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If you have sold or transferred all your shares in **Yankuang Energy Group Company Limited***, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, or a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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兗礦能源集團股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01171)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTEREST IN TARGET COMPANIES; (2) CONTINUING CONNECTED TRANSACTIONS; AND (3) NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

The 2026 First Extraordinary General Meeting of the Company will be held at the headquarters of the Company at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m. on Wednesday, 29 July 2026. The Notice of the 2026 First Extraordinary General Meeting was despatched on 7 July 2026.

Whether or not you are able to attend the relevant general meeting in person, you are strongly advised to complete and sign the Form of Proxy in accordance with the instructions printed thereon. The form of proxy shall be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the Office of the Secretary to the Board at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC (for holders of A Shares) as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the meeting or any adjourned meeting(s) (as the case may be).

Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the general meeting or any adjourned meeting(s) should you so wish.

For the avoidance of doubt, any shareholder holding treasury shares should abstain from voting in respect of any treasury shares (if any) held by him/her at the 2026 First Extraordinary General Meeting.

* *For identification purposes only*

7 July 2026

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

"2026 First Extraordinary General Meeting"	The 2026 first extraordinary general meeting of the Company to be held at the headquarters of the Company at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC at 9:00 a.m. on Wednesday, 29 July 2026
"A Share(s)"	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"Acquisitions" or "Transactions"	the collective reference to the First Acquisition and the Second Acquisition
"Articles of Association"	the Articles of Association of the Company
"Asset Valuation Report(s)"	the singular or collective reference (as the case may be) to the First Equity Asset Valuation Report and the Second Equity Asset Valuation Report
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"Chinese Accounting Standards"	the enterprise accounting standards and relevant interpretations issued by the Ministry of Finance of the PRC
"Company"	Yankuang Energy Group Company Limited*（兗礦能源集團股份有限公司）, a joint stock limited company established under the laws of PRC in 1997, and the H Shares and A shares of which are listed on the Hong Kong Stock Exchange (01171.HK) and the Shanghai Stock Exchange (600188.SH), respectively
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"ERP"	Enterprise Resource Planning

"Existing Bulk Commodities Sale and Purchase Agreement"	the bulk commodities sale and purchase agreement entered into between the Company and Shandong Energy on 8 April 2025
"Existing Continuing Connected Transactions Agreements"	the Existing Provision of Materials Supply Agreement, the Existing Mutual Provision of Labour and Services Agreement, the Existing Provision of Insurance Fund Administrative Services Agreement, the Existing Provision of Products, Materials and Asset Leasing Agreement, the Existing Bulk Commodities Sale and Purchase Agreement, the Existing Finance Lease and Factoring Agreement, the Existing Entrusted Management Service Framework Agreement, the Existing Shandong Energy Financial Services Agreement and the Existing Yankuang Energy Financial Services Agreement
"Existing Entrusted Management Service Framework Agreement"	the entrusted management service framework agreement entered into between the Company and Shandong Energy on 8 April 2025
"Existing Finance Lease and Factoring Agreement"	the finance lease and factoring agreement entered into between the Company and Shandong Energy on 8 April 2025
"Existing Mutual Provision of Labour and Services Agreement"	the mutual provision of labour and services agreement entered into between the Company and Shandong Energy on 8 April 2025
"Existing Provision of Insurance Fund Administrative Services Agreement"	the provision of insurance fund administrative services agreement entered into between the Company and Shandong Energy on 8 April 2025
"Existing Provision of Materials Supply Agreement"	the provision of materials supply agreement entered into between the Company and Shandong Energy on 8 April 2025
"Existing Provision of Products, Materials and Asset Leasing Agreement"	the provision of products, materials and asset leasing agreement entered into between the Company and Shandong Energy on 8 April 2025
"Existing Shandong Energy Financial Services Agreement"	the financial services agreement entered into between Shandong Energy Finance Company and Shandong Energy on 8 April 2025
"Existing Yankuang Energy Financial Services Agreement"	the financial services agreement entered into between Shandong Energy Finance Company and the Company on 8 April 2025

"First Acquisition"	the acquisition of the First Equity pursuant to the First Equity Transfer Agreement
"First Audit Report"	the audit report (Zhong Tian Heng Zhuan Shen Zi [2026] No. 1308) on Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date of 31 January 2026, issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership) (北京中天恒會計師事務所(特殊普通合夥))
"First Closing Date"	the closing date of the First Equity Transfer Agreement
"First Equity"	the aggregate 100% equity interest in New Energy Group (held as to 93.88% by Shandong Energy and 6.12% by Yankuang Hong Kong, respectively)
"First Equity Asset Valuation Report"	the Asset Valuation Report on the Project of Yankuang Energy Group Company Limited's Proposed Acquisition of Equity Interests Involving the Entire Shareholders' Interests of Shandong Energy Group New Energy Group Co., Ltd. (《兗礦能源集團股份有限公司擬收購股權所涉及的山東能源集團新能源集團有限公司股東全部權益項目資產評估報告》) (Huaya Zhengxin Ping Bao Zi [2026] No. A16-0015) issued by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. with the Valuation Benchmark Date of 31 January 2026
"First Equity Transfer Agreement"	the equity transfer agreement entered into among the Company, the First Vendors and New Energy Group on 3 June 2026 in relation to the acquisition of the First Equity
"First Transition Period"	the period from the Valuation Benchmark Date to the First Closing Date (excluding the First Closing Date)
"First Vendor(s)"	Shandong Energy and/or Yankuang Hong Kong (as the case may be)
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign invested shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent committee of the Board, comprising all independent non-executive Directors, to advise the Independent Shareholders in respect of (i) the Transaction Documents and the Acquisitions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labor and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps
"Independent Financial Adviser"	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Transaction Documents and the Transactions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labor and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps

