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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shandong Hi-Speed New Energy Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

MAJOR TRANSACTIONS IN RELATION TO THE EPC CONTRACT

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular, unless the context requires otherwise. A letter from the Board is set out on pages 3 to 12 of this circular.

In accordance with the Listing Rules, the transactions that are the subject of this circular have been approved by written approval of the Shareholders, and this circular is issued to the Shareholders for informational purposes only.

16 April 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“CC2 Bureau”	China Construction Second Engineering Bureau Ltd.* (中國建築第二工程局有限公司), a company incorporated in the PRC with limited liability;
“China Power Guiyang Research Institute”	China Power Construction Group Guiyang Survey and Design Institute Co., Ltd.* (中國電建集團貴陽勘測設計研究院有限公司), a company incorporated in the PRC with limited liability;
“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);
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EPC”	engineering, procurement and construction;
“EPC Contract”	the EPC general contracting contract in relation to the 287.5MW wind power project dated 31 March 2026 entered into by Heze SH and the Joint Contractors for the Project;
“Group”	the Company and its subsidiaries;
“Heze SH”	Heze Shandong Hi-Speed Wind Power Co., Ltd.* (菏澤山高風電有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“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 each of the Company or its subsidiaries, and their associates;

DEFINITIONS

“Joint Contractors”	collectively, CC2 Bureau and China Power Guiyang Research Institute;
“Latest Practicable Date”	9 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“PRC”	the People’s Republic of China;
“Project”	the 287.5MW wind power project located in Dingtao District, Heze City, Shandong Province;
“RMB”	Renminbi, the lawful currency of the PRC;
“SDHG”	Shandong Hi-Speed Holdings Group Limited (山高控股集團有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 412) and the controlling shareholder of the Company;
“SDHG Group”	SDHG and its subsidiaries;
“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;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time;
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

* for identification purposes only

LETTER FROM THE BOARD



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

Executive Directors:

Mr. Li Tianzhang (*Chairman*)

Mr. Zhu Jianbiao

Mr. Wang Wenbo

Mr. Liu Zhijie

Ms. Liao Jianrong

Mr. Li Li

Mr. Wang Meng

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Principal Place of Business

in Hong Kong:

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Central

Hong Kong

Independent Non-executive Directors:

Professor Qin Si Zhao

Mr. Victor Huang

Mr. Yang Xiangliang

Mr. Chiu Kung Chik

16 April 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS IN RELATION TO THE EPC CONTRACT

I. INTRODUCTION

The Board of the Company announces that on 31 March 2026 (after trading hours), Heze SH (an indirect wholly-owned subsidiary of the Company, as the principal), entered into the EPC Contract with the Joint Contractors (namely CC2 Bureau and China Power Guiyang Research Institute). Pursuant to the EPC Contract, Heze SH agreed to engage the Joint Contractors to provide EPC services in relation to the Project at an aggregate contracting fee of RMB1,197,418,298.23 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

The purpose of this circular is to provide you with, among others, details of the EPC Contract and the transactions to be contemplated thereunder.

LETTER FROM THE BOARD

II. THE EPC CONTRACT

1. Details of the EPC Contract

The major terms of the EPC Contract are as follows:

- Date : 31 March 2026 (after trading hours)
- Parties : (i) Heze SH;
(ii) CC2 Bureau; and
(iii) China Power Guiyang Research Institute
- Project : the 287.5MW wind power project located in Dingtao District, Heze City, Shandong Province
- Scope of service : The Joint Contractors shall complete all the construction works of the Project, including the survey and design of wind farms, substations, power collection lines and transmission lines, procurement, transportation and storage of all equipment and materials, preparation and construction of the project, equipment installation and commissioning, and final acceptance of the project, in accordance with the EPC Contract.
- Construction period : 596 calendar days. The actual time of commencement shall be subject to the written formal notice of the principal.

