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Tianjin Tianbao Energy Co., Ltd. *
天津天保能源股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1671)

DISCLOSEABLE TRANSACTION
ENGINEERING, PROCUREMENT AND CONSTRUCTION CONTRACT
RELATING TO 0.96MW DISTRIBUTED PHOTOVOLTAIC POWER
GENERATION PROJECT IN XIQI ROAD, TIANJIN, THE PRC

THE EPC CONTRACT

The Board is pleased to announce that on December 15, 2023, Tianbao New Energy, a wholly-owned subsidiary of the Company (as the “**entrusting party**”), entered into the EPC Contract with Tianjin Anjie (as the “**entrusted party**”). Pursuant to the EPC Contract, Tianjin Anjie will provide EPC services to Tianbao New Energy for the construction of the Tianjin Xiqi Road Project. The contract price under the EPC Contract shall not exceed RMB3.581329 million (tax inclusive), and shall be subject to the actual installed capacity.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the entering into of the EPC Contract exceeds 5% but is less than 25%, the entering into of the EPC Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

I. THE EPC CONTRACT

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Date: December 15, 2023

Parties: (i) Tianbao New Energy (as the entrusting party)

(ii) Tianjin Anjie (as the entrusted party)

Scope of services: Pursuant to the EPC Contract, Tianjin Anjie shall provide EPC services in relation to the Tianjin Xiqi Road Project, including but not limited to:

(a) design services, equipment and materials, construction and installation, testing and acceptance and trial operation works. Tianjin Anjie shall be responsible for all the relevant expenses incurred for the construction of the Tianjin Xiqi Road Project;

(b) project training for the technical staffs of Tianbao New Energy in relation to the operation and maintenance of the Tianjin Xiqi Road Project; and

(c) provide warranty and maintenance services for any failure or defects during the two-year warranty period of the Tianjin Xiqi Road Project.

Construction Period: The construction of the Tianjin Xiqi Road Project shall commence on December 20, 2023 and shall complete within 60 days.

Contract price and payment terms: The contract price under the EPC Contract shall not exceed RMB3.581329 million (tax inclusive), which shall be subject to the actual installed capacity, and would be paid in installments in sequence according to advance payment, equipment payment, grid connection payment, completion and acceptance payment and quality assurance fund.

The contract price will be payable by Tianbao New Energy to Tianjin Anjie with reference to the progress of the Tianjin Xiqi Road Project as follows:

(i) Advance Payment

30% of the contract price under the EPC Contract shall be paid by Tianbao New Energy to Tianjin Anjie as advance payment within 15 days upon the fulfillment of the following conditions, including (i) the design of Tianjin Xiqi Road Project being confirmed by Tianbao New Energy; (ii) the receipt of the letter of advance payment guarantee (equivalent to 30% of the contract price under the EPC Contract) issued by Tianjin Anjie; and (iii) the issue of VAT invoices with equivalent amount by Tianjin Anjie to Tianbao New Energy.

(ii) Equipment Payment

Tianbao New Energy shall pay up to 65% of the contract price under the EPC Contract to Tianjin Anjie within 15 days upon the fulfilment of following conditions, including (i) all photovoltaic modules and inverters of the Tianjin Xiqi Road Project arrives at the site of the Tianjin Xiqi Road Project; and (ii) the issue of VAT invoices with equivalent amount by Tianjin Anjie to Tianbao New Energy.

(iii) Grid Connection Payment

Tianbao New Energy shall pay up to 85% of the contract price under the EPC Contract to Tianjin Anjie within 15 days upon the fulfillment of following conditions, including (i) the completion of the construction of Tianjin Xiqi Road Project; (ii) the grid-connected power generation of the Tianjin Xiqi Road Project; and (iii) the issue of VAT invoices with equivalent amount by Tianjin Anjie to Tianbao New Energy.

(iv) Completion and Acceptance Payment

Tianbao New Energy shall pay up to 97% of the audited settlement amount for the overall project to Tianjin Anjie within 30 days upon the fulfillment of following conditions, including (i) the passing of the project completion acceptance; and (ii) the issuance of project completion acceptance report by Tianbao New Energy, after completion of the construction settlement audit.

(v) Quality Assurance Fund

3% of the audited settlement amount of the EPC Contract shall be retained by Tianbao New Energy as quality assurance fund and paid to Tianjin Anjie upon the receipt of the letter of quality assurance fund guarantee (equivalent to 3% of the audited settlement amount under the EPC Contract) issued by Tianjin Anjie.

Warranty Period:

The warranty period shall be two years commencing from the date of the Tianjin Xiqi Road Project passing the project completion acceptance conducted by Tianbao New Energy. During the warranty period, Tianjin Anjie shall maintain the Tianjin Xiqi Road Project and rectify all defects or replace all defective works with specified materials, fixtures and equipment which are identified during the warranty period and are attributable to certain specified causes.

