

Hangzhou Turbine Power Group Co., Ltd.

Announcement on the Planned Signing of an Exclusive License Agreement for Intangible Assets and Related Party Transactions with the Controlling Shareholder

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.

Special Tips:

1. The exclusive license agreement signed this time constitutes a related party transaction, but does not constitute a major asset restructuring as stipulated in the *Administrative Measures for Major Asset Restructuring of Listed Companies*.

2. This transaction has been reviewed and approved by the 3rd meeting of the 9th Board of Directors of Hangzhou Turbine Power Group Co., Ltd (hereinafter referred to as "the Company" or "the Listed Company"), This transaction will be submitted to the Company's General Meeting of Shareholders for deliberation.

I. Transaction Overview

In order to smoothly promote the development of the Company's independent gas turbine, the Company intends to sign an exclusive license agreement with the controlling shareholder Hangzhou Turbine Holdings Co., Ltd. (hereinafter referred to as "Turbine Holdings") for a permanent period. During the license period, the Company permanently owns 82 patents, 6 software copyrights and the exclusive right to research, develop, produce and commercialize non-patented technologies and R&D achievements related to 50MW power gas turbine R&D projects (hereinafter referred to as "gas turbine projects" and "licensed projects") in the global area. The license fee will be charged after the licensed projects realize the product sales revenue.

Turbine Holdings is the controlling shareholder of the Company. According to the *Listing Rules for Stocks of Shenzhen Stock Exchange* and other relevant regulations, Turbine Holdings is a related party of the Company, so this transaction constitutes a related party transaction.

On October 30, 2023, The Planned Signing of an Exclusive License Agreement

for Intangible Assets and Related Party Transactions with the Controlling Shareholder

was deliberated in the 3rd meeting of the 9th board of directors of the Company, and Pan

Xiaohui, a related director, abstained from voting on the proposal. After the non-related directors voted, the proposal was passed with 8 votes in favor, 0 abstentions and 0 votes against. The independent directors approved the transaction in advance and expressed their independent opinion. This transaction still needs to be approved by the General Meeting of Shareholders, and the related parties who have an interest in the related party transaction will abstain from voting.

This transaction does not constitute a major asset restructuring as stipulated in the Administrative Measures for the Restructuring of Major Assets of Listed Companies.

II. Basic Information of Counterparty

Hangzhou Turbine Holdings Co., Ltd.

1. Profiles

- (1) Date incorporation: December 14, 1992
- (2) Registered address: No.357 Shiqiao Road, Gongshu District, Hangzhou
- (3) Nature of enterprise: Limited liability Company (State-controlled)
- (4) Legal representative: Pan Xiaohui
- (5) Registered capital: 800 million yuan
- (6) Main business:

Manufacturing, processing: textile machinery, paper machinery, pumps, castings, power tools, variable speed gear devices, heat exchangers, CNC digital display devices and spare parts for the afore-said equipment (limited to subordinate branches); Contracting overseas machinery industry projects and domestic international bidding projects and exporting equipment and materials required for the above projects, and dispatching labor personnel required for the implementation of the above-mentioned overseas projects; Thermal and electrical engineering contracting and complete sets of equipment; Wholesale and retail: technical development, consultation and services of products, spare parts and accessories produced by members of the group and the above products; Procurement of raw and auxiliary materials, equipment, spare parts and accessories required for production for the members of the Group, and provision of water, electricity and gas supply and services for the subsidiaries of the Group (except for the installation (repair and testing) of power facilities); Including the business scope of subordinate branches

- (8) Actual controller: Hangzhou State-owned Capital Investment and Operation Co., Ltd.

2. Recent financial information (In RMB; Consolidated range)

Period	Turnover	Net profit	Gross assets	Net assets
Year 2022 (After audit)	5,632,414,250.49	973,616,460.48	18,144,668,892.06	11,493,432,579.81
January - September 2023 (Un audited)	3,981,711,563.49	186,419,020.22	20,107,395,591.21	11,532,612,091.93

3. Description of association relationship

4. Information of defaulter

As of the disclosure date of the announcement, Hangzhou Turbine Holdings has not been listed as a defaulter.

III. Basic information of the transaction object

1. Status of underlying assets

The related party transactions are related intangible assets formed during the development of Turbine Holdings' independent gas turbine, including 82 patents, 6 software copyrights, non-patented technologies and R&D achievements related to 50MW power gas turbine R&D projects.