LETTER FROM THE BOARD

Consideration : RMB1,197,418,298.23 (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 RMB346,393,422.66 (tax inclusive), (ii) equipment procurement fee of RMB670,508,040.00 (tax inclusive), (iii) survey and design fee of RMB7,192,000.00 (tax inclusive), (iv) safety measures fees (including safety and civilized measures fees) of RMB100,989,835.57 (tax inclusive), (v) other fees of RMB13,710,000.00 (tax inclusive), (vi) provisional estimated amount of RMB50,000,000.00 (tax inclusive), and (vii) provisional amount of RMB8,625,000.00 (tax inclusive). Based on the calculation of the total fee of the EPC Contract and the approved installed capacity of 287.5MW, the fixed single watt price shall be RMB4.1649 per watt. If the actual installed capacity is higher than the approved installed capacity, the settlement will be based on the approved installed capacity; if it is lower than the approved installed capacity, the settlement will be based on the actual installed capacity.

The consideration under 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 and the external experts randomly selected from the expert pool of the bidding agency. The Joint Contractors scored the highest among the seven 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: the overall corporate strength, qualifications, track record, project management organization staffing of the candidates of contractor, comprehensive evaluation of the design and construction plans in the technical section, and the bid amount quoted by the candidates of contractor.

LETTER FROM THE BOARD

Payment terms : The consideration shall be paid by the principal to the Joint Contractors in the following manner:

(i) Advance payment: The advance payment amount shall be 10% of the payment for the main equipment (wind turbines, towers and transformer substations) and 20% of the total contract price after deducting the provisional amount and the payment for the main equipment (wind turbines, towers and transformer substations), including 50% of the safety measures fees. 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 that the Joint Contractors have submitted complete advance payment documentation.

(ii) Progress payments

(a) Survey and design fee: 1) up to 50% of the survey and design fee (including advance payment) shall be paid within 28 days after the Joint Contractors deliver the survey and design deliverables and the principal receives the financial receipt; 2) up to 80% of the survey and design fee (including advance payment) shall be paid within 28 days after the Joint Contractors complete the construction drawing review and approval certificate and the principal receives the financial receipt; 3) up to 97% of the survey and design fee (including advance payment) shall be paid within 28 days after the Joint Contractors deliver the as-built drawings and bill of quantities which shall have been reviewed and approved by the principal and relevant competent departments, complete the project completion acceptance, archive the design documents, and provide the financial receipt; and 4) after one year of the completion and acceptance, 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 be paid within 28 days after the principal receives the financial receipt.

LETTER FROM THE BOARD

- (b) Payment for wind turbines, towers and transformer substation equipment: 1) 10% of the advance payment has been included in the above provisions regarding the advance payment; 2) pre-delivery payment: within 30 days after the Joint Contractors submit the invoices and the principal verifies that they are correct, the principal shall pay the Joint Contractors 20% of the payment for the main equipment (turbines, towers and transformer substations), and the Joint Contractors shall complete the shipment of the first batch of equipment within 60 days after receiving the pre-delivery payment; 3) arrival payment: after the Joint Contractors complete the delivery of equipment in each batch or monthly, the principal shall deliver the goods at the agreed delivery location, and after both parties have counted and accepted the goods and signed the goods acceptance certificate, the principal shall pay the Joint Contractors 50% of the price of the batch of goods within 20 days after the Joint Contractors submit the valid invoices and the principal has verified that they are correct; 4) pre-inspection payment: after the performance acceptance certificate of each batch of wind turbine units in the wind farm is signed, the principal shall pay the Joint Contractors 20% of the contract price of such batch of wind turbines within 20 days after the Joint Contractors submit the invoices and the principal has verified that they are correct; and 5) return of the quality guarantee letter: after the equipment quality guarantee period ends, the principal shall return the quality guarantee letter to the Joint Contractors within 30 days after receiving the invoices provided by the Joint Contractors and verifying that they are correct.