"Independent Shareholder(s)"	shareholder(s) other than Shandong Energy and its associates, who are neither involved nor interested in the Transactions and the Proposed Continuing Connected Transactions
"Independent Third Parties"	a third party independent of the Company and its connected persons
"Independent Valuer"	Beijing Huaya Zhengxin Asset Appraisal Co., Ltd., an independent valuer in the PRC
"Latest Practicable Date"	1 July 2026, being the latest practicable date of ascertaining certain information contained in this circular before the issuing of this circular
"Letter of Performance Commitment"	the letter of commitment dated 3 June 2026 entered into between the Company and the First Vendors in relation to the three-year performance of New Energy Group from 2026 to 2028
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LPR One-year Interest Rate"	the one year loan prime rate announced by National Interbank Funding Center
"Market Price"	a price determined according to normal commercial terms based on the following (i) the price offered by Independent Third Parties for provision of the same or similar type of services in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or (ii) if paragraph (i) above is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of services under normal commercial terms in the ordinary course of business of such Independent Third Parties.

"New Energy Group"	Shandong Energy Group New Energy Group Co., Ltd. (山東能源集團新能源集團有限公司), a limited liability company established under the laws of the PRC, as of the Latest Practicable Date a wholly-owned subsidiary of Shandong Energy (held as to 93.88% and 6.12% by Shandong Energy and Yankuang Hong Kong, respectively)
"percentage ratio(s)"	has the meaning ascribed thereto under the Listing Rules
"PRC" or "China"	the People's Republic of China
"Proposed Bulk Commodities Sale and Purchase Agreement"	the bulk commodities sale and purchase agreement entered into between the Company and Shandong Energy on 3 June 2026
"Proposed Continuing Connected Transactions"	the transactions under the respective Proposed Continuing Connected Transactions Agreements
"Proposed Continuing Connected Transactions Agreements"	the Proposed Provision of Materials Supply Agreement, the Proposed Mutual Provision of Labor and Services Agreement, the Proposed Provision of Insurance Fund Administrative Services Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the Proposed Entrusted Management Service Framework Agreement, the comprehensive credit facility services under the Proposed Shandong Energy Financial Services Agreement and the deposit services under the Proposed Yankuang Energy Financial Services Agreement
"Proposed Entrusted Management Service Framework Agreement"	the entrusted management service framework agreement entered into between the Company and Shandong Energy on 3 June 2026
"Proposed Finance Lease and Factoring Agreement"	the finance lease and factoring agreement entered into between the Company and Shandong Energy on 3 June 2026
"Proposed Mutual Provision of Labor and Services Agreement"	the mutual provision of labor and services agreement entered into between the Company and Shandong Energy on 3 June 2026

"Proposed Provision of Insurance Fund Administrative Services Agreement"	the provision of insurance fund administrative services agreement entered into between the Company and Shandong Energy on 3 June 2026
"Proposed Provision of Materials Supply Agreement"	the provision of materials supply agreement entered into between the Company and Shandong Energy on 3 June 2026
"Proposed Provision of Products, Materials and Asset Leasing Agreement"	the provision of products, materials and asset leasing agreement entered into between the Company and Shandong Energy on 3 June 2026
"Proposed Shandong Energy Financial Services Agreement"	the financial services agreement entered into between Shandong Energy Finance Company and Shandong Energy on 3 June 2026
"Proposed Yankuang Energy Financial Services Agreement"	the financial services agreement entered into between Shandong Energy Finance Company and the Company on 3 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Second Acquisition"	the acquisition of the Second Equity pursuant to the Second Equity Transfer Agreement
"Second Audit Report"	the audit report (Zhong Tian Heng Zhuan Shen Zi [2026] No. 1309) on Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date of 31 January 2026, issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership)(北京中天恒會計師事務所(特殊普通合夥))
"Second Closing Date"	the closing date of the Second Equity Transfer Agreement
"Second Equity"	the 100% equity interest in Shandong Energy Electricity Sales (held 100% by Shandong Energy)
"Second Equity Asset Valuation Report"	the Asset Valuation Report on the Project of Yankuang Energy Group Company Limited's Proposed Acquisition of Equity Interests Involving the Entire Shareholders' Interests of Shandong Energy Electricity Sales Co., Ltd.(《兗礦能源集團股份有限公司擬收購股權所涉及的山東能源電力銷售有限公司股東全部權益項目資產評估報告》) (Huaya Zhengxin Ping Bao Zi [2026] No. A16-0016) issued by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. with the Valuation Benchmark Date of 31 January 2026

"Second Equity Transfer Agreement"	the equity transfer agreement entered into among the Company, the Second Vendor and Shandong Energy Electricity Sales on 3 June 2026 in relation to the acquisition of the Second Equity
"Second Transition Period"	the period from the Valuation Benchmark Date to the Second Closing Date (excluding the Second Closing Date)
"Second Vendor"	Shandong Energy
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Shandong Energy"	Shandong Energy Group Company Limited, a state-controlled limited liability company, the controlling shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company as of the Latest Practicable Date
"Shandong Energy Electricity Sales"	Shandong Energy Electricity Sales Co., Ltd., a limited liability company established under the laws of the PRC, as of the Latest Practicable Date a direct wholly-owned subsidiary of Shandong Energy
"Shandong Energy Finance Company"	Shandong Energy Group Finance Co., Ltd., a company with limited liability incorporated under the laws of the PRC in 2013
"Shandong Energy Members"	including Shandong Energy and its associates (excluding the Company and its subsidiaries, but including the Company's connected subsidiaries in which Shandong Energy directly or indirectly holds more than 10% interests)
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Target Company(ies)"	the collective reference to New Energy Group and Shandong Energy Electricity Sales

"Transaction Documents"	the collective reference to the First Equity Transfer Agreement and the Second Equity Transfer Agreement
"Working Day(s)"	any day except Saturday, Sunday and statutory holiday(s) in the PRC
"Valuation Benchmark Date"	31 January 2026
"Yankuang Hong Kong"	Yankuang Group (Hong Kong) Company Limited, a wholly-owned subsidiary of Shandong Energy
"Zhongtai Securities"	Zhongtai Securities Co., Ltd. and its controlled entities
"%"	per cent

兗礦能源集團股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01171)

Directors:
Li Wei
Wang Jiuhong
Yue Guangsheng
Zhang Haijun
Li Shipeng
Su Li
Huang Xiaolong

Independent non-executive Directors:
Li Weian
Gao Jingxiang
Woo Kar Tung, Raymond
Zhu Rui

Registered office:
949 South Fushan Road
Zoucheng
Shandong Province
PRC
Postal Code: 273500

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

7 July 2026

To the Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTEREST IN TARGET COMPANIES; (2) CONTINUING CONNECTED TRANSACTIONS; AND (3) NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with information relating to (1) discloseable and connected transaction in relation to the acquisition of equity interest in Target Companies; and (2) continuing connected transactions.

II. DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTEREST IN TARGET COMPANIES

The Board is pleased to announce that on 3 June 2026, the Company entered into the First Equity Transfer Agreement with the First Vendors and New Energy Group. Pursuant to which, the Company agreed to acquire by way of cash, and the First Vendors agreed to sell, the 100% equity interest in New Energy Group held by them, at a consideration of RMB15,569,658,030.40.

On the same day, the Company entered into the Second Equity Transfer Agreement with the Second Vendor and Shandong Energy Electricity Sales. Pursuant to which, the Company agreed to acquire by way of cash, and the Second Vendor agreed to sell, the 100% equity interest in Shandong Energy Electricity Sales held by it, at a consideration of RMB845,245,406.66.

The principal terms of each of the Transaction Documents are summarised as follows:

A. First Equity Transfer Agreement

Date

3 June 2026

Parties

Purchaser	the Company
Vendors	Shandong Energy
	Yankuang Hong Kong
Target Company	New Energy Group

Summary of the Transactions

Pursuant to the First Equity Transfer Agreement, the Company has conditionally agreed to acquire by way of cash, and the First Vendors have conditionally agreed to sell, an aggregate of 100% equity interest in New Energy Group, at a consideration of RMB15,569,658,030.40.

The Acquisitions

The appraised value of the entire shareholders' equity of New Energy Group as at the Valuation Benchmark Date as set out in the First Equity Asset Valuation Report filed with the authorised state-owned assets regulatory agencies or their authorised units was RMB15,569,658,030.40.

The consideration for the First Acquisition is RMB15,569,658,030.40, which was determined based on the appraised value of the entire shareholders' equity of New Energy Group as at the Valuation Benchmark Date of RMB15,569,658,030.40. The price of the First Equity Interest held by each First Vendor shall be calculated based on the proportion of the paid-in capital contribution as of the Valuation Benchmark Date (the subscribed but unfulfilled capital contribution shall be valued at zero RMB). The details of first equity interests to be transferred by each of the First Vendors and the consideration payable by the Company to each of the First Vendors are set out below:

	First equity interest to be transferred					
First Vendors	Shareholding percentage *(%)*	Subscribed registered capital *(RMB)*	Paid-up registered capital *(RMB)*	Proportion of the paid-in registered capital to the total subscribed registered capital *(%)*	Proportion of the paid-in registered capital to the total paid-in registered capital *(%)*	Consideration payable *(RMB)*
Shandong Energy	93.88	9,210,000,000.00	5,988,194,999.62	61.04	90.89	14,151,698,134.26
Yankuang Hong Kong	6.12	600,000,000.00	600,000,000.00	6.12	9.11	1,417,959,896.14
Total	**100**	**9,810,000,000.00**	**6,588,194,999.62**	**67.16**	**100**	**15,569,658,030.40**

Payment Method

The Company will pay the consideration for the First Acquisition of RMB15,569,658,030.40 to each of the First Vendors in the following manner.

1. The Company shall pay 30% of the actual consideration (i.e., approximately RMB4,670,897,409.12) to the First Vendors in a lump sum within five Working Days after the First Equity Transfer Agreement becomes effective;

2. The Company shall pay 70% of the actual consideration (i.e., approximately RMB10,898,760,621.28) and the corresponding interest to the First Vendors in a lump sum within five Working Days after the First Closing Date.

The corresponding interest mentioned above is calculated based on the LPR One-year Interest Rate of the month immediately preceding the actual payment date of second tranche consideration. The calculation period is from the payment date of the first tranche consideration (exclusive) to the actual payment date of second tranche consideration. The calculation period is based on 365 days a year.

Unless agreed by the parties in writing, if the failure to complete the registration (filing) procedures with the company registry authority for the First Equity in accordance with the provisions of the First Equity Transfer Agreement is attributable to any of the First Vendors, the Company shall be entitled not to pay the corresponding interest on the second tranche consideration arising from

the day following December 31 of the year in which the First Equity Transfer Agreement became effective (exclusive) up to the date of completing the registration (filing) procedures with the company registry authority for the transfer of the First Equity (inclusive).

Conditions Precedent

The First Equity Transfer Agreement shall take effect on the day when all the following conditions are fulfilled, and the day on which the last consent or approval set out below is obtained shall be the effective date:

1. The First Equity Transfer Agreement is executed by the legal representatives or authorised representatives of (i) Shandong Energy, the Company, New Energy Group, and (ii) the authorised representatives of Yankuang Hong Kong and stamped with their respective company seals;

2. All necessary consents or approvals have been obtained for the transfer of the First Equity, including but not limited to:

   (i) the filing of the valuation results of the entire equity of New Energy Group with the authorised state-owned assets regulatory agencies or their authorised units;

   (ii) the authorised state-owned assets regulatory agencies or their authorised units considering and approving the transfer of the First Equity;

   (iii) each of the First Vendors completing its internal procedures to approve the transfer of the First Equity; and

   (iv) the Company obtaining approval for the transfer of the First Equity from its competent decision-making authorities such as the Board and the General Meeting.

