senior executives

☐ Applicable ☒ Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2023.

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

☐ Applicable ☒ Not applicable

The Company had no change of controlling shareholder during the reporting period

Change of actual controller during the reporting period

☐ Applicable ☒ Not applicable

The Company had no change of actual controller during the reporting period.

VI. Preferred stock

☐ Applicable ☒ Not applicable

The Company had no preferred stock in the Period.

VII. Corporate Bonds

☐Applicable ☒Not applicable

VIII. Financial Report

I. Auditors' Report

Whether the semi-annual financial report had been audited?

☐Yes ☒No

The Semi-annual Financial Report is not audited.

II. The Financial Statements

All figures in the Notes to the Financial Statements are in RMB.

1. Consolidated Balance Sheet

Prepared by: Hangzhou Turbine Power Group Co., Ltd

June 30,2025

In RMB

Item	June 30,2025	January 1,2025
Current asset:		
Monetary fund	1,886,247,400.98	2,249,624,409.13
Settlement provision		
Outgoing call loan		
Transactional financial assets	533,952,254.92	669,850,839.08
Derivative financial assets		
Notes receivable	46,049,819.64	48,519,566.88
Account receivable	2,383,786,365.00	2,519,384,588.01
Financing of receivables	644,900,869.13	598,790,851.05
Prepayments	300,543,568.38	343,519,043.23
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	113,979,309.61	47,179,278.21
Including:Interest receivable		
Dividend receivable	76,125,057.68	
Repurchasing of financial assets		
Inventories	2,780,272,438.09	2,557,564,668.61
Including: Data resources		
Contract assets	848,482,677.93	856,704,611.36
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	60,014,635.55	70,709,898.05
Total of current assets	9,598,229,339.23	9,961,847,753.61
Non-current assets:		
Loans and payment on other's behalf disbursed		
Creditor's right investment		
Other investment on bonds		
Long-term receivable		
Long term share equity investment		
Other equity instruments investment	4,572,940,964.92	3,972,096,759.66
Other non-current financial assets	5,534,773.22	5,534,773.22
Property investment	4,969,013.44	5,161,268.80
Fixed assets	2,102,740,968.03	1,912,357,802.93
Construction in progress	756,289,462.54	867,580,986.71
Production physical assets		

Oil & gas assets		
Use right assets	13,080,380.51	20,524,948.08
Intangible assets	391,470,238.97	399,255,228.97
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill	3,892,141.44	7,104,453.00
Long-germ expenses to be amortized		
Deferred income tax asset	90,830,966.56	93,991,276.20
Other non-current asset	5,442,183.31	6,627,194.78
Total of non-current assets	7,947,191,092.94	7,290,234,692.35
Total of assets	17,545,420,432.17	17,252,082,445.96
Current liabilities		
Short-term loans	353,551,946.60	454,539,898.33
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	539,502,091.28	637,585,272.90
Account payable	1,484,941,215.05	1,686,388,594.36
Advance receipts	43,399.95	445,971.37
Contract liabilities	2,493,615,870.46	2,390,788,170.22
Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	93,892,919.71	146,791,163.03
Tax payable	44,959,643.34	92,736,952.39
Other account payable	119,160,485.25	140,658,195.10
Including: Interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liability due within 1 year	343,678,741.16	207,761,039.82
Other current liability	272,637,064.51	271,340,714.20
Total of current liability	5,745,983,377.31	6,029,035,971.72
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan	472,027,895.86	327,281,413.06
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability	5,914,894.57	6,690,983.41
Long-term payable	20,635,177.27	24,903,856.16
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	1,035,631,679.46	1,035,380,701.74
Deferred income tax liability	335,989,237.51	253,103,217.79
Other non-current liabilities		58,696,860.00
Total non-current liabilities	1,870,198,884.67	1,706,057,032.16
Total of liability	7,616,182,261.98	7,735,093,003.88
Owners' equity		
Share capital	1,174,904,765.00	1,175,009,597.00
Other equity instruments		
Including: preferred stock		

Sustainable debt		
Capital reserves	392,348,518.74	387,396,850.42
Less: Shares in stock	33,380,750.79	38,448,518.11
Other comprehensive income	3,554,688,886.18	3,043,971,311.70
Special reserve	27,036,904.39	24,564,866.49
Surplus reserves	625,178,089.82	625,178,089.82
Common risk provision		
Retained profit	3,643,250,599.91	3,736,929,527.12
Total of owner's equity belong to the parent company	9,384,027,013.25	8,954,601,724.44
Minority shareholders' equity	545,211,156.94	562,387,717.64
Total of owners' equity	9,929,238,170.19	9,516,989,442.08
Total of liabilities and owners' equity	17,545,420,432.17	17,252,082,445.96

Legal Representative: Ye Zhong

Person in charge of accounting: Zhao Jiamao

Person in charge of Accounting institute: Lv Lin

2.Parent Company Balance Sheet

In RMB

Item	June 30,2025	January 1,2025
Current asset:		
Monetary fund	796,789,527.44	1,057,647,017.78
Transactional financial assets	523,952,254.92	651,850,839.08
Derivative financial assets		
Notes receivable	6,756,781.00	16,489,600.00
Account receivable	1,293,375,994.71	1,477,619,197.06
Financing of receivables	558,603,511.06	369,509,347.60
Prepayments	41,069,671.54	84,234,655.89
Other account receivable	84,628,353.35	10,694,085.45
Including: Interest receivable		
Dividend receivable	76,125,057.68	
Inventories	1,429,804,436.79	1,316,548,427.74
Including: Data resources		
Contract assets	382,602,587.57	434,710,733.97
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	221,399.94	29,216,870.82
Total of current assets	5,117,804,518.32	5,448,520,775.39
Non-current assets:		
Creditor's rights investment		
Other creditor's rights investment		
Long-term receivable		
Long term share equity investment	855,561,471.34	844,864,375.75
Other equity instruments investment	4,572,940,964.92	3,972,096,759.66
Other non-current financial assets	5,534,773.22	5,534,773.22
Property investment		
Fixed assets	1,448,966,689.42	1,498,239,409.29
Construction in progress	448,154,190.58	437,217,019.88
Production physical assets		
Oil & gas assets		
Use right assets		1,006,315.84
Intangible assets	230,598,780.79	235,103,126.59
Including: Data resources		

Development expenses		
Including: Data resources		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset		
Other non-current asset	1,663,531.70	539,900.00
Total of non-current assets	7,563,420,401.97	6,994,601,680.23
Total of assets	12,681,224,920.29	12,443,122,455.62
Current liabilities		
Short-term loans	220,126,419.20	300,208,219.18
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	354,750,940.40	514,294,791.74
Account payable	592,190,421.39	711,022,243.52
Advance receipts		
Contract Liabilities	1,146,109,479.68	1,081,226,417.38
Employees' wage payable	52,404,754.25	89,400,861.61
Tax payable	18,212,314.37	16,813,959.59
Other account payable	85,826,121.81	95,114,994.77
Including: Interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year	240,155,712.35	181,163,576.89
Other current liability	132,779,221.78	132,244,883.54
Total of current liability	2,842,555,385.23	3,121,489,948.22
Non-current liabilities:		
Long-term loan	12,898,701.77	61,464,902.31
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable	12,055,871.11	14,605,895.59
Long-term remuneration payable to staff		
Expected liabilities		
Deferred income	925,934,017.18	927,892,731.06
Deferred income tax liability	327,248,128.28	244,412,142.83
Other non-current liabilities		
Total non-current liabilities	1,278,136,718.34	1,248,375,671.79
Total of liability	4,120,692,103.57	4,369,865,620.01
Owners' equity		
Share capital	1,174,904,765.00	1,175,009,597.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	237,753,850.62	232,876,144.34
Less: Shares in stock	33,380,750.79	38,448,518.11
Other comprehensive income	3,554,688,886.18	3,043,971,311.70
Special reserve	3,814,884.71	4,363,464.99
Surplus reserves	602,356,402.65	602,356,402.65
Retained profit	3,020,394,778.35	3,053,128,433.04
Total of owners' equity	8,560,532,816.72	8,073,256,835.61
Total of liabilities and owners' equity	12,681,224,920.29	12,443,122,455.62

Legal Representative: Ye Zhong

Person in charge of accounting: Zhao Jiamao

Person in charge of Accounting institute: Lv Lin

3.Consolidated Income Statement

In RMB

Item	The first half year of 2025	The first half year of 2024
I. Income from the key business	2,447,204,613.98	2,611,663,776.96
Including: Business income	2,447,204,613.98	2,611,663,776.96
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,342,927,738.87	2,548,689,762.88
Including: Business cost	1,785,593,553.63	2,053,977,046.07
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	24,957,188.84	21,862,725.16
Sales expense	140,703,291.46	129,421,455.90
Administrative expense	267,966,588.06	267,334,203.34
R & D costs	135,208,101.38	77,622,294.45
Financial expenses	-11,500,984.50	-1,527,962.04
Including: Interest expense	3,379,641.05	9,566,674.01
Interest income	16,208,119.15	16,767,205.81
Add: Other income	65,171,814.78	51,928,721.87
Investment gain (“-”for loss)	82,995,357.21	149,592,966.88
Including: investment gains from affiliates		
Financial assets measured at amortized cost cease to be recognized as income	-75,752.24	-9,999.70
Gains from currency exchange		
Net exposure hedging income		
Changing income of fair value	101,415.84	-494,402.22
Credit impairment loss	-21,490,947.73	-83,307,269.33
Impairment loss of assets	-42,816,689.71	-25,699,032.31
Assets disposal income	545,003.49	325,796.51
III. Operational profit (“-”for loss)	188,782,828.99	155,320,795.48
Add : Non-operational income	8,227,870.11	48,198,078.78
Less: Non-operating expense	7,688,655.26	15,305,325.16
IV. Total profit (“-”for loss)	189,322,043.84	188,213,549.10
Less: Income tax expenses	36,656,002.96	7,273,851.67
V. Net profit	152,666,040.88	180,939,697.43
(I) Classification by business continuity		
1.Net continuing operating profit	152,666,040.88	180,939,697.43
2.Termination of operating net profit		
(II) Classification by ownership		
1.Net profit attributable to the owners of parent company	153,051,073.44	191,499,563.85
2.Minority shareholders’ equity	-385,032.56	-10,559,866.42
VI. Net after-tax of other comprehensive income	510,717,574.48	702,525,532.31
Net of profit of other comprehensive income attributable to owners of the parent company.	510,717,574.48	702,525,532.31
(I) Other comprehensive income Item that will not be reclassified into gains/losses in the subsequent accounting period	510,717,574.48	702,525,532.31
1.Re-measurement of defined benefit plans of changes in net debt or ne		

t assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	510,717,574.48	702,525,532.31
4. Changes in the fair value of the company's credit risks		
5.Other		
(II)		
Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	663,383,615.36	883,465,229.74
Total comprehensive income attributable to the owner of the parent company	663,768,647.92	894,025,096.16
Total comprehensive income attributable minority shareholders	-385,032.56	-10,559,866.42
VIII. Earnings per share		
(I) Basic earnings per share	0.13	0.16
(II)Diluted earnings per share	0.13	0.16

Legal Representative: Ye Zhong

Person in charge of accounting: Zhao Jiamao

Person in charge of Accounting institute: Lv Lin

4. Income statement of the Parent Company

In RMB

Item	The first half year of 2025	The first half year of 2024
I. Income from the key business	975,417,704.03	1,167,067,845.85
Including: Business cost	764,647,942.23	977,577,799.07
Business tax and surcharge	12,554,087.13	10,199,795.22
Sales expense	55,808,114.26	50,734,896.52
Administrative expense	151,863,350.56	144,386,696.18
R & D expense	72,147,056.66	30,531,976.39
Financial expenses	-12,727,655.12	-1,476,802.98
Including: Interest expenses	-1,175,689.70	3,939,320.11
Interest income	12,311,620.36	9,074,663.28
Add: Other income	37,094,725.45	35,723,414.44
Investment gain ("-"for loss)	265,700,602.68	296,743,310.89
Including: Investment gains from affiliates		
Financial assets measured at amortized cost cease to be recognized as income		
Net exposure hedging income		
Changing income of fair value	101,415.84	-494,402.22
Credit impairment loss	-10,882,848.37	-61,814,561.38
Impairment loss of assets	-7,901,373.75	-30,298,066.41
Assets disposal income		

II. Operational profit (“-”for loss)	215,237,330.16	194,973,180.77
Add : Non-operational income	4,322,606.85	46,605,165.11
Less: Non -operational expenses	6,989,273.18	14,105,578.30
III. Total profit(“-”for loss)	212,570,663.83	227,472,767.58
Less: Income tax expenses	-1,425,682.13	-16,078,089.13
IV. Net profit	213,996,345.96	243,550,856.71
1.Net continuing operating profit	213,996,345.96	243,550,856.71
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	510,717,574.48	702,525,532.31
(I) Other comprehensive income Item that will not be reclassified into gains/losses in the subsequent accounting period	510,717,574.48	702,525,532.31
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	510,717,574.48	702,525,532.31
4. Changes in the fair value of the company’s credit risks		
5.Other		
(II)Other comprehensive income that will be reclassified into profit or loss		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4.Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flow hedges		
6.Translation differences in currency financial statements		
7.Other		
VI. Total comprehensive income	724,713,920.44	946,076,389.02
VII. Earnings per share		
(I) Basic earnings per share		
(II)Diluted earnings per share		

Legal Representative: Ye Zhong

Person in charge of accounting: Zhao Jiamao

Person in charge of Accounting institute: Lv Lin

5. Consolidated Cash flow statement

In RMB

Item	The first half year of 2025	The first half year of 2024
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	2,390,511,398.80	2,264,079,135.09
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		

Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	33,759,874.01	14,189,761.41
Other cash received from business operation	161,852,052.01	91,400,405.73
Sub-total of cash inflow	2,586,123,324.82	2,369,669,302.23
Cash paid for purchasing of merchandise and services	1,729,696,514.97	1,720,610,901.97
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee and commission		
Cash paid to staffs or paid for staffs	568,888,598.99	578,350,377.93
Taxes paid	179,716,025.74	180,740,414.68
Other cash paid for business activities	275,379,603.91	223,553,211.22
Sub-total of cash outflow from business activities	2,753,680,743.61	2,703,254,905.80
Net cash generated from /used in operating activities	-167,557,418.79	-333,585,603.57
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	5,707,445.44	5,171,241.97
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	1,161.00	3,120,813.80
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	826,000,000.00	656,219,694.27
Sub-total of cash inflow due to investment activities	831,708,606.44	664,511,750.04
Cash paid for construction of fixed assets, intangible assets and other long-term assets	171,101,143.61	251,016,714.40
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	690,000,000.00	270,100,000.00
Sub-total of cash outflow due to investment activities	861,101,143.61	521,116,714.40
Net cash flow generated by investment	-29,392,537.17	143,395,035.64
III. Cash flow generated by financing		
Cash received as investment		9,699,300.00
Including: Cash received as investment from minor shareholders		9,699,300.00
Cash received as loans	383,966,192.71	363,132,548.11
Other financing –related cash received	1,247,140.00	
Sub-total of cash inflow from financing activities	385,213,332.71	372,831,848.11
Cash to repay debts	254,992,362.47	401,309,655.97
Cash paid as dividend, profit, or interests	277,804,529.97	645,043,999.56
Including: Dividend and profit paid by subsidiaries to minor shareholders	16,792,715.00	48,560,810.00
Other cash paid for financing activities	9,177,178.53	31,450,930.12
Sub-total of cash outflow due to financing activities	541,974,070.97	1,077,804,585.65
Net cash flow generated by financing	-156,760,738.26	-704,972,737.54
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,246,561.05	-803,473.27
V. Net increase of cash and cash equivalents	-354,957,255.27	-895,966,778.74
Add: balance of cash and cash equivalents at the beginning of term	2,145,244,079.26	2,661,616,581.02
VI ..Balance of cash and cash equivalents at the end of term	1,790,286,823.99	1,765,649,802.28

Legal Representative: Ye Zhong

Person in charge of accounting: Zhao Jiamao

Person in charge of Accounting institute: Lv Lin

6. Cash flow statement of the Parent Company

Item	In RMB	
	The first half year of 2025	The first half year of 2024
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	933,550,077.23	1,083,882,916.96
Tax returned	8,630,404.99	8,024,937.84
Other cash received from business operation	50,304,312.58	28,519,895.95
Sub-total of cash inflow	992,484,794.80	1,120,427,750.75
Cash paid for purchasing of merchandise and services	798,516,304.49	716,452,596.80
Cash paid to staffs or paid for staffs	321,920,443.11	332,697,275.73
Taxes paid	33,862,552.31	44,982,680.08
Other cash paid for business activities	55,926,348.97	56,678,750.12
Sub-total of cash outflow from business activities	1,210,225,648.88	1,150,811,302.73
Net cash generated from /used in operating activities	-217,740,854.08	-30,383,551.98
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	190,096,201.38	151,113,720.27
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		12,915.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	790,000,000.00	420,000,000.00
Sub-total of cash inflow due to investment activities	980,096,201.38	571,126,635.27
Cash paid for construction of fixed assets, intangible assets and other long-term assets	28,251,834.83	121,988,508.94
Cash paid as investment	10,000,000.00	12,163,500.00
Net cash received from subsidiaries and other operational units		0.00
Other cash paid for investment activities	662,000,000.00	120,000,000.00
Sub-total of cash outflow due to investment activities	700,251,834.83	254,152,008.94
Net cash flow generated by investment	279,844,366.55	316,974,626.33
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	81,469,711.96	236,951,833.01
Other financing –related cash received		
Sub-total of cash inflow from financing activities	81,469,711.96	236,951,833.01
Cash to repay debts	150,000,000.00	150,000,000.00
Cash paid as dividend, profit, or interests	253,353,902.26	593,082,407.47
Other cash paid for financing activities	1,355,614.36	2,758,597.00
Sub-total of cash outflow due to financing activities	404,709,516.62	745,841,004.47
Net cash flow generated by financing	-323,239,804.66	-508,889,171.46
IV. Influence of exchange rate alternation on cash and cash equivalents	278,801.85	-1,311,549.02
V.Net increase of cash and cash equivalents	-260,857,490.34	-223,609,646.13
Add: balance of cash and cash equivalents at the beginning of term	1,057,628,017.78	1,198,686,140.69
VI ..Balance of cash and cash equivalents at the end of term	796,770,527.44	975,076,494.56

Legal Representative: Ye Zhong

Person in charge of accounting: Zhao Jiamao

Person in charge of Accounting institute: Lv Lin

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Item	The first half year of 2025													
	Owner's equity Attributable to the Parent Company													Minor shareholders' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profit	Other	Subtotal	
I. Balance at the end of last year	1,175,009,597.00				387,396,850.42	38,448,518.11	3,043,971,311.70	24,564,866.49	625,178,089.82		3,736,929,527.12		8,954,601,724.44	562,387,717.64
Add: Change of accounting policy														
Correcting of previous errors														
Other														
II. Balance at the beginning of current year	1,175,009,597.00				387,396,850.42	38,448,518.11	3,043,971,311.70	24,564,866.49	625,178,089.82		3,736,929,527.12		8,954,601,724.44	562,387,717.64
III. Changed in the current year	-104,832.00				4,951,668.32	5,067,767.32	510,717,574.48	2,472,037.90			93,678,927.21		429,425,288.81	-
(1) Total comprehensive income							510,717,574.48				153,051,073.44		663,768,647.92	-385,032.56
(II) Investment or decreasing of capital by owners	-104,832.00				5,749,694.32	-495,202.76							6,140,065.08	131,537.96
1. Ordinary Shares invested by shareholders	-104,832.00				-390,370.76	-495,202.76								
2. Holders of other equity instruments invested capital														
3. Amount of shares paid and accounted as owners' equity					6,140,065.08								6,140,065.08	131,537.96
4. Other														
(III) Profit allotment						2,009,367.36					246,730,000.65		244,720,633.29	-
1. Providing of surplus reserves														
2. Providing of common risk provisions														
3. Allotment to the owners (or shareholders)						2,009,367.36					246,730,000.65		244,720,633.29	-
4. Other														
(IV) Internal transferring of owners' equity														
1. Capitalizing of capital reserves (or to capital shares)														
2. Capitalizing of surplus reserves (or to capital shares)														

3. Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves								2,472,037.90				2,472,037.90	-130,351.10	2,341,686.80	
1. Provided this year								9,477,399.40				9,477,399.40	2,616,687.98	12,094,087.38	
2. Used this term								-7,005,361.50				-7,005,361.50	-2,747,039.08	-9,752,400.58	
(VI) Other					-798,026.00	2,563,197.20						1,765,171.20		1,765,171.20	
IV. Balance at the end of this term	1,174,904,765.00				392,348,518.74	33,380,750.79	3,554,688,886.18	27,036,904.39	625,178,089.82		3,643,250,599.91	9,384,027,013.25	545,211,156.94	9,929,238,170.19	

Amount in last year

In RMB

Item	The first half year of 2024														
	Owner’s equity Attributable to the Parent Company													Minor shareholders’ equity	Total of owners’ equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Comm on risk provisi on	Retained profit	Oth er	Subtotal		
Preferr ed stock		Sustaina ble debt	Oth er												
I.Balance at the end of last year	1,175,444,400.00				399,213,704.44	86,290,288.75	1,980,939,256.24	20,355,377.31	625,178,089.82		3,784,435,361.60		7,899,275,900.66	640,841,031.93	8,540,116,932.59
Add: Change of accounting policy															
Correcting of previous errors															
Other															
II.Balance at the beginning of current year	1,175,444,400.00				399,213,704.44	86,290,288.75	1,980,939,256.24	20,355,377.31	625,178,089.82		3,784,435,361.60		7,899,275,900.66	640,841,031.93	8,540,116,932.59
III.Changed in the current year	-434,803.00				14,649,086.71	14,635,707.40	702,525,532.31	3,842,840.39			395,984,330.65		309,935,859.74	-98,635,225.74	211,300,634.00
(1) Total comprehensive income							702,525,532.31				191,499,563.85		894,025,096.16	-10,559,866.42	883,465,229.74
(II) Investment or decreasing of capital by owners	-434,803.00				10,274,604.15	2,053,912.40							11,893,713.55	9,722,215.01	21,615,928.56
1. Ordinary Shares invested by shareholders	-434,803.00				1,619,109.40	2,053,912.40								9,699,300.00	9,699,300.00
2. Holders of other equity instruments invested capital															
3. Amount of shares paid and accounted as owners’ equity					11,893,713.55								11,893,713.55	22,915.01	11,916,628.56
4. Other															

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(III) Profit allotment						9,629,100.00					587,483,894.50		577,854,794.50	48,560,810.00	626,415,604.50
1.Providing of surplus reserves															
2.Providing of common risk provisions															
3. Allotment to the owners (or shareholders)						9,629,100.00					587,483,894.50		577,854,794.50	48,560,810.00	626,415,604.50
4. Other															
(IV) Internal transferring of owners' equity															
1. Capitalizing of capital reserves (or to capital shares)															
2. Capitalizing of surplus reserves (or to capital shares)															
3. Making up losses by surplus reserves.															
4.Change amount of defined benefit plans that carry forward Retained earnings															
5. Other comprehensive income carry-over retained earnings															
6. Other															
(V). Special reserves								2,630,665.08					2,630,665.08	843,023.44	3,473,688.52
1. Provided this year								8,669,908.09					8,669,908.09	2,432,325.86	11,102,233.95
2. Used this term								6,039,243.01					6,039,243.01	-1,589,302.42	7,628,545.43
(VI) Other						24,923,690.86	2,952,695.00		1,212,175.31				20,758,820.55	50,079,787.77	70,838,608.32
IV. Balance at the end of this term	1,175,009,597.00					384,564,617.73	71,654,581.35	2,683,464,788.55	24,198,217.70	625,178,089.82	3,388,451,030.95		8,209,211,760.40	542,205,806.19	8,751,417,566.59

8.Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Item	The first half year of 2025											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred stock	Sustainable debt	Other								
I.Balance at the end of last year	1,175,009,597.00				232,876,144.34	38,448,518.11	3,043,971,311.70	4,363,464.99	602,356,402.65	3,053,128,433.04		8,073,256,835.61
Add: Change of accounting policy												
Correcting of previous errors												

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Other												
II.Balance at the beginning of current year	1,175,009,597.0 0				232,876,144.3 4	38,448,518.1 1	3,043,971,311.70	4,363,464.99	602,356,402.6 5	3,053,128,433.0 4		8,073,256,835.6 1
III.Changed in the current year	-104,832.00				4,877,706.28	5,067,767.32	510,717,574.48	-548,580.28		-32,733,654.69		487,275,981.11
(I) Total comprehensive income							510,717,574.48			213,996,345.96		724,713,920.44
(II) Investment or decreasing of capital by owners	-104,832.00				5,675,732.28	-495,202.76						6,066,103.04
1. Ordinary Shares invested by shareholders	-104,832.00				-390,370.76	-495,202.76						
2. Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity					6,066,103.04							6,066,103.04
4. Other												
(III) Profit allotment						2,009,367.36				-246,730,000.65		-244,720,633.29
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)						2,009,367.36				-246,730,000.65		-244,720,633.29
3. Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves								-548,580.28				-548,580.28
1. Provided this year								2,609,724.94				2,609,724.94
2. Used this term								-3,158,305.22				-3,158,305.22
(VI) Other					-798,026.00	2,563,197.20						1,765,171.20
IV. Balance at the end of this term	1,174,904,765.0 0				237,753,850.6 2	33,380,750.7 9	3,554,688,886.18	3,814,884.71	602,356,402.6 5	3,020,394,778.3 5		8,560,532,816.7 2

Amount in last year

In RMB

Item	The first half year of 2024											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Retained profit	Other	Total of owners' equity
		Preferred stock	Sustainable	Other								

			e debt									
I.Balance at the end of last year	1,175,444,400.0 0				221,680,078.3 7	86,290,288.7 5	1,980,939,256.24	5,240,943.39	602,356,402.6 5	3,222,667,331.8 1		7,122,038,123.7 1
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II.Balance at the beginning of current year	1,175,444,400.0 0				221,680,078.3 7	86,290,288.7 5	1,980,939,256.24	5,240,943.39	602,356,402.6 5	3,222,667,331.8 1		7,122,038,123.7 1
III.Changed in the current year	-434,803.00				9,487,215.84	14,635,707.4 0	702,525,532.31	-535,991.96		-343,933,037.79		381,744,622.80
(I) Total comprehensive income							702,525,532.31			243,550,856.71		946,076,389.02
(II) Investment or decreasing of capital by owners	-434,803.00				10,297,519.16	- 2,053,912.40						11,916,628.56
1. Ordinary Shares invested by shareholders	-434,803.00				-1,619,109.40	- 2,053,912.40						
2. Holders of other equity instruments invested capital												
3.Amount of shares paid and accounted as owners' equity					11,916,628.56							11,916,628.56
4. Other												
(III) Profit allotment						- 9,629,100.00				-587,483,894.50		-577,854,794.50
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)						- 9,629,100.00				-587,483,894.50		-577,854,794.50
3. Other												
(IV) Internal transferring of owners' equity												
1. Capitalizing of capital reserves (or to capital shares)												
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4.Change amount of defined benefit plans that carry forward Retained earnings												
5. Other comprehensive income carry-over retained earnings												
6. Other												
(V) Special reserves								-535,991.96				-535,991.96
1. Provided this year								2,955,424.13				2,955,424.13
2. Used this term								-3,491,416.09				-3,491,416.09
(VI) Other					-810,303.32	- 2,952,695.00						2,142,391.68
IV. Balance at the end of this term	1,175,009,597.0 0				231,167,294.2 1	71,654,581.3 5	2,683,464,788.55	4,704,951.43	602,356,402.6 5	2,878,734,294.0 2		7,503,782,746.5 1

Legal Representative: Ye Zhong

Person in charge of accounting: Zhao Jiamao

Person in charge of Accounting institute: Lv Lin

III. Basic Information of the Company

Hangzhou Turbine Power Group Co., Ltd. (Hereinafter referred to as "the Company") was approved by the No. 8-[1998] document of the Securities Commission of the State Council, exclusively initiated and established by Turbine Holding, and was registered in Zhejiang Provincial Administration for Industry and Commerce on April 23, 1998, Headquartered in Hangzhou, Zhejiang Province. The company now holds a unified social credit code for the 913300007042026204 business license, The Company's registered capital is RMB 1,174.9048 million with total capital share of 1,174.9048 million shares (face value RMB1.00). Among which state-owned legal person shares were 748.526688 million shares and 426.3788077 million shares of current B shares. The shares were issued and listed for trading in Shenzhen Stock Exchange on April 28, 1998.