LETTER FROM THE BOARD

- (c) Payment for construction and engineering installation fee (excluding payment for wind turbines, towers and transformer substation equipment): 1) 10% of the advance payment has been included in the above provisions regarding the advance payment; 2) progress payments: within 28 days of receiving the invoices from the Joint Contractors, the principal shall pay the Joint Contractors up to 80% of the output value completed in that month; 3) payment for full-capacity grid connection: the principal shall pay the Joint Contractors up to 90% of the completed project value within 28 days of receiving the invoices provided by the Joint Contractors; 4) two months after full-capacity grid connection, the principal shall pay the Joint Contractors up to 95% of the total completed project value within 28 days of receiving the invoices provided by the Joint Contractors; and 5) settlement payments: after the principal and contractor complete the final settlement in accordance with the principal's final settlement system and sign the final settlement agreement and fulfill the payment conditions stipulated in the above terms, the principal shall pay the Joint Contractors up to 97% of the settlement amount for construction and engineering within 28 days after receiving the documents provided by the Joint Contractors.

LETTER FROM THE BOARD

- (d) Payment for other fees: 1) 10% of the advance payment has been included in the above provisions regarding the advance payment; 2) progress payments for other fees: within 28 days after the Joint Contractors submit the invoices and the principal verifies that they are correct, up to 80% of the actual completed output value shall be paid by the principal; 3) payment for other fees upon full-capacity grid connection: upon the successful full-capacity grid connection, within 28 days after the Joint Contractors submit the documents to the principal and the principal verifies that they are correct, the principal shall pay up to 90% of the total completed project value; 4) two months after full-capacity grid connection, within 28 days after the Joint Contractors submit the invoices, the principal shall pay the Joint Contractors up to 95% of the total completed project value; and 5) settlement payments: after the project passes the final acceptance inspection, within 28 days after the Joint Contractors submit the documents to the principal and the principal verifies that they are correct, payment shall be made up to 97% of the settlement amount.
- (iii) Quality warranty: No quality warranty will be withheld for main equipment (wind turbines, towers and transformer substation equipment). A bank guarantee for quality assurance, payable on demand, shall be provided for 10% of the final settlement amount of the main equipment. The guarantee shall be valid from the date the equipment passes the 240-hour trial run until 60 days after the expiration of the equipment quality defect warranty period. Except for major equipment, other output value (including construction and installation projects and other projects) shall be subject to a quality guarantee deposit of 3% of the final settlement amount.

LETTER FROM THE BOARD

Performance guarantee : Under the EPC Contract, the Joint Contractors shall provide the principal with a bank performance guarantee, payable on demand, for the amount equal to the advance payment within 28 days after the contract is signed and becomes effective. The performance guarantee letter shall be returned to the Joint Contractors after the satisfactory completion and inspection of the Project.

The consideration under the EPC Contract will be funded by internal resources of the Group and bank borrowings. Upon completion of construction, the Project will be owned and operated by Heze SH.

2. Reasons for and benefits of entering into the EPC Contract

The Group has consistently and deeply integrated itself into national strategic planning and the diversified development ecosystem established by the SDHS Group. The 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 the future, strengthen the long-term competitiveness of the Group and the SDHG Group and enhance their earning capabilities.

III. INFORMATION ON THE PARTIES

1. 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.

LETTER FROM THE BOARD

2. Heze SH

As at the Latest Practicable Date, Heze SH is an indirect wholly-owned subsidiary of the Company, primarily engaged in power generation, power transmission and power supply (distribution) services. General items: sales of new energy prime movers; sales of generators and generator sets; wind power generation technical services; electrical equipment repair; general equipment repair; sales of wind turbine generator sets and components; sales of onshore wind turbine generator sets; and power generation technical services.

3. Joint Contractors

CC2 Bureau

CC2 Bureau is a company incorporated in the PRC with limited liability. As at the Latest Practicable Date, CC2 Bureau is primarily engaged in civil engineering construction, nuclear power plant construction, and the design, construction, research, and consulting of decoration projects; as well as the installation of lines, pipelines, and equipment, and is a wholly-owned subsidiary of China State Construction Engineering Corporation Limited* (中國建築股份有限公司) (whose A shares are listed on the Shanghai Stock Exchange, stock code: 601668).