Advance Payment Guarantee:	Pursuant to the EPC Contract, as a prerequisite of payment of the advance payment, Tianjin Anjie shall provide a letter of advance payment guarantee issued by a bank, as agreed upon by Tianbao New Energy, with an amount equivalent to 30% of the contract price under the EPC Contract, to guarantee that the advance payment will be used in accordance with the terms of the EPC Contract.
Letter of Quality Assurance Fund:	Pursuant to the EPC Contract, as a prerequisite of payment of the quality assurance fund, Tianjin Anjie shall provide a letter of quality assurance fund issued by a bank, as agreed upon by Tianbao New Energy, with an amount equivalent to 3% of the audited settlement amount under the EPC Contract.

II. BASIS FOR DETERMINATION OF THE CONTRACT PRICE UNDER THE EPC CONTRACT

The contract price under the EPC Contract was determined based on a tendering selection process undertaken by Tianbao New Energy. Tianjin Anjie was selected as the winner of the tendering selection process after taking into account a series of factors including the technical capabilities of the contractor to provide the EPC services under the Tianjin Xiqi Road Project, the commercial terms proposed, the competitive tender price proposal and payment schedule. Among the three bidders that participated in the tendering selection process, Tianjin Anjie has provided the most competitive overall proposal with normal commercial terms and its price proposal is also similar to that of the other bidders. The Board is of the view that the total construction consideration is fair and reasonable.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC CONTRACT

The entering into of the EPC Contract will facilitate the smooth development of the Company's Xiqi Road photovoltaic power generation project, which is expected to bring good investment returns to the Company. In response to the development trend of the energy industry, the Company will further expand its new energy power generation business and implement the "14th Five-Year" strategic development plan to bring more returns to the Shareholders.

In view of that, the Directors have reviewed the EPC Contract and are of the view that the terms and conditions of the EPC Contract are fair and reasonable and the transaction contemplated thereunder are entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the entering into of the EPC Contract exceeds 5% but is less than 25%, the entering into of the EPC Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

V. INFORMATION OF THE PARTIES

The Company is a joint stock company with limited liability incorporated in the PRC on February 28, 2017, and the H Shares of the Company are listed on the Main Board of the Stock Exchange (stock code: 1671). The Company is mainly responsible for the power supply and service guarantee of electricity and heating for the Tianjin Port Free Trade Zone (Seaport) and the heating supply and service guarantee of electricity and heating for the Grain and Oil Industrial Park of Tianjin Port Free Trade Zone (Lingang).

Tianbao New Energy is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, mainly responsible for providing comprehensive energy services, development and operation of distributed photovoltaic power generation stations and development of new energy business.

Tianjin Anjie is a joint stock company established in the PRC with limited liability principally engaged in mechanical and electrical equipment installation, power engineering design and construction, and contractual energy management.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Tianjin Anjie and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

VI. DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Tianjin Tianbao Energy Co., Ltd.* (天津天保能源股份有限公司), a joint stock company with limited liability incorporated in the PRC on February 28, 2017, and the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1671)
“Director(s)”	director(s) of the Company
“EPC”	engineering, procurement and construction
“EPC Contract”	the EPC contract entered into between Tianbao New Energy and Tianjin Anjie dated December 15, 2023 in relation to the construction of the Tianjin Xiqi Road Project

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MW”	megawatt(s), which equals 1,000,000 watts
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Tianbao New Energy”	Tianjin Tianbao New Energy Co., Limited*(天津天保新能源有限公司), a limited liability company established in the PRC on November 21, 1994, a wholly-owned subsidiary of the Company.
“Tianjin Anjie”	Tianjin Anjie IoT Science and Technology Co., Ltd* (天津安捷物聯科技股份有限公司), a joint stock company with limited liability incorporated in the PRC on April 3, 2013
“Tianjin Xiqi Road Project”	the photovoltaic power generation projects of Xiqi Road Tianbao Industrial Park located in Tianjin Airport Economic Area, the PRC with an aggregate planned construction capacity of 0.96MW
“%”	per cent

By Order of the Board
Tianjin Tianbao Energy Co., Ltd.*
Zhou Shanzhong
Chairman

Tianjin, the People’s Republic of China, December 15, 2023

As at the date of this announcement, the Board comprises Mr. Zhou Shanzhong, Mr. Wang Geng, Mr. Mao Yongming and Mr. Yao Shen as executive directors; Mr. Wang Xiaotong and Ms. Dong Guangpei as non-executive directors; and Mr. Chan Wai Dune, Mr. You Shijun and Ms. Yang Ying as independent non-executive directors.

* For identification purpose only