The design, manufacturing, Main Business Activities: R&D, Production and Sales of Industrial Steam Turbine.

IV. Basis of compiling the financial statement

(1) Basis of compiling

The Company adopts perpetual operation as the basis of financial statements.

(2) Assessment on perpetuation

No issue or situation, in 12 months since the end of report period, composes major doubt on the perpetuation assumption of the Company.

V. Principal Accounting Policies and Estimations

Principal Accounting Policies and Estimations

Important prompt: The Company utilized detailed accounting polices and estimations on providing of bad debt provisions, fixed asset depreciation, intangible asset amortization, recognition of revenue, and so forth, according to its business practices.

1. Statement of compliance to the Enterprise Accounting Standard

The finance report produced by the Company is accordance with the Enterprise Accounting Standard, and reflects the Company's financial state, business performance and cash flow frankly and completely.

2. Fiscal year

The Company uses the calendar year for its fiscal year. A fiscal year is from January 1 to December 31. The accounting of the financial statements during the period starts from January 1, 2025 to June 30,2025.

3. Operational period

The Company's relatively shorter operational period, which is 12 months, and is used as division of liquidity of assets and liabilities.

4. Standard currency for bookkeeping

The Company uses Renminbi (RMB) as the standard currency for book keeping.

5.Determination method and selection basis of importance standard

☒Applicable ☐Not applicable

Item	Criterion of importance
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Material accounts receivable with single provision for bad debts	Individual amount exceeding 0.5% of total assets
Recovery or reversal of bad debt provision for material long-term receivables	Individual amount exceeding 0.5% of total assets
Material write-off accounts receivable	Individual amount exceeding 0.5% of total assets
Material write-off other accounts receivable	Individual amount exceeding 0.5% of total assets
Material long-term receivables with single provision for bad debts	Individual amount exceeding 0.5% of total assets
Recovery or reversal of bad debt provision for material long-term receivables	Individual amount exceeding 0.5% of total assets
Material prepayments with an age of more than one year	Individual amount exceeding 0.5% of total assets
Material projects under construction	Total investment of a single project exceeding 0.5% of the total assets
Material accounts payable with an age of over 1 year	Individual amount exceeding 0.5% of total assets
Material other payables with an age of more than 1 year	Individual amount exceeding 0.5% of total assets
Material contractual liabilities with an age of more than 1 year	Individual amount exceeding 0.5% of total assets
Material estimated liabilities	Individual amount exceeding 0.5% of total assets
Cash flow of material investment activities	Individual amount exceeding 0.5% of total assets
Material non-wholly-owned subsidiaries	Total assets/revenues/profits exceeding 15% of the Group's total assets/revenues/profits
Material commitments	Single contract amount exceeding 5% of the total assets or Item with special nature
Material contingencies	Litigation claim amount exceeding 5% of the total profit or Item with special nature
Material matters after the balance sheet date	Single amount exceeding 5% of the total assets or Item with special nature
Material debt restructuring	Individual amount exceeding 5% of total assets

6. Accounting treatment of the entities under common control and different control

(1). Treatment of entities under common control

Assets and liabilities acquired in merger of entities are measured at book values at the date of merger. The difference between the net book value of asset and the offered price (or total of face value of shares issued) will be adjusted into capital reserves; when the capital reserves is not enough to reduce, it will be adjusted into retained profit.

(2). Treatment of entities under different control

The difference of takeover cost over the fair value of recognizable net asset of the acquired entity is recognized as goodwill at the day of takeover; in case the takeover cost is lower than the fair value of recognizable net asset of the acquired entity, the measuring process over the recognizable asset, liabilities, contingent liabilities, and takeover cost, shall be repeated, if comes out the same result, the difference shall be recorded into current income

7. Criteria for control and preparation method of consolidated financial statements

(1) Control judgment

Control refers to the power over the investee, the entitlement to variable returns by participating in the related activities of the investee, and the ability to influence the variable return amount by using the power over the investee.

(2) Method for preparing the consolidated financial statements

The parent company puts all of its subsidiaries under its control into the consolidated financial statements. The consolidated financial statements are prepared according to the “Enterprise Accounting Standard No. 33 – Consolidated Financial Statements”, basing on the accounts of the parent company and the subsidiaries, and after

adjusting the long-term investment equity in the subsidiary on equity basis.

8. Joint venture arrangements classification and Co-operation accounting treatment

Not applicable

9. Recognition of cash and cash equivalents

Cash equivalent refers to the investment held by the Company with short term, strong liquidity and lower risk of value fluctuation that is easy to be converted into cash of known amount.

10. Foreign currency trade and translation of foreign currencies

Foreign currency trades are translated into RMB at the rate of the day when the trades are made. Those balances of foreign currencies and monetary Item in foreign currencies are accounted at the exchange rate of the balance sheet date. Exchange differences, other than special loans satisfying the conditions of capitalization, are accounted into current income account. Non-monetary Item in foreign currencies and on historical cost are translated at the rate of the trade day. Non-monetary Item in foreign currencies and on fair value are translated at the rate of the day when the fair value is recognized, where the differences are accounted as gain/loss from change of fair value.

11. Financial instruments

(1) Classification of financial assets and financial liabilities

Financial assets are divided into the following three categories upon initial recognition: 1) Financial assets measured in amortized cost; 2) Financial assets measured at fair value, whose changes are Included in other comprehensive income; 3) Financial assets measured at fair value, whose changes are Included in current profits and losses.

Financial liabilities are divided into the following four categories upon initial recognition: 1) Financial liabilities measured at fair value, whose changes are Included in current profits and losses; 2) Financial liabilities resulting from the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets; 3) Financial guarantee contracts that do not belong to the above 1) or 2), and loan commitments that do not belong to the above 1) and lend at a lower than market interest rate; 4) Financial liabilities measured in amortized cost.

(2) Recognition basis, measurement methods and conditions for derecognition of financial assets and financial liabilities

However, if the accounts receivable initially recognized by the company do not contain significant financing components or the company does not consider the financing components in the contract for less than one year, the initial measurement shall be made according to the transaction price. The initial measurement is made according to the transaction price defined in *Accounting Standards for Business Enterprises No.14-Income*.

2) Subsequent measurement methods of financial assets

① Financial assets measured at amortized cost

The actual interest rate method is adopted for subsequent measurement according to amortized cost. Gains or losses arising from financial assets measured in amortized cost that are not part of any hedging relationship are Included in current profits and losses when derecognition, reclassification, amortization according to the effective interest rate method, or impairment recognition.

② Debt instruments investment measured at fair value, whose changes are Included in other comprehensive income

Fair value is adopted for subsequent measurement. Interest, impairment losses or gains and exchange gains and

losses calculated by the effective interest rate method are Included in the current profits and losses, while other gains or losses are Included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously Included in other comprehensive income shall be transferred out of other comprehensive income and Included in current profits and losses.

③ Equity instrument investments measured at fair value, whose changes are Included in other comprehensive income

Fair value is adopted for subsequent measurement. Dividends received (except those that belong to the part of investment cost recovery) are Included in current profits and losses, and other gains or losses are Included in other comprehensive income. Upon termination of recognition, the accumulated gains or losses previously Included in other comprehensive income shall be transferred out of other comprehensive income and Included in retained income.

④ Financial assets measured at fair value and changes Included in current profits and losses

The fair value is adopted for subsequent measurement, and the resulting gains or losses (Including interest and dividend income) are Included in the current profits and losses unless the financial asset is part of the hedging relationship.

(3) Subsequent measurement methods of financial liabilities

① Financial liabilities measured at fair value, whose changes are Included in current profits and losses

Such financial liabilities Includes transactional financial liabilities (Including derivatives of financial liabilities) and financial liabilities designated to be measured at fair value, whose changes are Included in current profits and losses. Such financial liabilities are subsequently measured at fair value. Changes in the fair value of financial liabilities designated to be measured at fair value, whose changes are Included in the profits and losses of the current period due to changes in the company's own credit risk are Included in other comprehensive income, unless such treatment will cause or expand accounting mismatch in profits and losses. Other gains or losses arising from such financial liabilities (Including interest expenses and changes in fair value except for changes in the company's own credit risk) are Included in the current profits and losses unless the financial liabilities are part of the hedging relationship. Upon termination of recognition, the accumulated gains or losses previously Included in other comprehensive income shall be transferred out of other comprehensive income and Included in retained income.

② Financial liabilities resulting from the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets

B. Financial assets have been transferred, and the transfer meets the provisions of the Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets on the derecognition of financial assets.

When the current obligation of a financial liability (or part thereof) has been discharged, the financial liability (or part thereof) shall be derecognized accordingly.

(4) Recognition basis and measurement method of financial asset transfer

If the company has transferred almost all risks and rewards in the ownership of financial assets, it shall terminate the recognition of the financial assets and separately recognize the rights and obligations arising from or retained in the transfer as assets or liabilities; If almost all risks and rewards on the ownership of financial assets are retained, the transferred financial assets shall continue to be recognized. If the company neither transfers nor retains almost all risks and rewards in the ownership of the financial asset, the following situations shall be handled respectively: 1) If the control over the financial asset is not retained, the recognition of the financial asset shall be terminated, and the rights and obligations generated or retained in the transfer shall be separately recognized as assets or liabilities; 2) If the control over the financial assets is retained, the relevant financial assets shall be recognized according to the extent of continuing involvement in the transferred financial assets, and the relevant liabilities shall be recognized accordingly.

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the

following two amounts shall be Included in the current profits and losses: 1) The book value of the transferred financial assets on the derecognition date; 2) The sum of the consideration received for the transfer of financial assets and the amount of the corresponding derecognized portion of the accumulated amount of changes in fair value originally directly Included in other comprehensive income (the financial assets involved in the transfer are debt instrument investments measured at fair value, whose changes are Included in other comprehensive income). If a part of the financial asset is transferred and the transferred part meets the conditions for derecognition as a whole, the book value of the financial asset before transfer shall be apportioned between the derecognition part and the continuing recognition part according to their respective relative fair values on the transfer date, and the difference between the following two amounts shall be Included in the current profits and losses: 1) The book value of the derecognition part; 2) The sum of the consideration of the derecognized portion and the amount of the corresponding derecognized portion of the cumulative amount of changes in fair value originally directly Including in other comprehensive income (financial assets involved in transfer are debt instrument investments measured at fair value, whose changes are Included in other comprehensive income).

(5) Impairment of financial instruments

1) Impairment measurement and accounting treatment of financial instruments

On the basis of expected credit losses, the company carries out impairment treatment on financial assets measured at amortized cost, debt instrument investments measured at fair value whose changes are Included in other comprehensive income, lease receivables, loan commitments other than financial liabilities classified as financial liabilities measured at fair value, whose changes are Including in current profits and losses, financial liabilities not measured at fair value, whose changes are Included in current profits and losses, or financial guarantee contracts that are not financial asset transfers which do not meet the conditions for derecognition or which continue to be involved in financial liabilities formed by transferred financial assets, and recognize loss provisions.

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between the cash flow of all contracts discounted according to the original real interest rate and the expected cash flow of all contracts receivable according to the contract, that is, the present value of all cash shortages. Among them, the Company discounts the financial assets purchased or originated with credit impairment at the actual interest rate adjusted by credit.

For financial assets purchased or originated that have suffered credit impairment, the company will only recognize the accumulated changes in expected credit losses during the entire duration since initial recognition as loss reserves on the balance sheet date.

For accounts receivable that do not contain significant financing components or that the company does not consider financing components in contracts of not more than one year, the company uses simplified measurement methods to measure the loss reserve according to the expected credit loss amount equivalent to the entire duration.

For lease receivables and receivables containing significant financing components, the company uses simplified measurement methods to measure the loss reserve according to the expected credit loss amount equivalent to the entire duration.

For financial assets other than the above measurement methods, the company evaluates whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the company shall measure the loss reserve according to the amount of expected credit loss during the whole duration. If the credit risk has not increased significantly since the initial recognition, the company shall measure the loss reserve according to the expected credit loss amount of the financial instrument within the next 12 months.

The company uses the available reasonable and reliable information, Including forward-looking information, to determine whether the credit risk of financial instruments has increased significantly since the initial recognition by

comparing the risk of default on the balance sheet date with the risk of default on the initial recognition date.

The company evaluates expected credit risks and measures expected credit losses on the basis of individual financial instruments or combinations of financial instruments. When based on the combination of financial instruments, the company divides financial instruments into different combinations based on common risk characteristics.

For financial assets measured in amortized cost, the loss reserve shall be offset against the book value of the financial assets listed in the balance sheet; For creditor's rights investments measured at fair value, whose changes are Included in other comprehensive income, the company recognizes its loss reserve in other comprehensive income, which does not offset the book value of the financial asset.

(6) Setoff of Financial Assets and Liabilities

The financial assets and liabilities of the company are shown separately in the balance sheet which do not offset each other. However, when the following conditions are met at the same time, the net amount after mutual offset is shown on the balance sheet. 1. The company has the legal right to offset the recognized amount, and this legal right is currently enforceable. 2. The company plans to settle the financial assets or liquidate the financial liabilities at the same time for netting settlement.

If the transfer of financial assets does not meet the conditions for the termination of recognition, the company shall not set off the transferred financial assets and related liabilities.

(7) Recognition standard and accrual method of expected credit loss of receivables and contract assets

1) Accounts receivable and contract assets with expected credit losses accrued according to the portfolio of credit risk characteristics

Category	Basis for determining combination	Methods of measuring expected credit loss
Bank acceptance bills receivable	Bill type	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Commercial acceptance bills receivable		
Acceptance bill receivable from the financial company		
Account receivable——Aging combination	Aging	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.
Account receivable——associated transaction combinations	Related parties within the scope of the consolidated financial statements	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Other receivable——Aging combination	Aging	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.
Other receivable——associated transaction combinations	Related parties within the scope of the consolidated financial statements	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Contract assets——Aging combination	Aging	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic

Category	Basis for determining combination	Methods of measuring expected credit loss
		situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.
Contract assets——associated transaction combinations	Related parties within the scope of the consolidated financial statements	Refer to the historical credit loss experience, combine the current situation and the forecast of the future economic situation, compile a comparison table between the aging of accounts receivable and the expected credit loss rate during the whole duration, and calculate the expected credit loss.
Long-term receivable——aging combination	Overdue time	Refer to the historical credit loss experience, combine the current situation with the forecast of future economic situation, and calculate the expected credit loss through default risk exposure and the expected credit loss rate within the next 12 months or the whole duration.

2) Comparison table of aging and expected credit loss rate of aging portfolio

① Account receivable, Other receivable and Contract assets——Table of Aging of Aging Combination and Expected Credit Loss Rate

Aging	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)	Expected credit loss rate of contract assets (%)
Within 1 year (Inclusive, the same below)	5	5	5
1-2 years	10	10	10
2-3 years	30	30	30
3-4 years	60	60	60
4-5 years	80	80	80
Over 5 years	100	100	100

The aging of accounts receivable/other receivables/contract assets shall be calculated from the month when the payment actually occurs.

①The overdue aging of long-term receivables shall be calculated from the month when the payment is actually overdue.

Overdue time	Expected credit loss rate of long-term receivables (%)
Not overdue	5
Overdue within 1 year (Inclusive, the same below)	10
Over 1-2 years	30
Over 2-3 years	60
Over 3-4 years	80
Overdue for more than 4 years	100

The overdue time of long-term receivables shall be calculated from the month when the payment is actually overdue.

3) Identification standard of accounts receivable and contract assets with expected credit loss accrued individually

For receivables and contract assets whose credit risk is significantly different from that of portfolio credit risk, the Company shall accrue the expected credit loss individually.

12. Notes receivable

For details, please refer to Section X(5)-11 Financial instrument of this report.

13. Account receivable

For details, please refer to Section X(5)-11 Financial instrument of this report.

14. Financing of receivables

For details, please refer to Section X(5)-11 Financial instrument of this report.

15. Other account receivable

Methods for determining expected credit losses of other receivables and accounting treatment

For details, please refer to Section X(5)-11 Financial instrument of this report.

16. Contract assets

According to the relationship between performance obligation and customer payment, the company lists contract assets or contract liabilities in the balance sheet. The company will offset the contractual assets and contractual liabilities under the same contract and list them in net amount.

The company lists the right to receive consideration from customers unconditionally (that is, only depending on the passage of time) as receivables, and lists the right to receive consideration after transferring goods to customers (which depends on factors other than the passage of time) as contract assets.

The Company's obligation to transfer goods to customers for received or receivable consideration from customers is listed as a contractual liability.

Recognition standard and accrual method of expected credit loss of receivables and contract assets: For details, please refer to Section X(5)-11 Financial instrument of this report.

17. Inventories

(1) Inventory classification

Inventories Includes saleable finished goods or merchandise, product-in-process, consumption material and goods in manufacturing procedure or working procedure.

(2) Pricing of inventory to be delivered

The raw materials issued by Hangzhou Zhongneng Turbine Machinery Equipment Co., Ltd. (hereinafter referred to as Zhongneng Company) are priced by moving weighted mean method. other companies adopt the weighted average method at the end of the month, and the individual valuation method

(3) Inventory system

Inventory system: perpetual inventory system

(4) Amortization of low-value consumables and packaging materials**1.Low price consumable**

Basis of amortizing: one-off

2.Packaging materials

Basis of amortizing: one-off

(5) Pricing of inventory to be delivered

Pricing of inventory to be delivered

At the balance sheet day, inventories are measured at the lower of costs and cashable net values, the individual difference between the cashable net value and cost are provided as inventory impairment provision. For finished product, merchandise, saleable material and other saleable merchandise inventory, their cashable net values are recognized by their estimated sale price in normal operation deducting estimated sale expenses and related taxes; for material inventory which need processing, its cashable net value are recognized by the estimated sale prices of its finished products in normal operation deducting the estimated cost, sale expenses and related taxes due to the end of processing; At the balance sheet day, for inventory item which part has contract price and part has no contract price, the cashable net value is accounted separately, and recognize the inventory impairment provision or returnable cash..

18.Held-for-sale asset

Not applicable

19.Creditor's rights investment

Not applicable

20.Other Creditor's rights investment

Not applicable

21.Long-term account receivable

Not applicable

22. Long-term equity investment**1. Recognition of common control and substantial influence**

According to the contract, if the invested enterprise's main finance and operation policy need to be agreed by the other investing party, the investment is common control investment; if only have participating decision rights in invested enterprise's main finance and operation policy but have no own control or common control with other investing part, the investment is investment with substantial influence.

2. Recognition of initial investment costs

(1) For the long-term equity investment formed by corporate merger under common control, if it is the long-term equity investment obtained from the corporate merger by paying cash, transferring non-cash asset, bear liability and

issuing equity securities, the share of book value of owner's equity of the merged party on the merger date shall be taken as the initial investment cost. The asset reserve is adjusted according to the difference between the initial investment cost of long-term equity investment and the book value of paid combined consideration or issued securities; if the capital is not enough for deduction, the remain earnings are adjusted.

Recognition of “one-off” trade when long-term equity investment is composed by merger of entities under common control by multiple steps.

Transactions under an “one-off” trade are accounted as a common trade of ownership.

Transactions which are not “one-off” trades are recognized for their initial investment cost basing on the share of book value of net asset in the consolidated financial statement of the entities acquired. Balance between the initial investment cost and the book value of the long-term equity investment before merger and the premium paid for the new shares after merger, is adjusted to capital reserves; when the capital reserve is not enough to offset, retained profit shall be adjusted thereof.

(2) For the long-term equity investments formed by merger of enterprises under different control, the initial investment cost is recognized by the fair value of combined consideration on purchasing day and related expenses.

Long-term equity investment formed by acquisition of entities under different control by trade in multiple stages are accounted separately in the financial statements and consolidated financial statements.

1) In individual financial account, the sum of book value of original equity investment plus new investment cost is recognized as the initial investment cost on cost basis.

2) Recognition of “one-off” trade in consolidated financial statements

Transactions under an “one-off” trade are accounted as a common trade of ownership. Transactions which are not “one-off” trades are re-measured for their fair value at the day of acquisition. Balance between the fair value and the book value of the long-term equity investment is adjusted to current investment gains; other gains from equity on equity basis before the acquisition day are written over to current gains of at the day of acquisition, but not the gains from re-calculating of changes in net liability or asset by the invested entity.

(3) Formed by means other than entity merger:

Acquired by cash payment – initial investment cost is the actual amount of payment;

Acquired by issuing of equity certificates – initial investment cost is the fair value of equity certificate issued;

Acquired by debtor restructuring – initial cost recognized as according to the Enterprise Accounting Standard No.12 – Debtor restructuring;

Acquired by trading of non-monetary asset - initial cost recognized as according to the Enterprise Accounting Standard No.7 – Trade of non-monetary assets;

3. Subsequent measurement and recognition of gain/loss

Cost basis is adopted in accounting of long-term equity investment in entities under substantial control of the Company; while equity basis is adopted in accounting of investment in affiliates and joint-ventures.

4. Treatment of disposal of subsidiaries by stages till losing of control power

(1) Individual account

The difference between the book value and the actual purchase price of the disposed equity is recorded into the current profit and loss. With regard to the remaining equity, which still has a significant impact on the invested entity or exercises joint control with other parties, it shall be converted to equity accounting; if the entity under investment can no longer be controlled, jointly controlled or significantly affected, it shall be recognized as a financial asset, Accounting shall be carried out in accordance with the relevant provisions of Accounting Standards for Enterprises No. 22-recognition and Measurement of Financial Instruments.

(2) Basis of Consolidated Financial Statements

1) Losing of controlling power on a subsidiary through disposal of equity by multiple trades, and not recognized as “one-off” trade:

Before losing of control power, the balance of disposal consideration and the share of net asset attributable to the Company on continued basis since purchasing or merger, is adjusted to capital reserves (capital premium), whereas if the capital premium is not enough to offset the amount, retained profit will be offset at corresponding amount.

At losing of control power over a former subsidiary, the retained equity shares shall be re-calculated according to the fair value at the day of losing power. Sum of the consideration obtained from disposal and fair value of the retained equity shares, less the share of net asset attributable to the Company on continued basis since purchasing or merger, is accounted into investment gains of the period when the control power is disposed, and goodwill shall be offset meanwhile. Other gains related to the equities in formal subsidiary shall be written over to current investment gains at the period when control power was disposed.

2) Losing of controlling power on a subsidiary through disposal of equity by multiple trades, and recognized as “one-off” trade:

The multiple trades are treated as one trade that causes losing of control power on a subsidiary. However, the balance between the consideration received from each trade and corresponding share of net asset is recognized as other gains in the consolidated accounts, and transferred collectively to gain/loss account of the period in which the control power was lost.

23. Investment property

The measurement mode of investment property

Measurement cost method

Depreciation or amortization method

(1) Investment real estate Includes leased land use rights, land use rights held and ready to be transferred after appreciation, and leased buildings.

(2) Investment real estate is initially measured according to cost, followed by measurement by cost model, and depreciated or amortized in the same way as fixed assets and intangible assets.

24. Fixed assets

1. Conditions for fixed asset recognition

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one year of service life. Fixed assets are recognized at satisfying of great possibility of benefit inflow and costs are accountable.

2. Depreciation

Categories	Basis of depreciation	Depreciation age (year)	Retain value rate	Annual depreciation ratio
Houses & buildings	Straight average on period	30-40	4、5	3.20-2.38
Equipment & machinery	Straight average on period	5-20	4、5	19.2-4.75
Transportation equipment	Straight average on period	5-12	4、5	19.2-7.92

Office equipment	Straight average on period	3-10	4、5	32-9.50
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25. Construction in process

1. Construction in process is recognized on the basis of characteristics: very possible economic benefit flow in, cost can be measured reliably. Since the date when the construction in process reaches its useful status as expected, the construction in process is measured by the happened cost Since the date when the construction in process reaches its useful status as expected.

2. When the construction in process reaches its useful status as expected, it is transferred into fixed asset at actual cost. If the construction in process has reached useful status but with completion of project settlement process, it is transferred to fixed asset at the value estimated, and adjustment will happen after completion of project settlement process but no adjustment on depreciation provided previously.