China Power Guiyang Research Institute

China Power Guiyang Research Institute is a company incorporated in the PRC with limited liability. As at the Latest Practicable Date, China Power Guiyang Research Institute is primarily engaged in engineering surveying, construction engineering design, construction engineering supervision, and water conservancy engineering construction supervision, and is a wholly-owned subsidiary of Power Construction Corporation of China Limited* (中國電力建設股份有限公司) (whose A shares are listed on the Shanghai Stock Exchange, stock code: 601669).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, CC2 Bureau, China Power Guiyang Research Institute and their ultimate beneficial owners are Independent Third Parties.

IV. LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the EPC Contract exceed 25% but are less than 100%, the transactions contemplated under the EPC Contract constitute major transactions under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of its Shareholders has any material interest in the transactions contemplated under the EPC Contract. Therefore, if the Company convenes a shareholders' meeting to seek approval for the transactions contemplated under the EPC Contract, none of its Shareholders shall be required to abstain from voting.

On 31 March 2026, SDHG which directly holds 1,279,878,252 shares of the Company, representing approximately 56.97% of the total issued share capital of the Company, has approved the transactions contemplated under the EPC Contract by a written shareholders' approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. As such, pursuant to Rule 14.44 of the Listing Rules, the Company will not hold a shareholders' meeting to approve the transactions contemplated under the EPC Contract.

V. RECOMMENDATIONS

After taking into account the reasons as set out in this circular, the Directors consider that the EPC Contract and the transactions to be contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal or better commercial terms after arm's length negotiations, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

If a general meeting is convened to approve the EPC Contract and the transactions contemplated thereunder, the Directors (including the independent non-executive Directors) will recommend the Shareholders to vote in favour of the resolution relating to the EPC Contract.

VI. OTHER INFORMATION

Your attention is drawn to other information as set out in the appendices of this circular.

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

* for identification purposes only

1. FINANCIAL INFORMATION OF THE GROUP

By way of reference, the financial information of the Group for each of four years ended 31 December 2022, 2023, 2024 and 2025 is disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shneg.com.hk), respectively:

- the annual results announcement of the Company for the year ended 31 December 2025 published on 26 March 2026, which can be accessed at the following website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0326/2026032602512.pdf>

- the annual report of the Company for the year ended 31 December 2024 published on 25 April 2025 (pages 92 to 202), which can be accessed at the following website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042500125.pdf>

- the annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (pages 88 to 199), which can be accessed at the following website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600009.pdf>

- the annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (pages 78 to 187), which can be accessed at the following website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602542.pdf>

2. STATEMENT OF INDEBTEDNESS**Debts and borrowings**

As at 24 February 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding (i) secured and guaranteed bank loans of approximately RMB6,355 million, secured and unguaranteed bank loans of approximately RMB5,765 million, (ii) unsecured and guaranteed bank loans of approximately RMB814 million, unsecured and unguaranteed bank loans of approximately RMB6,787 million, (iii) unsecured and unguaranteed corporate bonds with an aggregate principal amount of RMB2,500 million, (iv) secured and guaranteed lease liabilities of approximately RMB484 million, secured and unguaranteed lease liabilities of approximately RMB53 million, (v) unsecured and unguaranteed lease liabilities of approximately RMB859 million, (vi) secured and guaranteed other loans of approximately RMB2,791 million, and secured and unguaranteed other loans of approximately RMB936 million.

The secured bank and other borrowings, and lease liabilities under finance lease arrangements of the Group as at 24 February 2026 are secured/guaranteed by:

- (i) pledges over certain of the Group's property, plant and equipment;
- (ii) pledges over certain of the Group's trade receivables and contract assets;
- (iii) pledges over the Group's equity interests in certain subsidiaries and an associate;
- (iv) pledges over certain of the Group's bank balances; and/or
- (v) guarantees given by the Company and/or its subsidiaries.

Guarantees issued

As at 24 February 2026, the Group provided the total guarantees of approximately RMB5 million to an Associate.

Contingent liabilities

As at 24 February 2026, the Group had no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 24 February 2026, have any outstanding debt securities, whether issued and outstanding, authorised or otherwise created but unissued, term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured borrowings or debt, mortgages, charges, guarantees or other material contingent liabilities.

The Directors confirm that, save as disclosed above, there are no material changes in the indebtedness and contingent liabilities of the Group since 24 February 2026.

