

25 September 2025

*To the Independent Board Committee and the Independent Shareholders of
Shandong Hi-Speed New Energy Group Limited*

Dear Sirs,

DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS IN RELATION TO THE EPC CONTRACT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the EPC Contract, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 25 September 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 13 September 2025, Heze SH Energy (a direct wholly-owned subsidiary of the Company, as the principal) entered into the EPC Contract with the Joint Contractors (namely China Energy Engineering No. 2 Construction Co and Zhengchen Technology). Pursuant to the EPC Contract, Heze SH Energy agreed to engage the Joint Contractors to provide EPC services in relation to the Project at an aggregate contracting fee of RMB1,011,365,724.00 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

As at the Latest Practicable Date, as (i) Heze SH Energy is a direct wholly-owned subsidiary of the Company; (ii) SDHS Group, by itself and through several entities, holds indirectly approximately 60.66% of the issued share capital of the Company; and (iii) SDHS and SDHS Group hold 65% and 35% of the equity interests in Shandong Hi-Speed Information Group respectively, and Shandong Hi-Speed Information Group holds approximately 33.3944% of the equity interests in Zhengchen Technology, which is regarded as a 30%-controlled company of SDHS Group, therefore pursuant to Chapter 14A of the Listing Rules, (a) SDHS Group is an indirect controlling Shareholder and a connected person of the Company; (b) Zhengchen Technology is an associate of SDHS Group and connected person of the Company; and (c) the transactions contemplated under the EPC Contract constitute connected transactions of the Company.

Pursuant to Rule 14A.81 to Rule 14A.82 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all entered into within a 12-month period or were otherwise related. Accordingly, as the Previous EPC Contracts are in similar nature of the EPC Contract with the same connected person or persons who are connected with one another, the transactions under the EPC Contract and the Previous EPC Contracts shall be aggregated in accordance with Rule 14A.81 to Rule 14A.82 of the Listing Rules. As the highest applicable percentage ratio in respect of the transactions under the EPC Contract and the Previous EPC Contracts aggregated in accordance with the Listing Rules exceeds 5%, the entering into of the EPC Contract is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee (comprising all independent non-executive Directors) has been established in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders in relation to the EPC Contract and the transactions to be contemplated thereunder.

We, Mango Financial Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years prior to the Latest Practicable Date, we acted as the independent financial adviser to advise the independent non-executive directors of the Company and SDHG in respect of the Linteng EPC Contract, the Lancao EPC Contract and a loan contract dated 5 September 2025 entered into by the Group. Apart from normal professional fees paid or payable to us in connection with the previous engagements and this appointment as the Independent Financial Adviser, no arrangement exists whereby we had received or will receive any fees or benefits from the Company. Accordingly, we consider that we are eligible to give independent advice in respect of the EPC Contract.

BASIS OF OUR OPINION

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have relied on the information, facts and representations contained or referred to in the Circular and the information, opinions and representations provided or expressed to us by the Directors and/or the management of the Company (the “**Management**”). We have assumed that all the information, facts and representations contained or referred to in the Circular, and all the information, opinions and representations provided or expressed by the Management, for which they are solely responsible, were true, accurate and complete in all material respects at the time when they were provided and continue to be so as at the Latest Practicable Date and that they may be relied upon in formulating our view. We have also assumed that all such opinions and statements of intention or belief expressed by the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiries.

The Directors have confirmed to us that no material facts have been withheld or omitted from the information provided, representations made or opinions expressed. We have no reason to suspect that any relevant information has been withheld or omitted, nor are we aware of any facts or circumstances which would render the information provided, representations made or opinions expressed to us untrue, inaccurate or misleading. We consider that we have been provided with, and have reviewed, sufficient information currently available, and that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Management, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Group, the parties to the EPC Contract or any of their respective subsidiaries or associates. Our opinion is necessarily based on the financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that 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 other matters the omission of which would make any statement therein or the Circular misleading.