Category	Standard and time point for carrying forward construction in progress to fixed assets
Houses and buildings	Reach the predetermined serviceable state or delivered for use at the time of acceptance
Machinery and equipment	Meet the design requirements or standards stipulated in the contract after installation and debugging
Office equipment	Meet the design requirements or standards stipulated in the contract after installation and debugging
Software project	Meet the design requirements or standards stipulated in the contract after installation and debugging

26. Loan expenses

1. Capitalizing of loan expenses

Loan expenses occurred in the Company, which can be categorized to purchasing or construction of assets satisfying the conditions of capitalization, shall be capitalized and accounted into capital costs; while other loan expenses are recognized as expenses and recorded into current income account.

2. Capitalization period of loan expenses

(1) Capitalization started as soon as all of these conditions are satisfied: 1) Capital expenditures have occurred; 2) Loan expenses have occurred; 3) Necessary purchasing or construction processes have been started to make the asset usable or sellable.

(2) If irregular interruption occurred in the purchasing or construction process of the assets satisfying the capitalizing conditions, and suspended for over successive three months, capitalizing of loan expenses is suspended; loan expenses occurred during the suspension period are recognized as current expenses until the purchasing or construction process resumes.

(3) Capitalizing of loan expenses is terminated as soon as the asset satisfying the capitalizing conditions reaches the state of usable or sellable as expected.

3. Rates and amounts of loan expense capitalization

Special loans raised for purchasing or construction of assets satisfying the conditions of capitalization, interest to be capitalized will be the actual interest expenses occurred in the current period of loan (Including the discount, premium, or amortizing decided on actual interest rate basis), less the interest income from the unused loans in bank account or provisional investment gains; common loans used for purchasing or construction of assets satisfying the conditions of capitalization, the interest to be capitalized will be the weighted average of balance over special loans multiply capitalization rate of common loans.

27. Biological assets

Not applicable

28. Oil-gas assets

Not applicable

29. Intangible assets**(1) Service life and its determination basis, estimation, amortization method or review procedure**

1. Intangible assets are land using rights, patents, and non-patent technologies, which are measured at cost basis.
2. For intangible assets with limited useful life, during the use life it is amortized according to the anticipating implementation method of the economic benefit of the intangible asset systematically and reasonably. If can't recognize the anticipating implementation method, the straight basis is deployed.

Item	Service life and its determination basis	Amortization method
Land using right	The service life is determined to be 50 years according to the term of property registration	Straight-line method
Patent	he service life is determined to be 5-20 years according to the expected income period	Straight-line method
Non patent technology	The service life is determined to be 5 years according to the expected benefit period	Straight-line method
Software	The service life is determined to be 3-10 years according to the expected benefit period	Straight-line method

(2) Collection scope of R&D expenditure and related accounting treatment methods**1) Collection scope of R&D expenditure****①Staff labor cost**

Staff labor costs Includes the salary, basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund of the Company's R&D staff, share payment granted by the company to R&D staff, and labor costs of external R&D staff.

If the R&D staff serve multiple R&D projects at the same time, the labor costs shall be recognized according to the working hours records of R&D staff of each R&D project provided by the management department of the Company, and distributed among different R&D projects in proportion.

If the staff directly engaged in R&D activities and the external R&D staff are engaged in non-R&D activities at the same time, the Company will allocate the actual staff labor costs between R&D expenses and production and operation expenses according to the working hours records of the R&D staff in different positions and reasonable methods such as the proportion of actual working hours.

②Direct input cost

Direct input cost refers to the related expenditure actually incurred by the Company for implementing R&D activities. Including: 1) Direct consumption of materials, fuel and power costs; 2) Development and manufacturing expenses of molds, process equipment used for intermediate test and trial production of products, purchase fees for samples, prototypes and general testing means that do not constitute fixed assets, and inspection fees for trial-produced products; 3) Expenses for operation, maintenance, adjustment, inspection, testing and maintenance of instruments and equipment used for R&D activities.

③ Depreciation expense

Depreciation expense refers to the depreciation expense of instruments, equipment and buildings in use for R&D activities.

If instruments, equipment and buildings in use for R&D activities are used for non-R&D activities at the same time, necessary records shall be made on the use of such instruments, equipment and buildings in use, and the actual depreciation expenses shall be allocated between R&D expenses and production and operation expenses by reasonable methods according to the actual working hours and use area.

④ Amortization expense of intangible assets

Amortization expense of intangible assets refers to the amortization expense of software, intellectual property and non-patented technology (proprietary technology, license, design and calculation method, etc.) used for R&D activities.

⑤ Design expense

Design expense refers to the expense incurred in conceiving, developing and manufacturing new products and new processes, designing processes, technical specifications, procedures and operational characteristics, Including the related expenses incurred in creative design activities to obtain innovative, creative and breakthrough products.

⑥ Commissioned external R&D expense

Commissioned external R&D expense refers to the expense incurred by the Company to commission other institutions or individuals at home and abroad to carry out R&D activities (the results of R&D activities are owned by the Company and closely related to the Company's main business).

⑦ Other expenses

Other expenses refer to other expenses directly related to R&D activities besides the above expenses, Including technical books and materials fees, materials translation fees, expert consultation fees, high-tech R&D insurance fees, R&D results retrieval, demonstration, evaluation, appraisal and acceptance fees, application fees, registration fees and agency fees for intellectual property rights, conference fees, travel expenses, communication fees, etc.

2) Expenditure of internal R&D projects in the research stage is Included in the current profits and losses when it occurs. Expenditure of internal R&D projects in the development stage is recognized as intangible assets if it meets the following conditions at the same time: ① It is technically feasible to complete the intangible assets so that they can be used or sold; ② It has the intention to complete the intangible assets and use or sell them; ③ The ways in which intangible assets generate economic benefits, Including the ability to prove that there is a market for the products produced by using the intangible assets or for the intangible assets themselves, and if the intangible assets will be used internally, the ability to prove their usefulness; ④ It has sufficient technical, financial and other resources to support the development of the intangible assets, and has the ability to use or sell the intangible assets; ⑤ Expenditure attributable to the development stage of the intangible assets can be reliably measured.

30. Impairment of partial long-term assets

For those long-term assets such as equity investment, fixed assets measured on cost basis, construction-in-process, intangible assets with limited service life, their recoverable amount shall be evaluated as soon as there was evidence indicating impairment at the balance sheet day. For intangible assets such as goodwill from merger or intangible assets with uncertain service lives, impairment test is performed each year whatever there is evidence of impairment or not. Impairment test on goodwill is performed on combination of related assets.

When the result of prediction shows that the recoverable amount is lower than its book value, the balance shall be provided impairment provision and accounted into current gain/loss.

31. Long-term amortizable expenses

Not applicable

32. Contract Liabilities

For details, please refer to Section VIII, V 16 Contract Assets of this report.

33. Employees' wage

1. Accounting of short-term wages

In the fiscal period when an employee is providing services, short-term wages actually occurred is recognized as liability, and recorded into current gain/loss account or cost of related asset.

2. Accounting of stipulated beneficiary plan is on following steps:

1) On basis of expected accumulation of welfare, estimations on population variables and financial variables, calculating of liabilities from stipulated beneficiary plan, and recognition of the period of related liabilities, are performed on basis of non-bias and accordance actuary. Meanwhile, discount is performed on the liabilities from stipulated beneficiary plan to recognize the current value and service cost of the liabilities from the stipulated beneficiary plan.

2) When there is asset involved in the stipulated beneficiary asset, the deficit or premium from the balance of the current value of liabilities of stipulated beneficiary plan over their fair values is recognized as its net liability or net asset. When there is a premium with a stipulated beneficiary plan, the lower one between the premium and the upper limit of the asset is recognized as the net asset of such stipulated beneficiary asset;

3) At end of period, employees' wages from stipulated beneficiary plan are recognized by three parts Including service cost, net interest of net liability or net asset, and recalculated net asset or liability variation. The first two are recorded into current gain/loss or related asset cost, the third is recorded to other gains, which will not be written back to gain/loss in successive fiscal periods, but the amount can be transferred with the range of equity.

3. Accounting of dismissing welfare

Welfares for employees who are dismissed, the earlier one of the following is recognized as employee wage liability, and recorded to current gain /loss:

- (1) When the Company cannot, on its own call only, retrieve the dismissing welfare provided by dismissing of service plan or suggestion;
- (2) When the costs or expenses related to restructuring involved in the dismissing welfare are recognized by the Company.

4. Accounting of other long-term employees' welfares

As of long-term welfares provided to the employees, those which satisfy conditions of the stipulated saving plan are treated according to related regulations of stipulated saving plan; those which other than the aforesaid, are treated according to the stipulated beneficiary plan. In viewing of simplifying accounting treatment, employee wage costs are recognized as service costs, the net amounts of interests of other long-term welfare net liability or asset, along with recalculated variations of the both are recorded to the related gain/loss or cost of related asset.

34. Expected liabilities

- (1) When it is very much likely to cause economic interests which can be reliably calculated outflow from the company to fulfill the obligation which is due to giving security outside, contentious matter, quality guarantee of

products, onerous contract and other contingency, the company will regard the obligation as anticipation liabilities.

(2) The company will make an initial measurement of anticipation liabilities according to needed expense of best estimation when fulfilling related obligations and check the book value of anticipation liabilities on the balance sheet date.

35.Share-based Payment

(1) Types of share-based payment

Including equity-settled share-based payment and cash-settled share-based payment.

(2) Accounting treatment related to implementation, modification and termination of share-based payment plan

1) Equity-settled share-based payment

Equity-settled share-based payment in exchange for employee services immediately after the grant, shall be Included in relevant costs or expenses according to the fair value of equity instruments on the grant date, and the capital reserve shall be adjusted accordingly. For equity-settled share-based payment that can only be exchanged for employee services if the service in the waiting period is completed or the specified performance conditions are met, on each balance sheet date in the waiting period, based on the best estimation of the number of equity instruments with the vesting right, the services obtained in the current period shall be Included in relevant costs or expenses according to the fair value of the equity instruments on the granting date, and the capital reserve shall be adjusted accordingly.

Share-based payment for equity settlement of other parties' services, if the fair value of other parties' services can be reliably measured, shall be measured according to the fair value of other parties' services on the acquisition date; If the fair value of other parties' services cannot be measured reliably, but the fair value of equity instruments can be measured reliably, it shall be measured according to the fair value of equity instruments on the service acquisition date, and Included in the related costs or expenses, and the owner's equity shall be increased accordingly.

2) Cash-settled share-based payment

Cash-settled share-based payment in exchange for employee services immediately after the grant, shall be Included in relevant costs or expenses according to the fair value of liabilities borne by the Company on the grant date, and liabilities shall be increased accordingly. For cash-settled share-based payment in exchange for employee services only after the service in the waiting period is completed or the specified performance conditions are met, on each balance sheet date in the waiting period, based on the best estimation of the situation of the vesting right, the services obtained in the current period shall be Included in the relevant costs or expenses and corresponding liabilities according to the fair value of the liabilities assumed by the Company.

3) Modification and termination of the share-based payment plan

If the modification increases the fair value of the granted equity instruments, the Company shall correspondingly recognize the increase of the obtained services according to the increase of the fair value of the equity instruments; If the modification increases the number of equity instruments granted, the fair value of the increased equity instruments will be recognized as the increase of services by the Company; If the Company modifies the vesting conditions in a way that is beneficial to employees, the Company will consider the modified vesting conditions when dealing with the vesting conditions.

If the modification reduces the fair value of the granted equity instruments, the Company will continue to recognize the amount of services obtained based on the fair value of the equity instruments on the granting date, without considering the reduction of the fair value of the equity instruments; If the modification reduces the number of granted equity instruments, the Company will treat the reduced part as the cancellation of the granted equity instruments; If the vesting conditions are modified in a way that is unfavorable to employees, the modified vesting

conditions will not be considered when dealing with the vesting conditions.

If the Company cancels the granted equity instruments or settles the granted equity instruments during the waiting period (except those cancelled due to failure to meet the vesting right conditions), the cancellation or settlement will be treated as accelerated vesting right, and the amount originally recognized during the remaining waiting period will be immediately recognized.

36 . Other financial instruments such as preferred shares and perpetual capital securities

Not applicable

37.Revenues

Accounting policies used for revenue recognition and measurement

1. Recognizing of revenue

Since the starting date of the contract, the company shall evaluate the contract, identifies each individual performance obligation contained in, and determines whether each individual performance obligation is performed within a certain period of time or at a certain point of time.

The performance obligation is defined as fulfillment within a certain period of time if one of the following conditions is met, otherwise, it is defined as fulfilled at a certain point in time: (1) The customer obtains and consumes the economic benefits brought by the company's performance while the company performs the contract; (2) The customer can control the goods under manufacturing or services during the company's performance; (3) The goods or services produced during the company's performance have irreplaceable uses, and the company has the right to accumulate for the completed performances during the entire contract period.

For obligations performed within a certain period of time, the company recognizes revenue in accordance with the performance progress in that period. If the performance progress cannot be reasonably determined, and the cost incurred is expected to be compensated, the revenue shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined. For obligations performed at a certain point in time, revenue shall be recognized at the point when the customer obtains control of the relevant goods or services. When judging whether the customer has obtained control of the product, the company shall consider the following points: (1) The company has the current right to receive payment for the product, that is, the customer has the current payment obligation for the product; (2) The company has transferred the legal ownership of the product to the customer, that is, the customer has the legal ownership of the product; (3) The company has transferred the physical product to the customer, that is, the customer has physically taken possession of the product; (4) The company has transferred the main risks and rewards on the ownership of the product to the customer, that is, the customer has obtained the main risks and rewards on the ownership of the product; (5) the customer has accepted the product; (6) other signs that the customer has obtained control of the product.

2. Principle of income measurement

(1) The company shall measure revenue based on the transaction price allocated to each individual performance obligation. The transaction price is the amount of consideration that the company expects to be entitled to receive due to the transfer of goods or services to customers, while does not Includes payments received on behalf of third parties and payments expected to be returned to customers.

(2) If there is variable consideration in the contract, the company shall determine its best estimate according to the expected value or the most likely amount, but the transaction price Including the variable consideration shall not exceed the accumulated amount that, if relevant uncertainty is eliminated, will most likely have no significant

reversal.

(3) If there is any significant financing component in the contract, the company shall determine the transaction price based on the amount payable in cash when the customer assumes control of the goods or services. The difference between transaction price and contract consideration shall be amortized through effective interest method during the contract period.

(4) If the contract contains two or more performance obligations, the company shall, on date of the contract, allocate the transaction price to each individual obligation item in accordance with the relative proportion of the separate selling price of promised goods.

3. Specific methods of revenue recognition

1) Industrial steam turbine and other products sales business

The company's selling of steam turbines, gas turbine or spare parts shall belong to the performance of obligation at a certain point in time.

Domestic sales revenue is recognized when the Company has delivered the product in accordance with the contract and obtained the receipt confirmed by the purchaser, with received the payment or obtained the right to receive payment and the relevant economic benefits are likely to flow in. Export sales revenue is recognized when the Company has declared the product in accordance with the contract and obtained the export goods declaration form and the bill of lading, with received the payment or obtained the right to receive payment and the relevant economic benefits are likely to flow in.

2) Hydro-generator set sales business and engineering service business (Including EPC and other general contracting projects)

The Company's business of selling hydro-generator sets and providing engineering services are the performance obligations performed within a certain period of time. The performance progress is determined according to the proportion of the incurred cost to the estimated total cost, and the revenue is recognized according to the performance progress. When the performance progress cannot be reasonably recognized, if the cost already incurred by the Company is expected to be compensated, the revenue will be recognized according to the cost amount already incurred until the performance progress can be reasonably recognized.

The adoption of different business models in similar businesses leads to differences in accounting policies for revenue recognition

38.Contract cost

Not applicable

39. Government subsidy

1. Government subsidies are recognized while they meet the following conditions at the same time: (1) the Company can meet the conditions attached to the government subsidies; (2) the Company can receive government subsidies. Where government subsidies are monetary assets, they shall be measured by the amount received or receivable. Where government subsidies are non-monetary assets, they shall be measured by the fair value; if the fair value cannot be reliably obtained, they shall be measured by the nominal amount.

2. Recognition basis and accounting of asset-related government subsidy

Government subsidies used for formation of long-term assets through purchase, construction or any other method as stipulated by government documents fall into the category of asset-related government subsidies. If government subsidies are not defined in the government documents, a judgment shall be made on the ground of essential conditions for obtaining the subsidies, among which, ones with an essential condition of formation of long-

term assets through purchase, construction or any other method shall be asset-related government subsidies. For government subsidies related to assets, the book value of the relevant assets is deducted or the deferred income is recognized. Where such subsidies are recognized as deferred income, the relevant assets shall, within the useful life of the relevant assets, be reasonably recognized. The method of the system shall be recorded into profit and loss by stages. The government subsidy measured according to the nominal amount shall be directly accounted for in the profits and losses of the current period. Where the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, Transfer the undistributed balance of deferred income to the current profit or loss of asset disposal.

3. Recognition basis and accounting of income-related government subsidy

A government subsidy other than an asset-related government subsidy is divided into profit-related government subsidies. It is difficult to distinguish between asset-related and revenue-related government subsidies that Includes both asset-related and revenue-related components. Overall classification as government subvention related to income. Than asset-related subsidies are recognized as income-related government subsidies. Those, which are used to cover costs or losses in subsequent periods, are recognized as deferred income and accounted to current gain/loss to the periods of related expenses. Those, which are used to makeup expenses or losses already occurred, are recorded to current gain/loss account.

4. Government subsidies related to routine business activities of the Company shall be Included into other incomes or offset relevant costs and expenses by nature of economic business. Government subsidies irrelevant to routine activities of the Company shall be Included into the non-operating receipt and disbursement.

5. Accounting treatment method for interest subsidies for policy-based preferential loans

(1) If the finance allocates interest subsidy funds to a lending banks that serves a loan to the Company at a policy-based preferential rate, the actual debit amount received shall be seen as the entry value of loan and relevant loan costs shall be worked out pursuant to the loan principal and the policy-based preferential rate.

(2) If the finance directly allocates interest subsidy funds to the Company, corresponding interest subsidies shall offset relevant loan costs.

40. Deferred income tax assets/ deferred income tax liabilities

1. Deferred income tax liabilities or assets are recognized at proper rate in the term of retrieving the assets or paying the liabilities according to difference (for not recognized assets and liabilities which tax basis can be recognized, the difference is between the tax basis and the book value) between book value of the assets or liabilities and the tax basis.

2. Deferred income tax assets are recognized limitedly by the income tax which very possibly deduct deductible temporary difference. At balance sheet day, the not-yet recognized deferred income tax assets in previous fiscal term are recognized if have evidence to prove there is enough income tax very possibly to deduct deductible temporary difference.

3. At the balance sheet day, verification will be performed on the book value of differed income tax assets. If it is not possible to obtain enough taxable income to neutralize the benefit of differed income tax assets, then the book value of the differed income tax assets shall be reduced. Whenever obtaining of taxable income became possible, the reduced amount shall be restored.

4. Current income tax and differed income tax are accounted into current gain/loss account as income tax expenditures or gains, but exclude the following income taxes: (1) Merger of enterprises; (2) Transactions or events recognized directly in owners' equity.

5. When the following conditions are met at the same time, the Company presents the deferred income tax assets and deferred income tax liabilities as the offset net amount: 1) When the taxpayer has the legal right to settle the current income tax assets and liabilities on a net basis; 2) Deferred income tax assets and deferred income tax liabilities are

related to the income tax levied by the same tax collection department on the same taxpayer or to different taxpayers, but in the future, during the period when each important deferred income tax asset and deferred income tax liability are reversed, the taxpayers involved intend to settle the current income tax assets and current income tax liabilities on a net basis or acquire assets and pay off debts at the same time.

41. Lease

(1) Accounting treatment method for leasing as a lessee

On the start date of the lease term, the company will recognize the lease with a lease term of no more than 12 months and without the purchase option as a short-term lease; and recognize the lease with lower value when a single leased asset is a brand-new asset as a low-value asset lease. If the company subleases or expects to sublet the leased assets, the original lease shall not be deemed as low-value asset lease.

For all short-term leases and low-value asset leases, the company will calculate the lease payment amount into the relevant asset cost or current profits and losses according to the straight-line method in each period of the lease term.

In addition to the above-mentioned short-term leases and low-value asset leases with simplified processing, the company recognizes the right to use assets and lease liabilities for leases on the start date of the lease term.

① Right-to-use assets

The right-to-use assets are initially measured according to the cost, which Includes: i. The initial measurement amount of lease liabilities; ii. If there is lease incentive for the lease payment issued on or before the start date of the lease term, the amount related to the lease incentive enjoyed shall be deducted; iii. Initial direct expenses incurred by the lessee; iv. The estimated costs that the lessee will incur for dismantling and removing the leased assets, restoring the leased assets' site or restoring the leased assets to the state agreed in the lease terms.

The company depreciates the right-to-use assets according to the straight-line method. If it can be reasonably determined that the ownership of the leased asset is acquired at the expiration of the lease term, the company shall accrue depreciation within the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the company shall accrue depreciation within the shorter of the lease term and the remaining service life of the leased asset.

② Lease liabilities

On the lease start date, the company recognizes the present value of the unpaid lease payment as the lease liability. When calculating the present value of the lease payment amount, the lease Inclusive interest rate is used as the discount rate. If the lease Inclusive interest rate cannot be determined, the company's incremental loan interest rate is used as the discount rate. The difference between the lease payment amount and its present value is considered as unrecognized financing expense, and the interest expense is recognized according to the discount rate for recognizing the present value of the lease payment amount in each period of the lease term, which is Included in the current profits and losses. The variable lease payments that are not Included in the measurement of lease liabilities are Included in the current profits and losses when they actually occur.

After the start of the lease term, when the actual fixed payment amount changes, the estimated payable amount of the guarantee residual value changes, the index or ratio used to determine the lease payment amount changes, and the evaluation result or actual exercise situation of the purchase option, renewal option or termination option changes, the company will re-measure the lease liability according to the present value of the changed lease payment amount, and adjust the book value of the right-to-use assets accordingly. If the book value of the right-to-use assets has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount will be Included in the current profits and losses.

(2) Accounting treatment method for leasing as a lessor

On the lease start date, the company classifies the lease with almost all risks and rewards related to the ownership of leased assets transferred as financial lease, and all other leases as operating leases.

① Operating lease

During each period of the lease term, the company recognizes the lease receipts as lease income according to the straight-line method, and the initial direct expenses incurred are capitalized and allocated on the same basis as the lease income recognition, and are Included in the current profits and losses by stages. The variable lease payments related to operating leases that are not Included in the lease receipts obtained by the company are Included in the current profits and losses when they actually occur.

② Financing lease

On the start date of the lease term, the company recognizes the receivable financing lease payments according to the net lease investment (the sum of the unsecured residual value and the present value of the lease receipts that have not been received at the start date of the lease term), and derecognizes the financing lease assets. During each period of the lease term, the company calculates and recognizes the interest income according to the interest rate Included in the lease.

The variable lease payments obtained by the company that are not Included in the measurement of net lease investment are recorded into the current profits and losses when they actually occur.

(3) After-sale leaseback

① Company as the Lessee

According to the Accounting Standards for Business Enterprises No.14-Income, the company evaluates and determines whether the asset transfer in the after-sale leaseback transaction is a sale.

If the asset transfer in the after-sale leaseback transaction is a sale, the company shall measure the right-to-use assets formed by the after-sale leaseback according to the part of the book value of the original assets related to the right-to-use acquired by leaseback, and only recognize the related gains or losses for the rights transferred to the lessor.

If the asset transfer in the after-sale leaseback transaction is not a sale, the company will continue to recognize the transferred asset, and at the same time recognize a financial liability equal to the transfer income, and conduct accounting treatment on the financial liability in accordance with Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments.

② Company as the Lessor

According to the Accounting Standards for Business Enterprises No.14-Income, the company evaluates and determines whether the asset transfer in the after-sale leaseback transaction is a sale.

If the asset transfer in the after-sale leaseback transaction is a sale, the company shall conduct accounting treatment on asset purchase according to other applicable accounting standards for enterprises, and conduct accounting treatment on asset lease according to Accounting Standards for Enterprises No.21-Lease.

If the asset transfer in the after-sale leaseback transaction is not a sale, the company will not recognize the transferred asset, but recognize a financial asset equal to the transfer income, and conduct accounting treatment on the financial asset in accordance with Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments.

42. Other significant accounting policies and estimates

(1) Work safety costs

The Company withdraws and Includes work safety costs into relevant product costs or current profits and loss and the subject of "special reserve" as per Measures for Management of Enterprise Withdrawal and Use of Work Safety Costs (Cai Qi [2022] No.136) jointly promulgated by Ministry of Finance and State Administration of Work Safety. As work safety costs withdrawn are used, ones attributable to the cost disbursement shall directly offset special reserve. To form fixed assets, the disbursement incurred for Inclusion into the subject of "construction in progress" shall be recognized as fixed assets when safety projects are completed and available for use as expected; meanwhile, costs for forming fixed assets shall offset special reserve, cumulative depreciation in the corresponding amount shall be recognized and depreciation shall no longer be withdrawn for the fixed assets in the following period.

(2) Accounting treatment methods related to repurchase of company shares

If the shares of the Company are acquired for reasons such as reducing the registered capital or rewarding employees, they shall be treated as treasury shares according to the actual amount paid, and registered for future reference. If the repurchased shares are cancelled, the difference between the total face value of the shares calculated according to the face value of the cancelled shares and the number of cancelled shares and the amount actually paid for the repurchase will be offset against the capital reserve; if the capital reserve is insufficient for offset, the retained earnings will be offset; If rewarding of the repurchased shares to the employees of the Company is equity-settled share-based payment, when the employees exercise their right to purchase the shares of the Company and receive the price, the cost of the treasury stocks delivered to the employees and the accumulated amount of capital reserves (other capital reserves) during the waiting period will be written off, and meanwhile, the capital reserves (equity premium) will be adjusted according to such difference.

