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JOINT VOLUNTARY ANNOUNCEMENT IN RELATION TO THE PROPOSED ISSUE OF A-SHARES OF AN ASSOCIATE TO A SUBSIDIARY OF THE CONTROLLING SHAREHOLDER

This joint announcement is made by Shandong Hi-Speed Holdings Group Limited (“SDHG”, together with its subsidiaries, the “SDHG Group”) and Shandong Hi-Speed New Energy Group Limited (“SHNE”, together with its subsidiaries, the “SHNE Group”) on a voluntary basis.

THE PROPOSED ISSUE OF A-SHARES OF AN ASSOCIATE TO A SUBSIDIARY OF THE CONTROLLING SHAREHOLDER

SDHG and SHNE are informed that, Shandong High Speed Renewable Energy Group Limited (山高環能集團股份有限公司) (“SHREG”, an associate held as to 23.94% indirectly by the SHNE Group and whose A-shares are listed on the Shenzhen Stock Exchange with stock code: 000803) convened the 21st meeting of the 11th term of board of directors on 16 July 2025, at which the resolutions in relation to, among other things, (i) the proposed issue of A-shares to a specific target, namely Shandong High Speed Industrial Investment Co., Ltd.* (山東高速產業投資有限公司) (“SH Industrial Investment”) (the “**Proposed A-Shares Issue**”); and (ii) the entering into of the subscription agreement between SHREG and SH Industrial Investment, a wholly-owned subsidiary of Shandong Hi-Speed Group Co. Ltd. (山東高速集團有限公司) (“SDHS Group”, the controlling shareholder of SDHG and the indirect controlling shareholder of SHNE (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)), were approved.

The Proposed A-Shares Issue

Pursuant to the Proposed A-Shares Issue, subject to approval by the shareholders' general meeting of SHREG, SHREG shall issue not more than 139,888,845 ordinary shares (A-shares) to be listed and traded on the Shenzhen Stock Exchange, with a par value of RMB1.00 per share (representing not more than 30% of SHREG's total share capital prior to the Proposed A-Shares Issue) to a specific target, namely SH Industrial Investment, within the prescribed validity period after obtaining approval from the Shenzhen Stock Exchange and registration consent from the China Securities Regulatory Commission (the "CSRC"). The shares subscribed by SH Industrial Investment in the Proposed A-Shares Issue shall be subject to a 36-month lock-up period commencing from the issue completion date.

The total proceeds from the Proposed A-Shares Issue shall not exceed RMB717.6298 million, after deducting relevant issue expenses, are expected to be entirely used as replenishment of SHREG's working capital and for repayment of its bank borrowings.

The Subscription Agreement

Terms of the Subscription Agreement are as follows:

(1) Parties

- (a) SHREG; and
- (b) SH Industrial Investment.

(2) Subscription method, subscription price and pricing principle, subscription quantity, lock-up period, and payment terms

Subscription method

SH Industrial Investment shall subscribe for all the A-shares issued by SHREG in the Proposed A-Shares Issue in cash.

Subscription price and pricing principle

The pricing benchmark date of the Proposed A-Shares Issue shall be the announcement date of the resolution of the 21st meeting of the 11th term of board of directors of SHREG (“**Pricing Benchmark Date**”).

The subscription price is RMB5.13 per share, which shall not be lower than 80% of the average trading price of SHREG’s shares over the 20 trading days immediately preceding the Pricing Benchmark Date (exclusive).

Average trading price of shares during 20 trading days equals to total trading value of SHREG shares during the 20 trading days preceding the Pricing Benchmark Date divided by the total trading volume of shares during the 20 trading days preceding the Pricing Benchmark Date.

Should any ex-rights/ex-dividend events (including but not limited to cash dividends, bonus issues, capital reserve conversion into share capital, new share issues, or rights issue) occur between the Pricing Benchmark Date and the issue date, the subscription price shall be adjusted accordingly to reflect such ex-rights/ex-dividend changes.

Subscription quantity

SH Industrial Investment shall subscribe in full for the A-shares, representing not more than 30% of SHREG’s total share capital immediately prior to the Proposed A-Shares Issue (with any fractional shares rounded down).

Based on SHREG’s total share capital, the maximum number of shares to be issued shall not exceed 139,888,845 shares. The final number of A-shares to be issued shall be subject to the upper limit of the issuance quantity approved for registration by the CSRC.