2. Description of ownership status

The property rights of the underlying assets are clear, with no mortgage, pledge or other restrictions on transfer, no litigation, arbitration or judicial measures such as seizure and freezing, and no other circumstances that hinder the transfer of ownership.

IV. Pricing Policy and Basis of this Transaction

There is no transaction fee for this transaction for the time being, and the Parties agree that the intangible asset license fee will be collected after the licensed project realizes the product sales income, and the calculation method is as follows:

License fee = Product sales revenue realized by the licensed project × Licensing rate

The licensing rate shall be determined by a professional organization recognized by the Parties in combination with the contribution of licensed intellectual property rights to income and the cost input of Party A.

V. Main Contents of Related Party Transaction Agreement

(I) Parties to the transaction

Party A (Licensor): Hangzhou Turbine Holdings Co., Ltd.

Party B (Licensee): Hangzhou Turbine Power Group Co., Ltd.

(II) Licensed contents

1. Party A agrees to grant Party B the right to exclusively research, develop, produce and commercialize the licensed projects for 82 patents (see Annex I for details) and 6 software copyrights (see Annex II for details) and non-patented technologies and R&D achievements related to the 50MW power gas turbine R&D projects (hereinafter referred to as "gas turbine projects" and "licensed projects") permanently in the global area.

2. The license obtained by Party B is an exclusive license in the global area, which is exclusive to Party A, its related parties and third parties. With the consent of Party A, Party B may sub-license, or subcontract the work related to the development, production and/or commercialization of the licensed products to any related party and unrelated third party with performance ability.

3. The contracts signed by Party A for the permitted projects before the signing of the Agreement but not yet fulfilled shall be continued by Party A.

(III) License fee

1. The license fee will be charged after the licensed project realizes the product sales revenue, and the calculation method is as follows:

License fee = Product sales revenue realized by the licensed project × Licensing rate

The licensing rate shall be determined by a professional organization recognized by the Parties in combination with the contribution of licensed intellectual property rights to income and the cost input of Party A.

2. The license fee shall be settled on an annual basis, and the license fee for each fiscal year shall be paid before the end of May of the next fiscal year.

(IV) Ownership of subsequent intellectual property rights

During the license period, Party B has the right to carry out subsequent R&D and improvement on the licensed projects, and the intellectual property rights related to the new technological achievements arising there from shall be owned by Party B.

(V) Priority right of transferee

If Party A intends to transfer the licensed project or the intellectual property rights involved in the project in the future, Party B shall have the priority right of transferee under the same conditions.

(VI) Commitment and guarantee

1. Party A guarantees that it is the legal owner of the intellectual property rights involved in the licensed project and has the right to exclusively license such intellectual property rights.

2. Party A guarantees to actively maintain and ensure the validity of the intellectual property rights involved in the licensed project during the license period.

(VII) Others

1. The Agreement is established after being signed by the Parties, and comes into effect as of the date when Party B's General Meeting of Shareholders deliberates and passes the relevant proposal on this license.

2. The term of the Agreement shall continue to be valid from the effective date of the Agreement unless it is dissolved by mutual agreement.

3. Party A and Party B can supplement or amend the Agreement in written form through consultation. Party A and Party B shall perform the obligations agreed in the agreement in good faith; If one party breaches the contract, the observant party has the right to claim the breach of contract and compensation liability from the breaching party.

4. The Parties agree that a license agreement can be signed separately for license filing according to the requirements of the patent authority or copyright center, and the agreement signed separately shall comply with the provisions of the Agreement.

5. Matters not covered in the Agreement shall be settled by the Parties through friendly negotiation; If negotiation fails, either party has the right to bring a lawsuit in the people's court where the agreement is signed.

6. The Agreement is made in duplicate, with each party holding one copy, which shall have the

same legal effect.