43.Change of main accounting policies and estimations

(1)Change of main accounting policies

☐ Applicable ☒ Not applicable

(2) Change of main accounting estimations

☐ Applicable ☒ Not applicable

(3) The Company started implementing the updated accounting standards commencing from 2025 and adjusted the relevant Item in the financial statements at the beginning of the very year involved in the initial implementation of the said standards

☐ Applicable ☒ Not applicable

44.Other

Not applicable

VI. Taxation

1. Main categories and rates of taxes

Category of taxes	Tax base	Tax rate
VAT	The output tax is calculated on the basis of the income from sales of goods and	13%, 9%, 6%; The policy of "exemption, credit and refund" is implemented, and the tax rebate rate is

	taxable services calculated according to the provisions of the tax law. After deducting the input tax allowed to be deducted in the current period, the difference is the VAT payable	13%
House tax	For those on price basis, taxes are paid at 1.2% of the balance of original value of the property after deducting of 30%; for those on rental basis, taxes are paid at 12% of the rental.	1.2% , 12%
City maintenance and construction tax	Turnover tax payable	7% , 5%
Educational surcharge	Turnover tax payable	3%
Local education additional	Turnover tax payable	2%
Enterprise income tax	Amount of income taxable	15% , 20% , 25%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
The Company, Guoneng Company, Huayuan Company, Zhongneng Company, Hangfa Company, Casting Company and Western Power Company	15%
Wuhu New Energy Company	20%
Other taxpayers other than the above.	25%

2. Preferential tax

(1) According to the High-tech Enterprise Certificate (certificate numbers are GR202333006671, GR202333011986, GR202333008372, GR202333012099 and GR202333012799 respectively, valid for three years) issued by Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, State Taxation Administration on December 8, 2023, the Company and its subsidiaries Guoneng Company, Huayuan Company, Zhongneng Company and Hangfa Company enjoy preferential income tax for high-tech enterprises, so the enterprise income tax in 2025 and January-June 2025 was calculated and paid at a reduced rate of 15%.

(2) According to the "High-tech Enterprise Certificate" (Certificate number: GR202233002954, validity: three years) issued by the Zhejiang Provincial Department of Science and Technology, the Zhejiang Provincial Department of Finance and the Zhejiang Provincial Taxation Bureau of the State Administration of Taxation on December 24, 2022, the subsidiary casting company enjoys high-tech enterprise income tax incentives. According to the Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Policy for High-tech Enterprise Income Tax (State Administration of Taxation Announcement No. 24 of 2017), in the year when the qualification period of the high-tech enterprise expires, its enterprise income tax shall be temporarily prepaid at a rate of 15% before being re-identified, therefore the corporate income tax of the subsidiary Casting and Forging Company will be temporarily reduced and paid at a rate of 15% from January to June 2025.

(3) According to the High-tech Enterprise Certificate (Certificate No.: GR202251003392, valid for three years) issued by Sichuan Provincial Department of Science and Technology, Sichuan Provincial Department of Finance and

Sichuan Provincial Tax Service, State Taxation Administration on November 2, 2022, the subsidiary Western Power is entitled to the preferential income tax for high-tech enterprises, According to the Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Policy for High-tech Enterprise Income Tax (State Administration of Taxation Announcement No. 24 of 2017), in the year when the qualification period of the high-tech enterprise expires, its enterprise income tax shall be temporarily prepaid at a rate of 15% before being re-identified, therefore the corporate income tax of the subsidiary Casting and Forging Company will be temporarily reduced and paid at a rate of 15% from January to June 2025.

(4) According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (No. 12 of 2023), the subsidiary Wuhu New Energy Company will apply preferential tax policy for small and low-profit enterprises from January to June 2025, and the annual taxable income will be reduced and Included in the taxable income by 25%, and the corporate income tax will be paid at a rate of 20%.

(5) According to the Announcement on the Policy of Adding and Deducting VAT for Advanced Manufacturing Enterprises (Announcement No.43 of the Ministry of Finance and the State Taxation Administration in 2023), the Company and its subsidiaries Guoneng Company, Huayuan Company, Zhongneng Company, Hangfa Company, Casting Company and Western Power Company, as advanced manufacturing enterprises, add 5% of the deductible input tax for the current period to offset the payable VAT .

3.Other

Not applicable

VII. Notes to the Consolidated Financial Statements

1.Monetary funds

Item	In RMB	
	End of term	Beginning of term
Cash in stock	47,080.00	920.00
Bank deposit	1,790,178,361.34	2,159,193,550.01
Other monetary fund	96,021,959.64	90,429,939.12
Other	1,886,247,400.98	2,249,624,409.13

Other note

The bank deposit at the end of the period Included a restricted use of ETC margin of 49,000.00 yuan. Other ending monetary funds Includes RMB 70,428,597.42 of bank acceptance bills with restricted use, RMB 25,482,979.57 of L/G margin, RMB3,215.86 of convertible bonds with unrestricted use, and RMB 5,822.57 of balance in special account for treasury share repurchase, RMB 56,683.29 of interest on the deposit that can be transferred at any time and RMB 44,660.93 of deposit balance on the third-party payment platform.

2. Transactional financial assets

In RMB

Item	End of term	Beginning of term
Financial assets measured at fair value through profit or loss	533,952,254.92	669,850,839.08
Of which :		
Structure deposit	322,000,000.00	500,000,000.00
Financing product	210,000,000.00	168,000,000.00
Stock	1,952,254.92	1,850,839.08
Of which:		
Total	533,952,254.92	669,850,839.08

3. Derivative financial assets**4. Notes receivable****(1) Notes receivable listed by category**

In RMB

Item	End of term	Beginning of term
Bank acceptance bill	204,405.02	
Trade acceptance bill	45,845,414.62	48,519,566.88
Total	46,049,819.64	48,519,566.88

(2) According to the bad debt provision method classification disclosure

In RMB

Category	End of term					Beginning of term				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Of which:										
Accrual of bad debt provision by portfolio	53,082,542.36	100.00%	7,032,722.72	13.25%	46,049,819.64	59,452,825.66	100.00%	10,933,258.78	18.39%	48,519,566.88
Of which:										
Bank acceptance	204,405.02	0.39%			204,405.02					

e										
Commercial acceptance	52,878,137.34	99.61%	7,032,722.72	13.25%	45,845,414.62	59,452,825.66	100.00%	10,933,258.78	18.39%	48,519,566.88
Total	53,082,542.36	100.00%	7,032,722.72	13.25%	46,049,819.64	59,452,825.66	100.00%	10,933,258.78	18.39%	48,519,566.88

Accrual of bad debt provision by portfolio:

In RMB

Name	Amount in year-end		
	Book balance	Bad debt provision	Proportion
Bank acceptance bill	204,405.02		
Trade acceptance bill	52,878,137.34	7,032,722.72	13.30%
Total	53,082,542.36	7,032,722.72	

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

(3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of bad debt provision by single						
Accrual of bad debt provision by portfolio	10,933,258.78	-3,900,536.06				7,032,722.72
Total	10,933,258.78	-3,900,536.06				7,032,722.72

Of which the significant amount of the reversed or collected part during the reporting period

☐ Applicable ☒ Not applicable

(4) Notes receivable pledged by the company at the end of the period

(5) Accounts receivable financing endorsed or discounted by the Company at the end of the period and not expired yet on the date of balance sheet

In RMB

Item	Amount derecognized at the end of the period	Amount not yet derecognized at the end of the period
Commercial acceptance		32,493,289.73
Total		32,493,289.73

(6) The actual write-off accounts receivable**5. Accounts receivable****(1) Disclosure according to the aging**

In RMB

Aging	Balance in year-end	Balance Year-beginning
Within one year(one year Included)	1,390,451,682.99	1,516,275,989.00
1-2 years	815,978,234.35	716,898,980.12
2-3 years	305,681,753.79	499,122,173.08
Over 3 years	725,299,384.32	613,930,518.66
3-4 years	276,930,777.47	179,687,374.97
4-5 years	88,160,596.75	70,281,480.76
Over 5 years	360,208,010.10	363,961,662.93
Total	3,237,411,055.45	3,346,227,660.86

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by single	82,563,590.68	2.55%	82,563,590.68	100.00%		69,714,196.03	2.08%	69,714,196.03	100.00%	0.00
Including:										
Accrual of bad debt provision by portfolio	3,154,847,464.77	97.45%	771,061,099.77	24.44%	2,383,786,365.00	3,276,513,464.83	97.92%	757,128,876.82	23.11%	2,519,384,588.01
Including:										
Aging portfolio										
Total	3,237,411,055.45	100.00%	853,624,690.45	26.37%	2,383,786,365.00	3,346,227,660.86	100.00%	826,843,072.85	24.71%	2,519,384,588.01

. Bad debt provision accrual on single basis:

In RMB

Name	Opening balance		Ending balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Accrual ratio	Reason for accrual
Accrual of bad debt provision by single	69,714,196.03	69,714,196.03	82,563,590.68	82,563,590.68	100.00%	Not expected to be recovered

Total	69,714,196.03	69,714,196.03	82,563,590.68	82,563,590.68		
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Accrual of bad debt provision by portfolio: Aging portfolio

In RMB

Name	Amount in year-end		
	Book balance	Bad debt provision	Proportion
Aging portfolio	3,154,847,464.77	771,061,099.77	24.44%
Within one year	1,390,451,682.99	69,522,584.14	5.00%
1-2 years	802,599,834.35	80,259,983.46	10.00%
2-3 years	305,681,753.79	91,704,526.13	30.00%
3-4 years	275,552,025.77	165,331,215.48	60.00%
4-5 years	81,596,886.55	65,277,509.24	80.00%
Over 5 years	298,965,281.32	298,965,281.32	100.00%
Total	3,154,847,464.77	771,061,099.77	

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

☐Applicable ☒Not applicable

(3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of bad debt provision by single	69,714,196.03	14,416,810.20	1,567,415.55			82,563,590.68
Accrual of bad debt provision by portfolio	757,128,876.82	15,250,338.06		1,318,115.11		771,061,099.77
Total	826,843,072.85	29,667,148.26	1,567,415.55	1,318,115.11		853,624,690.45

(4) The actual write-off accounts receivable

In RMB

Item	Amount
The actual write-off accounts receivable	1,318,115.11

(5) The top five accounts receivable and contract assets at the end of the period aggregated according to debtor

In RMB

Name of the organization	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and	Ending balance of accounts receivable bad debt provision and contract asset impairment
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				contract assets	provision
Shenyang Turbine Machinery Co., Ltd	658,150,643.46	112,375,260.00	770,525,903.46	18.44%	134,582,682.77
Wanhua Chemical Group Materials Co., Ltd	243,398,673.59	121,628,000.00	365,026,673.59	8.74%	22,538,633.68
Xi'an Shaangu Power Co., Ltd	129,170,251.26	12,633,160.00	141,803,411.26	3.39%	76,697,733.45
The 704th Research Institute of China State Shipbuilding Co., Ltd.	129,905,197.34	7,501,716.66	137,406,914.00	3.29%	24,728,181.50
Sichuan Zhengdakai New Material Co., Ltd.	47,210,000.00	24,015,000.00	71,225,000.00	1.70%	5,301,250.00
Total	1,207,834,765.65	278,153,136.66	1,485,987,902.31	35.56%	263,848,481.40

6. Contract assets

(1) Information of contract assets

In RMB

Item	Ending balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Warranty receivable	825,407,230.66	77,492,555.33	747,914,675.33	825,344,158.54	63,202,811.69	762,141,346.85
Construction contract forms assets	115,298,104.79	14,730,102.19	100,568,002.60	110,263,941.12	15,700,676.61	94,563,264.51
Total	940,705,335.45	92,222,657.52	848,482,677.93	935,608,099.66	78,903,488.30	856,704,611.36

(2) The significant amount change in book value during the reporting period and its reason

(3) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accrual of bad debt provision by single	355,300.00	0.04%	355,300.00	100.00%						
Including										
Accrual of bad debt provision by portfolio	940,350,035.45	99.96%	91,867,357.52	9.77%	848,482,677.93	935,608,099.66	100.00%	78,903,488.30	8.43%	856,704,611.36

Including										
Total	940,705,335.45	100.00%	92,222,657.52	9.80%	848,482,677.93	935,608,099.66	100.00%	78,903,488.30	8.43%	856,704,611.36

Accrual of bad debt provision by single:

In RMB

Name	Balance Year-beginning		Amount in year-end			
	Book Balance	Bad debt provision	Book Balance	Bad debt provision	Proportion(%)	Reason
Accrual of bad debt provision by single			355,300.00	355,300.00	100.00%	Not expected to be recovered
Total			355,300.00	355,300.00		

Accrual of bad debt provision by portfolio: Aging portfolio

In RMB

Name	Amount in year-end		
	Book Balance	Bad debt provision	Proportion %
Aging portfolio	940,350,035.45	91,867,357.52	9.77%
Including: Within 1 year	541,017,160.08	27,050,858.01	5.00%
1-2 years	293,288,677.09	29,328,867.70	10.00%
2-3 years	96,765,463.40	29,029,639.02	30.00%
3-4 years	5,405,200.56	3,243,120.33	60.00%
4-5 years	3,293,309.32	2,634,647.46	80.00%
Over 5 years	580,225.00	580,225.00	100.00%
Total	940,350,035.45	91,867,357.52	

Provision for bad debts is made according to the general model of expected credit losses

☐Applicable ☒Not applicable

(4) Bad debt provision accrual, collected or reversal in the period

In RMB

Item	Accrual	Collected or reversal	Other	Reason
Accrual of bad debt provision by single	355,300.00			
Accrual of bad debt provision by portfolio	12,963,869.22			
Total	13,319,169.22			

(5) Contract assets actually written off in the current period

7. Receivable financing

(1) Classification of receivables financing

In RMB

Item	End of term	Beginning of term
Bank acceptance	644,900,869.13	598,790,851.05
Total	644,900,869.13	598,790,851.05

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proporti on(%)	Amount	Proporti on(%)		Amount	Proporti on(%)	Amount	Proporti on(%)	
Including										
Accrual of bad debt provision by portfolio	644,900,869.13	100.00%			644,900,869.13	598,790,851.05	100.00%			598,790,851.05
Including										
Bank acceptance	644,900,869.13	100.00%			644,900,869.13	598,790,851.05	100.00%			598,790,851.05
Total	644,900,869.13	100.00%			644,900,869.13	598,790,851.05	100.00%			598,790,851.05

. Bad debt provision accrual on Portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Proportion
Bank acceptance	644,900,869.13		
Total	644,900,869.13		

(3) Bad debt provision accrual, collected or reversal in the period**(4) Financing of accounts receivable pledged by the Company at the end of the period**

In RMB

Item	Pledged amount at the end of the period
Bank acceptance	1,238.00
Total	1,238.00

(5) Financing of accounts receivable that have been endorsed or discounted by the Company at the end of the period and have not yet matured on the balance sheet date

In RMB

Item	The amount of derecognition at the end of the period	The amount not derecognized at the end of the period
Bank acceptance	573,263,972.87	
Total	573,263,972.87	

The acceptor of the bank acceptance bill is a commercial bank, because the commercial bank has high credit, the possibility of the bank acceptance bill not being paid at maturity is low, so the company has endorsed or discounted the bank acceptance bill to terminate the confirmation. However, if the bill is not paid at maturity, the company shall remain jointly and severally liable to the holder under the provisions of the bill act.

(6) Financing situation of accounts receivable actually written off in this period**(7) Changes in accounts receivable financing and fair value changes in the current period****(8) Other note****8. Other account receivable**

In RMB

Item	End of term	Beginning of term
Dividend receivable	76,125,057.68	
Other account receivable	37,854,251.93	47,179,278.21
Total	113,979,309.61	47,179,278.21

(1) Interest receivable**1) Category****2) Important overdue interest****3) Accrual of bad debt provision**

☐Applicable ☒Not applicable

4) Bad debt provision accrual, collected or reversal in the period**5) Interest receivable actually written off in the current period****(2) Dividend receivable****1) Category**

In RMB

Item	End of term	Beginning of term
Hangzhou Bank	76,125,057.68	
Total	76,125,057.68	

2) Significant dividend receivable aged over 1 year**3) Bad-debt provision**

☐Applicable ☒Not applicable

4) Bad debt provision accrual, collected or reversal in the period

5) Dividends receivable actually written off in the current period

(3) Other accounts receivable

1) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Deposit	33,213,655.13	44,010,048.49
Compensation for demolition and removal receivable	8,793,600.00	8,793,600.00
Export tax rebate receivable	3,330,594.30	4,413,126.45
Petty cash	2,883,311.73	296,148.00
Receivable temporary payment	1,761,253.51	1,730,884.63
Other	861,919.97	740,837.27
Total	50,844,334.64	59,984,644.84

2) Disclosure by aging

In RMB

Aging	Ending book balance	Opening book balance
Within one year(one year Included)	20,721,132.26	30,051,672.20
1-2 years	18,131,534.57	17,892,822.43
2-3 years	1,409,639.40	1,436,831.20
Over 3 years	10,582,028.41	10,603,319.01
3-4 years	272,276.49	2,624,976.49
4-5 years	3,775,684.98	2,354,384.98
Over 5 years	6,534,066.94	5,623,957.54
Total	50,844,334.64	59,984,644.84

3) According to the bad debt provision method classification disclosure

☒Applicable ☐Not applicable

In RMB

Category	End of term					Beginning of term				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including										
Accrual of bad debt provision by portfolio	50,844,334.64	100.00%	12,990,082.71	25.55%	37,854,251.93	59,984,644.84	100.00%	12,805,366.63	21.35%	47,179,278.21
Including										
Total	50,844,334.64	100.00%	12,990,082.71	25.55%	37,854,251.93	59,984,644.84	100.00%	12,805,366.63	21.35%	47,179,278.21

The withdrawal amount of the bad debt provision: Aging portfolio

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Aging portfolio	50,844,334.64	12,990,082.71	25.55%
Including: Within 1 year	20,721,132.26	1,036,056.62	5.00%
1-2 years	18,131,534.57	1,813,153.46	10.00%
2-3 years	1,409,639.40	422,891.82	30.00%
3-4 years	272,276.49	163,365.89	60.00%
4-5 years	3,775,684.98	3,020,547.98	80.00%
Over 5 years	6,534,066.94	6,534,066.94	100.00%
Total	50,844,334.64	12,990,082.71	

Provision for bad debts is made according to the general model of expected credit losses

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on January 1, 2025	1,502,583.61	1,789,282.25	9,513,500.77	12,805,366.63
January 1, 2025 balance in the current period				
--Transfer to the second stage	-906,576.73	906,576.73		
-- Transfer to the third stage		-140,963.94	140,963.94	
Provision in Current Year	440,049.74	-741,741.58	593,442.92	291,751.08
Write off in Current Year			107,035.00	107,035.00
Balance on June 30, 2025	1,036,056.62	1,813,153.46	10,140,872.63	12,990,082.71

The basis for the division of each stage and the proportion of bad debt provision

Loss provision changes in current period, change in book balance with significant amount

☐Applicable ☒ Not applicable

4) Other Accounts receivable withdraw, reversed or collected during the reporting period

5) The actual write-off Other accounts receivable

In RMB

Item	Total of write-off
The actual write-off accounts receivable	107,035.00

6) Top 5 of the closing balance of the other accounts receivable collated according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Hangzhou East Bay New City Development and Construction Headquarters	Compensation for demolition and removal receivable	8,793,600.00	1-2 years	17.30%	879,360.00
Chengdu Customs of the People's Republic of China	Deposit	6,676,082.48	1-2 years	13.13%	667,608.25
Shanghai Customs Waigaoqiao Office	Deposit	3,710,320.94	Over 5 years	7.30%	3,710,320.94
The State Administration of Taxation, Hangzhou Gongshu District Taxation Bureau	Export tax rebate receivable	2,823,040.01	Over 1 year	5.55%	141,152.00
Fuding City Guanxi Cross-basin Water Diversion Investment Co., Ltd.	Deposit	2,300,000.00	4-5 years	4.52%	1,840,000.00
Total		24,303,043.43		47.80%	7,238,441.19

7) Reported in other receivables due to centralized management of funds

9. Accounts paid in advance

(1) Accounts paid in advance by ageing

In RMB

Account age	Ending balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	232,579,824.42	77.38%	310,799,722.51	90.48%
1-2 years	60,734,921.78	20.21%	13,038,315.30	3.80%
2-3 years	2,361,210.06	0.79%	14,699,728.95	4.28%
Over 3 years	4,867,612.12	1.62%	4,981,276.47	1.44%
Total	300,543,568.38		343,519,043.23	

Explanation on un-settlement in time for advance payment with over one year account age and major amounts:

None

(2) Top 5 advance payment at ending balance by prepayment object

Name	Ending balance	Ratio in total advance e payment(%)
Siemens Energy AB	120,216,133.60	40.00

Name	Ending balance	Ratio in total advance e payment(%)
Shandong Yongxin Petrochemical Technology Co., Ltd	22,180,000.00	7.38
Jinling International Co., Ltd.	9,504,153.07	3.16
Mitsubishi Power Gas Turbine Engineering Technology (Nanjing) Co., Ltd	6,601,626.29	2.20
Shandong Jinan Power Generation Equipment Plant Co., Ltd.	6,099,939.43	2.03
Subtotal	164,601,852.39	54.77

10. Inventories

Whether the company need to comply with the disclosure requirements of the real estate industry

No

(1) Category of Inventory

In RMB

Item	Closing book balance			Opening book balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value
Raw materials	959,445,049.72	106,888,673.83	852,556,375.89	970,095,741.62	100,818,214.11	869,277,527.51
Goods in progress	1,334,802,193.63	59,453,650.97	1,275,348,542.66	1,115,993,333.13	49,315,816.34	1,066,677,516.79
Stock goods	815,129,844.77	162,762,325.23	652,367,519.54	783,280,075.92	161,670,451.61	621,609,624.31
Total	3,109,377,088.12	329,104,650.03	2,780,272,438.09	2,869,369,150.67	311,804,482.06	2,557,564,668.61

(2) Falling price reserves of inventory

(3) Notes of the closing balance of the inventory which Includes capitalized borrowing expenses

In RMB

Item	Opening balance	Current increased		Current decreased		Ending balance
		Accrual	Other	Switch back or charge-off	Other	
Raw materials	100,818,214.11	6,341,324.19		270,864.47		106,888,673.83
Goods in progress	49,315,816.34	16,174,727.90		6,036,893.27		59,453,650.97
Stock goods	161,670,451.61	3,769,156.84		2,677,283.22		162,762,325.23
Total	311,804,482.06	26,285,208.93		8,985,040.96		329,104,650.03

Provision for inventory depreciation and impairment of contract performance costs (continued)

Item	Specific basis for determining net realizable value	Current write-off Reason for provision for inventory
Raw materials	For raw materials that need to be processed, the net realizable value shall be determined according to the estimated selling price of related finished products minus the estimated cost to completion, estimated	Used for current production and use and sales realization

Item	Specific basis for determining net realizable value	Current write-off Reason for provision for inventory
	sales expenses and related taxes; For raw materials directly used for sale, the net realizable value shall be determined according to the estimated selling price minus the estimated sales expenses and related taxes	
Goods in progress	The net realizable value determines the amount after deducting the estimated sales cost and the relevant taxes, For the suspended project or the project whose sales agreement has been cancelled, the net realizable value shall be determined according to the estimated recoverable compensation.	Used for current production and use and sales realization
Stock goods	The net realizable value shall be recognized by the amount of the estimated selling prices minus the estimated selling costs and relevant taxes and dues, wherein regarding suspended projects expected not be to be recovered or projects whose sales agreements are released, the net realizable value shall be recognized by the expected recoverable compensation	Used for current production and use and sales realization

(4) Notes of the closing balance of the inventory which Includes capitalized borrowing expenses

(5) Completed unsettled assets formed from the construction contract at the period-end

11. Assets divided as held-to-sold

12. Non-current assets due within 1 year

(1) Debt investment due within one year

☐Applicable ☒Not applicable

(2) Other Debt investment due within one year

☐Applicable ☒Not applicable

13. Other current assets

In RMB

Item	Ending balance	Opening balance
Input tax to be deducted	59,590,108.05	70,627,378.59
Advance payment of enterprise income tax	71,377.56	9,579.46
Rent charge	353,149.94	72,940.00
Total	60,014,635.55	70,709,898.05

Other note: Not applicable

14.Creditor's right investment

(1) Debt investment**(2) Important debt investment****(3) Accrual of impairment provision****(4) Information of debt investment actually written off in the current period**

Change of book balance of loss provision with amount has major changes in the period

☐Applicable ☒Not applicable

15. Other debt investment**(1) Other debt investment****(2) Important debt investment****(3) Accrual of impairment provision****(4) Other debt investments actually written off during the period**

Change of book balance of loss provision with amount has major changes in the period

☐Applicable ☒Not applicable

16. Investment in other equity instrument

In RMB

Item	Ending balance	Opening balance	Gains recognized in other comprehensive income for the current period	Loss recognized in other comprehensive income for the current period	Accumulated gains recognized in other comprehensive income at the end of the current period	Accumulated losses recognized in other comprehensive income at the end of the current period	Dividend income recognized in the current period	Reason for designated in fair value measurement with changes recognized in other comprehensive income
Hangzhou Bank	3,972,096,759.66	600,844,205.26		4,181,986,924.92		76,125,057.68	4,572,940,964.92	See other note
Total	3,972,096,759.66	600,844,205.26		4,181,986,924.92		76,125,057.68	4,572,940,964.92	

Other note

Reasons for investment in equity instruments designated as at fair value and whose changes are Included in other comprehensive income

The shares of Bank of Hangzhou Co., Ltd. held by the company failed to pass the contract cash flow characteristics test, but the company did not hold the equity instrument for trading purposes, so it was designated as a financial asset measured at fair value and whose changes were Included in other comprehensive income.

