

**Hangzhou Turbine Power Group Co., Ltd.****Announcement on the Change of Accounting Firm**

*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 Reminder:**

1. Name of the accounting firm to be hired: Grant Thornton Certified Public Accountants (LLP) (hereinafter referred to as "Grant Thornton").

2. Name of the accounting firm originally hired: Pan-China International Certified Public Accountants (LLP) (hereinafter referred to as "Pan-China").

3. Reason for changing the accounting firm: According to the relevant regulations of the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission on the accounting firms continuously undertaking the financial audit of state-owned enterprises and listed companies, the Pan-China accounting firm originally hired by the Company to provide audit services for the Company has exceeded the specified period.

4. The change of accounting firm is in accordance with the provisions of the Administrative Measures for the Selection and Employment of Accounting Firms by State-owned Enterprises and Listed Companies (No. 4 [2023] Cai Kuai) (hereinafter referred to as the "Administrative Measures") issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the China Securities Regulatory Commission.

Hangzhou Turbine Power Group Co., Ltd. (hereinafter referred to as the "Company" or "the Company") held the seventh meeting of the 7th Meeting of the 9th Board of Directors. and the 6th Meeting of the 9th Supervisory Board on July 2, 2024, in which the "Proposal on Changing the Accounting Firm" was deliberated and passed, agreed to appoint Grant Thornton as the Company's auditor in 2024 and agreed to submit the proposal to the Company's shareholders' meeting for deliberation. The relevant matters are hereby announced as follows:

## I. The basic information of the accounting firm to be hired

### (1) Institutional information

#### 1. Basic Information

Founded in 1981, Grant Thornton was approved by the Beijing Municipal Bureau of Finance on December 22, 2011 to transform into a LLP, and in 2012 its name was changed to Grant Thornton Certified Public Accountants (LLP), with registered address: 5th Floor, Scitech Plaza, No. 22 Jianguomenwai Street, Chaoyang District, Beijing, and with Li Huiqi as chief partner.

As of the end of 2023, Grant Thornton has 225 partners, 1,364 certified public accountants, and more than 400 certified public accountants who have signed audit reports on securities service business.

The audited business income of Grant Thornton in 2023 was 2,703,373,200 yuan, of which the audit business income was 2,204,595,000 yuan and the securities business income was 501,833,400 yuan.

In 2023, the number of audit clients of listed companies was 257, and the industries of listed companies involved include: manufacturing; information transmission, software and information technology services; wholesale and retail trade; electricity, heat, gas and water production and supply; transportation, warehousing and postal services (according to the industry classification of the China Securities Regulatory Commission, the same below), with the total audit fee was 354,812,100 yuan. In 2023, 174 listed companies in the manufacturing industry were the audit clients.

#### 2. Investor protection capabilities

Grant Thornton has provisioned an occupational risk fund of 8,150,900 yuan, and the cumulative compensation limit of the purchased occupational insurance is 90 million yuan, and the withdrawal of the occupational risk fund and the purchase of occupational insurance are in accordance with the relevant regulations. The relevant professional liability insurance can cover civil liability for audit failures. Grant Thornton is not required to bear civil liability for civil lawsuits related to professional conduct that have been concluded in the past three years.

#### 3. Integrity record

In the past three years, Grant Thornton has received 0 criminal penalties, 0 administrative penalties, 10 supervision and management measures, 3 self-discipline supervision measures and 1 disciplinary punishment for its professional conduct. In the past three years, 30 practitioners have

received 0 criminal penalties, 0 administrative punishments, 10 supervision and management measures, 3 self-discipline and supervision measures, and 1 disciplinary punishment for their professional behavior.

## (II) Project information

### 1. Basic Information

**Project Partner and Signing CPA:** Mr. Li Shilong, became a certified public accountant in 2009, began to engage in the audit of listed companies in 2007, and began to practice in Grant Thornton in 2015; In the past three years, 6 audit reports of listed companies and 2 audit reports of companies listed on the New Third Board were signed.

**Signing Certified Public Accountant:** Mr. Zhu Zemin, became a certified public accountant in 2017, began to engage in the audit of listed companies in 2012, and began to practice in Grant Thornton Certified Public Accountants in 2017; In the past three years, 4 audit reports of listed companies and 4 audit reports of companies listed on the New Third Board were signed.

