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山高新能源集團有限公司
SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

RENEWAL OF CONTINUING CONNECTED TRANSACTION RELATING TO THE SALES OF ELECTRICITY

THE 2025 ELECTRICITY SALES AGREEMENT

The Board announces that on 31 December 2025 (after trading hours), BEWG, a substantial shareholder of the Company, and the Company entered into the 2025 Electricity Sales Agreement in respect of the Sales of Electricity to renew the 2022 Electricity Sales Agreement and 2023 Supplemental Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, BEWG is a substantial shareholder of the Company, which indirectly holds approximately 18.03% of the total issued share capital of the Company. Accordingly, BEWG is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 2025 Electricity Sales Agreement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps under the 2025 Electricity Sales Agreement are more than 0.1% but all of which are less than 5%, the transactions contemplated under the 2025 Electricity Sales Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to 2022 Joint Announcement and 2023 Joint Announcement in relation to the 2022 Electricity Sales Agreement and 2023 Supplemental Agreement. The 2022 Electricity Sales Agreement and 2023 Supplemental Agreement will expire on 31 December 2025.

THE 2025 ELECTRICITY SALES AGREEMENT

On 31 December 2025 (after trading hours), BEWG, a substantial shareholder of the Company, and the Company entered into the 2025 Electricity Sales Agreement in respect of the Sales of Electricity to renew the 2022 Electricity Sales Agreement and 2023 Supplemental Agreement.

The major terms of the 2025 Electricity Sales Agreement are set out below:

Purchaser(s):	the BEWG
Supplier(s):	the Group
Subject Matter:	The sale of electricity to be generated by the Distributed Photovoltaic Power Stations in certain Water Plants to the BEWG Group.
Term:	Commencing from 1 January 2026 and expiring on 31 December 2028
Pricing Policy:	Electricity will be supplied at a price calculated by the relevant volume of electricity usage multiplied by the relevant government prescribed price per kWh (as adjusted from time to time), which is determined by the government authorities (such as State Grid Corporation of China*（國家電網公司） and China Southern Power Grid*（中國南方電網）), with a discount rate ranging from 8% to 30% to the prescribed unit price depending on the location of the Water Plants.

	It is common market practice in the PRC that the owner of water plants shall have preference to use electricity generated by distributed photovoltaic power stations installed at the water plants and enjoy discount rate for self-usage. The Group also offers discounts to its other customers like other power stations to attract more customers. The discount rates offered by the Company to the BEWG Group are determined with reference to (a) the discount rates provided to customers by other market participants on the current market; and (b) the discount rates provided by the Group to Independent Third Parties in similar transactions in the past, to ensure that electricity fee is fair and reasonable, no less favourable than the discount rates provided to Independent Third Parties, and consistent with the pricing policy of the Group.
Payment Term:	All payments will be settled on a monthly basis, and the BEWG Group shall settle the payable amount by bank transfer within five business days after receiving the invoice.

ANNUAL CAPS

The annual cap amount for each of the three years ending 31 December 2028, being the term of the 2025 Electricity Sales Agreement, will not exceed the following amounts:

	For the financial year ending 31 December		
	2026	**2027**	**2028**
	RMB	*RMB*	*RMB*
Electricity fees receivable by the Group in respect of the Sales of Electricity	19,184,600	25,195,345	24,784,198

In determining the annual caps for the electricity fees to be received by the Group in respect of the Sales of Electricity, the Directors have taken into account (i) the historical transaction amounts; (ii) the designed capacity of the Distributed Photovoltaic Power Stations in certain Water Plants; (iii) the current unit price of electricity sold under the 2022 Electricity Sales Agreement (as supplemented by the 2023 Supplemental Agreement) to the BEWG Group; (iv) the estimated electricity to be generated by the relevant Distributed Photovoltaic Power Stations; and (v) the development plan of the Group for the Distributed Photovoltaic Power Stations in the Water Plants in the coming years during the term of the 2025 Electricity Sales Agreement.

APPROVAL BY THE BOARD

As Mr. Li Li is a former executive director and is a member of the senior management of BEWG and is also an executive Director of the Company, he voluntarily abstained from voting on the Board resolutions which approved the 2025 Electricity Sales Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the 2025 Electricity Sales Agreement and the transaction contemplated thereunder and no other Director is required to abstain from voting on the relevant board resolutions approving the 2025 Electricity Sales Agreement and the transaction contemplated thereunder.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 ELECTRICITY SALES AGREEMENT

The 2025 Electricity Sales Agreement is a renewal to the existing 2022 Electricity Sales Agreement and the 2023 Supplemental Agreement in respect of the Sales of Electricity. Construction and operation of Distributed Photovoltaic Power Stations in the PRC has been one of the businesses of the Group. Pursuant to the terms of the 2025 Electricity Sales Agreement, BEWG will provide suitable plant pools, rooftops, greenbelts and other unused space in the Water Plants for the investment, construction and operation of the Distributed Photovoltaic Power Stations owned by the Group. Having considered the stability of the business of the Water Plants, which is under long-term service concession arrangements with strong track record of stable operating income and cash flows, and that Water Plants consume large quantity of electricity for its operation, the Directors consider that entering into the 2025 Electricity Sales Agreement allows the Group to expand its distributed photovoltaic power station operation business, secure a reliable customer and contribute stable operating income and cash flow to the Group. The Group will continue to cooperate with the BEWG Group for steadily developing the Group's clean energy businesses.