Other note:

17. Long-term account receivable**(1) Long-term account receivable**

In RMB

Item	End of term			Beginning of term			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Project item	26,800,000.00	26,800,000.00		29,800,000.00	29,800,000.00		
Total	26,800,000.00	26,800,000.00		29,800,000.00	29,800,000.00		

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad debt provision by single	26,800,000.00	100.00%	26,800,000.00	100.00%		29,800,000.00	100.00%	29,800,000.00	100.00%	
Including										
Including										
Total	26,800,000.00	100.00%	26,800,000.00	100.00%		29,800,000.00	100.00%	29,800,000.00	100.00%	

Accrual of bad debt provision by single item:

In RMB

Name	Balance Year-beginning		Amount in year-end			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Proportion(%)	Season
Accrual of bad debt provision by single	29,800,000.00	29,800,000.00	26,800,000.00	26,800,000.00	100.00%	Not expected to be recovered
Total	29,800,000.00	29,800,000.00	26,800,000.00	26,800,000.00		

(3) Bad debt provision accrual, collected or reversal in the period

.In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal(Note)	Write off	Other	
Accrual of bad debt provision by single	29,800,000.00		3,000,000.00			26,800,000.00
Total	29,800,000.00		3,000,000.00			26,800,000.00

(4) Long-term receivables actually written off in the current period**18. Long-term equity investment**

The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

☐Applicable ☒Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

☐Applicable ☒Not applicable

Other note

Not applicable

19. Other non-current Financing assets

In RMB

Item	End of term	Beginning of term
Classified as financial assets measured by fair value and whose changes are Included in the current profit and loss	5,534,773.22	5,534,773.22
Equity Investment	5,534,773.22	5,534,773.22
Total	5,534,773.22	5,534,773.22

20. Investment real estate**(1) Investment real estate adopted the cost measurement mode**

☒Applicable ☐ Not applicable

In RMB

Item	House, Building	Land use right	Construction in process	Total
I. Original price				
1. Balance at period-beginning	6,401,717.65			6,401,717.65
2. Increase in the current period				
(1) Purchase				
(2) Inventory \ fixed assets \ project under construction transfer				
(3) Increased of Enterprise Combination				
3. Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end	6,401,717.65			6,401,717.65
II. Accumulated amortization				
1. Opening balance	1,240,448.85			1,240,448.85
2. Increased amount of the period	192,255.36			192,255.36
(1) Withdrawal	192,255.36			192,255.36

3.Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end	1,432,704.21			1,432,704.21
III. Impairment provision				
1. Balance at period-beginning				
2.Increased amount of the period				
(1) Withdrawal				
3.Decreased amount of the period				
(1) Dispose				
(2) Other out				
4. Balance at period-end				
IV. Book value				
1.Book value at period -end	4,969,013.44			4,969,013.44
2.Book value at period-beginning	5,161,268.80			5,161,268.80

The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

☐Applicable ☒Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

☐Applicable ☒Not applicable

Other note

Not applicable

(2) Investment property adopted fair value measurement mode

☐Applicable ☒Not applicable

(3) Converted to investment real estate and measured at fair value

(4) Investment real estate without property rights certificate

21.Fixed assets

In RMB

Item	Ending balance	Opening balance
Fixed assets	2,102,740,968.03	1,912,357,802.93
Total	2,102,740,968.03	1,912,357,802.93

(1) List of fixed assets

In RMB

Item	Houses & buildings	Machinery equipment	Transportations	Office equipment	Total
I. Original price					
1.Opening balance	1,611,762,072.02	1,475,617,479.67	25,114,171.70	166,589,123.25	3,279,082,846.64
2.Increased amount of the period	160,802,142.71	114,481,312.33	211,050.40	1,672,357.25	277,166,862.69

(1) Purchase		4,134,054.17	211,050.40	1,672,357.25	6,017,461.82
(2) Transferred from construction in progress	160,802,142.71	110,347,258.16			271,149,400.87
(3) Increased of Enterprise Combination					
3. Decreased amount of the period		477,833.75		109,512.70	587,346.45
(1) Disposal		477,833.75		109,512.70	587,346.45
4. Balance at period-end	1,772,564,214.73	1,589,620,958.25	25,325,222.10	168,151,967.80	3,555,662,362.88
II. Accumulated depreciation					
1. Opening balance	297,769,258.35	960,724,105.48	17,394,872.21	76,633,861.69	1,352,522,097.73
2. Increased amount of the period	33,103,490.45	44,078,714.52	1,119,943.83	8,455,260.50	86,757,409.30
(1) Withdrawal	33,103,490.45	44,078,714.52	1,119,943.83	8,455,260.50	86,757,409.30
3. Decreased amount of the period		458,720.41		102,337.75	561,058.16
(1) Disposal		458,720.41		102,337.75	561,058.16
4. Closing balance	330,872,748.80	1,004,344,099.59	18,514,816.04	84,986,784.44	1,438,718,448.87
III. Impairment provision					
1. Opening balance	9,028,267.09	5,174,678.89			14,202,945.98
2. Increase in the reporting period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Closing balance	9,028,267.09	5,174,678.89			14,202,945.98
IV. Book value					
1. Book value of the period-end	1,432,663,198.84	580,102,179.77	6,810,406.06	83,165,183.36	2,102,740,968.03
2. Book value of the period-begin	1,304,964,546.58	509,718,695.30	7,719,299.49	89,955,261.56	1,912,357,802.93

(2) Fixed assets temporarily idled**(3) Fixed assets leased out through operating leases****(4) Details of fixed assets failed to accomplish certification of property**

In RMB

Item	Book value	Reason of not complete the property certificate
Casting parts production workshop	159,853,563.12	In Process

(5) Information of impairment test of fixed assets
☒Applicable
 ☐Not applicable

(6) Liquidation of fixed assets**22. Construction in progress**

In RMB

Item	End of term	Beginning of term
Construction in progress	756,289,462.54	867,580,986.71
Total	756,289,462.54	867,580,986.71

(1) List of construction in progress

In RMB

Item	End of term			Beginning of term		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Annual output of 10 sets of gas turbine unit project	440,463,058.71		440,463,058.71	432,811,721.50		432,811,721.50
Integrated industrial base project for energy-saving, carbon-reducing and high-efficiency turbine machinery intelligent manufacturing service	282,635,538.54		282,635,538.54	180,940,933.73		180,940,933.73
Production line project with an annual output of 15,000 tons of steel castings and 40,000 tons of forged blanks	19,975,162.17		19,975,162.17	243,918,619.87		243,918,619.87
Software project	2,668,620.97		2,668,620.97	2,183,405.44		2,183,405.44
Other project	4,562,911.68		4,562,911.68	4,818,050.41		4,818,050.41
Prepayment for equipment or projects	5,984,170.47		5,984,170.47	2,908,255.76		2,908,255.76
Total	756,289,462.54		756,289,462.54	867,580,986.71		867,580,986.71

(2)Changes of significant construction in progress

In RMB

Name of project	Budget (0'000)	Opening balance	Increase	Transferred to fixed assets	Other decrease(Not e)	End balance	Proportion %	Project processes	Capitalization of interest	Including: capitalization of interest this period	Capitalization of interest rate (%)	Source of funding
Annual output of 10 sets of gas turbine unit project	50,000.00	432,811,721.50	20,449,666.42	12,798,329.21		440,463,058.71	90.65%	Under construction	7,670,392.20	2,716,512.33	2.29%	Financial institution loans and other sources
Integrated industrial base project for energy-saving, carbon-reducing and high-efficiency turbine machinery intelligent manufacturing service	105,000.00	180,940,933.73	101,694,604.81			282,635,538.54	26.92%	Under construction	3,530,896.70	2,415,807.13	3.05%	Financial institution loans and other sources
Production line project with an annual output of 15,000	33,508.00	243,918,619.87	21,291,740.65	245,235,198.35		19,975,162.17	79.15%	Under construction	2,206,384.91	1,367,207.41	3.01%	Financial institution loans and other sources

tons of steel casting s and 40,000 tons of forged blanks												
Total	188,508.00	857,671,275.10	143,436,011.88	258,033,527.56		743,073,759.42			13,407,673.81	6,499,526.87		

(3) List of the withdrawal of the impairment provision of the construction in progress

(4) Information of impairment test of construction in progress

☐Applicable ☒Not applicable

(5)Engineering materials

23. Productive biological asset

(1)Productive biological assets measured by cost

☐Applicable ☒Not applicable

(2) Impairment test of productive biological assets using cost measurement mode

☐Applicable ☒Not applicable

(3) Productive biological assets measured by fair value

☐Applicable☒Not applicable

24. Oil and gas asset

☐Applicable☒Not applicable

25. Right-of-use assets

(1) Right-of-use assets

In RMB

Item	House and Building	Mechanical equipment	Total
I. Original price			
1. Balance at period-beginning	46,790,939.67	1,350,314.15	48,141,253.82
2.Increase in the current period	2,415,049.17		2,415,049.17
(1) Rent	2,415,049.17		2,415,049.17
3.Decreased amount of the	11,708,178.23		11,708,178.23

period			
(1)Disposition	11,708,178.23		11,708,178.23
4. Balance at period-end	37,497,810.61	1,350,314.15	38,848,124.76
II. Accumulated depreciation			
1.Opening balance	27,368,748.10	247,557.64	27,616,305.74
2.Increased amount of the period	5,653,008.16	132,219.11	5,785,227.27
(1) Withdrawal	5,653,008.16	132,219.11	5,785,227.27
3.Decreased amount of the period	7,633,788.76		7,633,788.76
(1)Disposition	7,633,788.76		7,633,788.76
4.Closing balance	25,387,967.50	379,776.75	25,767,744.25
III. Impairment provision			
1.Opening balance			
2.Increase in the reporting period			
(1) Withdrawal			
3.Decreased amount of the period			
(1) Disposal			
4. Closing balance			
IV. Book value			
1.Book value of the period-end	12,109,843.11	970,537.40	13,080,380.51
2.Book value of the period-begin	19,422,191.57	1,102,756.51	20,524,948.08

(2) Information of impairment test of right-of-use assets

☐Applicable ☒Not applicable

Other note: Not applicable

26. Intangible assets

(1) Information

In RMB

Item	Land using right	Patent and proprietary technology	Non patent technology	Software	Total
I. Original price					
1. Balance at period-beginning	454,312,246.27	180,000.00	735,849.06	50,426,324.29	505,654,419.62
2.Increase in the current period				298,099.09	298,099.09
(1) Purchase				11,215.09	11,215.09
(2)Internal Development					
(3)Increased of Enterprise Combination					
(4) Projects under construction are transferred				286,884.00	286,884.00

3.Decreased amount of the period					
(1) Disposal					
4.Closing balance	454,312,246.27	180,000.00	735,849.06	50,724,423.38	505,952,518.71
II.Accumulated amortization					
1.Opening balance	82,017,766.87	158,999.92	134,905.66	24,087,518.20	106,399,190.65
2.Increased amount of the period	4,560,612.64	1,999.98	73,584.91	3,446,891.56	8,083,089.09
(1) Withdrawal	4,560,612.64	1,999.98	73,584.91	3,446,891.56	8,083,089.09
3.Decreased amount of the period					
(1) Disposal					
4.Closing balance	86,578,379.51	160,999.90	208,490.57	27,534,409.76	114,482,279.74
III. Impairment provision					
1.Opening balance					
2.Increased amount of the period					
(1) Withdrawal					
3.Decreased amount of the period					
(1) Disposal					
4.Closing balance					
IV. Book value					
1.Closing book value	367,733,866.76	19,000.10	527,358.49	23,190,013.62	391,470,238.97
2.Opening book value	372,294,479.40	21,000.08	600,943.40	26,338,806.09	399,255,228.97

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end.

(2) Details of fixed assets failed to accomplish certification of land use right

☐Applicable ☒Not applicable

(3) Details of fixed assets failed to accomplish certification of land use right

(4) Information of impairment test of intangible assets

☐Applicable ☒Not applicable

27. Goodwill

(1) Original book value of goodwill

In RMB

The invested entity or item	Opening balance	Current increased		Current decreased		Ending balance
		Resulted by enterprise combination		Dispose		
Western Power Company	15,415,678.59					15,415,678.59
Total	15,415,678.59					15,415,678.59

(2) Impairment provision of goodwill

In RMB

The invested entity or item	Opening balance	Current increased		Current decreased		Ending balance
		Provision		Dispose		
Western Power Company	8,311,225.59	3,212,311.56				11,523,537.15
Total	8,311,225.59	3,212,311.56				11,523,537.15

(3) Information about the asset group or asset group portfolio to which the goodwill belongs

Name	Composition and basis of the asset group or portfolio	Operating segment and basis	Whether it is consistent with the previous year
Western Power Company	Goodwill formed by the acquisition of the equity of Western Power, an enterprise not under the same control by Ranchuang Company	The Company's main business is to produce and sell industrial steam turbines, accessories and other products. The Company regards such business as a whole to implement management and evaluate the operating results	Yes

(4) The specific method of determining the recoverable amount

The recoverable amount is determined on the basis of the net amount by fair value less disposal costs

☐ Applicable ☒ Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

☒ Applicable ☐ Not applicable

In RMB

Item	Book value	Recoverable amount	Impairment amount	The number of years in the forecast period	Key parameters for the forecast period	Key parameters of stable phase	Basis for determining the key parameters of the stable period
Western Power Company	153,671,113.59	148,000,000.00	3,212,311.56	5	The determination is	According to the historical	The discount rate is 10.05%, which

					based on the Company's historical operating performance, growth rates, industrial levels, and management's expectations for market development	actual operating data and the industry development trend, the Company determined the growth rate of 0% and the profit rate of 13.42% in stable period	reflects the pre-tax rate that takes into account both the time value of the current market currency and the specific risks associated with the asset group
Total	153,671,113.59	148,000,000.00	3,212,311.56				

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

Not applicable

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

Not applicable

(5) Status of completion of performance commitment and corresponding goodwill impairment

When goodwill is formed, there is a performance commitment and the reporting period or the previous period in the reporting period is within the performance commitment period

☐Applicable ☒Not applicable

Other note: Not applicable

28. Long-term expenses to be apportioned

29. Deferred income tax asset /Deferred income tax liabilities

(1) Details of the un-recognized deferred income tax assets

In RMB

Item	Ending balance		Opening balance	
	Deductible temporary difference	Deferred income tax asset	Deductible temporary difference	Deferred income tax asset
Relocation compensation	881,309,814.56	132,196,472.18	908,458,528.44	136,268,779.27
Bad debt provision	804,746,680.44	137,770,655.69	792,870,101.57	135,835,266.09
Provision for Asset Impairment	301,932,362.70	48,343,753.01	293,673,914.56	46,598,676.46
Deductible loss	286,165,378.49	42,924,806.78	226,852,267.35	34,027,840.10
Accrued cost expenses	29,126,551.28	6,621,135.02	47,145,332.97	10,364,026.05
Internal trade profit not realized	32,574,237.26	5,191,676.72	36,987,510.10	5,873,416.86
Product quality assurance	26,915,404.06	6,243,075.74	27,393,027.28	6,275,639.37
Supplementary medical	36,357,388.94	5,453,608.34	37,411,495.97	5,611,724.40

insurance				
Lease Liabilities	14,057,258.89	2,469,017.12	21,374,001.69	3,644,367.63
Revenue from changes in fair value generated by financial assets classified at fair value through profit or loss	916,964.88	137,544.73	1,018,380.72	152,757.11
Total	2,414,102,041.50	387,351,745.33	2,393,184,560.65	384,652,493.34

(2) Deferred income tax liabilities had not been off-set

In RMB

Item	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
Changes in fair value of investments in other equity instruments	4,181,986,924.92	627,298,038.73	3,581,142,719.66	537,171,407.95
Use right assets	13,080,380.51	2,268,647.58	20,524,948.08	3,486,938.15
Not the same control enterprise combined assets evaluation value appreciation	11,381,039.18	2,845,259.79	12,048,522.06	3,012,130.51
Accelerated depreciation of fixed assets	344,604.63	51,690.69	626,388.80	93,958.32
Internal trading did not achieve losses	309,196.62	46,379.49		
Total	4,207,102,145.86	632,510,016.28	3,614,342,578.60	543,764,434.93

(3) Deferred income tax assets and liabilities are presented as net amount after neutralization

In RMB

Item	Deferred Income Tax Assets or Liabilities at the End of Report Period	Temporarily Deductable or Taxable Difference at the End of Report Period	Deferred Income Tax Assets or Liabilities at the Beginning of Report Period	Temporarily Deductable or Taxable Difference at the Beginning of Report Period
Deferred income tax assets	296,520,778.77	90,830,966.56	290,661,217.14	93,991,276.20
Deferred income tax liabilities	296,520,778.77	335,989,237.51	290,661,217.14	253,103,217.79

(4) Details of income tax assets not recognized

In RMB

Item	End of term	Beginning of term
Deductible temporary difference	247,036,733.77	207,067,515.55
Deductible loss	106,079,559.62	81,398,809.83
Total	353,116,293.39	288,466,325.38

(5) The un-recognized deductible losses of deferred income tax assets will due in the following years:

In RMB

Year	Balance in year-end	Balance in year-begin	Remark
2027	365,388.54	365,388.54	
2028	4,963,207.80	4,963,207.80	
2029	14,881,050.02	15,157,044.88	
2030	13,233,487.54		
2031	46,910,685.54	46,910,685.54	
2032	3,239,303.59	2,098,871.73	
2033	807,873.16	4,677,816.17	
2034	18,869,138.06	7,225,795.17	
2035	2,809,425.37		
Total	106,079,559.62	81,398,809.83	

30 .Other non-current assets

In RMB

Item	Balance in year-end			Balance in year-begin		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Advance equipment payment	5,442,183.31		5,442,183.31	5,759,877.80		5,759,877.80
Advance software payment				867,316.98		867,316.98
Total	5,442,183.31		5,442,183.31	6,627,194.78		6,627,194.78

31. Assets with restricted ownership or right to use

In RMB

Item	End of period				Beginning of period			
	Book balance	Book value	Restricted type	Restricted circumstance	Book balance	Book value	Restricted type	Restricted circumstance
Monetary funds	95,960,576.99	95,960,576.99	Pledge/Freeze	Bank acceptance bill deposit, bond deposit and lawsuit frozen payment, etc.	104,380,329.87	104,380,329.87	Pledge/Freeze	Bank acceptance bill deposit, bond deposit and lawsuit frozen payment, etc.
Notes receivable	32,493,289.73	30,460,518.79	Discounted /Endorsed	Endorsed bills undue that have not been derecognized	23,056,960.05	21,380,743.86	Discounted /Endorsed	Endorsed bills undue that have not been derecognized
Receivable financing	1,238.00	1,238.00	Pledge	Used to open a bill pool	67,101.00	67,101.00	Pledge	Endorsed bills undue that have not been derecognized
Inventory	16,409,373.44	4,418,600.00	Mortgage	Financing for sale and	15,843,431.73	15,843,431.73	Mortgage	Used to open a bill

				leaseback				pool
Fixed assets	497,340,99 7.09	414,352,32 1.28	Mortgage	Mortgage to obtain bank borrowings	252,096,44 4.14	174,427,42 5.24	Mortgage	Financing for sale and leaseback
Construction in process	302,610,70 0.71	302,610,70 0.71	Mortgage	Mortgage to obtain bank borrowings	424,859,55 3.60	424,859,55 3.60	Mortgage	Mortgage to obtain bank borrowings
Intangible assets	168,171,27 7.27	141,238,30 1.30	Mortgage	Mortgage to obtain bank borrowings	168,171,27 7.27	142,937,26 5.34	Mortgage	Mortgage to obtain bank borrowings
Total	1,112,987,4 53.23	989,042,25 7.07			988,475,09 7.66	883,895,85 0.64		Mortgage to obtain bank borrowings

32. Short-term borrowings

(1) Categories of short-term loans

In RMB

Item	End of term	Beginning of term
Credit borrowing	284,081,369.77	354,932,660.54
Guarantee Borrowing	47,004,686.40	18,998,483.36
Mortgage Borrowings	21,012,888.89	21,020,641.66
Supply chain bills are discounted	1,453,001.54	59,588,112.77
Total	353,551,946.60	454,539,898.33

(2) Situation of Overdue Outstanding Short-Term Borrowing

33. Transactional financial liabilities

34. Derivative financial liability

35. Notes payable

In RMB

Item	End of term	Beginning of term
Bank acceptance	539,502,091.28	637,585,272.90
Total	539,502,091.28	637,585,272.90

36. Accounts payable

(1) List of accounts payable

In RMB

Item	End of term	Beginning of term
------	-------------	-------------------

Goods	1,329,073,315.80	1,508,285,256.26
Equipment and Engineering	129,399,716.51	148,829,855.70
Other	26,468,182.74	29,273,482.40
Total	1,484,941,215.05	1,686,388,594.36

(2) Notes of the accounts payable aging over one year**37. Advances received**

In RMB

Item	End of term	Beginning of term
Other payable	119,160,485.25	140,658,195.10
Total	119,160,485.25	140,658,195.10

(1) Interest payable**(2) Dividend Payable****(3) Other account payable****1) By nature**

In RMB

Item	End of term	Beginning of term
Receipt of temporary collection	81,907,202.84	102,360,132.33
Restricted stock subscription funds	23,095,237.88	27,089,043.80
Deposit	13,238,411.06	10,689,182.26
Other	919,633.47	519,836.71
Total	119,160,485.25	140,658,195.10

2) Significant other payable with over one year age**38. Advances received****(1) List of Advances received**

In RMB

Item	End of term	Beginning of term
Rent	43,399.95	445,971.37
Total	43,399.95	445,971.37

(2) Notes of the accounts payable aging over one year**39. Contract liabilities**

In RMB

Item	End of term	Beginning of term
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Goods	2,493,615,870.46	2,390,788,170.22
Total	2,493,615,870.46	2,390,788,170.22

Contractual liability in advance with over one year book age

In RMB

Item	Ending balance	Reasons for non-reimbursement or carry-forward
Shenyang Turbine Machinery Co., Ltd	145,935,388.60	Collection according to schedule, and settlement conditions have not been met
Jiangmen Xinhui District Gujing Energy Service Co., Ltd	93,805,309.73	Collection according to schedule, and settlement conditions have not been met
Total	239,740,698.33	

40. Payable Employee wage

(1) List of Payroll payable

In RMB

Item	Balance in year-begin	Increase in this period	Payable in this period	Balance in year-end
I. Short-term compensation	107,376,543.88	447,898,957.80	484,658,348.07	70,617,153.61
II. Post-employment benefits - defined contribution plans	39,414,619.15	68,162,485.70	84,301,338.75	23,275,766.10
III. Dismissal benefits		59,938.50	59,938.50	
Total	146,791,163.03	516,121,382.00	569,019,625.32	93,892,919.71

(2) Short-term remuneration

In RMB

Item	Balance in year-begin	Increase in this period	Decrease in this period	Balance in year-end
(1) Salary, bonus, allowance and subsidy	99,323,130.06	342,186,712.86	379,010,242.43	62,499,600.49
(2) Employee benefits		26,576,032.64	26,576,032.64	
(3) Social insurance expenses	5,206,237.23	31,925,318.71	31,922,443.61	5,209,112.33
Including: medical insurance premium	4,842,154.27	29,761,059.29	29,745,465.22	4,857,748.34
Work-related injury insurance premium	364,082.96	2,164,259.42	2,176,978.39	351,363.99
(4) Housing fund	75,923.96	39,326,415.40	39,330,328.40	72,010.96
(5) Labor union expenditures and employee education expenses	2,771,252.63	7,884,478.19	7,819,300.99	2,836,429.83
Total	107,376,543.88	447,898,957.80	484,658,348.07	70,617,153.61

(3) List of drawing scheme

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension insurance	7,651,613.95	50,144,596.64	49,642,601.75	8,153,608.84
2. Unemployment insurance	254,807.77	1,570,958.73	1,570,100.29	255,666.21

3. Enterprise annual fee	31,508,197.43	16,446,930.33	33,088,636.71	14,866,491.05
Total	39,414,619.15	68,162,485.70	84,301,338.75	23,275,766.10

41. Taxes Payable

In RMB

Item	End of term	Beginning of term
Enterprise Income tax	16,166,829.32	43,906,497.85
VAT	10,497,593.97	20,107,137.12
Property tax	7,768,244.14	15,647,095.98
Individual Income tax	2,096,692.93	2,720,603.93
Land use tax	2,992,451.40	5,841,299.92
City Construction tax	2,450,475.11	1,772,952.89
Education subjoin	1,093,922.17	882,012.05
Locality Education subjoin	729,281.37	588,007.99
Other	1,164,152.93	1,271,344.66
Total	44,959,643.34	92,736,952.39

42. Liability held for sale**43. Non-current liabilities due within one year**

In RMB

Item	End of term	Beginning of term
Long-term loans due within 1 year	275,886,467.88	190,942,366.64
Long-term payable due within 1 year	3,398,448.68	3,447,138.66
lease liabilities due within 1 year	5,696,964.60	13,371,534.52
Relocation compensation received in advance when due within 1 year [Note]	58,696,860.00	
Total	343,678,741.16	207,761,039.82

Other note:

[Note] The bank deposit at the end of the period Included a restricted use of ETC margin of 49,000.00 yuan.
 [Note] It refers to the relocation compensation for the relocation project of No. 18 No. 22 Street, Baiyang Street, Hangzhou Economic and Technological Development Zone received by its subsidiary Zhongneng Company in the current period, which is detailed in Section VIII 18.8 of this report.

44. Other current liabilities

In RMB

Item	End of term	Beginning of term
Output tax to be transferred	245,721,660.45	243,747,686.92
Product quality assurance	26,915,404.06	27,393,027.28
Advance relocation costs		200,000.00
Total	272,637,064.51	271,340,714.20

45. Long-term borrowing**(1) Category of long-term loan**

In RMB

Item	End of term	Beginning of term
Credit loan	12,898,701.77	61,464,902.31
Mortgage loan	132,857,388.93	89,955,587.24
Guarantee and Mortgage loan	132,089,991.35	52,795,442.38
Credit and Mortgage loan	194,181,813.81	108,049,668.63
Guarantee loan		15,015,812.50
Total	472,027,895.86	327,281,413.06

46. Bonds payable**(1) Bonds payable****(2) Changes on bonds payable (not Including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)****(3) Note to conditions and time of share transfer of convertible bonds****(4) Note to other financial instrument classified as financial liabilities****47. Lease liability**

In RMB

Item	End of term	Beginning of term
Unpaid lease payments	6,163,895.67	7,028,322.78
Less: Financing charges are not recognized	249,001.10	337,339.37
Total	5,914,894.57	6,690,983.41

48. Long-term payable

In RMB

Item	End of term	Beginning of term
Long term account payable	5,310,092.64	6,950,249.25
Special Payable	15,325,084.63	17,953,606.91
Total	20,635,177.27	24,903,856.16

(1) Long-term payable listed by nature of the account

In RMB

Item	End of term	Beginning of term
Payable after-sale leaseback	4,980,092.64	6,620,249.25
Reform-related reserves	330,000.00	330,000.00
Total	5,310,092.64	6,950,249.25

Other note:

[Note] In December 2024, the subsidiary Western Power Company entered into a sale-leaseback agreement with Yongying Financial Leasing Co., Ltd., which stipulated that Western Power would sell the 7.1MW gas turbine to the lessor Yongying Financial Leasing, then lease it back under a financial lease arrangement. The lease term is 36 months with monthly rental payments. Upon the lease term expiration, Western Power will repurchase the equipment at a nominal price of RMB 100. The transaction essence involves Western Power Company using 7.1MW gas turbines as collateral to obtain financing from Yongying Financial Leasing Co., Ltd. Therefore, this after-sale leaseback transaction does not constitute a sale, and Western Power Company has not derecognized the transferred asset but rather recognized the transfer proceeds as a financial liability under long-term payables.