3. WORKING CAPITAL STATEMENT OF THE GROUP

The Directors are of the opinion that, after taking into account the present financial resources available to the Group including but not limited to cash flow generated by its principal operations, cash and cash equivalents available and existing bank loans and other borrowing facilities, the Group will have sufficient working capital for its business for at least twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirmed that, as at the Latest Practicable Date, there had not been any material change in the financial or operational position or outlook of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. IMPACT OF THE EPC CONTRACT ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

As at 31 December 2025, the audited consolidated total assets and total liabilities of the Group amounted to approximately RMB48,544.8 million and RMB28,797.1 million, respectively. The payment of consideration under the EPC Contract will be funded by the Group's internal resources and bank borrowings.

The amount of the total assets of the Group is expected to increase following the completion of the Project under the EPC Contract, and such increase is partially offset by the decrease in cash and cash equivalents. The Group does not expect the EPC Contract to have an immediate material impact on the earnings of the Group.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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.

During 2025, the Group has steadily developed its core businesses through the investment, development, construction, operation and management of clean energy power plant projects, and the aggregate revenue in respect of the sale of electricity and the provision of entrusted operation services amounted to RMB3,789.3 million (2024: approximately RMB3,720.6 million), representing an increase of RMB68.7 million as compared to the last year. The Group recorded revenue of approximately RMB1,792.2 million from the sale of electricity from the centralised photovoltaic power plants, representing approximately 40.7% of the Group's total revenue during 2025, which indicated that the centralised photovoltaic power business continued to be one of the important sources of revenue for the Group. As of 31 December 2025, 53 centralised photovoltaic power plants covering 13 provinces, two autonomous regions and one municipality in the PRC and one centralised photovoltaic power plant in Whyalla, Southern Australia, Australia were held by the Group and in operation. The aggregate on-grid capacity of these photovoltaic power plants reached approximately 2,603MW, the same as in 2024, reflecting the Group's continued development and deployment in the new energy sector.

During 2025, the Group recorded revenue of approximately RMB1,289.4 million from the sale of electricity from the wind power plants, compared to approximately RMB1,186.8 million for the corresponding period of the last year, achieving a steady increase in revenue. As of 31 December 2025, 20 wind power plants covering four provinces and two autonomous regions in the PRC with an aggregate on-grid capacity of approximately 1,270MW (2024: approximately 1,176MW) were held by the Group and in operation.

Looking ahead to 2026, China's power industry will move forward steadily under the guidance of the 15th Five-Year Plan. According to the forecast of the China Electricity Council, the total electricity consumption of the whole society in 2026 will reach 10.9 trillion to 11.0 trillion kWh, an increase of 5% to 6% year-on-year. The total installed capacity of new power generation is expected to exceed 400 million kilowatts for the year, of which the installed capacity of new energy sources (wind power and photovoltaic) is expected to exceed 300 million kilowatts. At that time, the installed capacity of solar power will historically surpass that of coal power, and the combined installed capacity of wind and solar power will account for half of the total installed power generation capacity, while the proportion of coal power will drop to approximately 31%. This marked the official entry of China's power system into a new stage dominated by new energy sources, which placed higher demands on system regulation capabilities, market mechanism improvement and the utilization rate of new energy sources (with a target of no less than 90%).

The Group will robustly grasp the new trends and characteristics of industry development, and implement the policy of "quality first, efficiency paramount, safety as the foundation and innovation as the key" throughout its operation and management, and will steadfastly execute the strategic direction of "enhancing wind power, stabilizing solar power, deploying storage facilities and expanding hydropower". The Group will ensure that more than 1 gigawatt of onshore wind power projects that had been in the pipeline in the early stage will be put into construction and become effective assets in the first year of the 15th Five-Year Plan, rapidly expanding the installed capacity and increasing market share.

The Group will continue to vigorously promote digital transformation, deeply integrating technologies such as artificial intelligence, the Internet of Things and big data into all aspects of its business including power plant operation and maintenance, power trading, project management and risk control, to comprehensively improve operational efficiency and core competitiveness and empower the Company's development with technology.