Waiver of the conditions precedent under the First Equity Transfer Agreement requires a unanimous written agreement by the parties to the First Equity Transfer Agreement, including the Company. As at the Latest Practicable Date, all other conditions precedent have been satisfied except for the approval by the Company's shareholders' meeting.

The First Equity Transfer Agreement and the Second Equity Transfer Agreement are not inter-conditional. The failure of either agreement to proceed will not affect the continued performance of the other agreement.

Closing

Unless otherwise agreed in writing by the parties, New Energy Group shall, prior to December 31 of the year in which the First Equity Transfer Agreement becomes effective (inclusive), convene a shareholders' meeting to amend its articles of association with respect to the transfer of the First Equity and related corporate governance matters, and complete the registration (filing) procedures with the company registry authority for the transfer of the First Equity. The First Closing Date shall be the date on which the registration (filing) procedures with the company registry authority for the transfer of the First Equity are completed. The rights and obligations corresponding to the First Equity will be transferred to the Company with effect from the First Closing Date.

Profit and Loss during the First Transition Period

Unless otherwise agreed by the parties, the profit and loss of the First Equity during the First Transition Period (based on the net profit attributable to shareholders of the parent company of New Energy Group) shall be entitled to or borne by the Company.

Representations and Warranties

The First Vendors make the following representations and warranties to the Company:

1. Shandong Energy is a limited liability company legally established and validly subsisting under the laws of the PRC with independent legal person qualification in accordance with the laws of the PRC; Yankuang Hong Kong is a company legally established and validly subsisting under the laws of the Hong Kong Special Administrative Region of the PRC with independent legal person qualification in accordance with the laws of the Hong Kong Special Administrative Region of the PRC;

2. The First Vendors have the power and authority to execute and perform the First Equity Transfer Agreement;

3. The execution and performance of the First Equity Transfer Agreement will not (a) violate any organisational documents of the First Vendors or New Energy Group currently in force; or (b) violate any laws of the PRC; or (c) violate any legally binding contract or agreement to which the First Vendors or New Energy Group is a party; or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the First Vendors or New Energy Group;

4. From the date of signing the First Equity Transfer Agreement to the First Closing Date, the First Vendors are the legal shareholders or owners of New Energy Group, legally and validly holding the equity

interest in New Energy Group without any encumbrance, the First Equity has clear ownership, and there is no pledge, mortgage, other guarantee, judicial seizure, freezing, auction or any other encumbrance on the First Equity, and there will not be any third party asserting any rights in respect of the First Equity held by the First Vendors in any manner whatsoever;

5. The First Vendors have fully performed their paid-up capital contribution obligations in accordance with the law for an aggregate of approximately 67.1579% of the equity interest in New Energy Group (corresponding to an aggregate paid-up capital contribution of RMB6,588,194,999.62), but Shandong Energy has not yet completed the paid-up capital contribution for approximately 32.8421% of the equity interest in New Energy Group held by it (corresponding to a subscribed capital contribution of RMB3,221,805,000.38). The assets used by the aforementioned First Vendors for paid-up capital contributions are all legally owned by the First Vendors, and there has been no false capital contribution, deferred capital contribution, evasion of capital contribution or other breach of obligations and liabilities as a shareholder, and the capital contribution activities have all undergone necessary internal and external approval procedures;

6. Except as set out below, New Energy Group and its holding subsidiaries legally own properties and interests that have a material impact on their production and operations, with clear ownership, free from any mortgage, pledge, lien, right of first refusal or any third party rights:

   (i) Shandong Luxi Power Generation Co., Ltd. ("**Luxi Power Generation**") provides pledge security for its own debts with the electricity fee and heat fee collection rights arising from its 2×600,000 kW coal underground gasification power generation project and all proceeds thereunder;

   (ii) Shanneng New Energy (Yishui) Co., Ltd.（山能新能源(沂水)有限公司）provides pledge security for its own debts with the electricity fee income rights corresponding to its photovoltaic project;

   (iii) Shandong Energy Inner Mongolia Shenglu Power Co., Ltd.（山東能源內蒙古盛魯電力有限公司）provides pledge security for its own debts with the electricity fee income rights and the rights and interests thereunder arising from its "Phase I 2×1,000 MW supercritical air-cooled generator unit power generation project";

   (iv) Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.（山東能源集團靈台火力發電有限公司）provides mortgage and pledge security for its own debts with the electricity fee income rights arising from its "Longdong to Shandong UHVDC

Transmission Project Supporting Expansion and Upgrading Shandong Energy Lingtai 2×1000MW Peak-Regulating Coal Power Project" and all proceeds thereunder, as well as the two parcels of land use rights, construction works, equipment and other assets involved in the aforementioned project.

The main arrangements of the relevant pledges and guarantee of the above-mentioned New Energy Group and its holding subsidiaries are summarised as follows:

No.	Borrower/ pledgor	Relevant Bank/ pledgee	Principal amount of loan involved (RMB100 million)	Loan term and commencement and expiry dates	Outstanding debt balance as at 31 January 2026 (RMB100 million)	Scope of security of the pledged subject matter as described above
1	Luxi Power Generation	China Development Bank, Shandong Branch	20	18 years; 19 September 2023 to 18 September 2041	13.29	The relevant scope of security mainly includes the principal, interest, penalty interest, compound interest, compensation, liquidated damages, compensation for damages under the principal contract relating to the relevant loan, the relevant costs of enforcing the claim and the pledge, and other amounts and expenses payable by the borrower under the principal contract.
2	Shanneng New Energy (Yishui) Co., Ltd.	Postal Savings Bank of China Co., Ltd. Linyi Branch	1.6	15 years; 19 December 2021 to 18 December 2036	0.31	
3	Shandong Energy Inner Mongolia Shenglu Power Co., Ltd.	China Development Bank	47.5	15 years; 30 August 2018 to 30 August 2033	18.66	
4	Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.	China Development Bank, Gansu Branch; China Construction Bank Corporation, Gansu Branch; Bank of Gansu Co., Ltd., Pingliang Branch	64	23 years; 20 October 2022 to 19 October 2045	41.10	

7. Unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, for the liabilities, losses and responsibilities of the Target Company and its holding subsidiaries arising from acts or matters prior to the First Closing Date and incurred after the First Closing Date, including: (a) penalties and resulting liabilities, losses and responsibilities arising from violations of laws, regulations and relevant rules in respect of project construction

and acceptance, production and operation (including leased properties, land use rights) prior to the First Closing Date; (b) expenses or compensation arising from litigation disputes arising from acts prior to the First Closing Date; (c) default liability and compensation liability arising from breach of contractual agreements with third parties existing prior to the First Closing Date; (d) losses or compensation liability arising from defects or disputes in the title of assets (including land use rights, properties, power equipment, etc.) included in the valuation scope of this transaction as at the First Closing Date; the First Vendors shall assume the amount of the aforesaid losses in accordance with the provisions of the First Equity Transfer Agreement and compensate the Company in a timely manner, except where such liabilities, losses and responsibilities have been reflected in the First Audit Report.

The Company makes the following representations and warranties to the First Vendors:

1. After the completion of the Transactions, the Company shall fulfill Shandong Energy's unfulfilled capital contribution obligation to New Energy Group (the unfulfilled capital contribution amount being RMB3,221,805,000.38) in full and on schedule in accordance with the provisions of laws and regulations and the articles of association of New Energy Group. The equity value corresponding to the above unfulfilled capital contribution amount of RMB3,221,805,000.38 was not included in the consideration and valuation of the First Equity. This transaction is priced based on the proportion of paid-up capital contribution, and the valuation of the portion of equity with unfulfilled capital contribution corresponds to RMB0. If the Company fails to perform the aforesaid capital contribution obligation in accordance with the laws, regulations and the articles of association of New Energy Group, resulting in Shandong Energy being required to bear the capital contribution liability under the relevant laws and regulations, Shandong Energy shall have the right to claim full reimbursement from the Company for the amount of capital contribution actually borne by it and the related losses, and the Company shall make full compensation to Shandong Energy. From the perspective of the Company's overall funding commitment, if the First Vendors had completed their full paid-up capital contribution obligation to New Energy Group prior to the Valuation Benchmark Date, the relevant capital contribution would have correspondingly increased the book cash balance and total assets of New Energy Group, and the equity valuation of New Energy Group and the consideration for the Transactions would also have been correspondingly increased. Under the current arrangement of the Transactions, the Company will, upon payment of the consideration, legally assume the capital contribution obligation corresponding to the relevant unfulfilled capital contribution of the First Vendors to New Energy Group. Based on the above, the Company considers that, under

the above two different scenarios, the overall funding obligation that the Company is required to bear to acquire the equity interests of New Energy Group and to fulfill the relevant capital contribution obligations is substantially equivalent. At the same time, since the relevant capital contribution obligation has not yet become due for performance, the Company may legally enjoy the corresponding benefit of the capital contribution period, which is conducive to reducing the Company's immediate funding pressure. Pursuant to the relevant provisions of the Company Law of the People's Republic of China (《中華人民共和國公司法》) and the articles of association of New Energy Group, the Company is required to complete the paid-up capital contribution of the above unfulfilled capital contribution amount no later than 30 June 2032. As at 31 March 2026, the Company's cash balance was RMB49,942.74 million, and the Company has sufficient internal funds. In the first quarter of 2026, the net cash flow generated from the Company's operating activities was RMB6,182.25 million, and the Company's financial position is sound. The Company can fully utilise its internal funds and, relying on its own credit standing, can supplement funds through debt financing methods such as bank borrowings. The Company has diverse funding channels and sufficient funding capacity. The capital contribution obligation for the above unfulfilled capital contribution amount will not have a material adverse effect on the Company's cash flow and financial position;

2. The Company is a joint stock limited company legally established and validly subsisting under the laws of the PRC, with independent legal person qualification under the laws of the PRC;

3. The Company has the power and authority to execute and perform the First Equity Transfer Agreement;

4. The execution and performance of the First Equity Transfer Agreement will not (a) violate any organisational document of the Company currently in force, or (b) violate any laws of the PRC, or (c) violate any legally binding contract or agreement to which the Company is a party, or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the Company.

The parties agree and confirm that, as at the date of signing the First Equity Transfer Agreement, Luxi Power Generation records one allocated land use right with an area of 196,411 square meters, with certificate No. Zou Guo Yong (2015) No. 088300088, and the right holder recorded on the certificate is Luxi Prison of Shandong Province (山東省魯西監獄). According to the First Equity Asset Valuation Report, the appraised value of this parcel of land is RMB35,277,704.86. According to the *Explanation on the Proposed Implementation of Land Reserve* (《關於擬實施收儲的情況説明》) issued by the People's Government of Taiping Town, Zoucheng City in April 2026 which was provided by Luxi Power

Generation, it is proposed to initiate the preliminary land reserve work for this parcel of land. The parties agree and confirm that, after the First Equity Transfer Agreement is signed and becomes effective, if Luxi Power Generation does not receive compensation due to the land reserve, or the compensation received is lower than the appraised value of this parcel of land, the First Vendors shall compensate the Company for the shortfall amount; if Luxi Power Generation receives compensation exceeding the appraised value of this parcel of land due to the land reserve, the Company shall compensate the First Vendors for the excess amount (the "**Luxi Power Generation Land Compensation Difference Reimbursement**").