(2) Special Payable

In RMB

Item	Opening balance	Increase	Decrease	End balance	Reason
Funding for Personnel Training	15,885,744.52		2,628,522.28	13,257,222.24	
Demolition and resettlement funds	2,067,862.39			2,067,862.39	
Total	17,953,606.91		2,628,522.28	15,325,084.63	

Other note:

Resettlement payment mainly refers to the compensation and resettlement transition fee saved during the demolition and housing reform of the family dormitory area of the subsidiary, Hangfa Company.

49 List of long term payroll payable

(1) List of long term payroll payable

(2) Changes of defined benefit plans

50. Estimated liabilities

51. Deferred income

In RMB

Item	Beginning of term	Increased this period	Decreased this period	End of term	Reason
Government Subsidy	1,035,380,701.74	33,234,000.00	32,983,022.28	1,035,631,679.46	Receive government subsidies
Total	1,035,380,701.74	33,234,000.00	32,983,022.28	1,035,631,679.46	

52. Other non-current liabilities

In RMB

Item	End of term	Beginning of term
Collect the relocation compensation money in advance[Note]		58,696,860.00
Total		58,696,860.00

53. Stock capital

In RMB

	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total of capital shares	1,175,009,597.00				-104,832.00	-104,832.00	1,174,904,765.00

Other note:

(1) According to the "Proposal on Repurchase and Cancellation of Some Restricted Shares" deliberated and approved by the 9th meeting of the ninth board of directors of the Company in 2024, the 8th meeting of the ninth board of supervisors and the third extraordinary shareholders' general meeting in 2024, 3 of the incentive objects of the Company's 2021 restricted stock incentive plan resigned due to personal reasons and no longer have the qualifications for incentive objects, and the 62,712 shares of restricted shares that have been granted but have not yet been lifted by the afore-mentioned resigned personnel were repurchased and cancelled by the Company according to the grant price. The repurchase amount paid by the Company for this restricted share repurchase was 164,932.56 yuan. After review and confirmation by the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the Company's repurchase and cancellation of restricted shares has been completed on March 13, 2025, and the Company has completed the registration procedures for industrial and commercial change on March 26, 2025.

(2) According to the "Proposal on Repurchase and Cancellation of Some Restricted Shares" deliberated and approved by the 11th meeting of the ninth board of directors of the Company in 2024, the 10th meeting of the ninth board of supervisors and the First extraordinary shareholders' general meeting in 2025, 3 of the incentive objects of the Company's 2021 restricted stock incentive plan resigned due to personal reasons and no longer have the qualifications for incentive objects, and the 42,120 shares of restricted shares that have been granted but have not yet been lifted by the afore-mentioned resigned personnel were repurchased and cancelled by the Company according to the grant price. The repurchase amount paid by the Company for this restricted share repurchase was 109,312.32 yuan. After review and confirmation by the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the Company's repurchase and cancellation of restricted shares has been completed on May 14, 2025, and the Company has completed the registration procedures for industrial and commercial change on May 21, 2025.

54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

(2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

55. Capital reserves

In RMB

Item	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Capital premium	284,189,127.99	3,614,102.97	1,188,396.76	286,614,834.20
Other capital reserves	103,207,722.43	6,061,913.43	3,535,951.32	105,733,684.54
Total	387,396,850.42	9,676,016.40	4,724,348.08	392,348,518.74

Other notes, Including changes and reason of change:

(1) The increase in equity premium in the current period Includes:

1) The second phase of the restricted shares of 2021 reserved granted by the Company meets the conditions for lifting the restricted shares, and the originally recognized share payment fee of 3,535,951.32 yuan is transferred from

capital reserve-other capital reserve to capital reserve-to equity premium.

2) The subsidiary Casting and Forging Company implements immediate executable equity incentives for its employees with its own equity instruments, confirms equity payment expenses and capital reserve-share capital premium of 205,500.00 yuan, and the Company increases the capital reserve-share capital premium by 78,151.65 yuan according to the shareholding ratio.

(2) The decrease in equity premium in the current period Includes:

1) In the current period, due to the repurchase and cancellation of 104,832 restricted shares, the share capital is reduced by 104,832.00 yuan, the capital reserve - share capital premium is reduced by 390,370.76 yuan, and the treasury shares are reduced by 495,202.76 yuan.

2) After the second phase of the restricted shares of 2021 reserved granted by the Company meets the conditions for lifting the restricted shares, the Company shall offset the capital reserve - share premium by 798,026.00 yuan, which is the difference between the cost of repurchasing shares from the secondary market of 2,563,197.20 yuan and the subscription amount received from implementing the restricted stock employee equity incentive plan of 1,765,171.20 yuan.

(3) The increase in other capital reserves in this period is due to the company's recognition of share payment fee of RMB 6,061,913.43 due to equity incentive, which increased the capital reserve-other capital reserves. See the explanation in Note VIII(15) to the financial statements for details.

(4) The decrease of other capital reserves in this period is RMB 3,535,951.32 carried forward from the capital reserves. For details, please refer to Note VIII,VII55(1)1 of the financial statements.

56. Treasury stock

In RMB

Item	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Restricted stock with a repurchase obligation	38,448,518.11		5,067,767.32	33,380,750.79
Total	38,448,518.11		5,067,767.32	33,380,750.79

Other notes, Including changes and reason of change:

The decrease in treasury shares in the current period Including:

1) The Company reduced its treasury shares by RMB 495,202.76 due to the repurchase and cancellation of restricted stocks. For details, please refer to the explanations of other explanations in Section VIII ,VII 55(2)1 Other Notes of this report.

(2) According to the resolution of the company's 2024 annual general meeting of shareholders, the company distributed a cash dividend of RMB 2.1 (Including tax) to all shareholders for every 10 shares, and granted 9,568,416 restricted stocks expected to be unlocked for the first time and reserved for granting (the original number of shares

granted was 6,133,600, and the profit distribution plan of 3 bonus shares for every 10 shares was increased by 1,840,080 shares in 2021. In 2022, the profit distribution plan of 2 bonus shares for every 10 shares was increased by 1,594,736 shares), with a corresponding dividend of RMB 2,009,367.36, and other payables and treasury shares were reduced by RMB2,009,367.36.

(3) The first phase of restricted stocks granted by the Company for the first time in 2021 met the conditions for unlocking restricted stocks, 689,832 shares were unlocked (The original number of granted shares was 442,200 shares. The profit distribution plan of giving 3 bonus shares for every 10 shares implemented in 2021 increased the number of shares by 132,660 shares. The profit distribution plan of giving 2 bonus shares for every 10 shares implemented in 2022 increased the number of shares by 114,712 shares), The corresponding reduction in treasury shares was RMB 1,765,171.20.

57. Other comprehensive income

In RMB

Item	Opening balance	Occurred current term						Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Prior period Included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
1. Other comprehensive income that cannot be reclassified in the loss and gain in the future	3,043,971,311.70	600,844,205.26			90,126,630.78	510,717,574.48		3,554,688,886.18
Changes in fair value of investments in other	3,043,971,311.70	600,844,205.26			90,126,630.78	510,717,574.48		3,554,688,886.18

equity instruments								
Total of other comprehensive income	3,043,971,311.70	600,844,205.26			90,126,630.78	510,717,574.48		3,554,688,886.18

Other notes, Including the adjustment of the recognition of initial amount of effective part of the cash flow

58. Special reserves

In RMB

Item	Beginning of term	Increased this period	Decreased this period	End of term
Labor safety expenses	24,564,866.49	9,477,399.40	7,005,361.50	27,036,904.39
Total	24,564,866.49	9,477,399.40	7,005,361.50	27,036,904.39

Other note, Including changes and reason of change:

- 1) The decrease in the current period is due to the work safety expenses extracted by the Company for the purchase of safety protection supplies and equipment.
- 2) After adding the work safety expenses attributable to minority shareholders, the total work safety expenses of the Company and its subsidiaries at the end of the current period is RMB 32,368,680.67.

59. Surplus reserves

In RMB

Item	Beginning of term	Increased this period	Decreased this period	End of term
Labor safety expenses	625,178,089.82			625,178,089.82
Total	625,178,089.82			625,178,089.82

Other note, Including changes and reason of change: Not applicable

60. Retained profits

In RMB

Item	Amount of this period	Amount of last period
Undistributed profits at the beginning of the period after adjustment	3,736,929,527.12	3,784,435,361.60
Add: Net profit belonging to the owner of the parent company	153,051,073.44	539,962,304.02
Common stock dividend payable	246,730,000.65	587,468,138.50
Retained profits at the period end	3,643,250,599.91	3,736,929,527.12

Adjustment for retained profit at period-begin:

- 1) Retroactive adjustment due to the Accounting Standards for Business Enterprise and relevant new regulations, retained profit at period-begin has 0.00 Yuan affected;
- 2) Due to the accounting policy changes, retained profit at period-begin has 0.00 Yuan affected;
- 3) Due to the major accounting errors correction, retained profit at period-begin has 0.00 Yuan affected;
- 4) Consolidation range changed due to the same control, retained profit at period-begin has 0.00 Yuan affected;
- 5) Total other adjustment impacts 0.00 Yuan retained profit at period-begin

Other note:

According to the 2024 annual profit distribution plan deliberated and approved by the 2024 annual general meeting of shareholders, the Company shall distribute a cash dividend of 2.1 yuan (Including tax) for every 10 shares based on the total share capital of 1,174,904,765 shares-that is 1,175,009,597 shares as of December 31, 2024 deducting 104,832 treasury shares, therefore a total of 246,730,000.65 yuan in cash dividends shall be distributed.

61. Business income and Business cost

In RMB

Item	Amount of this period		Amount of last period	
	Income	Cost	Income	Cost
Main Business	2,437,556,373.42	1,780,382,839.31	2,590,104,696.56	2,041,366,873.59
Other	9,648,240.56	5,210,714.32	21,559,080.40	12,610,172.48
Total	2,447,204,613.98	1,785,593,553.63	2,611,663,776.96	2,053,977,046.07

Information related to the transaction price allocated to the remaining performance obligation:

At the end of the reporting period, the amount of income corresponding to the performance obligations with signed contract but not yet fulfilled or not fulfilled is RMB 77,412,815,406.00.

62. Taxes and surcharges

In RMB

Item	Amount of this period	Amount of last period
Urban maintenance and construction tax	6,370,897.87	4,476,332.66
Educational surtax	3,074,012.45	2,143,542.13
Locality Education surcharge	2,049,341.61	1,429,028.10
House tax	7,872,938.52	7,917,432.31
Land royalties	3,311,795.22	2,966,447.63
Stamp tax	2,258,781.31	2,892,505.51
vehicle and vessel tax	8,587.76	16,087.76
Other	10,834.10	21,349.06
Total	24,957,188.84	21,862,725.16

63. Administrative expense

In RMB

Item	Amount of this period	Amount of last period
Employees' remunerations	174,625,585.47	180,158,604.52
Asset depreciation and amortizing	34,717,569.64	27,204,957.33
Rental fee, House rental, property management, water and power	11,103,492.54	14,484,178.50
Stock payable	3,950,100.24	7,258,651.23
Service charge	8,209,972.38	7,146,367.03
Agency fee	6,709,737.70	5,617,435.41
Office expenses	8,059,752.80	4,271,679.78
Travel expenses and overseas travel expenses	3,982,846.66	3,916,356.80
Repair costs	1,561,936.83	2,862,013.17
Business expenses	1,759,598.41	2,570,177.17
Other	13,285,995.39	11,843,782.40
Total	267,966,588.06	267,334,203.34

64. Sales expense

In RMB

Item	Amount of this period	Amount of last period
Employees' remunerations	86,105,993.19	82,166,121.67
Consulting service fee	19,419,641.45	18,444,452.85
Travel expenses	17,014,828.85	12,819,501.14
Business reception expenses	11,292,802.44	8,952,038.87
Advertising fee	1,463,403.23	1,447,383.42
Conference expenses	835,613.87	1,277,590.80
Stock payable	634,993.91	1,125,123.03
Other	3,936,014.52	3,189,244.12
Total	140,703,291.46	129,421,455.90

65. R&D Expense

In RMB

Item	Amount of this period	Amount of last period
Labor cost	69,488,077.38	73,084,112.29
Direct materials	58,485,433.19	-6,545,487.47
Commissioned research & development	2,328,047.59	3,285,933.44
Depreciation expenses	998,752.19	1,325,820.58
Stock payable	654,986.45	1,396,699.68
Test and inspection fee	872,509.39	959,086.85
Other	2,380,295.19	4,116,129.08
Total	135,208,101.38	77,622,294.45

66. Financial expenses

In RMB

Item	Amount of this period	Amount of last period
Interest expense	3,379,641.05	9,566,674.01
Less: Interest capitalization	16,208,119.15	16,767,205.81
Incoming interests	-1,008,112.34	2,951,383.78
Exchange gains/losses	2,335,605.94	2,721,185.98
Commission	-11,500,984.50	-1,527,962.04
Total		

67. Other income

In RMB

Item	Amount of this period	Amount of last period
Government subsidies related to assets	31,366,443.44	26,222,047.18
Government subsidies related to income	20,926,902.60	12,969,614.87
Individual tax commission refunds	512,582.74	412,620.88
VAT additional deduction	12,365,886.00	12,324,438.94
Total	65,171,814.78	51,928,721.87

68. Net exposure hedging income**69. Gains on the changes in the fair value**

In RMB

Source	Amount of this period	Amount of last period
Transactional Financial assets	101,415.84	-494,402.22
Total	101,415.84	-494,402.22

70. Investment income

In RMB

Item	Amount of this period	Amount of last period
Discount loss on financing of receivable	-585,303.67	-1,656,676.95
Investment income of trading financial assets during the holding period	5,707,445.44	4,464,158.38
Dividend income from other equity instrument investments during the holding period	76,125,057.68	141,375,107.12
Debt restructuring gains	1,823,910.00	5,420,378.03
Terminated and recognized income of financial assets measured at amortized cost	-75,752.24	-9,999.70
Total	82,995,357.21	149,592,966.88

71. Credit impairment loss

In RMB

Item	Amount of this period	Amount of last period
Loss of bad debts of notes receivable	3,900,536.06	9,680,939.12
Loss of bad debts of accounts receivable	-28,099,732.71	-96,634,126.45
Loss of bad debts of other receivable	-291,751.08	-2,954,082.00
Loss of bad debts of long-term receivable	3,000,000.00	6,600,000.00
Total	-21,490,947.73	-83,307,269.33

72. Losses from asset impairment

In RMB

Item	Amount of this period	Amount of last period
I. Loss of inventory value and impairment of contract performance costs	-26,285,208.93	-18,527,834.96
X. Goodwill impairment loss	-3,212,311.56	
XI. Loss of impairment of contract assets	-13,319,169.22	-7,171,197.35
Total	-42,816,689.71	-25,699,032.31

73. Asset disposal income

In RMB

Source	Amount of this period	Amount of last period
Profits of disposal of fixed assets	200,000.00	325,796.51
Income from disposal of use assets	345,003.49	
Total	545,003.49	325,796.51

74. Non-operating income

In RMB

Item	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Compensation income	8,097,339.90	47,748,190.71	8,097,339.90
No payment required	120,290.72	406,006.40	120,290.72
Loss of non-current assets: obsolescence gain		21,217.03	
Other	10,239.49	22,664.64	10,239.49
Total	8,227,870.11	48,198,078.78	8,227,870.11

75. Non-operational expenses

In RMB

Item	Amount of this period	Amount of last period	Recorded in the amount of the non-recurring gains and losses
Compensation expenses	3,781,637.84	13,855,618.47	3,781,637.84
Donations	510,000.00	845,000.00	510,000.00
Non-current assets scrapping loss	25,258.18	508,006.61	25,258.18
Fine, late payment	3,336,566.18	24,894.46	3,336,566.18
Other	35,193.06	71,805.62	35,193.06
Total	7,688,655.26	15,305,325.16	7,688,655.26

76. Income tax expenses

(1) Details

In RMB

Item	Amount of this period	Amount of last period
Income tax of current term	40,736,304.38	32,429,374.88
Deferred income tax	-4,080,301.42	-25,155,523.21
Total	36,656,002.96	7,273,851.67

(2) Adjustment process of accounting profit and income tax expenses

In RMB

Item	Amount of this period
Total profit	189,322,043.84
Income tax expense at parent company's applicable tax rate	28,398,306.58
Effect of different tax rates applicable to subsidiaries	6,811,689.66
Adjustment for income tax in prior year	6,777,512.15
Income not subject to tax	-11,418,758.65
Effects of non-deductible costs, expenses and losses	7,560,696.71
Utilisation of deductible temporary differences for which no	-942,844.37

deferred tax asset was recognised in previous periods	
The impact of the deductible temporary difference or the deductible loss of the deferred income tax assets is not recognized in this period	12,547,490.31
Impact of additional deductions for R & D expenses	-13,300,066.80
Impact of additional deductions for the disabled	-139,796.92
Impact of share payments	361,774.29
Income tax expense	36,656,002.96

77. Other comprehensive income

For details, please refer to Note VIII(VII)57

78.Item of Cash flow statement

(1) Cash related to operating activities

Other cash received from business operation

In RMB

Item	Amount of this period	Amount of last period
Recovery of operating bank deposits	83,922,642.73	46,570,885.92
Government subsidies received	54,998,201.48	20,237,604.77
Deposit interest	16,217,505.68	16,770,780.65
Receipt of operating current account	5,413,657.05	4,650,409.64
Lease income	734,289.60	1,248,195.14
Other	565,755.47	1,922,529.61
Total	161,852,052.01	91,400,405.73

Explanation on other cash received in relation to operation activities: Not applicable

Other cash paid in relation to operation activities

In RMB

Item	Amount of this period	Amount of last period
Payment of operational bank deposits	132,013,936.20	107,101,622.21
Payment cash sales expenses	51,013,212.86	41,738,264.09
Payment cash Management expenses	55,114,457.30	52,719,883.55
Payment cash R & D cost	13,302,291.86	10,916,654.48
Payment cash financial expenses	2,335,605.94	2,721,185.98
Payment of business transactions	17,486,353.01	7,113,100.83
Other	4,113,746.74	1,242,500.08
Total	275,379,603.91	223,553,211.22

Explanation on other cash paid in relation to operation activities: Not applicable

(2) Cash related to Investment activities

Cash receivable related to other Investment activities

In RMB

Item	Amount of this period	Amount of last period
Repurchasing of trusteeship	826,000,000.00	656,200,000.00
Income from forward foreign exchange settlement and sale		19,694.27
Total	826,000,000.00	656,219,694.27

Explanation on Cash receivable related to other Investment activities :Not applicable

Cash paid related with investment activities

In RMB

Item	Amount of this period	Amount of last period
Purchasing of financial products	690,000,000.00	270,100,000.00
Total	690,000,000.00	270,100,000.00

Explanation on cash paid related with investment activities: Not applicable

(3)Cash related to Financing activities

Other cash received in relation to financing activities

In RMB

Item	Amount of this period	Amount of last period
Recovering the right to use the assets deposit	1,247,140.00	
Total	1,247,140.00	

Explanation on Other cash received in relation to financing activities: Not applicable

Other cash paid related with financing activities

In RMB

Item	Amount of this period	Amount of last period
Pay the rent of the right to use the asset	6,904,081.77	19,287,430.12
Financing notes due and payment	2,053,829.40	
Pay for the Treasury stock repurchase and cancellation payment	219,267.36	
Maturity and settlement of fund raising bills		12,163,500.00
Total	9,177,178.53	31,450,930.12

Explanation on Other cash paid related with financing activities: Not applicable

Changes in various liabilities arising from fund-raising activities

☐Applicable ☒Not applicable

(4) Statement of cash flows on a net basis

(5) Major activities and financial impacts that do not involve cash receipts and expenditures in the current period, but affect the financial position of the enterprise or may affect the cash flow of the enterprise in the future

79. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

In RMB

Supplementary information	Current amount	Amount of the previous period
1. Net profit adjusted to cash flow of operation activities:		
Net profit	152,666,040.88	180,939,697.43
Add: Assets impairment provision	64,307,637.44	109,006,301.64
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	86,949,664.66	78,877,576.08
Depreciation of right-of-use assets	5,785,227.27	10,007,957.21
Amortization of intangible assets	8,013,407.49	7,235,951.13
Amortization of long-term deferred expenses		
Loss from disposal of fixed assets, intangible assets and other long-term assets (gain is listed with "-")	-545,003.49	-1,150,244.53
Losses on scrapping of fixed assets (gain is listed with "-")	25,258.18	486,789.58
Gain/loss of fair value changes (gain is listed with "-")	-101,415.84	494,402.22
Financial expenses (gain is listed with "-")	7,463,305.45	12,567,532.63
Investment loss (gain is listed with "-")	-81,832,503.12	-145,839,265.50
Decrease of deferred income tax asset (increase is listed with "-")	3,160,309.64	-10,095,224.16
Increase of deferred income tax liability (decrease is listed with "-")	-7,240,611.06	-15,060,299.05
Decrease of inventory (increase is listed with "-")	-249,496,153.61	-602,924,751.62
Decrease of operating receivable accounts (increase is listed with "-")	103,476,567.49	-119,848,149.65
Increase of operating payable accounts (decrease is listed with "-")	-268,802,440.01	146,325,805.94
Other	8,613,289.84	15,390,317.08
Net cash flow arising from operating activities	-167,557,418.79	-333,585,603.57
2. Material investment and financing not involved in cash flow		
Conversion of debt into capital		
Switching Company bonds due within one year		
Financing lease of fixed assets		
New addition of the use right assets	2,415,049.17	5,985,689.50
3. Net change of cash and cash equivalents:		
Balance of cash at period end	1,790,286,823.99	1,765,649,802.28
Less: Balance of cash equivalent at year-begin	2,145,244,079.26	2,661,616,581.02
Add: Balance at year-end of cash equivalents		
Less: Balance at year-begin of cash equivalents		
Net increased amount of cash and cash equivalent	-354,957,255.27	-895,966,778.74

Note: Others Including net changes in special reserves (Including the portion attributable to minority shareholders) and recognized share payment expenses

(2) Net cash paid for obtaining subsidiary in the Period**(3) Net cash received by disposing subsidiary in the Period****(4) Constitution of cash and cash equivalent**

In RMB

Item	Ending balance	Opening balance
I. Cash	1,790,286,823.99	2,145,244,079.26
Including: Cash on hand	47,080.00	920.00
Bank deposit available for payment at any time	1,790,129,361.34	2,145,203,014.42
Other monetary capital could be used at any time	110,382.65	40,144.84
III. Balance of cash and cash equivalents at the period end	1,790,286,823.99	2,145,244,079.26

(5) Situations where the scope of use is limited but still classified as cash and cash equivalents**(6) Monetary funds that do not belong to cash and cash equivalents**

In RMB

Item	Amount of the current period	Amount of the previous period	Reason for not belonging to cash and cash equivalents
Bank acceptance bill margin	70,428,597.42	73,623,274.53	It is used to pledge for issuing bank acceptance bills, and cannot be used for payment at any time
L/G margin	25,482,979.57	16,766,519.75	It is used to pledge for issuing L/G, and cannot be paid at any time
ETC business margin	49,000.00	42,000.00	The account is frozen and cannot be paid at any time
Litigation security fund		10,000,000.00	The account is frozen and cannot be paid at any time
Pledged time deposit		3,948,535.59	It is used to pledge for issuing L/G, and cannot be paid at any time
Total	95,960,576.99	104,380,329.87	

(7) Description of other major activities**80. Note of statement of changes in the owner's equity**

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.

Not applicable

81. Monetary Item in foreign currencies**(1) Foreign currency monetary Item**

In RMB

Item	Balance at end of period	Exchange rate	Translated to RMB at end of
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			period
Monetary capital			414,999,292.63
Including: USD	57,180,637.43	7.1586	409,333,311.11
Euro	673,635.56	8.4024	5,660,155.43
HKD	6,384.75	0.9120	5,822.57
Yen	71.00	0.049594	3.52
Account receivable			227,360,180.65
Including: USD	26,139,188.81	7.1586	187,119,997.02
Euro	4,757,219.73	8.4024	39,972,063.06
HKD			
SGD	47,726.12	5.6179	268,120.57
Long-term loans			
Including: USD			
Euro			
HKD			
Contract assets			21,163,004.40
Including: USD	2,956,304.92	7.1586	21,163,004.40
Account payable			13,306,906.74
Including: USD	1,176,609.40	7.1586	8,422,876.05
Euro	571,539.39	8.4024	4,802,302.57
Ruble	510,933.33	0.091274	46,635.02
Pound	3,570.00	9.83	35,093.10

(2) Note to overseas operating entities, Including important overseas operating entities, which should be disclosed about its principal business place, function currency for bookkeeping and basis for the choice. In case of any change in function currency, the cause should be disclosed.

☐ Applicable ☒ Not applicable

82. Leasing

(1) The Company acts as the lessee

☒ Applicable ☐ Not applicable

Variable lease payments that are not Included in the measurement of lease liabilities

☐ Applicable ☒ Not applicable

Simplified processing of lease costs for short-term leases or lease for low-value assets

☒ Applicable ☐ Not applicable

1) For more information on right-of-use assets, please refer to Section VIII 7.25 of this report.

2) The Company's accounting policies for short-term leasing and low-value asset leasing are detailed in Section

X, V 41 Lease of this report. The amounts of short-term lease expenses and low-value asset lease expenses Included in the current profits and losses are as follows:

Item	June 30,2025	June 30,2024
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Short-term lease expense	1,683,590.11	3,134,912.06
Low-value asset lease expense (except short-term lease)		
Total	1,683,590.11	3,134,912.06

3) Current profit and loss and cash flow related to the lease

Item	June 30,2025	June 30,2024
Interest expense on lease liabilities	286,920.15	531,167.93
Total cash outflows related to leases	6,872,781.77	18,070,290.12
Profit or loss related to sale-leaseback transactions	-364,982.81	

4) The maturity period analysis of lease liabilities and the corresponding liquidity risk management are detailed in Section VIII, 12.1 of this report.

Information regarding transactions involving sale-leaseback transactions

Whether sale-leaseback transactions qualify as sales and the basis for determination

In the Company's sale-leaseback transactions, the lessor (who is also the buyer) cannot direct the use of the goods or obtain substantially all of the economic benefits, while the lessee (who is also the seller) direct the use of the leased asset and has not transferred control of the asset. Therefore, the Company's sale-leaseback transactions do not qualify as sales.