1. RESPONSIBILITY STATEMENT

This 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 this 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 herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Listing Rules were as follows:

Name of Director	Interests in underlying shares under equity derivatives (Note)	Approximate percentage of interests to the issued Share capital of the Company as at the Latest Practicable Date
Mr. Chiu Kung Chik	200,000	0.02%

Note:

- (1) The interests in underlying shares under equity derivatives represent the share options of the Company granted by the Company on 15 September 2020.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Names of companies which had such disclosable interest or short position	Positions within such companies
Mr. Li Tianzhang	SDHG	chairman and executive director
Mr. Zhu Jianbiao	SDHG	vice chairman, executive director and chief executive officer
Mr. Wang Wenbo	SDHG	non-executive director
	SDHS Group	director of investment development department (property management department)
Mr. Liu Zhijie	SDHG	executive director and chief financial officer
Ms. Liao Jianrong	SDHG	executive director
Mr. Li Li	Beijing Enterprises Water Group Limited (“BEWG”)	executive director

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly interested in 5% or more of the issued voting shares of any other member of the Group or held any option in respect of such shares and recorded in the register kept by the Company pursuant to section 336 of the SFO:

Long/short position in the Shares and/or underlying Shares of the Company

Name of Shareholder	Capacity	Number of Shares (Note (1))	Long/short position	Approximate percentage of the Company's total issued Shares (%) (Note (2))
SDHS Group (Note (3))	Interest of controlled corporation	1,279,878,252	Long position	56.97
SDHG (Note (3))	Beneficial owner	1,279,878,252	Long position	56.97
Beijing Enterprises Group Company Limited (" BE Group ") (Note (4))	Interest of controlled corporation	405,063,291	Long position	18.03
Beijing Enterprises Holdings Limited (" BEHL ") (Note (4))	Interest of controlled corporation	405,063,291	Long position	18.03
BEWG (Note (4))	Interest of controlled corporation	405,063,291	Long position	18.03

Notes:

- (1) Number of Shares held by relevant Shareholders were adjusted upon share consolidation of the Company effective from 26 June 2023, where every fifty (50) issued ordinary Shares of the Company of par value of HK\$0.001 each in the share capital of the Company were consolidated into one (1) consolidated ordinary Share of the Company of par value of HK\$0.05 each.
- (2) The approximate percentage was calculated on the basis of 2,246,588,726 Shares of the Company in issue as at the Latest Practicable Date.

- (3) SDHS Group is deemed to be interested in an aggregate of 1,279,878,252 Shares of the Company as a result of its indirect holding of such shares through the following entities:

Name	Number of Shares held	Long/short position
SDHG	1,279,878,252	Long position
Shandong International (Hong Kong) Limited 山東省農村經濟開發投資公司 (Shandong Rural Economic Development and Investment Company Limited*)	1,279,878,252	Long position

SDHG, a company listed on the Main Board of the Stock Exchange (Stock Code: 412), beneficially holds 1,279,878,252 shares of the Company. SDHG is directly held as to approximately 22.68% by SDHS Group and approximately 20.70% by Shandong International (Hong Kong) Limited. Shandong International (Hong Kong) Limited is wholly owned by 山東省農村經濟開發投資公司* (Shandong Rural Economic Development and Investment Company Limited). 山東省農村經濟開發投資公司* (Shandong Rural Economic Development and Investment Company Limited) is wholly-owned by SDHS Group.

- (4) BE Group is deemed to be interested in an aggregate of 405,063,291 Shares of the Company as a result of its indirect holding of such shares through the following entities:

Name	Number of Shares held	Long/short position
Fast Top Investment Limited (“ Fast Top ”)	405,063,291	Long position
BEWG	405,063,291	Long position
Beijing Enterprises Environmental Construction Limited (“ BE Environmental ”)	405,063,291	Long position
BEHL	405,063,291	Long position
Beijing Enterprises Group (BVI) Company Limited (“ BE BVI ”)	405,063,291	Long position

Fast Top, a wholly-owned subsidiary of BEWG, beneficially holds 405,063,291 Shares of the Company. BEWG, a company listed on the Main Board of the Stock Exchange (Stock Code: 371), is directly held as to approximately 41.03% by BE Environmental, approximately 0.37% by Beijing Holdings Limited (“BHL”) and approximately 0.10% by BEHL. The remaining shares of BEWG are held by public shareholders. BE Environmental is a wholly-owned subsidiary of BEHL, a company listed on the Main Board of the Stock Exchange (Stock Code: 392), which is deemed to be held as to approximately 62.16% by BE BVI (by itself and through its subsidiaries). The remaining shares of BEHL are held by public shareholders. Both BE BVI and BHL are wholly-owned by BE Group.