The parties agree and confirm that, as at the date of signing the First Equity Transfer Agreement, the holding subsidiaries of New Energy Group have the following major outstanding settlement disputes:

1. Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd. (山東能源盛魯能化阿拉善盟新能源有限公司) ("**Alxa League New Energy**") and PowerChina Northwest Engineering Corporation Limited (中國電建集團西北勘測設計研究院有限公司) ("**PowerChina**") have a dispute over the settlement amount of EPC project costs for the "Shandong Energy Shanghai Temple to Shandong UHV Transmission Corridor Alxa Base 400MW Wind Power Project". PowerChina Northwest claims that Alxa League New Energy shall pay it project costs of RMB1,955,234,700 (inclusive of tax), while Alxa League New Energy has reviewed and confirmed that it should pay PowerChina Northwest project costs of RMB1,860,697,100 (inclusive of tax), with a disputed amount of RMB94,537,600. The amount of this debt recognised in the First Audit Report is RMB1,860,697,100 (inclusive of tax). The amount of such liability recognised in the First Equity Asset Valuation Report shall be subject to the amount of such liability recognised in the First Audit Report, without considering the impact of any difference in the final settlement amount on the appraised value;

2. Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd. (山東能源盛魯能化鄂爾多斯市新能源有限公司) ("**Ordos New Energy**") and PowerChina Sepco1 Electric Power Construction Co., Ltd. ("**PowerChina Construction Company**") have a dispute over the settlement amount of EPC project costs for the "Shandong Energy Inner Mongolia Hanggin Banner Yihewusu Electric Field 100MW Project". PowerChina Construction Company claims that Ordos New Energy shall pay it project costs of RMB510,956,600 (inclusive of tax), while Ordos New Energy has reviewed and confirmed that it should pay PowerChina Construction Company project costs of RMB487,109,100 (inclusive of tax), with a disputed amount of RMB23,847,500. The amount of this debt recognised in the First Audit Report is RMB487,109,100 (inclusive of tax). The amount of such liability recognised in the First Equity Asset Valuation Report shall be subject to

the amount of such liability recognised in the First Audit Report, without considering the impact of any difference in the final settlement amount on the appraised value.

In respect of the aforesaid outstanding settlement dispute, if any party to the settlement dispute initiates any litigation, arbitration or other legal proceedings, or reaches any settlement, mediation or other results in relation to such dispute, resulting in an increase in the amount of liability actually borne by Alxa League New Energy and Ordos New Energy (including principal, interest, liquidated damages, litigation costs and other expenses) as compared with the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the increased amount shall be compensated by the First Vendors to the Company; if the amount of liability actually borne by Alxa League New Energy and Ordos New Energy decreases as compared with the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the decreased amount shall be compensated by the Company to the First Vendors (the "**Dispute Difference Compensation**").

The parties agree and confirm that, as of the signing date of the First Equity Transfer Agreement, the offshore wind power projects under Shandong Bohai No.1 Wind Power Co., Ltd. ("**Bohai No.1**") and Shandong Bohai No.2 Wind Power Co., Ltd. ("**Bohai No.2**") have the possibility of receiving offshore wind power fiscal subsidies in the future in accordance with the *Implementation Rules for Offshore Wind Power Fiscal Subsidies in Shandong Province*(《山東省海上風電財政補貼實施細則》) and the *Notice on Issuing the 'Management Measures for Offshore Wind Power Fiscal Subsidy Funds in Shandong Province' (Lu Cai Jian [2024] No. 23)* (《關於印發山東省海上風電財政補貼資金管理辦法的通知》(魯財建[2024]23號)), and such subsidy funds shall be borne by the Shandong Provincial Finance and Dongying Municipal Finance on a 1:1 ratio, among which:

1. The total amount of fiscal subsidy funds expected to be allocated by the Shandong Provincial Finance in the future for the offshore wind power projects under Bohai No.1 is RMB140.28 million, and the total amount of fiscal subsidy funds for the wind power projects under Bohai No.2 is RMB111.86 million. The aforesaid fiscal subsidy funds have been reflected in the First Equity Asset Valuation Report but not in the First Audit Report. If, due to any changes or adjustments in laws, regulations or policies, or any reason other than those attributable to the Company, New Energy Group and its holding subsidiaries, the total amount of offshore wind power fiscal subsidy funds actually received by Bohai No.1 or Bohai No.2 from the Shandong Provincial Finance before 31 December 2032 is lower than the aforesaid amount, the amount of the shortfall shall be compensated by the First Vendors to the Company; after the First Vendors pay compensation to the Company, the First Vendors and New Energy Group may continue to communicate and negotiate with the relevant departments of the Shandong Provincial Finance to promote the Shandong Provincial Finance to pay the full amount of the shortfall subsidy to Bohai No.1

or Bohai No.2. If Bohai No.1 or Bohai No.2 subsequently actually receives all or part of the aforesaid shortfall subsidy funds, the First Vendors shall have the right to request the Company to return the corresponding amount of compensation paid.

2. The total amount of fiscal subsidy funds allocated by Dongying Municipal Finance in previous years and expected to be allocated in the future for the offshore wind power projects under Bohai No.1 is RMB200.40 million, and the total amount of fiscal subsidy funds for the wind power projects under Bohai No.2 is RMB159.80 million. The aforesaid fiscal subsidy funds are not reflected in the First Audit Report or the First Equity Asset Valuation Report. If, after the First Equity Transfer Agreement becomes effective, Bohai No.1 or Bohai No.2 actually receives all or part of the aforesaid fiscal subsidy funds allocated by Dongying Municipal Finance, the Company shall compensate the First Vendors for amount actually received (collectively referred to as the "**Offshore Wind Power Fiscal Subsidy Compensation**").

The parties agree and confirm that, unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, if any of the representations and warranties made by the First Vendors to the Company causes New Energy Group to bear any liability and incur any payment arising therefrom, or causes New Energy Group to actually suffer losses, the amount of compensation payable by the First Vendors to the Company shall be calculated according to the following specific formulas:

1. The amount of compensation payable by Shandong Energy to the Company = (all payments made and actual losses suffered by New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement) × 90.8928%.

2. The amount of compensation payable by Yankuang Hong Kong to the Company = (all payments made and actual losses suffered by New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement) × 9.1072%.