(VIII) List of patents and copyrights

Annex I

S/N	Name	Application number	Type	Announcement day	Legal status
1	An optimization method of two-dimensional blade profile of compressor considering the performance of low Reynolds number	CN201910073694.4	Invention patent	2021/1/12	Authorized
2	A cooling adjustment method and cooling gas system for turbine rotor of gas turbine	CN201910045779.1	Invention patent	2022/7/5	Authorized
3	A semi-physical simulation test system for gas turbine control system	CN201910128558.0	Invention patent	2020/10/27	Authorized
4	Degassing disc for lubricating oil tank of gas turbine	CN201910544746.1	Invention patent	2021/1/8	Authorized
5	A support structure of flow passage in exhaust cylinder of small and medium-sized gas turbine	CN201910618004.9	Invention patent	2021/11/12	Authorized
6	A turbine rotor blade of gas turbine	CN201910756941.0	Invention patent	2022/4/12	Authorized
7	A modular design method of gas turbine fir-tree blade root and slot	CN201910821196.3	Invention patent	2023/3/21	Authorized
8	A testing device and processing method for key structures of gas turbine stator blades	CN201911322372.5	Invention patent	2021/5/14	Authorized
9	An ignition position adjusting mechanism for gas turbine combustion chamber test	CN202010531242.9	Invention patent	2022/5/10	Authorized
10	A full-speed turbine last stage moving blade	CN202010906283.1	Invention patent	2022/7/22	Authorized
11	Detachable tip seal ring of axial flow compressor and installation method thereof	CN202011115624.X	Invention patent	2022/6/14	Authorized
12	An active control device for blade tip clearance of axial flow gas turbine	CN202011109672.8	Invention patent	2022/6/14	Authorized
13	A non-penetrating electron beam welding stop structure and welding method thereof	CN202010987917.0	Invention patent	2022/4/12	Authorized
14	An IGV regulating device of compressor for reducing deflexion angle	CN202011411108.1	Invention patent	2022/9/27	Authorized
15	A seal structure of turbine disc cavity of gas turbine	CN202011515187.0	Invention patent	2021/12/31	Authorized
16	A seal structure of interstage sealing ring	CN202011517462.2	Invention patent	2021/11/12	Authorized
17	A last-stage moving blade of heavy-load turbine	CN202011502351.4	Invention patent	2022/8/12	Authorized
18	A calculation method for dynamic frequency of full-circle self-locking blade	CN201711059167.5	Invention patent	2021/4/23	Authorized
19	An evaluation method for static strength of radial slotted screw structure	CN201710780582.3	Invention patent	2021/4/27	Authorized

20	A seal structure of gas turbine exhaust diffuser	CN202011588349.3	Invention patent	2022/8/16	Authorized
21	An adjustable inlet guide blade of gas turbine compressor	CN202110315931.0	Invention patent	2023/3/17	Authorized
22	A high-temperature test piece of gas turbine blade and manufacturing method thereof	CN202110226366.0	Invention patent	2022/12/2	Authorized
23	A gas turbine base fixing device and fixing method thereof	CN202110328325.2	Invention patent	2022/6/28	Authorized
24	A combustion chamber of gas turbine with dual suppression of thermoacoustic oscillation	CN202110433666.6	Invention patent	2022/5/31	Authorized
25	A test device for measuring flow coefficient of tenon assembly structure	CN202110761600.X	Invention patent	2022/5/13	Authorized
26	An equivalent verification system and method for control strategy of flow control valve	CN202110635790.0	Invention patent	2022/12/2	Authorized
27	A gas turbine burner capable of dual-mode conversion of diffusion and premixed combustion	CN202010148590.8	Invention patent	2022/7/15	Authorized
28	Sealing system applied to organic Rankine cycle	CN201610346486.3	Invention patent	2018/1/30	Authorized
29	Shielded expander for power generation by using organic working medium Rankine cycle	CN201610346484.4	Invention patent	2018/2/27	Authorized
30	An air flow test bench for gas turbine components and test method thereof	CN202110177377.4	Invention patent	2022/10/11	Authorized
31	A multifunctional modular gas turbine test bench	CN201920389499.8	Utility model patent	2019/11/19	Authorized
32	A cooling system for turbine rotor of gas turbine	CN201920079647.6	Utility model patent	2019/11/29	Authorized
33	Large-flow oil return structure of gas turbine lubricating oil tank	CN201920985856.7	Utility model patent	2020/3/17	Authorized
34	An explosion-proof coupling shield for gas turbine	CN201921047114.6	Utility model patent	2020/5/1	Authorized
35	A general drying system for gas turbine	CN201920995068.6	Utility model patent	2020/5/22	Authorized
36	A test device for dual-purpose turbine plane cascade	CN202020428213.5	Utility model patent	2020/10/27	Authorized
37	A floating sealing structure of on-duty burner convenient for disassembly and assembly	CN202020470629.3	Utility model patent	2020/12/15	Authorized
38	A chassis of gas turbine	CN202020436196.X	Utility model patent	2020/12/15	Authorized
39	A supporting device for impact sleeve of transition section of combustion chamber of gas turbine	CN202020393827.4	Utility model patent	2020/12/15	Authorized
40	An adjustable support structure for transition section of gas turbine combustion chamber	CN202020381665.2	Utility model patent	2020/12/15	Authorized
41	An axial fixing fixture for gas turbine gearbox centering	CN202020368934.1	Utility model patent	2020/12/15	Authorized

