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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION IN RELATION TO THE EPC CONTRACT

THE EPC CONTRACT

The Board announces that on 13 May 2025 (after trading hours), YSHS New Energy (a direct non-wholly owned subsidiary of the Company, as the principal), entered into the EPC Contract with the Joint Contractors (namely PowerChina Chengdu and Guizhou Smart Power), pursuant to which, YSHS New Energy agreed to engage the Joint Contractors to provide relevant EPC services in relation to the Project.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction under the EPC Contract exceeds 5% but is less than 25%, the transaction under the EPC Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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The major terms of the EPC Contract are as follows:

Date	:	13 May 2025 (after trading hours)
Parties	:	(a) YSHS New Energy (as the principal); (b) PowerChina Chengdu; and (c) Guizhou Smart Power (together with PowerChina Chengdu, as the Joint Contractors)
Project	:	100MW fishery, photovoltaic and storage integration demonstration project in Liuji Town, Yizheng City, Jiangsu Province, comprising, among other things, the construction of project photovoltaic area, collector lines, booster stations and transmission lines.
Scope of service	:	Survey and design, procurement of equipment, facilities and materials, construction engineering, equipment installation, and commissioning, performance assessment, completion acceptance, testing, project management, technical services and provision of other facilities related to the Project.

The Joint Contractors shall be responsible for providing the technology, labour, equipment, materials, machinery, tools, testing and inspection required for completing the construction of the Project in accordance with the terms of the EPC Contract.

- Construction period : 580 calendar days. The actual time of commencement shall be subject to the written formal notice of the principal.
- Defect liability period: 12 months after completion and acceptance of the Project (the **“Defect Liability Period”**).
- Warranty period : From two to fifteen years after completion and acceptance of the Project depending on different equipment and engineering construction.
- Consideration : Based on the approved installed capacity of 100MW, the unit price shall be approximately RMB4.16762 per watt, accordingly the total consideration is RMB416,879,989.36 (tentatively, tax inclusive), which is comprised of (i) construction and installation fee of RMB150,401,468.62 (tax inclusive), (ii) equipment procurement fee of RMB199,115,701.57 (tax inclusive), (iii) survey and design fee of RMB2,800,000.00 (tax inclusive), and (iv) other progress fee of RMB64,562,819.17 (tax inclusive), including provisional estimated amount of RMB42,680,000 (tax inclusive).

The provisional estimated amount is subject to adjustment based on actual engineering construction. Based on the unit price of RMB4.16762 which remains the same if the actual installed capacity is greater than the approved installed capacity and that the actual installed capacity shall be no more than 115MW, the total tentative consideration shall be up to RMB479,276,300. If the actual installed capacity is less than the approved installed capacity for every 1%, the unit price will be reduced by RMB0.001/watt. If the actual installed capacity is less than 90MW, the parties to the EPC Contract will enter into a separate agreement to determine the price adjustment mechanism. If the electricity settlement price within 6 months after full-capacity on grid connection of the Project is RMB0.01/kilowatt hour less than the approved price of not less than RMB0.391/kilowatt hour, the unit price will be reduced by RMB0.01/watt. If the system efficiency, as verified by a third party, falls below the average power generation efficiency guarantee (i.e. power generation efficiency of the first year after full-capacity on grid connection of the Project of single-sided module system and that of double-sided module system shall be $\geq 82\%$ and $\geq 83.8\%$ respectively (the “**Guaranteed Efficiency**”)), the unit price will be reduced by RMB0.001/watt for every 0.5% below the Guaranteed Efficiency.

The consideration of the EPC Contract was determined by the parties after arm’s length negotiation and through a tendering selection process. In particular, YSHS New Energy has considered the following factors during the selection: (i) the track record of the candidates of contractor on performing projects of similar size; (ii) the size of operation, manpower, financial performance, specialised technological know-hows and professional qualifications of the candidates of contractor; and (iii) the quotations and construction plan submitted by the candidates of contractor. Taking into account of the specialised technological know-hows, professional qualifications, tender quotation, construction plan and business reputation, the Joint Contractors were granted the EPC Contract as they scored the first among all the contractors.

Payment terms : The consideration shall be paid by YSHS New Energy to the Joint Contractors in the following manners:

(i) Advance payment: 30% of the total consideration (excluding provisional estimated amount) shall be paid as advance payment within one month after the EPC Contract having been signed or seven days before the agreed date of commencement of work. The amount of advance payment will be subsequently deducted from the progress payments.

(ii) Progress payments

(a) Survey and design fee: 1) 50% of the total survey and design fee shall be paid after submission of the survey and design results and completion of relevant procedures. 2) Up to 97% of the total survey and design fee shall be paid after completion and acceptance of the Project. 3) The remaining 3% of the total survey and design fee shall be paid after one year of the completion and acceptance of the Project if it will be confirmed that there are no engineering quality issues caused by design-related reasons.

(b) Project progress fee: 1) Up to 80% of the total construction and installation fee and total equipment procurement fee shall be paid, respectively, based on the actual amount of the construction work completed each month. 2) Up to 85% of the total construction and installation fee and total equipment procurement fee shall be paid after full-capacity on grid connection of the Project. 3) Up to 97% of the total construction and installation fee and total equipment procurement fee shall be paid after completion and acceptance of the Project.

(c) Other progress fee: 1) Up to 80% of the other progress fee based on the actual amount of the construction work completed shall be paid after the Joint Contractors having submitted and the YSHS New Energy having approved the output statement and other documents. 2) Up to 85% of the other progress fee based on the actual amount of the construction work completed shall be paid after full-capacity on-grid connection of the Project. 3) Up to 97% of the other progress fee shall be paid after completion and acceptance of the Project.

(iii) Quality warranty: 3% of the total consideration shall be retained as quality warranty, which shall be paid upon expiry of Defect Liability Period.