The parties agree and confirm that, unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, if any of the representations and warranties made by the First Vendors to the Company, the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation, causes a holding subsidiary of New Energy Group to bear any liability and incur any payment arising therefrom, or causes a holding subsidiary of New Energy Group to actually suffer losses, after taking

into full consideration of New Energy Group's shareholding ratio in the holding subsidiary, the amount of compensation payable by the First Vendors to the Company shall be calculated according to the following specific formulas:

1. The amount of compensation payable by Shandong Energy to the Company = (all payments made and actual losses suffered by the holding subsidiary of New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement, the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation) × 90.8928% × New Energy Group's shareholding ratio in the holding subsidiary.

2. The amount of compensation payable by Yankuang Hong Kong to the Company = (all payments made and actual losses suffered by the holding subsidiary of New Energy Group due to a loss compensation triggering event under the representations and warranties made by the First Vendors to the Company in the First Equity Transfer Agreement, the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation) × 9.1072% × New Energy Group's shareholding ratio in the holding subsidiary.

The parties agree and confirm that, unless otherwise agreed in the First Equity Transfer Agreement or otherwise undertaken in writing by the First Vendors, in the event that any of the circumstances under the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation results in the Company being required to compensate the First Vendors, after comprehensively considering the shareholding ratio of New Energy Group in its holding subsidiaries, the specific calculation formula for the amount of compensation payable by the Company to the First Vendors is as follows:

1. The amount payable by the Company to Shandong Energy = the amount of compensation payable under the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation × 90.8928% × the shareholding ratio of New Energy Group in its holding subsidiaries.

2. The amount payable by the Company to Yankuang Hong Kong = the amount of compensation payable under the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the Offshore Wind Power Fiscal Subsidy Compensation × 9.1072% × the shareholding ratio of New Energy Group in its holding subsidiaries.

The parties agree and confirm that the First Vendors shall continuously assist and urge New Energy Group and its holding subsidiaries to cooperate with the Company in completing, within a reasonable period of time as required by the Company, the rectification of compliance issues identified during the due diligence process, matters that may affect the independence of the listed company, and other matters that may have an adverse impact on the normal production and operation of New Energy Group and its holding subsidiaries.

Staff Settlement

After the First Closing Date, the employment contract relationships of the employees of New Energy Group will not change as a result of the transfer of the First Equity. The transfer of the First Equity has been actuarially calculated and accrued, in accordance with relevant accounting standards, the costs to be borne by New Energy Group and its holding subsidiaries in respect of the coordination of various categories of personnel, including retirees, early retirees, and survivors.

Treatment of Creditors' Rights and Debts

The parties agree and confirm that, after the First Closing Date, the creditors' rights, debts and other contingent liabilities of New Energy Group shall continue to be enjoyed or borne by New Energy Group.

The parties agree and confirm that New Energy Group and its holding subsidiaries shall perform their obligations to notify creditors or obtain creditors' consent in respect of the transfer of the First Equity in accordance with the terms of the contracts they have signed, and the parties shall provide New Energy Group and its holding subsidiaries with necessary assistance or cooperation.

Liability for Breach of Contract

After the First Equity Transfer Agreement becomes effective, if any party fails to perform its obligations under the First Equity Transfer Agreement in accordance with its terms, or any representation, warranty or undertaking made by it is false, such party shall be deemed to have committed a breach of contract. The breaching party shall compensate the non-breaching party for the losses caused by its aforementioned breach of contract.

Without precluding the termination of the First Equity Transfer Agreement by the relevant parties in accordance with its terms, unless otherwise expressly provided in the First Equity Transfer Agreement, if a party suffers any reasonable costs, expenses, liabilities or losses due to the other party's breach of contract, the breaching party shall compensate for any such costs, expenses, liabilities or losses and hold the non-breaching party harmless. The breaching party shall not be liable for losses caused by the non-breaching party's own fault, negligence or omission, nor for losses or any increase in losses arising from the non-breaching party's failure to take measures.

Amendment and Termination of the Agreement

The parties agree and confirm that, unless otherwise undertaken in writing by the First Vendors, the parties may, by mutual agreement, amend or terminate the First Equity Transfer Agreement. Any amendment or termination of the First Equity Transfer Agreement shall be in writing.

If, within 12 months after the First Equity Transfer Agreement becomes effective, due to the fault of the First Vendors or New Energy Group, the industrial and commercial change registration or filing in respect of this transfer is not completed, the Company shall have the right to terminate the First Equity Transfer Agreement, and the First Equity Transfer Agreement shall be terminated on the date when the Company issues a written notice of termination to the First Vendors. If the First Equity Transfer Agreement is terminated pursuant to the foregoing clause, the First Vendors shall refund the transfer consideration received by it to the Company within 3 months from the date of termination of the First Equity Transfer Agreement.

Letter of Performance Commitment

In view of the entry into the First Equity Transfer Agreement, on the same date, the Company and the First Vendors entered into the Letter of Performance Commitment, pursuant to which the First Vendors agreed to make the following commitments regarding the three-year performance of New Energy Group from 2026 to 2028:

1. For the years 2026, 2027 and 2028 (the "**Commitment Period**"), the audited net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses[1] (the "**Net Profit**") of New Energy Group, calculated in accordance with the Chinese Accounting Standards, shall be not less than approximately RMB3,058.6036 million[2] in aggregate during the Performance Commitment Period (the "**Accumulated Committed Net Profit during the Commitment Period**"). The Accumulated Committed Net Profit during the Commitment Period is determined with reference to the asset valuation report filed with the competent state-owned assets regulatory authorities.

2. Upon expiry of the Commitment Period, the Company will engage an accounting firm recognised by both the First Vendors and the Company as meeting the requirements of the *Securities Law of the People's Republic of China* (《中華人民共和國證券法》) to issue a special audit report for the Commitment Period[3], and will recognise the accumulated net profit realised during the Performance Commitment Period with the aforesaid audit report. The accumulated net profit realised during the Commitment Period = the aggregate of the net profit attributable to

shareholders of the parent company after deducting non-recurring gains and losses of New Energy Group for each year during the Commitment Period.