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice, we have taken into account the following principal factors:

Information on 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.

Heze SH Energy

Heze SH Energy is a direct wholly-owned subsidiary of the Company. It is principally engaged in power supply business, power generation business, power transmission business, power supply (distribution) business and construction engineering.

The Joint Contractors

China Energy Engineering No. 2 Construction Co

China Energy Engineering No. 2 Construction Co is a company incorporated in the PRC with limited liability, which is owned as to 74.6813% and 25.3187% by China Energy Engineering Group Eastern Construction and Investment Co., Ltd.* (中國能源建設集團華東建設投資有限公司) and CCB Financial Asset Investment Co., Ltd., respectively. China Energy Engineering Group Eastern Construction and Investment Co., Ltd.* (中國能源建設集團華東建設投資有限公司) is a direct wholly-owned subsidiary of China Energy Engineering Corporation Limited* (中國能源建設股份有限公司), whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 601868) and H shares on the Stock Exchange (Stock Code: 03996). CCB Financial Asset Investment Co., Ltd. is a direct wholly-owned subsidiary of China Construction Bank Corporation, whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 601939) and H shares on the Stock Exchange (Stock Code: 00939). China Energy Engineering No. 2 Construction Co is principally engaged in general contracting for power, construction, municipal utilities, highways, and water conservancy and hydropower projects. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, China Energy Engineering No. 2 Construction Co and its ultimate beneficial owner(s) are Independent Third Parties.

Zhengchen Technology

Zhengchen Technology is a joint stock company incorporated in the PRC with limited liability, which is owned as to approximately 33.3944%, 25%, 20.6055%, 14%, 3.5% and 3.5% by Shandong Hi-Speed Information Group (which is held as to 65% and 35% by SDHS (being a subsidiary of SDHS Group) and SDHS Group, respectively), Yao Chen (姚晨), Jinan Huiling Information Technology Co., Ltd.* (濟南慧領信息技術有限公司, 92% and 8% of its capital contribution are held by Zhang Zijian (張自薦, the executive partner) and Wang Yaoguo (王耀國), respectively), Gao He (高鶴), Ding Chengwei (丁成偉) and Zhu Benchun (朱本春), respectively. Zhengchen Technology primarily engages in construction project design, construction engineering, power supply business, and installation, maintenance and testing of power transmission, power supply and power receiving facilities. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, save for Shandong Hi-Speed Information Group, the remaining shareholders of Zhengchen Technology and their ultimate beneficial owners are Independent Third Parties.

SDHS Group

SDHS Group is (i) directly and indirectly held as to approximately 90% by the Shandong Provincial State-owned Assets Supervision and Administration Commission; and (ii) directly and indirectly held as to approximately 10% by Shandong Caixin Asset Management Co., Ltd., a governmental institution set up by the Shandong Provincial People's Government* (山東省人民政府). SDHS Group is a state-owned capital investment company in the infrastructure sector in Shandong Province with total assets of more than RMB1.7 trillion. It operates and manages 9,070 kilometres of expressways and has invested in six publicly listed companies, the shares of which are listed on the stock exchanges in Hong Kong, Shanghai and Shenzhen. It has been awarded domestic AAA-level and international A-level credit ratings.

Reasons for and benefits of entering into the EPC Contract

As disclosed in the Board Letter, the Group has consistently and deeply integrated itself into national strategic planning and the diversified development ecosystem established by the SDHS Group. The SDHG Group continues to be optimistic about the positive development of China's economy. It actively integrates its business into the new development pattern in the clean energy field and actively promotes projects in this field which is strongly supported by the Chinese government under the 14th Five-Year Plan to achieve carbon dioxide emissions peak in 2030 and carbon neutrality in 2060. Through continuously expanding the clean energy market nationwide, the investment, construction and operation of the Project will further enhance the strategic layout, business coverage and footprint of the Group and the SDHG Group in the Shandong market. This will not only help the Group and the SDHG Group to achieve sustainable development of a diversified business portfolio in the field of new energy, but will also broaden the revenue base of the Group and the SDHG Group in future, strengthen the long-term competitiveness of the Group and the SDHG Group and enhance their earning capabilities.