Save as disclosed above, as at the Latest Practicable Date, the Company was not aware of any other persons (other than the Directors or chief executive of the Company) have an interest or a short position in the shares or underlying shares that would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

3. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in a business which, either directly or indirectly, competes or is likely to compete with the businesses of the Group or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up).

5. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the Group.

6. MATERIAL CONTRACTS

The members of the Group have entered into the following contracts that are or may be material (not being contracts entered into in the ordinary course of business of the Group) within the two years immediately preceding the date of this circular and up to and including the Latest Practicable Date:

- (a) the trust contract dated 30 April 2024 entered into between Tianjin Beiqing Electric Smart Energy Co., Ltd.* (天津北清電力智慧能源有限公司) (“**Beiqing Smart**”) (an indirect wholly-owned subsidiary of the Company) as the subordinate entrustor and subordinate beneficiary, Industrial Bank Co., Ltd. (“**Industrial Bank**”) as superior entrustor and superior beneficiary and Northern International Trust Co., Ltd. as trustee, pursuant to which, Beiqing Smart and Industrial Bank agreed to subscribe for the trust units of Jingye No. 9 Collective Fund Trust Scheme of closed-end collective funds with no fixed term set from the date of its establishment at a consideration of RMB670 million and RMB1 billion respectively;

- (b) the investment cooperation agreement dated 14 May 2024 (“**Investment Cooperation Agreement**”) entered into between Essense (Hong Kong) Limited (“**Essense Hong Kong**”), a direct wholly-owned subsidiary of the Company, and Shandong Hi-Speed New Energy Development Co., Ltd.* (山東高速新能源開發有限公司)(“**SDHS New Energy Development**”), a non-wholly owned subsidiary of SDHS Group, in respect of the formation of the joint venture with the proposed name of Shandong Hi-Speed Luzhong New Energy Co., Ltd.* (山東高速魯中新能源有限公司)(“**SDHS Luzhong New Energy**”) in the PRC. Pursuant to the Investment Cooperation Agreement, the total contribution amount (equivalent to the total amount of the registered capital of SDHS Luzhong New Energy) is RMB60,000,000, in which 40% (i.e. RMB24,000,000) shall be contributed by Essense Hong Kong and the remaining 60% (i.e. RMB36,000,000) shall be contributed by SDHS New Energy Development;
- (c) the engineering, procurement and construction contract dated 25 October 2024 entered into by Heze Shandong Hi-Speed Clean Energy Co., Ltd.* (荷澤山高清潔能源有限公司)(“**HZHS Clean Energy**”) (a wholly-owned subsidiary of the Company, as the principal) and PowerChina Beijing Engineering Corporation Limited* (中國電建集團北京勘測設計研究院有限公司)(“**PowerChina Beijing**”) (as the contractor), pursuant to which, HZHS Clean Energy agreed to engage PowerChina Beijing to provide relevant engineering, procurement and construction services in relation to the 93.75MW wind power project in Mudan District, Heze City, Shandong Province at a consideration of RMB183,490,463.74;
- (d) (i) the equipment purchase contract dated 9 December 2024 entered into by Haiyang Shandong Hi-Speed New Energy Investment Co., Ltd.* (海陽山高新能源投資有限公司)(“**HYHS Investment**”) (an indirect wholly-owned subsidiary of the Company) and Shanghai Electric Wind Power Group Co., Ltd.* (上海電氣風電集團股份有限公司)(“**Shanghai Electric**”), pursuant to which, HYHS Investment agreed to purchase and Shanghai Electric agreed to sell five sets of wind power generation units, towers and ancillary equipment which will be used for the construction and development of the 93.75MW wind power project in Mudan District, Heze City, Shandong Province (“**6.25MW Equipment**”) at a consideration of RMB71,261,250 (tax inclusive); (ii) the equipment purchase contract dated 9 December 2024 entered into by Laiyang Beiqing New Energy Development Co., Ltd.* (萊陽市北清新能源開發有限公司)(“**Laiyang Beiqing**”) (an indirect wholly-owned subsidiary of the Company) and Shanghai Electric, pursuant to which, Laiyang Beiqing agreed to purchase and Shanghai Electric agreed to sell 10 sets of 6.25MW Equipment at a consideration of RMB116,707,500 (tax inclusive);