42	A seal heat dissipation structure between stages of gas turbine	CN202020177656.1	Utility model patent	2020/12/15	Authorized
43	A combustion pulsation pressure measuring system with cooling damping device	CN202021786107.0	Utility model patent	2021/4/20	Authorized
44	An IGV regulating device of compressor for reducing deflexion angle	CN202022909284.X	Utility model patent	2021/11/2	Authorized
45	A high-temperature test piece of gas turbine blade	CN202120444087.7	Utility model patent	2021/11/12	Authorized
46	A test device for measuring flow coefficient of tenon assembly structure	CN202121529305.3	Utility model patent	2021/12/31	Authorized
47	A gas turbine base fixing device	CN202120623920.4	Utility model patent	2021/12/31	Authorized
48	An adjustable inlet guide blade of gas turbine compressor	CN202120603930.1	Utility model patent	2022/1/14	Authorized
49	A connecting structure between gas turbine chassis and foundation	CN202121911076.1	Utility model patent	2022/2/25	Authorized
50	A compressor test bench with power recovery turbine	CN202121879136.6	Utility model patent	2022/4/8	Authorized
51	An intelligent grading fire fighting system for gas turbine test bench	CN202122041190.X	Utility model patent	2022/5/24	Authorized
52	A device for detecting leakage of TCA heat exchanger	CN202121019375.4	Utility model patent	2022/6/10	Authorized
53	A processing fixture for cooling hole of turbine blade of gas turbine	CN201320327350.X	Utility model patent	2013/11/6	Authorized
54	A T-shaped blade root of turbine blade and its matched flange groove	CN201720996485.3	Utility model patent	2018/5/8	Authorized
55	A last-stage self-locking blade of gas turbine	CN202010568442.1	Invention patent	2023/3/31	Authorized
56	A cooling structure of turbine high-pressure moving blade of gas turbine	CN202110571303.9	Invention patent	2021/8/10	Authorized
57	A three-dimensional blade modeling method of multistage axial compressor based on end zone boundary layer and blade	CN201910070723.1	Invention patent	2019/5/28	Substantive examination
58	A multifunctional modular gas turbine test bench	CN201910232297.7	Invention patent	2019/5/31	Substantive examination
59	A testing device and processing method for key structures of gas turbine moving blades	CN201911322371.0	Invention patent	2020/4/7	Substantive examination
60	A seal heat dissipation structure between stages of gas turbine	CN202010097147.2	Invention patent	2020/6/5	Substantive examination
61	A low-emission combustion chamber with adjustable flame temperature	CN202010472334.4	Invention patent	2020/8/28	Substantive examination
62	A design method for combination of turbine last-stage blade and exhaust hood	CN202110578544.6	Invention patent	2021/8/6	Substantive examination
63	An intelligent grading fire fighting system for gas turbine test bench	CN202110990785.1	Invention patent	2021/11/26	Substantive examination