We have reviewed the recent business operations and development of the Group and noted that, as disclosed in the interim results announcement of the Company for the six months ended 30 June 2025, the Group has been actively and deeply integrated into the national strategic planning layout and the diversified development ecosystem constructed by SDHS Group. Since becoming a member of SDHS Group, the Group, focusing on Shandong Province, has leveraged the outstanding brand influence of SDHS Group to secure several large-scale and high-quality wind and photovoltaic power project indicators. In the first half of 2025, the newly added development indicators of the Group exceeded 350MW. As of 30 June 2025, the total capacity of the Group's under-construction and approved for construction power projects has reached 4.9GW. During the six months ended 30 June 2025, 30 projects with an aggregate capacity of approximately 890MW has received formal internal investment decisions.

As for wind power businesses, we further noted that they have become the second largest revenue contributor of the Group since 2023. During the six months ended 30 June 2025, the Group recorded revenue of approximately RMB729.6 million from the sale of electricity from the wind power plants, as compared to approximately RMB672.7 million for the six months ended 30 June 2024, achieving a steady increase in revenue. As of 30 June 2025, 19 wind power plants covering 4 provinces and 2 autonomous regions in the PRC with an aggregate on-grid capacity of 1,176MW were held by the Group and in operation. The Group's wind power plant projects recorded a weighted average utilisation rate of over 90% for the six months ended 30 June 2025. As such, it is expected that the Project, which is a 175MW distributed wind power project in Shandong Province and shall be owned and operated by the Group upon completion of the construction, will further strengthen the Group's wind power businesses. The entering into of the EPC Contract is also within the ordinary and usual course of business of the Group.

The EPC Contract

Principal terms of the EPC Contract

Set out below are the principal terms of the EPC Contract as disclosed in the Board Letter:

Date	: 13 September 2025
Parties	: (a) Heze SH Energy (as the principal); (b) China Energy Engineering No. 2 Construction Co; and (c) Zhengchen Technology (together with China Energy Engineering No. 2 Construction Co, as the Joint Contractors)
Project	: The 175MW distributed wind power project in Yuncheng County, Heze City, Shandong Province
Scope of service	: The Joint Contractors shall complete the construction of the Project, including the engineering survey and design for the wind farm, switchyard, collection lines and transmission lines, as well as the procurement, transportation and storage of all equipment and materials, in accordance with the terms of the EPC Contract.
Construction period	: 303 calendar days. The actual time of commencement shall be subject to the written formal notice of the principal.

Consideration : The total price of the EPC Contract shall be RMB1,011,365,724.00 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies), which is comprised of (i) construction and engineering installation fee of RMB398,528,683.04 (tax inclusive), (ii) equipment purchase fee of RMB477,115,039.88 (tax inclusive), (iii) survey and design fee of RMB12,250,000.00 (tax inclusive), (iv) safety measure fee of RMB9,732,817.08 (tax inclusive), (v) other fees of RMB22,255,000.00 (tax inclusive), (vi) provisional estimated amount of RMB87,109,184.00 (tax inclusive), and (vii) provisional amount of RMB4,375,000.00 (tax inclusive). Based on the calculation of the total fee of the EPC Contract and the approved installed capacity of 175MW, the fixed single watt price shall be RMB5.7792 per watt.

The consideration of the EPC Contract was determined through a tendering selection process. In particular, the bid evaluation committee was composed of the company representative of Heze SH Energy and the external experts randomly selected from the expert pool of the bidding agency. The Joint Contractors scored the highest among the 9 candidates of contractor after two rounds of evaluation, and were therefore awarded the EPC Contract. The bid evaluation committee has considered the following factors during the selection: (i) the design and construction proposal submitted by the candidates of contractor; (ii) the track record of the candidates of contractor on performing similar projects; (iii) the size of operation, manpower and financial position of the candidates of contractor; and (iv) the quotation of the candidates of contractor.

