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China Nature Energy Technology Holdings Limited

中國納泉能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1597)

DISCLOSEABLE TRANSACTION EPC CONTRACT IN RELATION TO THE ZHANJIANG ENERGY STORAGE PROJECT

EPC CONTRACT

The Board announces that on 9 June 2026 (after trading hours), Wuchuan Tongli (an indirect non-wholly-owned subsidiary of the Company), as the Principal, entered into the EPC Contract with the Contractor in relation to the construction of a 70MW/140MWh independent energy storage power station in Zhanjiang City, Guangdong Province, the PRC (the “**Project**”). Pursuant to the EPC Contract, the Contractor shall be responsible for the works of the Project, including survey and design, procurement of equipment and materials, construction and installation, system commissioning, grid-related testing, fire safety acceptance, start-up acceptance, grid connection, and handover of the Project.

The total contract amount payable by Wuchuan Tongli under the EPC Contract is RMB184,853,005.95 (tax inclusive) (equivalent to approximately HK\$213,530,000).

LISTING RULES IMPLICATIONS

As at the date of this announcement, since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the EPC Contract exceed 5% but are below 25%, the transactions contemplated under the EPC Contract constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

ENTERING INTO THE EPC CONTRACT

The Board announces that on 9 June 2026 (after trading hours), Wuchuan Tongli (an indirect non-wholly-owned subsidiary of the Company), as the Principal, entered into the EPC Contract with the Contractor in relation to the construction of the Project. Pursuant to the EPC Contract, the Contractor shall be responsible for the works of the Project, including survey and design, procurement of equipment and materials, construction and installation, system commissioning, grid-related testing, fire safety acceptance, start-up acceptance, grid connection, and handover of the Project.

EPC CONTRACT

The principal terms of the EPC Contract are set out below:

Date: 9 June 2026

Parties: The Principal: Wuchuan Tongli; and

The Contractor: POWERCHINA Chengdu Engineering Corporation Limited* (中國電建集團成都勘測設計研究院有限公司)

Subject matter: The Contractor agrees to provide services to Wuchuan Tongli as the general contractor for the design, implementation, completion, and remediation of the Project, including survey and design, procurement of equipment and materials, construction and installation, testing, and acceptance work within the scope of the Project. It primarily consists of a 70MW/140MWh lithium iron phosphate battery energy storage system, a 110kV step-up substation, and relevant ancillary facilities.

Construction period: The total construction period of the Project is approximately 183 calendar days, and it is expected to achieve full-capacity grid connection before December 2026. The specific commencement date shall be subject to the date specified in the formal commencement notice.

Total contract amount: The total contract amount payable to the Contractor under the EPC Contract is RMB184,853,005.95 (tax inclusive) (equivalent to approximately HK\$213,530,000), of which the pre-tax amount is RMB165,409,065.82 and the value-added tax is RMB19,443,940.13.

The total contract amount of the EPC Contract was mutually determined after arm's length negotiations between the parties through a tendering process. In particular, the total amount of the aforementioned contract includes:

Item name	Amount <i>(RMB (Yuan))</i>
Construction and installation works	37,047,504.00
Procurement of equipment and materials	136,780,001.95
Survey and design services	1,716,000.00
Other services	8,341,483.89
Safety production costs	<u>968,016.11</u>
Total	<u>184,853,005.95</u>

Payment methods: The total contract amount under the EPC Contract shall be paid by Wuchuan Tongli to the Contractor in accordance with the following milestones:

- (i) Within 30 days after the execution of the EPC Contract and upon receipt of the relevant materials provided by the Contractor, Wuchuan Tongli shall make an advance payment of 25% of the total contract amount excluding safety production costs (the “**Advance Payment**”);
- (ii) 40% of the total contract amount (excluding safety production costs) shall be paid within 21 calendar days after the completion of the structural grouting for energy storage and upon the review by Wuchuan Tongli, of which 15% of the total contract amount shall be deducted from the Advance Payment;
- (iii) 15% of the total contract amount (excluding safety production costs) shall be paid within 21 calendar days after the equipment installation of the Project has been completed and is ready for static commissioning, and upon the review by Wuchuan Tongli, of which 6% of the total contract amount shall be deducted from the Advance Payment;

- (iv) 10% of the total contract amount (excluding safety production costs) shall be paid within 21 calendar days after the Project has satisfied the conditions for full-capacity grid connection, passed the acceptance by the project steering committee and obtained the grid connection opinion, and upon the review by Wuchuan Tongli, of which 4% of the total contract amount shall be deducted from the Advance Payment;
- (v) 15% of the total contract amount (excluding safety production costs) shall be paid within 21 calendar days after the Project has passed all prescribed grid-related performance tests, the test results meet the requirements of the latest national standards or industry standards, the handover and acceptance for production have been completed, and upon the review by Wuchuan Tongli; and
- (vi) The remaining amount of the total contract amount (excluding safety production costs) shall be paid within 21 days after the Project has passed the completion acceptance, and upon the review by Wuchuan Tongli.