Performance : Under the EPC Contract, the Joint Contractors shall provide guarantee and advance payment guarantee in the amount equivalent to 10% and 20% of the total consideration (excluding provisional estimated amount) to YSHS New Energy respectively by way of letters of guarantee from banks.

The performance guarantee shall be returned to the Joint Contractors after the satisfactory completion inspection of the Project.

The advance payment guarantee shall be returned to the Joint Contractors: 1) when the total amount paid for 80% of the actual amount of construction work completed is greater than the advance payment; and 2) 9 months after the advance payment guarantee was issued or such longer period until the total amount paid for 80% of the actual amount of construction work completed is greater than the advance payment.

The payment of consideration under the EPC contract will be funded by internal resources of the Group. Upon completion of the construction, photovoltaic power stations of the Project shall be owned and operated by YSHS New Energy.

INFORMATION OF THE PARTIES

The Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (Stock Code: 1250). The principal activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

YSHS New Energy

YSHS New Energy is a company incorporated in the PRC with limited liability. As at the date of this announcement, YSHS New Energy is a direct non-wholly owned subsidiary of the Company and is principally engaged in solar power generation technology services, leasing and sale of photovoltaic equipment and engineering management services.

PowerChina Chengdu

PowerChina Chengdu is a company incorporated in the PRC with limited liability. As at the date of this announcement, PowerChina Chengdu is a wholly-owned subsidiary of PowerChina and is principally engaged in engineering survey, design, consulting and general contracting.

PowerChina

PowerChina is a joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Main Board of the Shanghai Stock Exchange (Stock Code: 601669), and is principally engaged in engineering contracting and survey design, investment and operation, equipment manufacturing and leasing and other business.

Guizhou Smart Power

Guizhou Smart Power is a company incorporated in the PRC with limited liability. As at the date of this announcement, Guizhou Smart Power is directly owned as to 48% by Wang Qian and 52% by Guizhou Guishang New Energy Technology Co., Ltd.* (貴州貴商新能源科技有限公司), which is in turn directly owned as to 75% by Jiang Zheng, 20% by Wang Jun and 5% by Longshang Holdings Group Co., Ltd.* (龍商控股集團有限公司), and is principally engaged in installation, maintenance, and testing of power facilities, construction engineering, sale and manufacturing of power and control equipment and power facilities, sale of photovoltaic equipment and components and professional design services.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, PowerChina Chengdu, Guizhou Smart Power and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC CONTRACT

As one of the players in the new energy industry in China, the Group has been developing the clean energy market in different regions and investing in the construction of photovoltaic power stations. Meanwhile, the Group has been actively collaborating with local governments to promote the implementation of high-quality industries and firmly pursuing a long-term, sustainable and high-quality development pace. The development of the Project will enable the Group to further expand its market presence in photovoltaic power station projects in Jiangsu Province. Having considered the above, the Directors are of the view that the Project would enable the Group to broaden its revenue base and enhance its earning capabilities through continuous investment, construction and operation of photovoltaic projects in Jiangsu Province.

The Group conducted an open tender in February 2025 to openly invite EPC contractors in connection with photovoltaic power stations to participate in the tender and the EPC Contract was entered into after completion of the open tender process. The terms of the EPC Contract were determined in accordance with the terms of the aforesaid open tender and after arm's length negotiations among the parties thereto.

In view of the above, the Directors (including the independent non-executive Directors) considers that the transactions under the EPC Contract are conducted in the ordinary and usual course of business of the Group and on normal commercial terms or better after arm's length negotiations and the terms of the EPC Contract are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context otherwise requires:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Shandong Hi-Speed New Energy Group Limited (山高新能源集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1250)
“Director(s)”	the director(s) of the Company
“EPC Contract”	the engineering, procurement and construction contract dated 13 May 2025 entered into by YSHS New Energy and the Joint Contractors for the Project
“Group”	the Company and its subsidiaries

“Guizhou Smart Power”	Guizhou Smart Power Technology Co., Ltd.* (貴州智慧電力科技有限公司), a company incorporated in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of any member of the Group, the Directors, the chief executives, the controlling shareholders, the substantial shareholders of the Company or their subsidiaries, and their respective associates
“Joint Contractors”	Collectively, PowerChina Chengdu and Guizhou Smart Power
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatts
“PowerChina”	Power Construction Corporation of China, Ltd.* (中國電力建設股份有限公司), a joint stock company incorporated in the PRC with limited liability and the A shares of which are listed on the Main Board of the Shanghai Stock Exchange (Stock Code: 601669)
“PowerChina Chengdu”	PowerChina Chengdu Engineering Corporation Limited* (中國電建集團成都勘測設計研究院有限公司), a company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Project”	100MW fishery, photovoltaic and storage integration demonstration project in Liuji Town, Yizheng City, Jiangsu Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SDHS Group”	Shandong Hi-Speed Group Co. Ltd. (山東高速集團有限公司), a company established in the PRC with limited liability and an indirect controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“YSHS New Energy”	Yizheng Shandong Hi-Speed New Energy Co., Ltd.* (儀征市山高新能源有限公司), a company incorporated in the PRC with limited liability and a direct non-wholly owned subsidiary of the Company as at the date of this announcement
“%”	per cent

By Order of the Board
Shandong Hi-Speed New Energy Group Limited
Li Tianzhang
Chairman

Hong Kong, 13 May 2025

As at the date of this announcement, the Board comprises Mr. Li Tianzhang, Mr. Zhu Jianbiao, Mr. Wang Wenbo, Mr. Liu Zhijie, Ms. Liao Jianrong, Mr. Li Li and Mr. Wang Meng as executive Directors; and Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik as independent non-executive Directors.

* For identification purpose only