The Board (including the independent non-executive Directors) is of the view that (a) the transaction contemplated under the 2025 Electricity Sales Agreement is conducted after arm's length negotiation and in the ordinary and usual course of business of the Company, on normal commercial terms or better, and the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole; and (b) the proposed annual caps for the transaction contemplated under the 2025 Electricity Sales Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

INTERNAL CONTROL FOR THE TRANSACTION CONTEMPLATED UNDER THE 2025 ELECTRICITY SALES AGREEMENT

In order to ensure that the terms of the 2025 Electricity Sales Agreement are fair and reasonable, and the electricity unit prices offered to the BEWG Group are in line with the terms commonly offered in the PRC market and not less favourable to the Group than those prices offered to other Independent Third Parties, the Group adopts the following internal control measures and procedures:

(1) the relevant personnel of the business department of the Company will conduct regular checks to review and assess whether the transaction contemplated under the 2025 Electricity Sales Agreement is conducted in accordance with the terms thereunder and will also regularly update and make reference to: (i) the relevant government prescribed unit price of sale of electricity; and (ii) discount rates offered by other power stations to their customers and by the Group to its other customers for sale of electricity, for the purpose of considering if the price charged is fair and reasonable and in accordance with the pricing policy, which is set out in the announcement above;

(2) the Company will closely monitor the transacted amounts of the transaction contemplated under the 2025 Electricity Sales Agreement to ensure that the annual caps for each of three years ending 31 December 2028 will not be exceeded;

(3) the external auditors of the Company will conduct an annual review on the electricity unit prices and annual caps of the transaction contemplated under the 2025 Electricity Sales Agreement; and

(4) the independent non-executive Directors of the Company will conduct annual review on the transactions contemplated under the continuing connected transactions of the Company pursuant to Rule 14A.55 of the Listing Rules, and confirm in the annual report whether the transactions have been entered in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing the transactions on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

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.

BEWG and the BEWG Group

BEWG is a company incorporated in Bermuda with limited liability its shares are listed on the Main Board of the Stock Exchange (Stock Code: 371). BEWG is an investment company and the holding company of the BEWG Group. The BEWG Group is principally engaged in construction of sewage and reclaimed water treatment plants and seawater desalination plants, and provision of construction services for comprehensive renovation projects in the PRC, Malaysia, Australia and Republic of Botswana; provision of sewage and reclaimed water treatment services in the PRC, the Republic of Singapore, the Portuguese Republic, Australia, New Zealand and Saudi Arabia; distribution and sale of piped water in the PRC, the Portuguese Republic, Australia and Saudi Arabia; provision of technical and consultancy services and sale of machineries related to sewage treatment and construction services for comprehensive renovation projects in the PRC and Australia; the licensing of technical know-how related to sewage treatment in the PRC; and provision of urban services and hazardous waste treatment services in the PRC and Hong Kong.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, BEWG is a substantial shareholder of the Company, which indirectly holds approximately 18.03% of the total issued share capital of the Company. Accordingly, BEWG is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the 2025 Electricity Sales Agreement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps under the 2025 Electricity Sales Agreement are more than 0.1% but all of which are less than 5%, the transactions contemplated under the 2025 Electricity Sales Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"2022 Electricity Sales Agreement"	the agreement dated 30 December 2022 entered into between BEWG and the Company in respect of the Sales of Electricity
"2025 Electricity Sales Agreement"	the agreement dated 31 December 2025 entered into between BEWG and the Company in respect of the Sales of Electricity
"2022 Joint Announcement"	the announcement jointly published by the Company and SDHG dated 30 December 2022 in relation to the revision of terms and annual caps of 2022 Electricity Sales Agreement
"2023 Joint Announcement"	the announcement jointly published by the Company and SDHG dated 28 December 2023 in relation to the Sales of Electricity
"2023 Supplemental Agreement"	the supplemental agreement to the 2022 Electricity Sales Agreement entered into between the Company and BEWG on 28 December 2023

"BEWG"	Beijing Enterprises Water Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 371)
"BEWG Group"	BEWG and its subsidiaries
"Board"	the board of directors of the Company
"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)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Distributed Photovoltaic Power Stations"	distributed photovoltaic power stations constructed/to be constructed and to be operated by the Group
"Group"	the Company and its subsidiaries
"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 the Company or its subsidiaries, and their respective associates
"kWh"	Kilowatt hours
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan

"RMB"	Renminbi, the lawful currency of the PRC
"Sales of Electricity"	The sale of electricity to be generated by the Distributed Photovoltaic Power Stations in certain Water Plants
"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 substantial shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Water Plants"	water plants of the BEWG Group operated/to be operated under service concession arrangements
"%"	per cent.

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

Hong Kong, 31 December 2025

As at the date of this announcement, the Board 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 purpose only*