(2) The Company acts as the lessor

Operating lease as a lessor

☒Applicable ☐Not applicable

In RMB

Item	Rental income	Thereinto: income related to variable lease payments that are not Included in lease receipts
Real estate investment	1,136,861.02	0.00
Total	1,136,861.02	0.00

Financial lease as a lessor

☐Applicable ☒Not applicable

Annual undiscounted lease receipts for the next five years

☒Applicable ☐Not applicable

In RMB

Item	Annual undiscounted lease receipts	
	Ending balance	Opening balance
First year	520,899.80	445,700.00
Second year	201,495.00	312,899.80
Third year		148,652.00
Total undiscounted lease receipts after five years	722,394.80	907,251.80

Adjustment table for undiscounted lease receipts and net lease investments

(3) Recognition of financial lease sales gains and losses as a producer or distributor

☐Applicable ☒Not applicable

83.Data resources

84.Other

VIII. R&D expenditure

In RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Direct labor	69,488,077.38	73,084,112.29
Direct material	58,485,433.19	-6,545,487.47
Outsourcing R&D	2,328,047.59	3,285,933.44
Depreciation and amortization	998,752.19	1,325,820.58
Share-based payment	654,986.45	1,396,699.68
Test and inspection fee	872,509.39	959,086.85
Others	2,380,295.19	4,116,129.08
Total	135,208,101.38	77,622,294.45
Including: expensed R&D expenditure	135,208,101.38	77,622,294.45

1. R&D projects that meet the conditions for capitalization

2. Important outsourced projects under research

IX. Changes of merge scope

1. Business merger not under same control

(1) Business merger not under same control in reporting period

(2) Merger cost and goodwill

(3) Identifiable assets and liability on purchasing date under the acquiree

(4) Gains or losses arising from re-measured by fair value for the equity held before purchasing date

Whether it is a business combination realized by two or more transactions of exchange and a transaction of obtained control rights in the Period or not

☐Yes ☒No

(5) On purchasing date or period-end of the combination, combination consideration or fair value of identifiable assets and liability for the acquiree are un-able to confirm rationally

(6) Other note

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

(2) Combination cost

(3) Book value of the assets and liabilities of the merge at the merger date

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

4. The disposal of subsidiary

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

☐ Yes ☒ No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

☐ Yes ☒ No

5. Other reasons for the changes in combination scope

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

Company name	Equity acquisition method	The timing of equity acquisition	Capital contribution amount	Capital contribution ratio
Wuhu New Energy Company	Newly established subsidiary	2025.2.14	10,000,000.00	100.00%

6.Other

X. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

In RMB

Subsidiary	Registered capital	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
					Directly	Indirectly	
Auxiliary Machine Co.	80,000,000.00	Hangzhou	Hangzhou	Commerce	87.53%		Incorporation
Guoneng Company	40,000,000.00	Hangzhou	Hangzhou	Manufacturing		100.00%	Incorporation
Packaged Technologies Co.	51,000,000.00	Hangzhou	Hangzhou	Commerce	100.00%		Incorporation
Machinery Co.	30,000,000.00	Hangzhou	Hangzhou	Manufacturing	100.00%		Incorporation
Huayuan Company	21,000,000.00	Hangzhou	Hangzhou	Manufacturing		100.00%	Incorporation
Turbine Co.	20,000,000.00	Hangzhou	Hangzhou	Commerce	100.00%		Incorporation
Zhongneng Company	120,000,000.00	Hangzhou	Hangzhou	Manufacturing	46.89%		Incorporation
Hangfa Company	80,000,000.00	Hangzhou	Hangzhou	Manufacturing		100.00%	Business consolidation under the same control
Casing Company	29,500,000.00	Hangzhou	Hangzhou	Manufacturing	38.03%		Incorporation
Anhui Casting Company	130,000,000.00	Wuhu	Wuhu	Manufacturing		51.54%	Incorporation
New Energy Company	500,000,000.00	Hangzhou	Hangzhou	Manufacturing	100.00%		Business consolidation under the same control
Ranchuang Company	155,000,000.00	Hangzhou	Hangzhou	Manufacturing	100.00%		Business consolidation under the same control
Western Power Company	143,000,000.00	Pengzhou	Pengzhou	Manufacturing		56.64%	Business consolidation Not under the same control
Wuhu New Energy Company	10,000,000.00	Wuhu	Wuhu	Manufacturing	100.00%		Incorporation

Note: holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

(1) In December 2022, the subsidiary Zhongneng Company introduced strategic investors and simultaneously implemented employee shareholding, resulting in the Company's shareholding ratio falling from 60.83% to 46.89%. Since the shareholding ratio of the Company still exceeds 1/3, the three of the seven directors are appointed by the Company, and two other directors have signed the "Concerted Action Person Agreement" with the Company, thus the Company controls Zhongneng Company.

(2) In December 2018, the subsidiary Casting & Forging Company introduced external strategic investors, resulting in the Company's shareholding ratio falling from 51% to 38.03%. Since the Company still holds more than 1 / 3 equity and holds three of the five board seats, it has control over the casting company.

Basis on determining to be an agent or consignor: Not applicable

(2) Significant not wholly owned subsidiary

In RMB

Name of the subsidiaries	Share portion of minor shareholders	Gains/loss of the period attributable to minor shareholders	Dividend announced in the period to minor shareholders	Balance of equity of minor shareholders at end of period
Zhongneng Company	53.11%	4,117,119.09	9,560,115.00	217,665,403.44

Holding proportion of minority shareholder in subsidiary different from voting proportion: Not applicable

(3) The main financial information of significant not wholly owned subsidiary

In RMB

Subsidiaries Name	End of term						Beginning of term					
	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total of liability	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total of liability
Zhongneng Company	1,751,630,091.56	544,770,369.16	2,296,400,460.72	1,586,137,443.78	300,851,826.77	1,886,989,270.55	1,720,523,046.82	459,143,256.52	2,179,666,303.34	1,483,502,219.43	276,536,406.20	1,760,038,625.63

In RMB

Subsidiaries Name	Amount of current period				Amount of previous period			
	Turnover	Net profit	Total Misc Gains	Cash flow for business activities	Turnover	Net profit	Total Misc Gains	Cash flow for business activities
Zhongneng Company	690,560,032.08	7,337,271.72	7,337,271.72	-12,705,742.80	499,950,935.60	-51,477,684.82	-51,477,684.82	34,856,554.30

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary**(1) Note to owner's equity share changed in subsidiary****(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company****3. Equity in joint venture arrangement or associated enterprise****(1) Significant joint venture arrangement or associated enterprise**

Name of Subsidiary	Main Places of Operation	Registration Place	Nature of Business	Shareholding Ratio (%)		The accounting treatment of investment in associates
				direct	indirect	
Lianyungang Zhonghang Gas Turbine Technology Co., Ltd	Lianyungang	Lianyungang	Manufacturing	45.00%		Equity method

Share-holding ratio or shares enjoyed different from voting right ratio:

Basis of the voting rights with 20% below but with major influence, or without major influence but with over 20% (20% Included) voting rights hold:

(2) Major joint ventures and associates**(3) Main financial information of significant associated enterprise****(4) Summary financial information of insignificant joint venture or associated enterprise****(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements****(6) The excess loss of joint venture or associated enterprise****(7) The unrecognized commitment related to joint venture investment****(8) Contingent liabilities related to joint venture or associated enterprise investment****4. Significant common operation****5. Equity of structure entity not Including in the scope of consolidated financial statements****6. Other****XI. Government subsidy****1. Government subsidies recognized according to the receivable amount at the end of the reporting period**

☐Applicable ☒Not applicable

The reason for not receiving the estimated amount of government subsidies at the expected point in time

☐Applicable ☒Not applicable

2. Liabilities involving government subsidies

☒Applicable ☐Not applicable

In RMB

Accounting subject	Beginning balance	New subsidy amount in the current period	Amount Included in non-operating income in the current period	Amount transferred to other income in the current period	Other changes in the current period	Closing balance	Related to assets/income
Deferred income-Compensation for expropriation and relocation	1,008,979,119.12			31,326,402.88		977,652,716.24	Related to assets
Deferred income-other subsidies	18,577,940.00	15,370,000.00		40,040.56		33,907,899.44	Related to assets
Deferred income-other subsidies	7,823,642.62	16,694,000.00		1,616,578.84	1,170,000.00	24,071,063.78	Related income
Special payable-subsidy for personnel training funds	15,885,744.52			1,458,522.28	-1,170,000.00	13,257,222.24	Related to income
Subtotal	1,051,266,446.26	32,064,000.00		34,441,544.56		1,048,888,901.70	

Note: Other changes are the transfer of government subsidies from special payables to deferred income

3. Government subsidies Included in the current profit and loss

☒Applicable ☐Not applicable

In RMB

Accounting Item	Amount incurred in the current period	Amount incurred in the previous period
Amount of government subsidies Included in other income	52,293,346.04	39,191,662.05
Impacted amount of financial discount on total profit	5,082,400.00	45,900.00
Total	57,375,746.04	39,237,562.05

XII. Risks related to financial instruments

1. Risks related to financial instruments

The objective of the Company's risk management is to achieve a balance between the risk and gains. Constrain the negative influence on business operation to the lowest limit, and maximum the interests of shareholders and other equity holders. With regard to this target, the basic policies of the Company are; locate and analyse the risks, set appropriate bottom line for risks, and manage and monitor on each risk and constrain them in a certain extent.

Risks attached to financial instruments are mainly credit risks, liquidity risks, and market risks.

The following risk managing policies have been examined and approved by the management:

(I) Credit risks

Credit risks are introduced when one party of the financial instrument failed to exercise its liabilities and then caused financial loss to another.

1. Credit risk management practice

(1) Evaluation method of credit risk

On each balance sheet date, the company evaluates whether the credit risk of relevant financial instruments has increased significantly since the initial confirmation. When determining whether the credit risk has increased significantly since the initial confirmation, the company considers to obtain reasonable and reliable information without unnecessary extra costs or efforts, Including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the company compares the risk of default of financial instruments on the balance sheet date with the risk of default on the initial confirmation date to determine the change of default risk of financial instruments during their expected duration.

When one or more of the following quantitative and qualitative criteria are triggered, the company believes that the credit risk of financial instruments has increased significantly:

1) The quantitative standard is mainly that the probability of default for the remaining duration on the balance sheet date rises by more than a certain proportion compared with the initial confirmation;

2) Qualitative criteria mainly Includes significant adverse changes in the debtor's operation or financial situation, changes in existing or expected technology, market, economic or legal environment, and significant adverse effects on the debtor's repayment ability of the company.

(2) Definition of default and credit impairment assets

When a financial instrument meets one or more of the following conditions, the company defines the financial asset as having defaulted, and its criteria are consistent with the definition of having incurred credit impairment:

1) The debtor has major financial difficulties;

2) The debtor violates the binding provisions on the debtor in the contract;

3) The debtor is likely to go bankrupt or undergo other financial restructuring;

4) The creditor gives concessions that the debtor will not make under any other circumstances due to economic or contractual considerations related to the debtor's financial difficulties.

2. Measurement of expected credit loss

Key parameters of expected credit loss measurement Includes default probability, loss given default and default risk exposure. The company considers the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, collateral type, repayment method, etc.) to establish default probability, loss given default and default risk exposure models.

3. Please refer to Notes VIII (7)4,5,6,8 and 17 of these financial statements for details of the reconciliation statement of the opening balance and closing balance of the financial instrument loss reserve.

4. Credit risk exposure and credit risk concentration

The company's credit risk mainly comes from monetary funds and receivables. In order to control the above-mentioned related risks, the company has taken the following measures respectively.

(1) Monetary fund

The company deposits bank deposits and other monetary funds in financial institutions with high credit rating, so its credit risk is low.

(2) Account receivable

The Company performs credit assessment on the clients on periodic and constant basis. Results suggested by the assessment are used by the Company to determine clients with higher ranks and to overlook the rest. This was

conducted to avoid risks brought by material bad debts.

As the Company only does business with recognized and reputable third parties, so no collateral is needed. Credit risks are centralized managed in accordance with customers. As of June 30,2025, the Company has a characteristic of specific credit risk concentration. 35.56% (December 31,2024: 37.67%) of the Company's accounts receivable comes from the top five customers. The Company does not hold any collateral or other credit enhancement for the balance of accounts receivable.

The maximum credit risk exposure the company is subject to is the book value of each financial asset in the balance sheet.

(II) Liquidation risks

Liquidation risks are the possibilities of short in cash at fulfilling liabilities of payment or settlement for financial assets. They may be caused by failing to cash financial assets at fair value instantly; debtors' failing of paying debts due; debts due before schedule; or failing of generating expected cash flow.

To handle these risks, the Company adopted multiple measures such as note clearance and bank loans. Long-term and short-term financing approaches were used to maintain balance between constancy and flexibility. The Company has obtained credit from multiple banks to satisfy the needs of business operation and capital output.

Categorizing of financial liabilities on remained period to due

Item	Year-end balance				
	Book value	Contract amount not discounted	within 1 year	1-3 years	Over 3 years
Bank loans	1,101,466,310.34	1,188,407,439.40	650,280,672.46	98,508,361.46	439,618,405.48
Notes payable	539,502,091.28	539,502,091.28	539,502,091.28		
Account payable	1,484,941,215.05	1,484,941,215.05	1,484,941,215.05		
Other payable	119,160,485.25	119,160,485.25	119,160,485.25		
Lease liabilities[Note]	11,611,859.17	12,172,256.80	6,008,361.14	5,531,094.74	632,800.93
Long-term payable[Note]	8,378,541.32	9,184,207.00	3,921,658.80	5,262,548.20	0.00
Subtotal	3,265,060,502.41	3,353,367,694.78	2,803,814,483.98	109,302,004.40	440,251,206.41

(Continued)

Item	Balance at the end of last year				
	Book value	Contract amount not discounted	within 1 year	1-3 years	Over 3 years
Bank loans	972,763,678.03	1,021,416,102.48	665,039,702.97	154,937,906.34	201,438,493.17
Notes payable	637,585,272.90	637,585,272.90	637,585,272.90		
Account payable	1,686,388,594.36	1,686,388,594.36	1,686,388,594.36		
Other payable	140,658,195.10	140,658,195.10	140,658,195.10		
Lease liabilities[Note]	20,062,517.93	20,821,504.23	13,793,181.45	6,064,031.82	964,290.96
Long-term payable[Note]	10,067,387.91	11,238,036.40	4,107,658.80	7,130,377.60	

Item	Balance at the end of last year				
	Book value	Contract amount not discounted	within 1 year	1-3 years	Over 3 years
Subtotal	3,467,525,646.23	3,518,107,705.47	3,147,572,605.58	168,132,315.76	202,402,784.13

Note: Lease liabilities Includes non-current liabilities within one year - lease liabilities due within one year, and long-term payables Includes non-current liabilities due within one year - long-term payables due within one year

(III) Market risks

Market risks are those brought by change of fair value or expectable cash flow of financial instruments due to change of market prices, mainly interest risks and exchange rate risks.

1. Interest risks

Interest risks are those brought by change of fair value or expectable cash flow of financial instruments due to change of interest rates, mainly regards the loans at floating interest rates.

Fixed-rate interest-bearing financial instruments expose the Company to fair value interest rate risks, while floating-rate interest-bearing financial instruments expose the Company to cash flow interest rate risks. The Company determines the ratio of fixed interest rate to floating interest rate financial instruments according to the market environment, and maintains an appropriate portfolio of financial instruments through regular review and monitoring. The cash flow interest rate risk faced by the Company is mainly related to the bank borrowings with floating interest rates.

As of June 30, 2025, the company's bank borrowings with floating interest rate were RMB732,358,864.93 (December 31, 2025: RMB502,786,655.46). Under the assumption that other variables remain unchanged, assuming that the interest rate changes by 50 benchmark points, there will be no significant impact on the company's total profits and shareholders' equity.

2. Foreign currency risks

Foreign currency risks (exchange rate risks) are those caused by change of fair value or expectable cash flow of financial instruments due to fluctuation of exchange rates. These risks are mainly related to foreign currency assets and liabilities. The Company operates in mainland China and mostly uses RMB as standard currency, therefore no major risks regarding exchange rates. For details of foreign currency assets and liabilities, please go to the descriptions in the notes to the consolidated financial statements.

Details of the company's foreign currency monetary assets and liabilities at the end of the period are described in Note VIII (VII)81 to the Financial Statements.

2. Hedging

(1) The Company conducts hedging business for risk management

☐Applicable ☒Not applicable

(2) The Company conducts qualified hedging business and applies hedge accounting

(3) The Company conducts hedging business for risk management and expects to achieve risk management objective but does not apply hedge accounting

☐Applicable ☒Not applicable

3. Financial assets

(1) Classification of transfer methods

☐Applicable ☒Not applicable

(2) Financial assets that have been derecognized as a result of a transfer

☐Applicable ☒Not applicable

(3) Financial assets of continued involvement in asset transfer

☐Applicable ☒Not applicable

Other note

XIII. The disclosure of the fair value**1. Closing fair value of assets and liabilities calculated by fair value**

In RMB

Item	Closing fair value			
	Fair value measurement Item at level 1	Fair value measurement Item at level 2	Fair value measurement Item at level 3	Total
I. Consistent fair value measurement	--	--	--	--
1. Transactional financial assets and other non-current financial assets	1,952,254.92		537,534,773.22	539,487,028.14
Financial assets classified as fair value through profit or loss	1,952,254.92		537,534,773.22	539,487,028.14
Structure deposit			322,000,000.00	322,000,000.00
Financing product			210,000,000.00	210,000,000.00
equity instrument investment	1,952,254.92		5,534,773.22	7,487,028.14
2. Financing receivable			644,900,869.13	644,900,869.13
3. Other equipment instrument investment	4,572,940,964.92			4,572,940,964.92
Total liabilities of consistent fair value measurement	4,574,893,219.84		1,182,435,642.35	5,757,328,862.19
II. Non-continuous fair value measurement	--	--	--	--

2. Market price recognition basis for consistent and inconsistent fair value measurement Item at level 1

The Company's investments in the first-level fair value measured transactional financial assets and other equity instruments are stocks traded in active markets, and the Company determines their fair value based on their active market quotations.

3. Continuous and non-continuous Second-level fair value measurement Item, using valuation techniques and qualitative and quantitative information on important parameters**4. Continuous and non-continuous third-level fair value measurement Item, using valuation techniques and qualitative and quantitative information on important parameters**

The receivables financed by the third level of fair value measured by the Company are bank acceptance bills receivable, which have less credit risk and a shorter remaining maturity, and the Company determines its fair value with its par balance.

The Company's investment in other equity instruments measured at the third level of fair value is the equity of unlisted companies. For investment in unlisted equity instruments, the Company comprehensively considers the

use of market methods and discounted future cash flows to estimate fair value. If there are no major changes in the operating environment, operating conditions and financial situation of the invested enterprise, the Company shall measure by use the investment cost as a reasonable estimate of fair value.

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement Item at level 3

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement Item at different levels

7. Changes in the valuation technique in the current period and the reason for change

8. Fair value of financial assets and liabilities not measured at fair value

9. Other

The Company's financial assets and financial liabilities not measured at fair value mainly Including: monetary funds, notes receivable, accounts receivable, other receivables, long-term receivables, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, lease liabilities, long-term payables, etc., and their book value is slightly different from fair value.

9. Other

XIV. Related party and related Transaction

1. Information related to parent company of the Company

Name of the parent company	Registered place	Business nature	Registered capital	Shareholding ratio in the Company (%)	Voting ratio in the Company (%)
Turbine Holdings	Hangzhou China	Manufacturing	800 million	58.70%	58.70%

Notes

Hangzhou Municipal Government State-owned Asset Supervisory Committee is the ultimate controller of the Company.

Other note: Not applicable

2. Subsidiaries of the enterprise

For details of the subsidiary, see Note VIII,10 to the financial statements.

3. Information on the joint ventures and associated enterprises of the Company

4. Other related parties of the Company

Name of other related parties	Relationship with the Company
Hangzhou Capital	The parent company of Turbine Holdings

Hangzhou Xiangjiang Technology Co., Ltd.	A subsidiary enterprise of Turbine Holdings
Hangzhou Oxygen Group Co., Ltd	Affiliated enterprise of Hangzhou Capital
Hangzhou Oxygen Turbine Machinery Co., Ltd	Affiliated enterprise of Hangzhou Oxygen
Hangzhou Oxyen Expander Machine Co., Ltd.	Affiliated enterprise of Hangzhou Oxygen
Hangzhou Oxyen Tooling Pump Co., Ltd	Affiliated enterprise of Hangzhou Oxygen
Hangzhou Oxygen Casting Co., Ltd.	Affiliated enterprise of Hangzhou Oxygen
Hangzhou Oxygen Forging heat Co., Ltd.	Affiliated enterprise of Hangzhou Oxygen
Jiangxi Oxyen Gas Co., Ltd.	Affiliated enterprise of Hangzhou Oxygen
GreenesolPower System Pvt. Ltd.	shareholding enterprise of the company
Hangzhou Turbine Auto sales service Co., Ltd.	Affiliated enterprise of Turbine Holdings
Hangzhou Turbine Trading Co., Ltd.	A subsidiary enterprise of Turbine Holdings

5.Related transaction

(1) Sale of goods/rendering of labor services/labor service offering

Purchase of goods and service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
Hangzhou Turbine Auto sales service Co., Ltd.	Freight, storage services, repair, etc	22,451,254.83	51,363,891.74	No	22,591,636.16
Hangzhou Turbine Trading Co., Ltd.	Grinding fee, packaging fee, storage service	2,138,421.75	14,917,709.25	No	7,386,588.46
Hangzhou Oxygen Casting Co., Ltd.	Part	761,610.80		No	
Hangzhou Oxygen Forging heat Co., Ltd.	Forging	335,649.28	500,000.00	No	
Hangzhou Oxyen Tooling Pump Co., Ltd	Regulating value	100,000.00	100,000.00	No	
Subtotal		25,786,936.66			29,978,224.62

Related transactions regarding sales of goods or providing of services

In RMB

Related parties	Subjects of the related transactions	Current term	Same period of last term
Oxyen Company	Auxiliary	53,993,744.24	
GreenesolPower System Pvt. Ltd.	Part	963,169.18	311,091.69
Hangzhou Turbine Machinery Co., Ltd	Industrial steam turbine and auxiliary	109,433.96	2,401,920.19
Hangzhou Turbine Trading Co., Ltd.	Water and electricity	107,977.03	129,200.72
Jiangxi Oxyen Gas Co., Ltd.	Auxiliary		20,176.99
Subtotal		55,174,324.41	2,862,389.59

Explanation on goods purchasing, labor service providing and receiving

Not applicable

(2) Related trusteeship/contract and delegated administration/outsourcing

(3) Information of related lease

- The company was lessee:

In RMB

Lessor	Category of leased assets	Rental charges for short-term and low-value assets (if any)		Variable lease payments not Included in lease liabilities measurement (if any)		Rent paid		Interest expenses on lease liabilities assumed		Increased use right assets	
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
		of current period	of previous period	of current period	of previous period	of current period	of previous period	of current period	of previous period	of current period	of previous period
Hangzhou Turbine Trading Co., Ltd.	House and Building					1,043,674.02	1,211,094.95	49,263.73	62,194.70		
Hangzhou Xiangjiang Technology Co., Ltd.	House and Building					1,214,466.05	1,145,495.16	27,599.62	73,270.62		

Explanation on related lease :Not applicable

(4) Related-party guarantee**(5) Inter-bank lending of capital of related parties****(6) Related party asset transfer and debt restructuring****(7) Remunerations of key managements**

In RMB

Item	Current term	Same period of last term
Remunerations of key managements	7,226,289.38	8,587,792.55

(8) Other related transactions

1) In this period, the company exclusively used the registered trademark owned by Turbine Holdings for free; and exclusively used 82 patents, 6 software copyrights, non-patented technologies and R&D achievements related to the 50MW power gas turbine R&D project (i.e. licensed project) owned by Turbine Holdings for free; The Company paid the trademark maintenance fee to Hangzhou Turbine Holding Company by 79,481.13 yuan.

2) In the current period, the subsidiary Hangfa Company received a streamlined employee subsidy of 708,400.00 yuan from Hangzhou Turbine Holding Company.

6. Receivables and payables of related parties

(1) Receivables

In RMB

Name	Related party	End of term		Beginning of term	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Greenesol Power System Pvt.Ltd.	15,184,612.10	15,158,369.52	15,247,666.92	15,221,424.34
	Hangzhou Oxyen Turbine Machinery Co., Ltd.	4,955,500.00	3,732,400.00	4,700,500.00	3,706,900.00
	Hangzhou Oxyen Co., Ltd.	2,661,000.00	798,300.00	2,769,000.00	775,700.00
	Hangzhou Oxyen Expander Machine Co., Ltd.			47,000.00	4,700.00
Subtotal		22,801,112.10	19,689,069.52	22,764,166.92	19,708,724.34
Financing receivable	Hangzhou Oxyen Turbine Machinery Co., Ltd.			2,500,000.00	
Subtotal				2,500,000.00	
Advanced payment	Greenesol Power System Pvt.Ltd.	186,504.67		186,504.67	
Subtotal		186,504.67		186,504.67	
Other receivable	Hangzhou Xiangjiang Technology Co., Ltd.	601,384.98	481,107.98	601,384.98	481,107.98
	Industry and trade Company	129,497.27	6,474.86	58,349.73	2,917.49
Subtotal		730,882.25	487,582.84	659,734.71	484,025.47
Constrict assets	Oxyen Co., Ltd.	9,151,939.65	457,596.98	1,225,000.00	122,500.00
	Hangzhou Oxyen Expander Machine Co., Ltd.	1,075,000.00	53,750.00	1,330,000.00	66,500.00
Subtotal		10,226,939.65	511,346.98	2,555,000.00	189,000.00

(2) Payables

In RMB

Name	Related party	Amount at year	Amount at year beginning
Account payable	Sales Company	10,134,588.42	14,122,505.23
	Industry and trade Company	1,233,608.59	2,273,326.25
	Hangzhou Oxygen Casting Co., Ltd.	553,379.72	321,405.12
	Hangzhou Oxygen Forging heat Co., Ltd.	379,731.83	169,161.43
Subtotal		12,301,308.56	16,886,398.03
Notes Payable	Sales Company	2,730,917.86	750,000.00
	Industry and trade Company	318,898.28	2,634,595.48
Subtotal		3,049,816.14	3,384,595.48
Contract liabilities	Hangzhou Oxyen Co., Ltd.	1,213,606.20	21,795,949.03
	Hangzhou Oxyen Turbine Machinery Co., Ltd.	637,168.14	
	GreenesolPower System Pvt. Ltd.		199,708.29
Subtotal		1,850,774.34	21,995,657.32
Other payable	Sales Company	1,212,279.82	100,000.00
	Turbine Holdings Company	438,350.00	311,380.51
Subtotal		1,650,629.82	411,380.51
Lease liabilities	Hangzhou Xiangjiang	831,546.41	2,074,262.18

	Technology Co., Ltd.		
	Industry and trade Company	764,927.45	1,951,793.88
Subtotal		1,596,473.86	4,026,056.06

7. Related party commitment

8. Other

XV. Stock payment

1. The Stock payment overall situation

√ Applicable ☐ Not applicable

In RMB

Grant object category	Grant in the current period		Exercise in the current period		Unlocking in the current period		Failure in the current period(Note)	
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Management staff					679,536	2,424,546.22		
Operating personnel					10,296	36,735.55		
Total					689,832	2,461,281.77		

Note: The number of original shares unlocked in this period is 442,200 shares, and the number in the table is the number of shares after the bonus shares given in the past, 3 bonus shares for every 10 shares in the 2021 profit distribution plan, and 2 bonus shares for every 10 shares in the 2022 profit distribution plan

Stock options or other equity instruments issued at the end of the period

√ Applicable ☐ Not applicable

Grant object	Stock options issued outside at the end of the term		Other equity instruments outstanding at the end of the period	
	Strike price Range	Remaining term of the contract	Strike price Range	Remaining term of the contract
Management personnel, R&D personnel, Sales personnel, production personnel			The price of restricted shares initially granted in September 2021 and reserved for grant in December 2021 was HK\$ 6.825 per share.	The lock-up period for the first grant and reserved grant of restricted shares is 24 months, 36 months and 48 months respectively from the date of completion of the registration of restricted shares

Other note

(1) Restricted stocks released in the current period

According to the Proposal on Achievement of Partial First-phase Lifting of Restricted Sale of the First Grant Part of Restricted Stock Incentive Plan in 2021, which was reviewed and passed by the 10th Meeting of the Ninth Board of Directors and the Fourth Meeting of the Ninth Board of Supervisors in 2024, as of January 13, 2025, the first period for restricted sale of restricted stock of second grant in 2021 in the equity incentive plan has expired. The number of restricted stocks that can be lifted for restricted sale is 689,832 shares.

