FURTHER INFORMATION ABOUT OUR COMPANY

1. Establishment of our Company

Our Company was established in the PRC on 29 October 2003 as a limited liability company and was converted to a joint stock limited liability company under the PRC Company Law with effect from 29 December 2015. Our Company has established a place of business in Hong Kong at Unit 906, 9/F, Haleson Building, 1 Jubilee Street, Central, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 9 April 2026. Ms. Lau Mei Wah has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is Unit 906, 9/F, Haleson Building, 1 Jubilee Street, Central, Hong Kong.

As a company incorporated in the PRC, our operations, corporate structure and Articles of Association are subject to the relevant PRC laws and regulations. A summary of the relevant provisions of our Articles of Association is set out in Appendix V to this document. A summary of certain relevant aspects of the laws and regulations of the PRC are set out in Appendix IV to this document.

2. Changes in the Share Capital of our Company

Save as disclosed in "History, Development and Corporate Structure", there is no other change of our registered capital/share capital since the date of incorporation up to the date of this document. Upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our registered capital will increase to RMB**[REDACTED]**, comprising **[REDACTED]** fully paid up, representing approximately **[REDACTED]** of our registered share capital, respectively.

3. Resolutions of our Shareholders

At the extraordinary general meeting of our Company held on [•], among other things, the following resolutions were passed by our Shareholders:

(a) the issue of not more than **[REDACTED]** with a nominal value of RMB1.0 each (representing approximately **[REDACTED]**% of the total number of issued Shares of our Company immediately following the completion of the **[REDACTED]**) and the granting of the Over-allotment Option in respect of no more than **[REDACTED]** (representing **[REDACTED]** of the number of **[REDACTED]** as abovementioned), and the **[REDACTED]** on the of the Stock Exchange;

(b) subject to the completion of the **[REDACTED]**, the Articles of Association has been approved and adopted with effect from the **[REDACTED]**, and our Board be authorised to amend our Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(c) authorising our Board to handle all relevant matters relating to, among other things, the implementation of **[REDACTED]**.

4. Restriction on Share Repurchase

For details of the restrictions on the share repurchase by our Company, see "Summary of the Articles of Association – increase and decrease of share capital and share repurchase" as set out in Appendix V to this document.

5. Subsidiaries of our Company

The list of subsidiaries of our Company as at 31 December 2025 is set out in the Accountant's Report as set out in Appendix I to this document. Save for the subsidiaries mentioned in the Accountant's Report as set out in Appendix I to this document, our Company has no other subsidiaries.

FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this document that are or may be material:

(a) Deed of Indemnity; and

(b) **[REDACTED]**.

2. Material Intellectual Property rights of our Company

(a) Trademarks

As at the Latest Practicable Date, we have registered the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
1		16, 37, 42	Our Company	Hong Kong	307184737	6 February 2026	5 February 2036
2	环能	40	Our Company	PRC	13203558	28 February 2015	27 February 2035
3	环能	37	Our Company	PRC	13203564	28 February 2015	27 February 2035
4	环能	42	Our Company	PRC	13203549A	7 May 2015	6 May 2035

(b) Domain name

As at the Latest Practicable Date, we have registered the following domain name in the PRC:

Domain name	Expiry date
www.sdhuanneng.com	March 2029
www.sdshnsjy.com	September 2027

(c) Patents

As at the 31 December 2025, we have registered the following patents in the PRC which, in the opinion of our Directors, is material to our business:

No.	Title of patent	Type	Registered owner(s)	Patent number	Application date	Registration date
1	Factory rainwater drainage system [廠區雨水排水系統]	Invention	Our Company	2014103702792	31 July 2014	10 February 2016
2	Wet desulfurization pulping system [濕法脫硫制漿系統]	Invention	Our Company	2014107046504	27 November 2014	4 January 2017
3	Snow-melting and energy-saving mushroom shed [融雪節能型食用菌大棚]	Invention	Our Company	2014103702716	31 July 2014	4 January 2017
4	A road dust suppression device [一種道路除塵裝置]	Invention	Our Company	2015105260372	24 August 2015	18 January 2017
5	Circulating water modification and utilization system [循環水改造利用系統]	Invention	Our Company	2015105477079	31 August 2015	4 July 2017
6	Comprehensive utilization equipment for desulfurization and denitrification [脫硫脫硝綜合利用設備]	Invention	Our Company	2015105477098	31 August 2015	2 March 2018
7	New boiler platform support column [新型鍋爐平臺支撐柱]	Invention	Our Company	2016105618349	15 July 2016	30 October 2018
8	A flue gas treatment and utilization equipment [一種煙氣處理利用設備]	Invention	Our Company	2018101378881	10 February 2018	28 June 2019
9	Treatment process for high-salt and high-concentration refractory organic wastewater [高鹽高濃度難降解有機廢水處理工藝]	Invention	Our Company	2017105853432	18 July 2017	17 September 2019
10	A biomass stable-combustion power generation system [一種生物質穩燃發電系統]	Invention	Our Company	2018101378896	10 February 2018	22 November 2019

