

Announcement on the External Guarantee by the Company's Subsidiary of Hangzhou Turbine Power Group Co., Ltd.

The members of the Board and the Company acknowledge being responsible for the truthfulness, accuracy, and completeness of the announcement. Not any false record, misleading statement or significant omission carried in this announcement.

I. Overview of the guarantee

Anhui Hangzhou Turbine Casting and Forging Technology Co., Ltd. (hereinafter referred to as "Anhui Casting and Forging Company"). is a holding subsidiary of Hangzhou Turbine Casting and Forging Co., Ltd. (hereinafter referred to as "Casting and Forging Company")-a holding subsidiary of the Company, and in order to meet the construction requirements of its precision intelligent steel casting and forging processing production line project with an annual output of 100,000 tons of steam turbine core components (For details, please see the Announcement No. 2021-82-"Announcement on External Investment of Casting and Forging Company" issued by the Company on September 28, 2021) , it applied for a credit loan of 220 million yuan from Hangzhou Xincheng Branch of Agricultural Bank of China (hereinafter referred to as Agricultural Bank of China), The credit guarantee line required by the Agricultural Bank of China is 105.81 million yuan, and the casting and forging company provides a guarantee of 54.53 million yuan for Anhui casting and forging company according to the proportion of shareholding, with the guarantee method is joint and several liability guarantee.

According to the relevant regulations of listed companies, if the Company's holding subsidiary provides external guarantees, and the guarantee object is the holding subsidiary within the scope of the company's consolidated statements, the company shall timely perform the temporary information disclosure obligation after the holding subsidiary has completed the review procedure. The above guarantee has been deliberated and approved by the shareholders' meeting of the casting and forging company.

II. Basic information of the guaranteed

1. Name of the guaranteed: Anhui Hangzhou Turbine Casting and Forging Technology Co., Ltd
- 2.Unified social credit code: 91340222MA8NDNRE22

3.Date of establishment: November 15, 2021

4.Registration location: Room 106, Building 5, Zhuoyuan Community, Suncun Town, Fanchang District, Wuhu City, Anhui Province

5.Legal representative: Yu Junming

6.Registered capital: 130 million yuan

7. Main business: general projects: new material technology research and development; ferrous metal casting; manufacturing of forgings and powder metallurgy products; general equipment repair; repair of special equipment; sales of high-quality special steel materials; sales of metal materials; sales of forgings and powder metallurgy products; Import and export of goods (except for licensed business, can independently operate items that are not prohibited or restricted by laws and regulations in accordance with the law)

8. Relationship with the Company: Anhui Casting and Forging Company is a holding subsidiary of the Casting and Forging Company, which holds 51.53846% shares of the Casting and Forging Company; The Company holds 39.18966% equity of the Casting and Forging Company.

9.The guarantor of the recent financial situation:

	In RMB 10,000	
	Year 2023	June 2024
Total assets	12,791	15,530
Net assets	11,841	12,657
Liabilities ratio	7.43%	18.50%
Revenue	1	1
Total profit	-153	-154
Net profit	-153	-154

10. Contingencies

No contingencies such as guarantee, mortgage, litigation or arbitration.

11. Untrustworthiness

Anhui Casting and Forging Company is not a dishonest person subject to execution.

III. The main content of the guarantee agreement

(1) The main contents of the "Maximum Guarantee Contract" signed between the casting and forging company and the Agricultural Bank of China:

1. The maximum amount of guarantee: 54.53 million yuan

2. Guarantee method: joint and several liability guarantee

3. Scope of guarantee: the principal of the loan, interest, penalty interest, compound interest,

liquidated damages, damages, interest on delayed performance of debts and delayed performance fees to be borne by the debtor and the guarantor in accordance with the relevant provisions of the Civil Procedure Law of the People's Republic of China, preservation insurance premiums, litigation (arbitration) fees, attorney fees, and all expenses for creditors to realize their claims.

4. Guarantee period: three years from the date of expiration of the performance period of the main creditor's right, and the guarantee period under each main contract shall be calculated separately. If there are installment performance obligations under the main contract, the guarantee period of the main contract shall be three years from the date of expiration of the performance period of the last installment of the debt.

5. The main claim occurrence period is: July 8, 2024 to July 7, 2030.

IV. Opinion of the Board of Directors

In order to meet the funds required for the construction of its precision intelligent steel castings and forging processing production line project with an annual output of 100,000 tons of steam turbine core components, Anhui Casting and Forging Company applied for a credit loan from the bank. The casting and forging company provides a guarantee for its holding subsidiary-Anhui Casting and Forging Company, which can help it obtain bank loans and carry out project construction activities smoothly.

The construction of Anhui Casting and Forging Company will be conducive to making the company's casting and forging business bigger and stronger, accelerating the realization of the Company's industrialization development strategy, and will also play an agglomeration effect to form large-scale production and large-scale processing, and the project prospect is good, and the board of directors considers that the guarantee provided to Anhui Casting and Forging Company will not have a negative impact on the Company.

The guarantee amount provided by the casting and forging company to Anhui Casting and Forging Company this time is 54.53 million yuan. The other two shareholders of Anhui Company are Wuhu Fanchang Chungu Industrial Investment Fund Co., Ltd. (hereinafter referred to as "Chungu Company") and Zhejiang Dajiang New Materials Co., Ltd. (hereinafter referred to as "Dajiang Company"), with shareholding ratios of 25.38462% and 23.07692% respectively. Among them, Dajiang Company provided a guarantee of 28.5 million yuan for this loan, which has reached its shareholding ratio, while Chungu Company is an industrial investment fund company under the state-owned assets of Fanchang District Government in Wuhu City. Due to its fund management system requirements, it is unable to provide guarantees for the invested enterprises. This guarantee is to ensure that the Anhui Casting and Forging Company project will be completed and put into operation as soon as possible. Currently, the civil construction

progress of the project is fast, and the equipment installation is implemented synchronously. It is expected to start production by the end of 2024.

V. Cumulative Amount of External Guarantee and Amount of Overdue Guarantee

After this guarantee, the total amount of guarantee of the Company and its holding subsidiaries is 1,177,530,000 yuan, and the total balance of external guarantees of the Company and its holding subsidiaries accounts for 14.91% of the Company's audited net assets in 2023 (7,899,275,900 yuan).

The balance of the guarantee corresponding to the overdue debt, the amount of the guarantee involved in the lawsuit, and the amount of the guarantee that should be borne due to the judgment of losing the lawsuit are all 0 yuan.

VI. Documents for reference

- 1.The guarantee contract signed between the Casting and Forging Company and the Bank

This announcement is hereby made.

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

August 3,2024