2. Equity-settled share-based payment

√ Applicable ☐ Not applicable

In RMB

Significant parameters of fair value of Equity instruments on Determine the method	Closing price on the grant date
Significant parameters of fair value of equity instruments on the grant date	Closing price on the grant date
The basis for determining the number of viable equity instruments	Best estimate of the number of unlocked
Cumulative amount of equity-settled share-based payment Included in capital reserve	145,597,250.80
Total expenses recognized for equity-settled share-based payments in the current period	6,066,103.04

3. The Stock payment settled by cash

☐ Applicable ☒ Not applicable

4. Modification and termination of the stock payment

☒ Applicable ☐ Not applicable

In RMB

Grant object category	Equity-settled share-based payment fees	Cash-settled share-based payment fees
Management personnel	3,744,600.24	
R & D personnel	654,986.45	
Sales personnel	634,993.91	
Operating personnel	1,031,522.44	
Total	6,066,103.04	

5. Revised and termination on share-based payment

6. Other

XVI. Commitment or contingency

I. Important commitments

Important commitments in balance sheet date

As of June 30,2025, the outstanding balance of L/G issued by the Company and its subsidiaries in relevant banks was EUR 2,179,399.50 and SEK333,509,275.500 and RMB 12,326,719.52, and the outstanding balance of L/G was USD7,289,052.85, EUR 5,393,700.00 and RMB 580,765,177.06.

II Contingency

(1) Significant contingency at balance sheet date

In January 2025, Zhejiang Sanjian Construction Group Co., Ltd.(Sanjian Group) sued the Company in the Linping District People's Court of Hangzhou City, demanding that the Company pays the additional fee of 17,138,955.10 yuan and the corresponding overdue interest of 453,372.94 yuan for the high-quality project

involved in the "Construction Contract for the Joint Plant, Distribution Center, Technical Office Building, and Doorman Engineering Construction Project of the Annual Output of 450 Units(Sets) of Industrial Turbine Machinery Construction Project". Sanjian Group Company sued the Company in the Gongshu District People's Court of Hangzhou City, demanding that the Company pay the additional fee of RMB 8,083,316.80 and the corresponding overdue interest of RMB 59,727.96 for the project of " No. 73[2013]Hangzheng Chuchu(Lighthouse Unit C6-D12, Xiacheng District) Plot Research Building" constructed by Sanjian Group Company in the "Construction Engineering Construction".

As of the date of approval of this financial statement, None of the above cases have yet to be tried.

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

3.Other

XVII. Events after balance sheet date

1. Significant events had not adjusted

2. Profit distribution

3. Sales return

4. Notes of other significant events

The Company does not have any non-adjustment Item among the major Item after the balance sheet date that need to be disclosed.

XVIII. Other significant events**1. The accounting errors correction in previous period****(1) Retrospective restatement****(2) Prospective application****2. Debt restructuring****3. Replacement of assets****(1) Non-monetary assets exchange****(2) Other assets replacement****4. Pension plan****5. Discontinuing operation****6. Segment information****(1) Recognition basis and accounting policies of reportable segment**

The Company's main business is to produce and sell industrial steam turbines, their auxiliaries, accessories and other products. The Company regards such business as a whole to implement management and evaluate the operating results. Therefore, the Company does not need to disclose segment information. The operating income and operating costs of the Company by product/region are detailed in Note VIII VII (61) of the Financial Statements.

(2) The financial information of reportable segment

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

(4) Other note**7. Other important transactions and events have an impact on investors' decision-making****8. Other****(1) Relocation of Zhongneng Company**

The 27th meeting of the Eighth Board of Directors of the Company reviewed and passed the Proposal on Zhongneng Company's Investment in Building a New Production Base. Zhongneng Company started the overall relocation of the enterprise and planned to invest in building a new production base in Qianjin Manufacturing Park, Dajiangdong Industrial Cluster Area, Qiantang New District, Hangzhou. According to the needs of the development and construction of Dongbuwan New Town in Qiantang New District, Hangzhou, Zhongneng Company and the development and construction headquarters of Dongbuwan New Town in Hangzhou signed the

Compensation Agreement for Relocation of Non-residential Houses on February 13, 2023. The relevant plots are No.18, 22nd Street, Baiyang Block, Hangzhou Economic and Technological Development Zone and No.855, 18th Street, Baiyang Block, Hangzhou Economic and Technological Development Zone. The compensation Includes compensation for real estate, decoration and accessories within the relocation scope, compensation for equipment relocation, relocation expenses, loss of production and business suspension (Including compensation for employee resettlement, operating losses, etc.), contract award and plot ratio subsidy award, etc. The total compensation for relocation of the two plots is RMB 202.227 million. On December 18, 2023, Zhongneng Company completed the handover work within the relocation scope of No.855, 18th Street, Baiyang Block, Hangzhou Economic and Technological Development Zone, and received 90% of the compensation funds for the plot relocation, namely RMB 85,154,850.00, and recognized the income from the disposal of the relocated assets of RMB 65,888,315.19. As of June 30, 2025, the relocation project of No.18, 22nd Street, Baiyang Block, Hangzhou Economic and Technological Development Zone had not been completed, and 60% of the compensation funds for this plot relocation, namely RMB 64,566,300.00 (Including RMB 58,696,860.00 for relocation compensation and RMB 5,869,440.00 for incentive subsidies) had been received.

(2) Set up the joint venture

On April 25, 2025, the Company and Jiangsu Yangjing Petrochemical Group Co., Ltd. jointly established Lianyungang Zhonghang Gas Turbine Technology Co., Ltd., with a registered capital of 100,000,000 yuan, and the Company subscribes the contribution of 45 million yuan. As of June 30, 2025, the Company has not actually contributed capital.

XIX. Notes of main Item in the financial statements of the Parent Company

1. Accounts receivable

(1) Disclosure according to the aging

In RMB

Aging	Balance in year-end	Balance Year-beginning
Within one year(one year Included)	608,467,735.92	690,648,752.58
1-2 years	543,354,244.65	541,529,828.81
2-3 years	183,556,149.98	354,309,186.23
Over 3 years	466,244,157.17	383,116,168.44
3-4 years	197,911,793.31	130,737,352.69
4-5 years	69,792,636.41	40,531,902.89
Over 5 years	198,539,727.45	211,846,912.86
Total	1,801,622,287.72	1,969,603,936.06

(2) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accrual of bad	13,341,400.00	0.74%	13,341,400.00	100.00%						

debt provision by single										
Including:										
Accrual of bad debt provision by portfolio	1,788,280,887.72	99.26%	494,904,893.01	27.67%	1,293,375,994.71	1,969,603,936.06	100.00%	491,984,739.00	24.98%	1,477,619,197.06
Including:										
Total	1,801,622,287.72	100.00%	508,246,293.01	28.21%	1,293,375,994.71	1,969,603,936.06	100.00%	491,984,739.00	24.98%	1,477,619,197.06

Accrual of bad debt provision by single term :

In RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Proportion%	Reason
Accrual of bad debt provision by single			13,341,400.00	13,341,400.00	100.00%	Not expected to be recovered

Accrual of bad debt provision by portfolio:

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Proportion
Aging portfolio	1,669,231,850.95	494,904,893.01	29.65%
Related party Portfolio	119,049,036.77		
Total	1,788,280,887.72	494,904,893.01	

Relevant information of the provision for bad debts will be disclosed with reference to the disclosure method of other receivables if the provision for bad debts of bills receivable is accrued according to the general model of expected credit loss:

☐ Applicable ☒ Not applicable

(3) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Accrual	Reversed or collected amount	Write-off	Other	
Accrual of bad debt provision by Single term		13,341,400.00				13,341,400.00
Accrual of bad debt provision by portfolio	491,984,739.00	2,945,004.01		24,850.00		494,904,893.01
Total	491,984,739.00	16,286,404.01		24,850.00		508,246,293.01

(4) Account receivables actually write-off during the reporting period

In RMB

Item	Amount
Account receivables actually write-off	24,850.00

(5) The top five accounts receivable and contract assets at the end of the period aggregated according to debtor

In RMB

Name of the organization	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Proportion to the total ending balance of accounts receivable and contract assets	Ending balance of accounts receivable bad debt provision and contract asset impairment provision
Shenyang Turbine Machinery Co., Ltd	614,165,601.71	105,173,745.00	719,339,346.71	32.35%	123,660,091.67
Hangzhou Turbine New Energy Co., Ltd.	96,502,043.40	59,300,000.00	155,802,043.40	7.01%	
Xi'an Shaangu Power Co., Ltd	127,128,729.12	11,136,700.00	138,265,429.12	6.22%	76,364,080.81
The 704 Research Institute of China State Shipbuilding Co., Ltd.	129,905,197.34	7,501,716.66	137,406,914.00	6.18%	24,728,181.50
Bohai Shipyard Group Co., Ltd	61,692,959.00	2,684,123.94	64,377,082.94	2.89%	3,772,491.98
Total	1,029,394,530.57	185,796,285.60	1,215,190,816.17	54.65%	228,524,845.96

2. Other account receivable

In RMB

Item	Ending balance	Opening balance
Dividend receivable	76,125,057.68	
Other receivable	8,503,295.67	10,694,085.45
Total	84,628,353.35	10,694,085.45

(1) Interest receivable**1) Category****2) Important overdue interest****3) Accrual of bad debt provision**
☐Applicable ☒Not applicable

4) Bad debt provision accrual, collected or reversal in the period**5) Interest receivables actually written off in the current period****(2) Dividend receivable****1) Category**

In RMB

Item	Ending balance	Opening balance
Hangzhou Bank	76,125,057.68	
Total	76,125,057.68	

2) Important dividend receivable with over one year aged**3) Accrual of bad debt provision**
☐ Applicable ☒ Not applicable
4) Bad debt provision accrual, collected or reversal in the period**5) Dividend receivables actually written off in the current period****(3) Other account receivable****1) By nature**

In RMB

Nature	Ending book balance	Opening book balance
Deposit	11,428,367.44	13,635,642.93
Provisional payment receivable	555,174.21	563,424.62
Other	1,986,027.46	2,057,845.98
Total	13,969,569.11	16,256,913.53

2) Disclosure by aging

In RMB

Aging	Ending book balance	Opening book balance
Within 1 year(Including 1 year)	8,435,395.16	10,935,039.59
1-2 years	212,000.01	
2-3 years	50,000.00	50,000.00
Over 3 years	5,272,173.94	5,271,873.94
3-4 years	20,300.00	21,000.00
4-5 years	801,000.00	800,000.00

Over 5 years	4,450,873.94	4,450,873.94
Total	13,969,569.11	16,256,913.53

3) According to the bad debt provision method classification disclosure

In RMB

Category	Amount in year-end					Balance Year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Including:										
Accrual of bad debt provision by portfolio	13,969,569.11	100.00%	5,466,273.44	39.13%	8,503,295.67	16,256,913.53	100.00%	5,562,828.08	34.22%	10,694,085.45
Including:										
Total	13,969,569.11	100.00%	5,466,273.44	39.13%	8,503,295.67	16,256,913.53	100.00%	5,562,828.08	34.22%	10,694,085.45

Accrual of bad debt provision by portfolio:

In RMB

Name	Ending balance		
	Book balance	Bad debt provision	Accrual ratio
Related party Portfolio	1,911,005.18		
Aging portfolio	12,058,563.93	5,466,273.44	45.33%
Including: Within 1 year	6,524,389.98	326,219.50	5.00%
1-2 years	212,000.01	21,200.00	10.00%
2-3 years	50,000.00	15,000.00	30.00%
3-4 years	20,300.00	12,180.00	60.00%
4-5 years	801,000.00	640,800.00	80.00%
Over 5 years	4,450,873.94	4,450,873.94	100.00%
Total	13,969,569.11	5,466,273.44	

Provision for bad debts is made according to the general model of expected credit losses

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on January 1, 2025	444,354.14		5,118,473.94	5,562,828.08
January 1, 2025 balance in the current period				
——Transfer to stage II	-10,600.00	10,600.00		
——Transfer to stage III		-5,000.00	5,000.00	

Provision in the current period	-107,534.64	15,600.00	-4,620.00	-96,554.64
Balance on June 30, 2025	326,219.50	21,200.00	5,118,853.94	5,466,273.44

Loss provision changes in current period, change in book balance with significant amount

☐ Applicable ☒ Not applicable

4) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision:

In RMB

Category	Opening balance	Current changes				Ending balance
		Accrual	Collected or reversal	Write off	Other	
Accrual of bad debt provision by portfolio	5,562,828.08	-96,554.64				5,466,273.44
Total	5,562,828.08	-96,554.64				5,466,273.44

5) The actual write-off accounts receivable

6) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision
Shanghai Customs Waigaoqiao Office	Deposit	3,710,320.94	Over 5 years	26.56%	3,710,320.94
Hangzhou Ganghua Gas Co., Ltd.	Deposit	1,300,000.00	[Note 1]	9.31%	760,000.00
Beijing Guodian Engineering Tendering Co., Ltd	Deposit	982,012.00	Within 1 year	7.03%	49,100.60
New Energy Company	Other	932,827.07	Within 1 year	6.68%	
hree Gorges International Tendering Co., Ltd [Note 2]	Deposit	600,000.00	Within 1 year	4.30%	30,000.00
Huadian Tendering Co., Ltd.[Note 2]	Deposit	600,000.00	Within 1 year	4.30%	30,000.00
Guangcai Tendering (Shenzhen) Co.,Ltd.[Note 2]	Deposit	600,000.00	Within 1 year	4.30%	30,000.00
Total		8,725,160.01		62.48%	4,609,421.54

[Note 1] Within 1 year : 400,000.00 yuan, 4-5 years: 800,000.00 yuan, Over 5 years: 100,000.00 yuan

[Note 2] The balance of these three units is tied for 4th place

7) Reported in other receivables due to centralized management of funds

3. Long-term equity investment

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

Investments in subsidiaries	855,561,471.34		855,561,471.34	844,864,375.75		844,864,375.75
Total	855,561,471.34		855,561,471.34	844,864,375.75		844,864,375.75

(1) Investments in subsidiaries

In RMB

The invested entity	Opening balance(Book value)	Opening balance of the impairment provision	Changes in the period (+, -)				Ending balance(Book value)	Ending balance of impairment provision
			Additional investment	Decreased investment	Withdrawn impairment provision	Other(Note)		
Auxiliary Machine Co.	46,572,422.07					33,597.54	46,606,019.61	
Packaged Co.	67,586,325.37					16,798.77	67,603,124.14	
Machinery Company	202,584,000.00						202,584,000.00	
Turbine Company	21,543,643.24					67,195.14	21,610,838.38	
Zhongneng Company	27,644,475.06						27,644,475.06	
Casting Company	11,220,000.00						11,220,000.00	
New Energy Company	311,741,049.70					510,802.51	312,251,852.21	
Ranchuang Company	155,972,460.31					68,701.63	156,041,161.94	
Wuhu New Energy Company			10,000,000.00				10,000,000.00	
Total	844,864,375.75		10,000,000.00			697,095.59	855,561,471.34	

Note: It is mainly due to a share-based payment expense recognized in the current period.

(2) Investments in associates and joint ventures

In RMB

The invested entity	Opening balance(Book value)	Opening balance of the impairment provision	Changes in the period (+, -)								Ending balance(Book value)	Ending balance of impairment provision
			Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture												
II. Associated enterprise												
Lianyunhang Zhonghang	0	0	0	0	0	0	0	0	0	0	0	0

Gas Turbin e Techn ology Co., Ltd												
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The recoverable amount is determined on the basis of the net amount of fair value less disposal costs

☐Applicable ☒Not applicable

The recoverable amount is determined by the present value of the projected future cash flows

☐Applicable ☒Not applicable

The reason for the obvious discrepancy between the foregoing information and the information used in the impairment test of previous years or the external information

Not applicable

The reason for the obvious discrepancy between the information used in the Company's impairment test in previous years and the actual situation in the current year

Not applicable

(3) Other note

4. Operation revenue and operation cost

In RMB

Item	Current period incurred		Prior period incurred	
	Revenue	Cost	Revenue	Cost
Main business	968,492,651.83	762,829,818.51	1,158,894,048.25	974,714,836.80
Other business	6,925,052.20	1,818,123.72	8,173,797.60	2,862,962.27
Total	975,417,704.03	764,647,942.23	1,167,067,845.85	977,577,799.07

Information related to the transaction price allocated to the remaining performance obligation:

At the end of the reporting period, the amount of revenue corresponding to the performance obligations with signed contract but not yet fulfilled or not fulfilled is RMB 3,411,532,392.00.

5. Investment income

In RMB

Item	Occurred current term	Occurred in previous term
Long-term equity investment income by Cost method	184,707,285.00	147,339,190.00
Disposition of the investment income generated by the long-term equity investments	5,388,916.38	3,774,530.27
Dividend income from other equity instrument investments during the holding period	76,125,057.68	141,375,107.12
Discounted loss of financing receivable	-520,656.38	-1,151,386.13
Debt restructuring gains and losses		5,405,869.63
Total	265,700,602.68	296,743,310.89

6.Other

XX. Supplement information

1. Particulars about current non-recurring gains and loss

√ Applicable □ Not applicable

In RMB

Item	Amount	Notes
Non-current asset disposal gain/loss	519,745.31	
Governmental Subsidy accounted as current gain/loss, except for those subsidies at with amount or quantity fixed by the national government and closely related to the Company's business operation.	57,375,746.04	Mainly due to the government subsidies and other government subsidies such as R&D confirmed in the current period.
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the Company's normal business	5,808,861.28	It is mainly due to the investment income of bank wealth management products
Reverse of the provision for impairment of accounts receivable undergoing impairment test individually	4,567,415.55	Mainly due to the separately impaired receivables recovered by subsidiaries New Energy Company and Hangfa Company
Gains/losses of debt restructure	1,823,910.00	
Operating income and expenses other than the aforesaid Item	564,473.03	
Other gains and losses that meet the definition of exceptional gain/loss	-205,500.00	
Less: Influenced amount of income tax	11,661,783.62	
Amount of influence of minority interests (After tax)	5,050,840.28	
Total	53,742,027.31	--

Details of other gains/losses Item that meets the definition of non-recurring gains/losses:

□ Applicable ☒ Not applicable

There are no other gains/losses Item that meet the definition of non-recurring gains/losses in the Company.

Explain the Item defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss

□ Applicable ☒ Not applicable

2. Return on net asset and earnings per share

Profit of report period	Weighted average returns equity(%)	Earnings per share	
		Basic earnings per share(RMB/share)	Diluted earnings per share(RMB/share)
Net profit attributable to the Common stock shareholders of Company.	1.65%	0.13	0.13
Net profit attributable to the Common stock shareholders of Company after deducting of non-	1.07%	0.08	0.08

recurring gain/loss.			
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3. Differences between accounting data under domestic and overseas accounting standards

(1) Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

☐ Applicable ☒ Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

☐ Applicable ☒ Not applicable

(3) Explanation of the reasons for the differences in accounting data under domestic and foreign accounting standards. If the data that has been audited by an overseas audit institution is adjusted for differences, the name of the overseas institution should be indicated

4. Other

IX. Other Submitted Data

I. Other major social security issues

Whether the listed company and its subsidiaries have other major social security issues

☐Yes ☐No ☒Not applicable

Whether it was administratively punished during the reporting period

☐Yes ☐No ☒Not applicable

II. Reception of research, communication and interview during the reporting period

☒Applicable ☐Not applicable

Time	Reception location	Way	Reception type	Object	Main content and information provided	Basic situation index of investigation
March 12,2025	Conference room 204, turbine power building	Field research	Institute	Sinolink Securities, BOCOM Schroders , Guotai Fund Management Co., Ltd.	Matters related to cooperative gas turbines, independent gas turbine development, and major asset restructuring	Investor Relations Live Activity Record Form (No.:2025-02)
April 3,2025	Conference room 303, turbine power building	Field research	Institute	China Securities	Content of the transformation of the Company's products and services	Investor Relations Live Activity Record Form (No.:2025-03)
April 3,2025	Conference room 304, turbine power building	Field research	Institute	Everbright Securities	The development trend of steam turbines, cooperation with Siemens, the development of independent gas turbines, major asset restructuring, etc	Investor Relations Live Activity Record Form (No.:2025-04)
April 7,2025	Conference room 303, turbine power building	Field research	Institute	Huafu Securities, Fangzheng Securities	Content of gas turbine-related and major asset restructuring	Investor Relations Live Activity Record Form (No.:2025-05)
April 23,2025	1/F, Conference room of the technology Building of the Company's Manufacturing base	Field research	Institute	Hongde Fund, Jiashi Fund,HSBC global Asset Management , Guotai Haitong	Content of the development progress of independent gas turbines, market development strategies, cooperation with foreign capital, progress in the field of maintenance, and the future development strategy of the	Investor Relations Live Activity Record Form (No.:2025-06)

					company's products	
May 21,2025	Conference room 303, turbine power building	Field research	Institute	Guosen Asset Management, Yongxing Securities, Tianfeng Securities,Huyang Private Fund, Guotou Securities	The content of theCompany's business transformation direction, gas turbine business, and the progress of independent gas turbines	Investor Relations Live Activity Record Form (No.:2025-07)
May 23,2025	Conference room 303, turbine power building	Field research	Institute	Shanxi Securities	The content of the Company's gas turbine operation and maintenance market, steam turbine products and listing transfer matters	Investor Relations Live Activity Record Form (No.:2025-08)
May 26,2025	Conference room 303, turbine power building	Field research	Institute	Hangzhou Shangrong Investment,Zhejiang Guomao Orient Capital , Zhejiang cultural investment Yangtze River Delta digital fund,Zhejiang Deyuan Intelligence, Zhejiang Baolong Appliance, Hangzhou Shengyue Investment, Tiantang Silicon valley , Zhejiang Xindu Holding, Zhongcai Merchants Investment Group, Zhejiang Entan Industry, Hangzhou Beige Investment, Hangzhou Leikeao Investment, Zhejiang Taiyang Technology, Hangzhou Qiyue Clothing, Hangzhou Jinlong Group, etc.	The Company's new energy business and prospects, the development space of the gas turbine market, the progress of independent research and development of gas turbines, the progress of the Company's B-share conversion to A-share implementation and the plan after the completion of implementation, etc	Investor Relations Live Activity Record Form (No.:2025-09)
June 20,2025	Conference room 303, turbine power building	Field research	Institute	Huachuang Securities, ZhejiangXingan Shiye Investment, Shanjian Investment ,Yuanxin Investment	The content of the use and market situation of gas turbine products, the business model of cooperation with Siemens gas turbine products, the progress of independent research and development of gas turbines, and the progress of major asset restructuring project	Investor Relations Live Activity Record Form (No.:2025-10)

III. Fund flows between the listed company and the controlling shareholder and other related parties

☒Applicable ☐Not applicable

Name of the fund transaction counterparty	Nature of transaction	Opening balance	Amount incurred during the reporting period	Repayment for the reporting period	Ending balance	Interest income	Interest expenses
Hangzhou Oxyen Turbine Machinery Co., Ltd.	Business transaction	470.05	25.50	0.00	495.55		
Hangzhou Oxyen Expander Machine Co., Ltd.	Business transaction	4.70	0.00	4.70	0.00		
Hangzhou Oxyen Group Co., Ltd.	Business transaction	122.50	915.19	122.50	915.19		
Hangzhou Oxyen Turbine Machinery Co., Ltd.	Business transaction	133.00	0.00	25.50	107.50		
Hangzhou Oxyen Group Co., Ltd.	Business transaction	276.90	2,745.58	2,756.38	266.10		
Hangzhou Xiangjiang Technology Co., Ltd.	Business transaction	60.14	0.00	0.00	60.14		
Total	--	1,067.29	3,686.27	2,909.08	1,844.48		
Relevant decision-making procedures	The Company's funds transactions with controlling shareholder and other related parties are normal business transactions, and the approval procedures for related party transactions have been fulfilled in accordance with relevant regulations.						
Funds security measures	The Company's fund income and expenditure strictly implement the "Fund Management System", and the relevant business is approved in strict accordance with the approval process to ensure the safe use of funds.						

Hangzhou Turbine Power Group Co., Ltd.

Chairman of the Board: Ye Zhong

August 26, 2025