



9 December 2024

*The Independent Board Committee and the Independent Shareholders of
China Shuifa Singyes Energy Holdings Limited*

Dear Sir/Madam,

**THE CONTINUING CONNECTED TRANSACTION IN RELATION TO
ENTERING INTO THE EPC GENERAL CONTRACTING SERVICE
FRAMEWORK AGREEMENT**

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed annual caps (the “**Proposed Annual Caps**”) for the contracting of various EPC and related services under the EPC General Contracting Service Framework Agreement (the “**Contracting of EPC and Related Services**”) of the Group from Shuifa Group Company for the period from 5 November 2024 to 31 December 2026. Details of the determination of the Proposed Annual Caps are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 9 December 2024 to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used herein have the same meanings as those defined in the Circular unless otherwise stated.

As disclosed in the Letter from the Board, on 5 November 2024, the Company and Shuifa Group Company entered into the EPC General Contracting Service Framework Agreement, whereby the Group will contract certain EPC and related services from Shuifa Group for the period from 5 November 2024 to 31 December 2026.

As at the Latest Practicable Date, Shuifa Group Company is the controlling shareholder indirectly holding approximately 74.09% of the total issued Shares. As such, Shuifa Group Company constitutes a connected person of the Company under the Listing Rules. Therefore, the Contracting of EPC and Related Services constitutes the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratio in respect of the Proposed Annual Caps is more than 5% on an annual basis, the Proposed Annual Caps are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions will be passed by way of poll at the SGM. Any Shareholder with a material interest in the Contracting of EPC and Related Services and his close associates will abstain from voting on the ordinary resolutions for approving the Contracting of EPC and Related Services at the SGM. As Shuifa Group Company is a controlling shareholder of the Company, Shuifa Group Company and its associates will abstain from voting at the SGM on the ordinary resolution(s) for the purpose of approving the Contracting of EPC and Related Services. As at the Latest Practicable Date, so far as the Directors are aware, other than the aforesaid, no other associate of Shuifa Group Company holds shares of the Company and is required to abstain from voting on such ordinary resolution(s).

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Wang Ching, Yick Wing Fat, and Tan Hongwei, has been established to advise the Independent Shareholders on (i) whether the terms of the EPC General Contracting Service Framework Agreement are in the ordinary and usual course of business, on normal commercial terms or better, fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole; (ii) whether the Proposed Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect to the relevant resolution(s) to approve the EPC General Contracting Service Framework Agreement, the Contracting of EPC and Related Services and the Proposed Annual Caps at the SGM. In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders in this regard.

INDEPENDENCE

We did not act as (i) financial adviser to the Group and its respective connected persons; or (ii) independent financial adviser to independent board committee and independent shareholders of the Company in the past two years immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence.

We are independent from and not connected with the Group pursuant to Rule 13.84 of the Listing Rules and, accordingly, are qualified to advise the Independent Board Committee and the Independent Shareholders in relation to the Contracting of EPC and Related Services. Apart from the normal advisory fee payable to us in connection with our appointment as the independent financial adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular, which have been provided by the Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time they were made and continue to be true until the date of the SGM.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed that, having made all reasonable enquiries, to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no material facts and representations the omission of which would make any statement in the Circular or the Circular misleading.

We consider that we have reviewed sufficient information to reach an informed view regarding the Contracting of EPC and Related Services and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, for the purpose of this exercise, conducted any form of independent in-depth investigation or audit into the businesses or affairs or future prospects of the Group, nor have we considered the taxation implication on the Group.

Our opinion is based on the financial, economic, market, and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion, and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise, or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell, or buy any shares or any other securities of the Company.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with the Contracting of EPC and Related Services, and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

A. Background information of the parties

1. *The Company*

The Company is an investment holding company. The Group is a renewable energy system integrator and building contractor, and is principally engaged in the design, manufacture, supply and installation of conventional curtain walls, building integrated photovoltaic systems, and the manufacturing and sale of solar power products.