No.	Title of patent	Type	Registered owner(s)	Patent number	Application date	Registration date
11	Water treatment recycling and utilization system [水處理循環利用系統]	Invention	Our Company	201810137899X	10 February 2018	17 April 2020
12	An ammonia water evaporation system for flue gas denitrification [一種用於煙氣脫硝的氨水蒸發系統]	Utility model	Our Company	2022225430668	26 September 2022	18 August 2023
13	An integrated flue gas denitrification system suitable for low-temperature flue gas [一種適用於低溫煙氣的集成化煙氣脫硝系統]	Utility model	Our Company	2023204748961	9 March 2023	1 September 2023
14	A connection device for bag houses [一種用於布袋除塵器的連接裝置]	Utility model	Our Company	2023212711418	23 May 2023	27 October 2023
15	A flue gas purification device for waste heat recovery [一種餘熱回收用的煙氣淨化裝置]	Invention	Our Company	2023115069761	14 November 2023	19 January 2024
16	A thermal pipeline structure convenient for dredging [一種便於疏通的熱力管道結構]	Invention	Our Company	2023115275909	16 November 2023	19 January 2024
17	An efficient energy storage device with rapid heat dissipation [一種快速散熱的高效儲能裝置]	Invention	Our Company	2023115270854	16 November 2023	26 January 2024
18	A lifting device for electromechanical engineering construction [一種機電工程施工用升降裝置]	Invention	Our Company	202311550659X	21 November 2023	23 January 2024
19	An internal pressure thrust counterbalancing device for circulating water pipelines [一種循環水管道內壓推力抵消裝置]	Invention	Our Company	2018112737303	29 October 2018	26 January 2024
20	An ash removal system at the bottom of a boiler horizontal flue [一種鍋爐水平煙道底部積灰清除系統]	Invention	Our Company	2017105750366	14 July 2017	26 January 2024
21	A lifting device for photovoltaic panel component installation [用於光伏板組件安裝的提升裝置]	Invention	Our Company	2023115239137	16 November 2023	8 March 2024
22	System for removing SO_3 from flue gas via alkali liquor [鹼液脫除煙氣中SO_3的系統]	Utility model	Our Company	202421832495X	31 July 2024	6 May 2025
23	A hoisting device for photovoltaic modules [一種用於光伏組件的吊裝裝置]	Utility model	Our Company	2024224823419	14 October 2024	15 July 2025

No.	Title of patent	Type	Registered owner(s)	Patent number	Application date	Registration date
24	A coordination controller for energy storage systems [一種儲能系統協調控制器]	Utility model	Our Company	2023235205529	22 December 2023	11 October 2024
25	An offline energy-saving thermal desorption device for low-temperature flue gas denitrification catalysts [一種用於煙氣低溫脫硝催化劑的離線節能熱解析裝置]	Utility model	Our Company	2024225174745	17 October 2024	12 August 2025
26	A wastewater treatment device [一種污水處理裝置]	Utility model	Our Company	2024227045630	6 November 2024	2 September 2025
27	A multi-angle wind-resistant equipment for photovoltaic modules [一種光伏組件用多角度抗風設備]	Utility model	Our Company	2024224605700	11 October 2024	12 September 2025
28	An electrically regenerated pure water preparation device [一種電再生純水製備裝置]	Invention	Our Company	2024116622323	20 November 2024	19 September 2025
29	A spray equipment for waste gas treatment [一種用於廢氣處理的噴淋設備]	Utility model	Our Company	2024232852358	30 December 2024	16 December 2025

As at the Latest Practicable Date, we have applied for the registration of, and are pending registration for, the following patents in the PRC which, in the opinion of our Directors, are material to our business:

No.	Title of patent	Type	Applicant	Application number	Application date
1	基於CAD的快速計算山地光伏方陣間距的方法(CAD-based method for rapidly calculating spacing between mountain photovoltaic arrays)	Invention	Our Company	202410513890X	26 April 2024
2	基於CAD的展現山坡或光伏方陣在空間中的實際形態的方法(CAD-based method for presenting the actual spatial morphology of hillsides or photovoltaic arrays)	Invention	Our Company	2024105138897	26 April 2024
3	一種管道焊接對接裝置(A pipeline welding and jointing apparatus)	Invention	Our Company	202410858104X	28 June 2024
4	基於CAD 的推測等高線圖上的某個點的高度的方法(CAD-based method for estimating the elevation of a specific point on a contour map)	Invention	Our Company	2024110364281	31 July 2024