**Project quality control reviewer:** Ms. Xi Qiong, became a certified public accountant in 2003, began to engage in the audit of listed companies in 2002, began to practice in Grant Thornton Certified Public Accountants in 2007, became a quality control partner of the firm in 2015, and reviewed 9 audit reports of listed companies in the past three years.

### 2. Integrity record

In the past three years, the project partner, the signing certified public accountants and the project quality control reviewer have not been subject to criminal punishment, administrative penalties, supervision and management measures by the China Securities Regulatory Commission and its dispatched agencies and industry authorities for their professional conduct, and have not been subject to self-regulatory measures or disciplinary actions by self-regulatory organizations such as securities trading venues and industry associations.

### 3. Independence

There are no circumstances that may affect the independence and the preventive measures to be taken for the proposed accounting firm and project partners, signing certified public accountants, project quality control reviewers, etc.

### 4. Audit fees

According to the specific workload and market price level of the Company's annual report audit, the remuneration for the audit business of the 2024 annual report is 1,099,000 yuan after public bidding. The remuneration paid by the Company to Pan-China for the audit of the 2023 annual report was 1.3 million yuan.

## II. A description of the proposed change of accounting firm

### (1) The situation of the former accounting firm and the audit opinion of the previous year

The Company's predecessor auditor, Pan-China, has provided audit services for the Company for 25 consecutive years. Pan-China audited the Company's 2023 annual financial report and issued a standard unqualified audit report. There was no situation that the Company dismissed the former accounting firm where entrusted it to carry out part of the audit work.

### (2) The reason for the proposed change of accounting firm

In view of the fact that Pan-China has been providing audit services for the Company for many years, in order to implement the relevant requirements of the "Management Measures" and ensure the independence and objectivity of the audit work, the Company intends to hire Grant Thornton to provide audit services for the Company in 2024. The Company has fully communicated with

the former accounting firm on the change of accounting firm, and the former accounting firm has no objection to the change.

(3) The communication between the listed company and the former accounting firm and the successor accounting firm

The Company has communicated with Pan-China about the proposed change of accounting firm, and the former accounting firm has been aware of this matter and has no objection to this change. In view of the fact that the Company's change of accounting firm still needs to be submitted to the shareholders' meeting for deliberation, the former and the successor accounting firm will actively communicate and cooperate with each other in accordance with relevant regulations.

III. The procedures to be performed by the proposed change of the accounting firm

(1) The performance of duties by the Audit Committee

The audit committee of the Company reviewed the relevant qualifications and experience of Grant Thornton, as well as the qualifications and independence of the signing project partners, certified public accountants and quality control reviewers, and considered that Grant Thornton has experience in providing audit services for a number of listed companies, can meet the work requirements of the Company's financial audit, has independence, and has the professional ability and investor protection ability to be competent for the Company's financial audit work in 2024. It approved the appointment of Grant Thornton as the Company's accounting firm for 2024 and to submit it to the board of directors of the Company for deliberation.

(II) Review and voting of proposal by the board of directors and the supervisory board

The proposal on changing the accounting firm was approved in the 7th meeting of the 9th board of directors of the Company, and agreed to appoint Grant Thornton as the Company's audit auditor for the year 2024. The voting was 9 in favor, 0 against, and 0 abstention.

The "Proposal on Changing the Accounting Firm" was deliberated and passed in the sixth meeting of the ninth board of supervisors of the Company, and agreed to the Company's appointment of Grant Thornton as the Company's auditor in 2024, with 3 votes agreed, 0 votes against, and 0 abstentions.

(III) Effective date

The appointment of the accounting firm still needs to be submitted to the Company's shareholders' meeting for deliberation, and will take effect from the date of deliberation and approval of the Company's shareholders' general meeting.

1. Resolution of the third meeting of the Ninth Session Audit Committee ;
2. An explanation of Grant Thornton's basic situation.

IV. Documents available for inspection

1. Resolutions of the 7th Meeting of the 9th Board of Directors;
2. Resolutions of the 6th Meeting of the 9th Supervisory Board;
3. Resolution of the third meeting of the Ninth Session Audit Committee ;
4. An explanation of Grant Thornton's basic situation.

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

July 3, 2024