- (e) the finance lease agreement dated 25 July 2025 entered into by Wenshui Shangao Heat Supply Company Limited* (文水山高供熱有限公司) (“**Wenshui Shangao Heat Supply**”) (an indirect wholly-owned subsidiary of the Company) and China Resources Financial Leasing Co., Ltd* (華潤融資租賃有限公司) (“**CR Leasing**”), pursuant to which, CR Leasing shall purchase the heating equipment and ancillary facilities at Wenshui County, Shanxi Province, the PRC, which are owned and operated by Wenshui Shangao Heat Supply (“**Leased Assets**”) from Wenshui Shangao Heat Supply for a total consideration of RMB250,000,000. The Leased Assets would then be leased to Wenshui Shangao Heat Supply for a term of 96 months. The ownership of the Leased Assets under the finance lease agreement will be vested in CR Leasing throughout the lease period. At the end of the lease period and subject to payments by Wenshui Shangao Heat Supply of (i) all amounts due under the finance lease agreement; and (ii) a nominal consideration of RMB100 for the Leased Assets, the ownership of the Leased Assets will be returned to Wenshui Shangao Heat Supply; and
- (f) the finance lease agreement dated 9 September 2025 entered into by Beijing Enterprises Clean Energy (Haixing) Company Limited* (北控清潔能源(海興)有限責任公司) (“**BECE (Haixing)**”) (an indirect wholly-owned subsidiary of the Company) and BOC Financial Leasing Co., Ltd* (中銀金融租賃有限公司) (“**BOCL**”), pursuant to which, BOCL shall purchase photovoltaic system and ancillary facilities of 145MW centralised photovoltaic power plant located at Haixing County, Cangzhou City, Hebei Province, the PRC, which are owned by BECE (Haixing) (“**Leased Assets**”) from BECE (Haixing) for a total consideration of RMB385,000,000. The Leased Assets would then be leased to BECE (Haixing) for a term of 13 years. The ownership of the Leased Assets under the finance lease agreement will be vested in BOCL throughout the lease period. At the end of the lease period and subject to payments by BECE (Haixing) of (i) all amounts due under the finance lease agreement; and (ii) a nominal consideration of RMB100 for the Leased Assets, the ownership of the Leased Assets will be returned to BECE (Haixing).

7. MATERIAL LITIGATION

As at the Latest Practicable Date, to the best of the Directors’ knowledge, the Group was not engaged in any litigation or arbitration proceedings of material importance and no litigation or claims of material importance were pending or threatened against the Group.

8. SERVICE CONTRACTS

All executive Directors had entered into service agreements and all independent non-executive Directors had entered into letters of appointment with the Company for a term of three years but are subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

As at the Latest Practicable Date, none of the Directors had entered into, with any member of the Group, a service agreement which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

9. GENERAL

- (a) The registered address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at 38th Floor, The Center, 99 Queen's Road Central, Central, Hong Kong.
- (c) The Hong Kong share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Mr. Cheung Chin Wa, who is a full-time employee of the Company and is familiar with the Company's daily affairs. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales and he currently holds the Hong Kong Institute of Certified Public Accountants Practising Certificate.
- (e) In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

10. DOCUMENTS ON DISPLAY

A copy of the following document will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shneg.com.hk) from the date of this circular and up to and including the date which is 14 days from the date of this circular:

- (a) the EPC Contract.

* for identification purposes only