No.	Title of patent	Type	Applicant	Application number	Application date
5	基於CAD的以二分法縮放框線以獲取目標選擇集的方法(CAD-based method for scaling bounding boxes using a dichotomy approach to obtain a target selection set)	Invention	Our Company	2024110364296	31 July 2024
6	基於CAD的繪製經過等高線圖某點山體陰影的方法和系統(CAD-based method and system for rendering mountain shadows passing through a specific point on a contour map)	Invention	Our Company	2024112339744	4 September 2024
7	基於CAD的繪製某個點被山體遮擋的程度的方法和系統(CAD-based method and system for rendering the degree of mountain shading at a specific point)	Invention	Our Company	2024112477710	6 September 2024
8	基於CAD的避讓線形障礙物並生成圍繞線的方法(CAD-based method for avoiding linear obstacles and generating surrounding boundary lines)	Invention	Our Company	2025117751805	28 November 2025
9	基於CAD的平面光伏自動佈置的方法 (CAD-based method for the automated layout of planar photovoltaic arrays)	Invention	Our Company	2025118824625	15 December 2025
10	一種暖通管道用Y型過濾裝置(A Y-type filtering device for HVAC pipelines)	Invention	Our Company	2025119037326	17 December 2025
11	一種煙氣除塵設備(A flue gas dedusting equipment)	Invention	Our Company	2026102761940	9 March 2026
12	一種具有防污自清潔功能的污泥脫水裝置及其運行方法(An anti-fouling self-cleaning sludge dewatering apparatus and operational method thereof)	Invention	Our Company	2026105292210	21 April 2026

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interest

(a) *Interests and short positions of the Directors and the chief executive of our Company in the registered capital of our Company*

Interest in Shares of our Company

Immediately following the completion of the **[REDACTED]** and without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**, the interests or short positions of our Directors and the chief executive of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered into in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of listed issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, will be as follows:

Name of Director/chief executive	Long/short position	Nature of interest	Number of shares	Approximate percentage of shareholding in our Company as at the Latest Practicable Date	Approximate percentage of shareholding in our Company upon Completion of the [REDACTED]
Mr. Zhang Fuquan (張福泉)	Long	Interest in controlled corporation[(1)]	44,180,000	78.4%	**[REDACTED]**
Mr. Zhang Guanzhou (張冠洲)	Long	Interest in controlled corporation[(1)]	44,180,000	78.4%	**[REDACTED]**
Ms. Wang	Long	Beneficial owner	7,080,000	12.56%	**[REDACTED]**
Ms. Li Junying (李俊英)	Long	Beneficial owner	1,100,000	1.95%	**[REDACTED]**
Mr. Zhang Dan (張丹)	Long	Beneficial owner	600,000	1.06%	**[REDACTED]**

(1) The controlled corporation is Jinan Huanneng, which as at the Latest Practicable Date, directly held 44,180,000 shares, representing approximately 78.40% of the total issued shares of our Company, and Jinan Huanneng was owned as to 51.0% and 24.5% by Mr. Zhang Fuquan and Mr. Zhang Guanzhou, respectively. As Mr. Zhang Fuquan and Mr. Zhang Guanzhou are consirered as a group of controlling shareholders purusant to chapter 1.1c of the Guide, each of Mr. Zhang Fuquan and Mr. Zhang Guanzhou is deemed to be interested in all the Shares held by Jinan Huanneng under the SFO.

Interest of the substantial shareholders in other members of our Group

So far as the Directors are aware, the following persons (other than our Company, and any subsidiaries of our Group) are entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

Name of subsidiary	Name of shareholder	Percentage of interest ion the subsidiary
		(%)
Shandong Zhongneng Engineering Construction Co., Ltd.* (山東省中能工程建设有限公司)	Ms. Wang	40%

Note:

(1) Shandong Zhongneng Engineering Construction Co., Ltd.* (山東省中能工程建设有限公司) is held by our Company as to 60% and by Ms. Wang as to 40%.

Particulars of service contracts and letters of appointment

Each of the Directors has entered into a service contract or letter of appointment with our Company. Each service agreement contains provisions in relation to, among other things, compliance with relevant laws and regulations and the Articles of Association.