2. *Shuifa Group Company*

Shuifa Group Company is principally engaged in water conservancy and supply, modern agriculture and clean energy business. As at the Latest Practicable Date, Shuifa Group Company is the controlling shareholder of the Company indirectly holding approximately 74.09% of the issued share capital of the Company, and is hence a connected person of the Company. Shuifa Group is owned, directly and indirectly, as to 90% by the State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC* (山東省國有資產監督管理委員會) and as to 10% by the Shandong Provincial Council for Social Security Fund (山東省社會保障基金理事會), which is directly under the Shandong Provincial Government.

B. Contracting of EPC and Related Services

1. *Background*

On 5 November 2024, the Company and Shuifa Group Company entered into the EPC General Contracting Service Framework Agreement, whereby the Group will contract certain EPC and related services from Shuifa Group for the period from 5 November 2024 to 31 December 2026.

2. *Reasons for and the benefits of the Contracting of EPC and Related Services*

The Group is principally engaged in the design, manufacture, supply and installation of conventional curtain walls, the establishment of integrated photovoltaic systems, and the manufacture and sale of solar power products. According to the development strategy of the Group, the clean energy business, including wind energy and photovoltaic power storage, has been one of the major development directions. As such, the Group has been actively sourcing new EPC construction projects from its customers with the aim of becoming a leading clean energy enterprise.

Shuifa Group Company, as a state-owned enterprise, participates in various construction projects in relation to clean energy contemplated under the letter of intent with the PRC government. As Shuifa Group Company is the controlling shareholder of the Company, the Group fully understands the business and operation needs of the Shuifa Group Company. Leveraging the Group's expert team with comprehensive experience, technologies and personnel in construction, the Group will be able to accommodate to Shuifa Group's need and consistently deliver high quality EPC construction services to fulfil Shuifa Group's specification, thus establishing excellent track record in

the construction projects with Shuifa Group. As such, the entering into the EPC General Contracting Services Framework Agreement is beneficial to both parties and favorable for the development of Group's clean energy business.

Besides, the price of the construction projects from Shuifa Group charged by the Group will be determined with reference to (i) the public tender price of construction projects; (ii) quotation of the Group based on the costs incurred by the Group to conduct construction projects; and (iii) arms' length negotiations between the Group and Shuifa Group. The Contracting of EPC and Related Services enables the Group to contract construction projects from Shuifa Group when such construction projects contribute to the gross profit of the Group. As such, we consider that the price of the construction projects will be determined based on normal commercial terms, which is in the interest of the Company and the Shareholders as a whole.

In light of above, we conclude that the entering into of the EPC General Contracting Service Framework Agreement is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

3. Principal terms of the EPC General Contracting Service Framework Agreement

The following summarizes the principal terms of the EPC General Contracting Service Framework Agreement:

Date

5 November 2024

Parties

- (i) The Company; and
- (ii) Shuifa Group Company (on behalf of Shuifa Group)

Subject Matter

The Group will contract various EPC and related services from Shuifa Group, including:

- (i) EPC general contracting and subcontracting of new energy projects, which comprise the general contracting construction of photovoltaic power projects, wind power projects and energy storage power plant projects, including but not limited to (a) topographic surveying and mapping, site exploration, preliminary design, construction drawing design, as-built drawing design, technical support for designs of projects and other services relating to exploration designs; (b) procurement and supply, transportation and storage, supervision and third party detection services for all equipment and materials included in the project designs; (c) construction, project management, insurance, commissioning, trial operation, acceptance, warranty, training, handover of civil projects, electrical equipment

installation projects, line projects, reinforcement and renovation projects, auxiliary facilities projects and other projects; (d) services including the implement of compliance procedures within the general contracting scope such as grid connection, power quality evaluation, lightening protection detection and special acceptance, fire protection acceptance of projects;