64	A connecting structure between gas turbine chassis and foundation and installation method thereof	CN202110935425.1	Invention patent	2021/11/26	Substantive examination
65	A compressor test bench with power recovery turbine	CN202110919460.4	Invention patent	2021/12/3	实质审查
66	A high-load stator blade of gas turbine	CN202111530444.2	Invention patent	2022/3/18	Substantive examination
67	A composite cooling structure for turbine stator blades of gas turbine	CN202210086255.9	Invention patent	2022/4/19	Substantive examination
68	A low-emission burner for fuel classification of gas turbine	CN202210276836.9	Invention patent	2022/6/24	Substantive examination
69	A design method for life robustness of hot parts of gas turbine	CN202210313327.9	Invention patent	2022/8/2	Substantive examination
70	A cooling structure for turbine rotor blade trailing edge	CN202210403698.6	Invention patent	2022/8/9	Substantive examination
71	An air flow test bench for gas turbine components	CN202120350769.1	Utility model patent	2021/11/12	Authorized
72	A T-shaped blade root of steam turbine blade and its matched flange groove	CN201710680683.3	Invention patent	2017/12/1	Substantive examination
73	An axial staged combustion chamber with consideration of wall cooling of flame tube	CN202310340869.X	Invention patent	/	Accepted, and to be disclosed
74	A secondary burner with adjustable equivalence ratio and axial staged combustion chamber	CN202310305802.2	Invention patent	/	Accepted, and to be disclosed
75	A secondary burner with self-adaptive equivalent ratio adjustment and axial staged combustion chamber	CN202310305855.4	Invention patent	/	Accepted, and to be disclosed
76	A combustion chamber with axial air inlet secondary burner	CN202310324964.0	Invention patent	/	Accepted, and to be disclosed
77	A hydrogen-rich fuel combustion nozzle, head burner and combustion chamber	CN202310307527.8	Invention patent	/	Accepted, and to be disclosed
78	A design method for temperature control strategy of gas turbine exhaust	/	Invention patent	/	Being applied for, pending for acceptance
79	A design method for gas-cooled turbine blade of gas turbine	/	Invention patent	/	Being applied for, pending for acceptance
80	A design method for multi-stage high-efficiency axial compressor of gas turbine for distributed energy and compressor prototype	/	Invention patent	/	Being applied for, pending for acceptance
81	A calculation method for overall performance of gas turbine for distributed energy	/	Invention patent	/	Being applied for, pending for acceptance
82	A last-stage long blade of high-temperature turbine	/	Invention patent	/	Being applied for, pending for acceptance

Annex II

S/N	Name	Application number	Type	Announcement day
1	Analysis software for flow performance of Hangzhou turbine compressor	2019SR0280051	Software copy right	2019/3/26
2	Parametric modeling software for two-dimensional blade profile of Hangzhou turbine compressor	2019SR0280386	Software copy right	2019/3/26
3	Three-dimensional modeling software of Hangzhou turbine compressor blade	2019SR0280331	Software copy right	2019/3/26
4	Gas turbine numerical simulation software	2019SR0293163	Software copy right	2019/4/1
5	One-dimensional design software ComSD for Hangzhou turbine combustion chamber	2021SR1106796	Software copy right	2021/7/27
6	Thermodynamic cycle software of gas turbine	2021SR1106797	Software copy right	2021/7/27

VI. Purpose of the Transaction and Impact on Listed Company

The signing of the exclusive license agreement for intangible assets this time is conducive to the smooth development of the Company's independent gas turbine. This transaction will not adversely affect the Company's production and operation activities, nor will it adversely affect the Company's finances, or have any harm to the interests of the Company and its shareholders, especially minority shareholders.

VII. Each Related Party Transaction with the Related Party Accumulated

The total amount of related party transactions with Turbine Holdings and its subsidiaries from the beginning of the year to the disclosure date was RMB 151.7005 million, accounting for 1.82% of the Company's latest audited net assets (RMB 8,328.4811 million).

VIII. Prior Approval and Independent Opinions of Independent Directors

(I) Prior approval opinions

Before deliberating the proposal that the Company intends to sign an exclusive license agreement for intangible assets and related party transactions with the controlling shareholder, the Board of Directors of the Company has fulfilled the procedure of submitting this related party transaction proposal to independent directors for prior review in accordance with relevant regulations. The signing of the exclusive license agreement for intangible assets and related party transactions by the Company this time is in the interests of the Company and its shareholders, which is with no harm to the interests of minority shareholders, and is in compliance with relevant laws, regulations, normative documents and the *Articles of Association of the Company*. We unanimously agreed to submit the above proposal to the Third Session of the Ninth Board of Directors of the Company for deliberation, and the related directors shall abstain from voting when deliberating the related party transaction proposal.

(II) Independent opinions

The Company intends to sign an exclusive license agreement for intangible assets with the controlling shareholder, which will help the listed company to promote the development of independent gas turbines and conform to its development strategic plan. This related party transaction is priced fairly, and the deliberation procedures of the Board of Directors are legal and compliant, and there is no harm to the interests of the Company and all shareholders, especially its minority shareholders. Therefore, we unanimously agree on the Company's signing of an exclusive license agreement for intangible assets and related party transactions this time.

IX. Documents available for inspection

1. Resolutions of the 3rd Meeting of the 9th Board of Directors;
2. Prior approval opinion and independent opinion by the Company's independent directors;
3. Exclusive license agreement;
4. Summary of related party transactions of the listed company.

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

October 31, 2023