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

(i) Advance payment:

The advance payment amount shall be 20% of the amount after total contract price minus the provisional amount, including 50% of the safety measures fee. The advance payment shall be made within one month after contract signing or no later than 7 days prior to the agreed commencement date, provided the Joint Contractors submit complete advance payment documentation. Starting from the third progress payment, 1/3 of the advance payment amount shall be deducted from each subsequent progress payment, with the entire amount deducted over three installments.

(ii) Progress payments

- (a) Survey and design fee: (1) 70% of the survey and design fee shall be paid after the Joint Contractors submit the survey and design results reviewed by the principal. (2) Up to 97% of the survey and design fee shall be paid after completion and acceptance of the Project. (3) After one year of the completion and acceptance of the Project, a design follow-up visit shall be carried out, provided that no engineering quality issues arising from design causes, the remaining 3% of the total survey and design fee shall then be paid.
- (b) Wind turbine and tower equipment payment: (1) 85% of the corresponding delivered-equipment value (including the amount of advance payment) shall be paid to the Joint Contractors after the principal received the equipment inspection report and other documents within 28 days upon delivery and acceptance of each wind turbine (including nacelle, hub, blades and steel tower) or composite tower. (2) Up to 90% of the corresponding equipment output value shall be paid after energized commissioning of the equipment.

- (c) Construction and engineering installation fee (excluding wind turbine and tower equipment payment): (1) 85% of the monthly completed output value (including the amount of advance payment) shall be paid by the Joint Contractors upon submission of the output value statements and other documents reviewed by the principal. (2) Up to 90% of the cumulative completed output value (including the amount of advance payment) shall be paid after full-capacity on-grid connection of the Project. (3) Up to 95% of the cumulative completed output value shall be paid two months after full-capacity on-grid connection of the Project. (4) Up to 97% of the settlement amount of the construction and engineering installation shall be paid after completion and acceptance of the Project.
- (d) Other progress fee: (1) 70% of the actual completed output value shall be paid by the contractor upon submission of the output value statements and other documents reviewed by the principal. (2) Up to 85% of the cumulative completed output value (including the amount of advance payment) shall be paid after full-capacity on-grid connection of the Project. (3) Up to 95% of the cumulative completed output value (including the amount of advance payment) shall be paid two months after full-capacity on-grid connection of the Project. (4) Up to 97% of the settlement amount shall be paid after completion and acceptance of the Project.

(iii) Quality warranty: For the wind-turbine equipment, a quality guarantee letter equivalent to 10% of the final settlement amount shall be provided. The validity period of the quality guarantee letter shall commence from project completion until the expiration of the equipment quality warranty period. For the construction and installation works and other projects, a quality guarantee letter equivalent to 3% of the final completion settlement amount shall be provided. The validity period of the quality guarantee letter shall commence from project completion until the expiration of the defect liability period (12 months after completion and acceptance of the Project, in principle).

Performance guarantee : Under the EPC Contract, the Joint Contractors shall provide advance payment guarantee in the amount equivalent to 10% of the total consideration to the principal by way of an on-demand letter of advance payment guarantee. The advance payment guarantee shall be returned to the Joint Contractors after the satisfactory completion inspection of the Project.

Condition precedent : The EPC Contract is conditional upon the Company's compliance with the relevant requirements under the Listing Rules in relation to the EPC Contract and the transactions to be contemplated thereunder, including reporting, announcement and independent shareholders' approval requirements.

The above condition cannot be waived. As at the Latest Practicable Date, the above condition has not been fulfilled.

Upon completion of the construction, the Project shall be owned and operated by Heze SH Energy.