The total contract amount under the EPC Contract will be funded by the Group's internal resources and external financing obtained.

Performance
guarantee:

The Contractor shall provide Wuchuan Tongli with a performance guarantee (in the form of a bank guarantee letter or a guarantee letter issued by the internal finance company of the central enterprise group to which it belongs) in an amount equivalent to 10% of the total contract amount, which shall remain valid until the date on which Wuchuan Tongli issues the certificate of the handover and acceptance for production of the Project.

BASIS FOR DETERMINING THE TOTAL AMOUNT OF THE EPC CONTRACT

The total contract amount under the EPC Contract was determined after arm's length negotiations between the parties and through a tendering process. In particular, Wuchuan Tongli, through the bid evaluation committee, comprehensively considered the following factors of each candidate during the selection process:

- (i) the design and construction, construction plan and tender price of the candidates;
- (ii) the track record and financial position of the candidates in undertaking projects of similar scale; and
- (iii) the scale of operation, manpower, financial performance, specialized technical knowledge and professional qualifications of the candidates.

Having taken into full consideration, the Contractor obtained the highest score among all candidates and therefore secured the EPC Contract.

The Directors consider that the consideration amount concluded through such tendering process to be fair and reasonable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC CONTRACT

The Group is an established participant in the power frequency regulation market, possessing an energy management system (EMS) with independent intellectual property rights and a proven track record in thermal power-energy storage joint frequency regulation and independent energy storage projects. The Project is located in Wuchuan City, Zhanjiang City, Guangdong Province, a region with a high penetration rate of renewable energy and an urgent demand for power grid frequency regulation.

As disclosed in the latest published financial report of the Company, the Group has been actively expanding its energy storage business. The PRC government continues to promote the development of new energy storage facilities, and the Southern Region Ancillary Services Market provides a transparent framework for obtaining revenue from frequency regulation mileage, capacity compensation and electricity spot trading.

By entering into the EPC Contract, the Group will:

- (i) construct its first large-scale independent energy storage power station as a flagship demonstration project, enabling the Group to accumulate end-to-end project management experience and cultivate a professional team;
- (ii) generate a stable and predictable source of revenue through participation in the Guangdong Power Ancillary Services Market (secondary frequency regulation), capacity leasing arrangements and electricity spot trading;

- (iii) establish and deepen relationships with key equipment suppliers, thereby enhancing the Group's supply chain integration capabilities; and
- (iv) provide actual feedback for its proprietary EMS and energy storage control strategies, thereby enhancing the Group's competitiveness.

As a result of the foregoing, the Directors (including the independent non-executive Directors) are of the view 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 that the terms of the EPC Contract are fair and reasonable to the shareholders of the Company and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is primarily engaged in the development and operation of wind power and energy storage projects and the provision of energy management solutions, and is actively expanding its independent energy storage power station business.

The Principal

Wuchuan Tongli Energy Technology Co., Ltd.*(吳川通力能源科技有限公司) is a company established in the PRC with limited liability and an indirect subsidiary of the Company, which is indirectly owned as to 90% by the Company and 10% by Guangdong Kunlun Zihui Energy Co., Ltd.*(廣東昆侖智慧能源有限公司). It is principally engaged in the investment, construction and operation of energy storage projects.

The Contractor

The Contractor is a company incorporated in the PRC with limited liability, which is principally engaged in the engineering, procurement and construction of power and energy infrastructure projects. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Contractor and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the EPC Contract exceeds 5% but is below 25%, the transactions contemplated under the EPC Contract constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	China Nature Energy Technology Holdings Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contractor”	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 established in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“EPC Contract”	the engineering, procurement and construction general contract dated 9 June 2026 entered into between Wuchuan Tongli and the Contractor in relation to the Project
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) who is(are) independent of the Group, its connected persons and their respective ultimate beneficial owners and not connected with any of the aforementioned parties
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Principal”	Wuchuan Tongli Energy Technology Co., Ltd.*(吳川通力能源科技有限公司), a company established in the PRC with limited liability and an indirect 90%-owned subsidiary of the Company
“Project”	the 70MW/140MWh independent energy storage power station located in Wuchuan City, Zhanjiang City, Guangdong Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board
China Nature Energy Technology Holdings Limited
Cheng Liquan Richard
Chairman and executive Director

Hong Kong, 9 June 2026

In this announcement, amounts quoted in RMB have been converted to HKD at an exchange rate of RMB1.00 to HKD1.16, for illustrative purposes only. The use of this exchange rate, where applicable, is for illustrative purposes only and does not imply that any amount has been or can be converted at this or any other exchange rate.

As at the date of this announcement, the Board comprises two executive Directors: Mr. Cheng Liquan Richard and Mr. Cheng Li Fu Cliff; two non-executive Directors: Mr. Li Hao and Ms. Cheng Li Qin; and three independent non-executive Directors: Ms. Hung Pui Yu, Mr. Kang Jian and Mr. Li Shusheng.

* *For reference only.*