- (ii) green construction and curtain wall construction, including but not limited to (a) design of curtain wall projects to ensure the project quality and system security; (b) construction within the scope of curtain wall projects and green construction projects; (c) design and construction of lightening protection grounding related to curtain wall; (d) erection of construction scaffolding, ladder truck, construction basket, working platform and other operating facilities required within the contracting scope; (e) inspection of the relevant materials involved in the contracting scope and the test of properties; (f) curtain wall drenching test; (g) filling in and sorting data of projects within the contracting scope; (h) energy-saving acceptance; (i) formulation and implementation of the scheme for the maintenance, overhaul and replacement of curtain walls; and (j) cooperation with other units (such as floodlighting and fine decoration units); and
- (iii) other consulting and management services, including the procedures entrusted by Shuifa Group or for which Shuifa Group requires the provision of assistance, coordination of land acquisition and leasing, technical consulting and project management and other services.

Pricing Policy

The following pricing principles will apply to the pricing of services contemplated under the EPC General Contracting Service Framework Agreement:

Shuifa Group determines the total contract price by way of public tenders. Shuifa Group conducts public tenders for specific project to be constructed. The quotation of the Group is based on all costs of raw materials, labours, management and finance required by the project construction plus reasonable market-oriented profit while Shuifa Group will determine the successful tenderer and tender price in an open, impartial and fair manner in accordance with the Tendering and Bidding Law of the People's Republic of China and relevant laws and regulations.

The final price shall be determined after arms' length negotiations and on normal commercial terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

We noted from the management of the Company that the Group would implement the following pricing policy and procedure to determine the quotation amount in relation to the Contracting of EPC and Related Services:

- (i) the marketing department of the Group will review the tender document from Shuifa Group in detail and prepare a preliminary assessment on the suitability of the EPC projects based on factors including but not limited to:
 - (a) the scale, complexity and specifications of the EPC projects, nature and amount of work to be performed, the capacity of the Group and other technical project requirements;
 - (b) the likelihood of the EPC projects being awarded to the Group;
 - (c) the fee and profit margin of EPC projects of similar nature conducted by other contractors in the market; and
 - (d) the level of risks involved in the EPC projects and services to be provided;
- (ii) based on the result of the abovementioned assessment in (i), the marketing department of the Group will determine whether the Group should participate in the tender of EPC projects. If so, a tender working group will be established thereafter;
- (iii) the tender working group will determine the quotation with reference to (a) the cost of EPC projects estimated by the cost control department based on quotations from suppliers and subcontractors of the Group; and (b) a profit margin ranging from 7% to 8% according to the nature and scope of work;
- (iv) the marketing department will review the quotation determined by the tender working group and compare with the prevailing market price charged by the Group to independent third parties for the provision of similar services under ordinary course of business, which will ensure that the quotations submitted by the Group are on the same or better terms and not less favorable to the Group than those offered to independent third parties. The marketing department will base the latest quotations and tenders submitted by the Group to independent third parties for similar EPC projects available in the market; and
- (v) the senior management involved in project management will review the information from the marketing department and the cost control department and consider whether the EPC projects is supported by reasonable estimated cost and justifiable profit margin. The tender working group will proceed to submit the quotation to Shuifa Group after obtaining the approval from senior management.

The final quotation or tender price to be submitted by the Group shall be determined on normal commercial terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

In light of the above, considering that

- (i) there is appropriate segregation of duties among the marketing department, tender working group, cost control department and senior management in forming the quotation amount;
- (ii) the Group will implement comprehensive cost analysis on the EPC projects which involves the estimation by cost control department and review by marketing department and senior management;
- (iii) the profit margin is determined with reference to the average profit margin of the EPC projects carried out by the Group in the past; and
- (iv) market comparable information is taken into account to ensure that the quotations will not be less favorable than those provided to independent third parties,

we are of the view that the abovementioned pricing policy and procedure to determine the quotation amount for EPC construction projects will ensure the prices quoted by the Group are profitable and not lower than those offered to independent third parties for similar EPC construction projects.