If, between the agreement signing date and the issue date, SHREG’s total share capital: (i) increases due to equity distributions, capital reserve conversion into share capital, rights issue, conversion of convertible bonds into shares, etc.; or (ii) decreases due to share repurchases or cancellations, the number of shares to be issued shall be adjusted proportionally to ensure that the number of shares issued does not exceed 30% of SHREG’s total share capital prior to the issuance.

Lock-up period

The A-shares subscribed by SH Industrial Investment in the Proposed A-Shares Issue, including any additional shares derived from stock dividends or capital reserve conversion into share capital, shall be subject to a 36-month lock-up period commencing from the issue completion date, during which such shares shall not be transferred.

SH Industrial Investment shall execute a letter of lock-up commitment in accordance with the requirements of the CSRC and Shenzhen Stock Exchange, and effect all necessary lock-ups of shares. Upon expiration of the lock-up period, the shares shall be disposed of in compliance with the relevant rules of the CSRC and Shenzhen Stock Exchange.

Should the stipulated 36-month lock-up period be inconsistent with any newly issued regulatory requirements, SH Industrial Investment agrees that the lock-up period shall be adjusted accordingly in accordance with the requirements of the relevant authorities.

Upon expiration of the said lock-up period, SHREG shall assist SH Industrial Investment in completing all necessary procedures to unlock the trading restrictions on the subscribed shares in a timely manner.

Payment terms

SH Industrial Investment agrees to remit the subscription price of shares subscribed by it under the Proposed A-Shares Issue to the account specifically opened by underwriter(s) in a single lump-sum payment within five (5) working days from the date of: (i) all conditions under the Subscription Agreement having been satisfied; and (ii) receiving the Notice of Payment from SHREG and the underwriter(s) to whom the shares are issued.

(3) Conditions of the Proposed A-Shares Issue

- (a) The Proposed A-Shares Issue and the Subscription Agreement having been duly considered and passed by the board of directors and the shareholders' general meeting of SHREG.
- (b) The approval for the Proposed A-Shares Issue from the state-owned assets supervision authority in accordance with applicable laws and regulations having been obtained.
- (c) The exemption of SH Industrial Investment from the obligation to make a mandatory general offer under the relevant takeover rules in the PRC having been approved by the shareholders' general meeting of SHREG.
- (d) The Proposed A-Shares Issue having been reviewed and passed by the Shenzhen Stock Exchange, and the registration approval by the CSRC having been granted.

UPDATE ON THE BUSINESS DEVELOPMENT IN RELATION TO THE ASSOCIATE, SHREG

SHREG is an associate of the SHNE Group, and is indirectly held as to 23.94% by the SHNE Group. A-shares of SHREG are listed on the Shenzhen Stock Exchange (stock code: 000803), and it is principally engaged in the organic waste hazard-free treatment and high-value resource utilisation business, the clean heat supply service business and the energy performance contracting business.

Based on current information, SHREG intends to support its sustainable development strategy and enhance its long-term performance through the Proposed A-Shares Issue. The proceeds from the Proposed A-Shares Issue (net of issue expenses) are expected to be entirely used (i) as replenishment of SHREG's working capital, to meet its operational funding demands; and (ii) for repayment of SHREG's bank borrowings, in order to optimize its capital structure. The issue is expected to reduce SHREG's debt-to-asset ratio, mitigate its financial risks, strengthen SHREG's liquidity position and risk resilience, provide a solid foundation for long-term strategic initiatives.

Furthermore, the strategic capital injection to SHREG by SDHS Group through SH Industrial Investment will enhance the joint management effectiveness of SDHS Group and SHNE on SHREG, which will help SHREG focus on its main business, complement the group's industrial layout, enhance the synergy of the group's internal industries, and assist in the group's green practice. Through the new future development strategy of SHREG, it will contribute more substantial returns to SHNE.

By Order of the board of directors of SDHG
Shandong Hi-Speed Holdings Group Limited

Li Tianzhang
Chairman

By Order of the board of directors of SHNE
Shandong Hi-Speed New Energy Group Limited

Li Tianzhang
Chairman

Hong Kong, 16 July 2025

As at the date of this joint announcement, the board of directors of SDHG comprises Mr. Li Tianzhang, Mr. Zhu Jianbiao, Mr. Liu Zhijie, Ms. Liao Jianrong and Mr. Liu Yao as executive directors; Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo as non-executive directors; and Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Jonathan Jun Yan and Mr. Fang Ying as independent non-executive directors.

As at the date of this joint announcement, the board of directors of SHNE 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 purposes only*