Save as disclosed above, none of our Directors has or is proposed to have a service contract or letter of appointment (as the case may be) with our Company or any subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

Directors' and remuneration

Save as disclosed in "Directors and Senior Management – Remuneration policy and emolument of our Directors and senior management" in this document and Note 9 to the "Accountants' Report" as set out in Appendix I to this document, no Director received other remuneration or benefits in kind from our Company in respect of each of the three financial years ended 31 December 2023, 2024 and 2025.

2. Disclaimers

Save as disclosed in the sections headed "Business" and "Substantial Shareholders" in this document and the paragraph headed "Further Information about our Directors and substantial shareholders – Disclosure of interest" in this appendix:

(a) none of our Directors or chief executive has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(b) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole;

(c) none of our Directors is interested in any business (other than the business of our Group) which competes or is likely to compete, directly or indirectly, with our business; and

(d) without taking into account any Shares which may be taken up under the **[REDACTED]**, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the **[REDACTED]**, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of any member of our Group in the Shares or underlying Shares of our Company.

OTHER INFORMATION

1. Deed of Indemnity

Our Controlling Shareholders have entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of its subsidiaries as stated therein) (being the contract referred to in paragraph (1) of "Further information about our business – Summary of material contracts" in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, taxation or taxation claims resulting from income, profits or gains earned, accrued or received as well as any property claim or estate duty to which any member of our Group may be subject on or before the **[REDACTED]** and any expenses, costs, fines, penalties or other liabilities which any member of our Group may suffer.

In addition, our Controlling Shareholders have also given indemnities to our Company against all fines, penalties, claims costs, charges, liabilities, damages, expenses and losses (to the extent that provision, reserve or allowance has not been made for such fines, penalties, claims, costs, charges, liabilities, damages, expenses or losses in the accounts of our Group) as may be suffered by any member of our Group as a result of any compliance incidents during the Track Record Period as required by applicable laws and regulations in the PRC.

2. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

3. Litigation

During the Track Record Period and as at the Latest Practicable Date, we were not aware of any litigation, arbitration or administrative proceedings which could have a material adverse impact on our business, financial condition or results of operations.

4. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the **[REDACTED]** for the **[REDACTED]** of, and **[REDACTED]** in, the **[REDACTED]** in issue and to be issued as mentioned in this document (including any **[REDACTED]** which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**).

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules. Our Company has agreed to pay the Sole Sponsor a fee of 3.75 million to act as sponsor in connection with the **[REDACTED]**.

5. Preliminary expenses

As at the Latest Practicable Date, our Company had not incurred any preliminary expenses.

6. Qualification of experts and promoters

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualification
Eddid Capital Limited	Licensed to carry out types 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities under the SFO
Jingtian & Gongcheng	Legal advisers as to PRC law
BDO Limited	Certified Public Accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry Consultant

7. Consent of experts

Each of the parties named in paragraph 6 above has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (as the case may be), all of which are dated the date of this document and made for incorporation in this document, and references to its name included herein in the form and context in which it respectively included.

8. Interest of experts in our Company

None of the persons named in "E. Other information – 6. Qualifications of experts" in this appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

9. Compliance adviser

Our Company has appointed Eddid Capital Limited to act as our compliance adviser upon the **[REDACTED]** in compliance with Rule 3A.19 of the Listing Rules.

10. Taxation of holders of H shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate chargeable on each of the seller and purchaser is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Taxation and Foreign Exchange" in Appendix III to this document.

11. Binding effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Miscellaneous

Save as disclosed in the sections headed "History, Development and Corporate Structure", "Business", "Financial Information" and "**[REDACTED]**" in this document and the paragraph headed "Further Information about our Company" in this appendix:

(a) within the three years immediately preceding the date of this document:

 (i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be issued fully or partly paid either for cash or a consideration other than cash;

 (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) save for our **[REDACTED]** in connection with the **[REDACTED]**, none of our equity and debt securities is **[REDACTED]** or **[REDACTED]** in any other stock exchange nor is **[REDACTED]** or permission to deal being or proposed to be sought;

(g) our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited liability company and does not expect to be subject to the Law of the PRC on Sino-foreign Equity Joint Ventures; and

(h) all necessary arrangements have been made to **[REDACTED]**.

13. Bilingual document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

14. Promoter

The promoters as at the time of our Company's conversion into a joint stock company with limited liability on 29 December 2015 were (i) Jinan Huanneng; (ii) Mr. Zhang Dan; (iii) Ms. Li Junying; (iv) Ms. Wang Pingping and (v) Mr. Liang Yongping. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the **[REDACTED]** and the related transactions described in this document.