We have obtained and reviewed the Group's construction projects bidding and contract management control policy, which is in line with the abovementioned pricing policy and procedure. Besides, as illustrated under the section headed "4. Assessment on the internal control procedures under the EPC General Contracting Service Framework Agreement" in this letter, the internal control system would ensure that the pricing policy and procedure will be effectively and properly implemented by the Group.

In conclusion, we are of the opinion that the Group's pricing policy and procedures in determining the quotation amount is sufficient and reasonable. As such, the quotation determined based on such pricing policy and procedure is fair and reasonable and no less favorable than those transactions between the Group and independent third parties.

Payment Terms

The payment method is determined based on the condition of the service site, the service progress and technical standard of services. The details of payment terms shall be defined in the specific agreements.

For transactions which are priced through the way of tender and bidding, the payment terms shall be disclosed to all potential bidders (including connected persons and independent third parties) in the tender documents. After the successful tenderer is determined, both parties

will determine the specific payment method according to the payment terms set out in the tender documents. Payment methods are determined on normal commercial terms and in a fair and reasonable manner, and should be the same regardless of whether the successful bidder is a connected person or an independent third party.

Conditions Precedent

The EPC General Contracting Service Framework Agreement is conditional upon the fulfillment of following conditions:

- (i) each of the Company and Shuifa Group Company has officially signed the EPC General Contracting Service Framework Agreement and affixed its seal; and
- (ii) the Company has complied with the relevant requirements under the Listing Rules in relation to the EPC General Contracting Service Framework Agreement and the transactions contemplated thereunder, including but not limited to issuing an announcement and obtaining the approval from its Independent Shareholders in respect of the EPC General Contracting Service Framework Agreement.

4. *Assessment on the internal control procedures under the EPC General Contracting Service Framework Agreement*

We are advised by the management of the Company that the Group will implement the following internal control measures to monitor the continuing connected transactions under the EPC General Contracting Service Framework Agreement:

- (i) after the EPC General Contracting Service Framework Agreement was proposed and reported by the department responsible for connected transactions, the Directors of the Company (including independent non-executive Directors) reviewed (a) the essence and reasonableness of the connected transactions; (b) the fairness of pricing, and (c) the transaction terms as to whether they are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole;
- (ii) the finance department of the Company will closely monitor and record actual contract amounts of the continuing connected transactions under the EPC General Contracting Service Framework Agreement to ensure the annual caps therein will not be exceeded;
- (iii) the relevant officers of the business department of the Company will conduct regular inspections to review and assess whether the transactions contemplated under the EPC General Contracting Service Framework Agreement proceed in accordance with the terms therein, so as to consider whether specific contract amounts are fair and reasonable and in compliance with the aforesaid pricing policies;

- (iv) the internal control and audit department of the Company will review the transactions under the EPC General Contracting Service Framework Agreement on a regular basis (i.e. at least twice a year), so as to (a) consider the effective implementation of the pricing policy and the payment method as well as the appraisal of the balance of the annual caps; (b) identify management weakness, and make recommendations for improvement to ensure that the internal control measures in respect of the transactions under the EPC General Contracting Service Framework Agreement remain complete and effective with follow-up measures to address the weakness identified, if any, as soon as practicable;
- (v) the Company will engage the auditor to carry out annual review on the continuing connected transactions (including but not limited to the relevant pricing policies and annual caps) every year in accordance with the requirement of Rule 14A.56 of the Listing Rules; and
- (vi) the independent non-executive Directors of the Company shall conduct annual review on the continuing connected transactions every year in accordance with the requirements of Rule 14A.55 of the Listing Rules.