Assessment on the principal terms of the EPC Contract

Tender selection process

We noted that Heze SH Energy conducted a public tender to select the contractor for the Project. The relevant tender notice (the "**Tender Notice**") was published on the website of the China Tendering & Bidding Public Service Platform* (中國招標投標公共服務平台) at <https://ctbpsp.com> on 20 June 2025. The tendering period was open from 21 June 2025 to 11 July 2025. Upon the closing of the tender submission period, Heze SH Energy received 11 bidding proposals (the "**Bidding Proposal(s)**").

The Management confirmed that, for assessing the Bidding Proposals submitted by all bidders, the tender evaluation panel for the Project (the “**Evaluation Panel**”) was formed in accordance with the requirements of the Measures for the Administration of Bid Evaluation Experts and Bid Evaluation Expert Databases* (評標專家及評標專家庫管理辦法) and the Tendering and Bidding Law of the PRC* (中華人民共和國招標投標法). The Evaluation Panel consisted of five members, including four external tender evaluation experts who were randomly selected from the expert database of the bidding agency, namely Shandong Deqin Bidding Assessment Cost Consulting Co., Ltd.* (山東德勤招標評估造價諮詢有限公司)(the “**Bidding Agency**”), and one representative of the Company. We noted that the external experts of the Evaluation Panel included senior engineers and researcher with relevant experience ranging from 18 to 42 years in industries of energy, construction and construction cost consulting, etc.

We have also reviewed the background of the Bidding Agency and noted that the Bidding Agency was established in 2001. It holds class A qualifications for engineering cost consulting, class A qualifications for municipal engineering supervision, class B qualifications for building construction engineering supervision and class A qualifications for bidding agency issued by the Ministry of Construction of the PRC, as well as the ISO9001-2000 Quality System Certification. The Bidding Agency has served a number of large central state-owned enterprises and large provincial state-owned enterprises.

Evaluation of the Bidding Proposals

The Evaluation Panel confirmed that the nine out of the 11 Bidding Proposals had fulfilled the preliminary requirements as set out in the Tender Notice and related documents (the “**Tender Documents**”). Accordingly, there were nine valid Bidding Proposals from six consortiums formed by Independent Third Parties, two Independent Third Parties and the Joint Contractors.

In the first-phase evaluation, each member of the Evaluation Panel has individually evaluated the nine valid Bidding Proposals based on the following evaluation criteria: (i) business aspects: the bidders’ overall competitiveness, qualifications, track records, project management team and quality of their bidding documents submitted; and (ii) technical aspects: design proposal, major equipment, materials and technical services to be provided, construction schedule guarantee plan, labour and equipment deployment plan, compilation of construction documents, quality and safety management plan, and environmental friendliness plan. The top five Bidding Proposals with the highest overall scores in the first-phase evaluation were shortlisted for the second-phase evaluation. In the second-phase evaluation, the Evaluation Panel has evaluated the contents of the shortlisted Bidding Proposals, the consistency of information submitted by the bidders, the bidders’ response to the requirements under the Tender Documents, and the reasonableness and competitiveness of tender price.

A comprehensive evaluation report for the Project (the “**Evaluation Report**”) prepared by the Evaluation Panel was issued, in which the Joint Contractors have been ranked and recommended as the first winning bidder based on the first-phase and second-phase evaluation results by the Evaluation Panel. On 15 July 2025, the tendering result was published on the website of the China Tendering & Bidding Public Service Platform* (中國招標投標公共服務平台) at <https://ctbpsp.com>.

We have reviewed the Tender Documents and noted that the Tender Documents set out the detailed and comprehensive information, including but not limited to the tendering procedures, project scope, required completion schedules, payment terms and schedule, required qualification of the bidders, requirement of tender deposits, requirements and criteria on setting the bidding price, evaluation procedures, and assessment and selection criteria of the winning bidder. We have reviewed the Bidding Proposals and noted that all the bidders have agreed the requirements and terms, including but not limited to the payment terms and schedule, as stated in the Tender Documents, which are consistent with the principal terms stated in the EPC Contract. As all bidders, including the Joint Contractors and other bidders which are Independent Third Parties, agreed on the payment terms, we are of the view that the payment terms under the EPC Contract are fair and reasonable and in line with industry practice.