We have assessed the above internal control procedures in relation to the EPC General Contracting Service Framework Agreement and noted that:

- (i) there is proper segregation of duties among the finance department, business department and internal control and audit department in the Company regarding the continuing connected transactions under the EPC General Contracting Service Framework Agreement, which ensures that the Contracting of EPC and Related Services can be monitored, recorded, assessed and reviewed on a regular basis;
- (ii) as indicated in the annual report of the Company for FY2023, the audit committee of the Company would communicate with the external auditor, internal audit consultant and also the management regularly to ensure internal control policies of the Company were properly implemented by the management. The Group also appointed external independent professional advisors to review the effectiveness of the Group's internal control system for FY2023. Based on the understanding of the Directors, no material internal control weaknesses have been identified for FY2023. Such effective internal control system has ensured that the continuing connected transactions entered into by the Group in the past were fair and reasonable and conducted in the interests of the Company and its Shareholders as a whole. We have reviewed the internal approval documents in relation to the continuing connected transactions entered between the Group and its related parties in FY2023 and noted that the internal control measures have been appropriately implemented by the Group on the previous continuing connected transactions despite the fact that these continuing connected transactions were fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements.

Besides, the Group has established an internal control manual providing clear guideline for recording, inspection, monitoring and review of continuing connected transactions conducted by the Group, which facilitates the effective implementation of the internal control system on the Contracting of EPC and Related Services. As such, despite the fact that the Group has not conducted the Contracting of EPC and Related Services in the past, the internal control procedures related to the EPC General Contracting Service Framework Agreement is expected to be properly and effectively implemented by the Company.

Taking into account the above, we are of the view that the Group has adequate internal control procedures in place under the EPC General Contracting Service Framework Agreement to safeguard the interests of the Company and the Shareholders as a whole.

5. *Analysis on the Proposed Annual Caps*

(1) *The historical transaction amount and the Proposed Annual caps under the EPC General Contracting Service Framework Agreement*

The following table sets forth the Proposed Annual Caps under the EPC General Contracting Service Framework Agreement for the three years ending 31 December 2026:

	For the year ending 31 December		
	2024	2025	2026
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Proposed Annual Caps			
(Contract amounts)	1,000	1,200	1,500

The Group has no previous transactions similar to the transactions contemplated under the EPC General Contracting Service Framework Agreement with Shuifa Group. Therefore, there is no comparison between historical transaction amount in relation to the transactions under the EPC General Contracting Service Framework Agreement and the Proposed Annual Caps.

(2) *Assessment on the Proposed Annual Caps*

We are advised by the management of the Company that the Proposed Annual Caps are determined with reference to

- (i) the number of construction projects
 - (a) which are expected to be carried out by Shuifa Group for the three years ending 31 December 2026 based on the business development plan of Shuifa Group; and

- (b) for which the Group will participate in the bidding procedure;
- (ii) the expected contract sum of the construction projects as mentioned in (i) above; and
- (iii) the buffer of approximately 10% reserved to cope with potential increase in the relevant demands of Shuifa Group for construction projects, as well as estimated increase in average market prices for similar services due to inflation and expected increase in costs.

We have obtained the project list of the Group in relation to the construction projects anticipated to be contracted from Shuifa Group by the Group for the three years ending 31 December 2026. The tables below set forth the details of the Proposed Annual Caps for FY2024, FY2025 and FY2026:

FY2024

	Expected contract sum RMB' million
Wind power project (<i>Note 1</i>)	684
Photovoltaic power project (<i>Note 2</i>)	225
A buffer of 10% to cope with potential increase in the relevant demands of Shuifa Group and inflation	91
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Total	<u><u>1,000</u></u>

Note:

- The Group expects to participate in the competitive tender as contractor of one wind power project of which the contract is expected to be entered into between the contractor and Shuifa Group in FY2024. This project is anticipated to be carried out in Hebei Province in the PRC with a construction term lasting for approximately one year. Through the assessment on the wind power project based on its technical requirements and expected labor and material costs, the Group has decided to submit the tender document to bid for the wind power project. In this construction project, the Group will conduct site exploration, preliminary design of the facilities, procurement and supply of materials specific to wind energy generation, construction and project management tailored for wind turbines, and services such as grid connection, power quality evaluation, lightning protection detection, and firefighting acceptance related to wind energy installations.
- The Group expects to participate in the competitive tender as contractor of one photovoltaic power project of which the contract is expected to be entered into between the contractor and Shuifa Group in FY2024. This project is anticipated to be carried out in Hebei Province in the PRC with a construction term lasting for approximately 6 months. Through the assessment on the photovoltaic power project based on its technical requirements and expected labor and material costs, the Group has decided to submit the tender document to bid for the photovoltaic

power project. In this construction project, the Group will engage in site exploration suitable for solar panel installation, preliminary design of solar energy facilities, procurement and supply of materials for solar energy systems, construction and project management focused on solar panel arrays, and services including grid connection, power quality evaluation for solar power, lightning protection detection, and firefighting acceptance for solar energy projects.

FY2025

	Expected contract sum RMB' million
Photovoltaic power projects (<i>Note</i>)	1,090
A buffer of 10% to cope with potential increase in the relevant demands of Shuifa Group and inflation	<u>110</u>
Total	<u><u>1,200</u></u>

Note: The Group expects to participate in the competitive tender as contractor of three photovoltaic power projects of which the contracts are expected to be entered into between the contractors and Shuifa Group in FY2025. These projects are anticipated to be carried out in Hebei Province, Guangdong Province and Shandong Province in the PRC with a construction term lasting from 6 months to 12 months. The contract sums of these three photovoltaic power projects amount to approximately RMB450 million, RMB490 million and RMB150 million respectively.

Through the assessment on the photovoltaic power project based on its technical requirements and expected labor and material costs, the Group has decided to submit the tender document to bid for these photovoltaic power projects. In these construction projects, the Group will engage in site exploration suitable for solar panel installation, preliminary design of solar energy facilities, procurement and supply of materials for solar energy systems, construction and project management focused on solar panel arrays, and services including grid connection, power quality evaluation for solar power, lightning protection detection, and firefighting acceptance for solar energy projects.

FY2026

	Expected contract sum RMB' million
Wind power projects (<i>Note</i>)	1,363
A buffer of 10% to cope with potential increase in the relevant demands of Shuifa Group and inflation	<u>137</u>
Total	<u><u>1,500</u></u>

Note: The Group expects to participate in the competitive tender as contractor of three wind power projects of which the contracts are expected to be entered into between the contractors and Shuifa Group in FY2026. Two of the projects are anticipated to be carried out in Henan Province while one is anticipated to be carried out in Hebei Province in the PRC. The construction terms of these three wind power projects are expected to last for approximately 9 months. The contract sum of each of the three wind power projects amount to approximately RMB454 million.

Through the assessment on these wind power projects based on their respective technical requirements and expected labor and material costs, the Group has decided to submit the tender document to bid for these wind power projects. In these construction projects, the Group will conduct site exploration, preliminary design of the facilities, procurement and supply of materials specific to wind energy generation, construction and project management tailored for wind turbines, and services such as grid connection, power quality evaluation, lightning protection detection, and firefighting acceptance related to wind energy installations.

Conclusion

In view of the above, we considered that the Proposed Annual Caps for FY2024, FY2025 and FY2026 under the EPC General Contracting Service Framework Agreement are fair and reasonable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the EPC General Contracting Service Framework Agreement are in the ordinary and usual course of business, on normal commercial terms, fair and reasonable and in the interest of the Company and the Independent Shareholders as a whole; and (ii) the Contracting of EPC and Related Services and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution(s) to be proposed at the SGM to approve the EPC General Contracting Service Framework Agreement and the Proposed Annual Caps and we recommend the Independent Shareholders to vote in favor of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Donvex Capital Limited



Doris Sy
Director

Ms. Doris Sy is a person licensed to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance and is a responsible officer of Donvex Capital Limited who has around 22 years of experience in corporate finance advisory.

** For identification purposes only*