We have obtained and reviewed the Evaluation Report, and noted that the evaluation procedures of the Evaluation Panel have been documented and the same set of evaluation criteria were applied to assess all Bidding Proposals. We further noted that the Evaluation Panel recommended the Joint Contractors as the first winning bidder on the basis that (i) the Joint Contractors has achieved the highest overall score, as well as the highest scores in both business aspects and technical aspects, among all the bidders in the first-phase evaluation; and (ii) the bidding price of the Joint Contractors is more competitive than those of the other shortlisted bidders, which are Independent Third Parties, in the second-phase evaluation. We have also reviewed the Bidding Proposal of the Joint Contractors and noted that the bidding price as set out in its Bidding Proposal is consistent with that stated in the Evaluation Report.

Further assessment on the consideration

As disclosed in the Board Letter, based on the calculation of the total fee of the EPC Contract and the approved installed capacity of 175MW, the fixed single watt price shall be approximately RMB5.7792 per watt.

For the purpose of further assessing the fairness and reasonableness of the consideration, we have searched for transactions involving the entering into of EPC contracts as the contract principal for wind power generation projects, announced by companies listed on the Stock Exchange (excluding the Company) from 1 September 2024 to the date of the EPC Contract (being a period of approximately one year prior to the date of the EPC Contract, which generates a reasonable number of samples and represents the recent market conditions and practices). To the best of our knowledge and as far as we are aware of, we identified three comparable transactions (the “**Comparables**”) which met the aforesaid criteria and they are exhaustive. Shareholders should note that the businesses, operations and prospects of the Company are not identical as the subject companies of the Comparables and we have not conducted any independent verification with regard to the businesses and operations of such companies.

Set out below are the details of the Comparables:

Date of announcement	Company name (stock code)	Approximate consideration (inclusive of tax) (RMB)	Approximate installed capacity (MW)	Approximate price per watt (RMB)
22 May 2025	CGN New Energy Holdings Co., Ltd. (1811)	1,420,600,000	252	5.64
22 April 2025	Beijing Energy International Holding Co., Ltd. (686)	509,000,000	80	6.36
4 November 2024	Beijing Energy International Holding Co., Ltd. (686)	550,000,000	100	5.50
			Maximum	6.36
			Minimum	5.50
			Average	5.83
	The EPC Contract	1,011,365,724	175	5.7792

Source: websites of the Stock Exchange and China Tendering & Bidding Public Service Platform* (中國招標
投標公共服務平台)

We noted that the unit price per watt of the EPC Contract of approximately RMB5.7792 (i) falls within the range of unit price per watt of the Comparables; and (ii) is slightly below the average of the unit price per watt of the Comparables.

Conclusions

Based on our review of the EPC Contract, the Tender Documents, the Bidding Proposals and the Evaluation Report, and our observations as discussed above, we consider that the principal terms of the EPC Contract, including the consideration and payment terms, have been determined on arm's length basis and through a proper tendering selection process.

RECOMMENDATION

Taking into consideration the above principal factors and reasons, we are of the opinion that (i) the terms of the EPC Contract and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) the EPC Contract and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM thereby approving the EPC Contract and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Mango Financial Limited



Archie Fong
President



Andrew Lau
Managing Director

Mr. Archie Fong is a licensed person registered with the Securities and Futures Commission and a responsible officer of Mango Financial Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 20 years of experience in the accounting and investment banking industries.

Mr. Andrew Lau is a licensed person registered with the Securities and Futures Commission and a responsible officer of Mango Financial Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 15 years of experience in the accounting and investment banking industries.

* for identification purposes only