3. Upon expiry of the Commitment Period, the Company will engage a valuation institution meeting the requirements of the *Securities Law of the People's Republic of China* to conduct a re-assessment of New Energy Group as of 31 December 2028 and issue a valuation report (the "**special valuation report for the Commitment Period**")[4] confirming the appraised value of the entire shareholders' interests of New Energy Group as at the end of the Commitment Period (the "**Appraised Value at the End of the Commitment Period**"). Unless otherwise mandatorily required by applicable laws and regulations, the Appraised Value at the End of the Commitment Period shall be the appraised value of a comparable calibre, net of the effect of capital increase, capital reduction, acceptance of gifts and profit distribution by shareholders of New Energy Group during the Commitment Period on the Appraised Value at the End of the Commitment Period.

4. Upon expiry of the Commitment Period, the First Vendors shall, with the consideration for the First Acquisitions as the upper limit and for the purpose of adjusting and reflecting the appraised value at the End of the Commitment Period, pay the relevant amount to the Company in cash. The total amount payable under Letter of Performance Commitment shall be the higher of the amounts calculated by the following two methods ("**Total Payment Amount under the Letter of Performance Commitment**"):

   (i) Net profit difference = Accumulated Committed Net Profit during the Commitment Period – accumulated realised net profit during the commitment period ("**Net Profit Difference**"); or

   (ii) Valuation difference = Appraised value of the First Equity Interest in this transaction – Appraised Value at the End of the Commitment Period ("**Valuation Difference**")[5].

5. In respect of the total payment amount under the Letter of Performance Commitment determined in accordance with the Letter of Performance Commitment, Shandong Energy and Yankuang Hong Kong shall bear and pay such amount in the proportions of 90.8928% and 9.1072%, respectively (if the calculated amount is less than zero, no payment is required). To avoid duplication with the relevant compensation under the First Equity Transfer Agreement, among which:

   (i) If, during the Commitment Period, the First Vendors have made relevant compensation to the Company in accordance with the relevant provisions of the First Equity Transfer Agreement regarding the Luxi Power Generation Land Compensation

Difference Reimbursement or the Dispute Difference Compensation, then the Valuation Difference shall be reduced by the amount of relevant compensation payable/paid by the First Vendors to the Company; if, during the Commitment Period, the Company has made relevant compensation to the First Vendors in accordance with the relevant provisions of the First Equity Transfer Agreement regarding the Luxi Power Generation Land Compensation Difference Reimbursement or the Dispute Difference Compensation, then the Valuation Difference shall be increased by the amount of relevant compensation payable/paid by the Company to the First Vendors.

(ii) Given that the confirmation time for the compensation matters under the first item of the Offshore Wind Power Fiscal Subsidy Compensation in the First Equity Transfer Agreement is 31 December 2032, if, during the Commitment Period, the relevant holding subsidiaries of New Energy Group have not fully received the expected fiscal subsidies, then the portion of the shortfall that has not been recorded as receivables shall be deemed as received as at the end of the Commitment Period, and the Net Profit Difference and the Valuation Difference shall be reduced by the amount of such subsidy not received and not recorded as receivables. The aforesaid uncollected fiscal subsidies shall be settled uniformly in accordance with the first item of the Offshore Wind Power Fiscal Subsidy Compensation under the First Equity Transfer Agreement.

(iii) If, during the Commitment Period, the Company has made relevant compensation to the First Vendors in accordance with the second item of the Offshore Wind Power Fiscal Subsidy Compensation under the First Equity Transfer Agreement, then the Net Profit Difference and the Valuation Difference shall be increased by the amount of relevant compensation payable/paid by the Company to the First Vendors.

6. If the First Equity Transfer Agreement is terminated during the Commitment Period, the First Vendors shall not be required to continue to perform the Letter of Performance Commitment; if the First Equity Transfer Agreement is terminated after the expiry of the Commitment Period, the consideration for the First Acquisitions to be returned by the First Vendors to the Company shall be deducted by the amounts already paid by the First Vendors in accordance with the Performance Commitment Letter.

7. The First Vendors undertake to perform all their payment obligations within 30 days after the special audit report and valuation report of New Energy Group are issued and after receiving the notice from the Company specifying the total payment amount under the Letter of

Performance Commitment. If, during the Commitment Period, the circumstances for compensation payable under the relevant provisions of the First Equity Transfer Agreement regarding the Luxi Power Generation Land Compensation Difference Reimbursement, the Dispute Difference Compensation, or the second item of the Offshore Wind Power Fiscal Subsidy Compensation have occurred, but the First Vendors/the Company have not actually paid the relevant compensation after the issuance of the special audit report and the valuation report, then the First Vendors/the Company shall settle such amount together with the total payment amount under the Letter of Performance Commitment.

8. If, during the Commitment Period, due to equity transfer, capital increase or any other reason, the scope of the consolidated statement subsidiaries of New Energy Group as set out in the First Audit Report issued for the purpose of the Transactions changes, then from (and including) that year onwards, the committed net profit amount and the realised net profit amount may be adjusted after the First Vendors and the Company have agreed on the adjustments.

9. If, during the Commitment Period, due to force majeure ("force majeure") refers to objective circumstances that cannot be foreseen, avoided or overcome at the time of signing the First Equity Transfer Agreement, or objective reasons beyond one's control, including but not limited to: (1) natural disasters such as earthquakes, tsunamis, typhoons, volcanic eruptions, landslides, avalanches, mudslides, etc.; (2) social abnormal events such as war, armed conflict, strike, riot, unrest, etc.; (3) changes in laws, regulations or policies, government control orders or decisions, etc.), the normal production and operation of the assets subject to performance commitment is materially and adversely affected, then from (and including) the year in which the aforesaid circumstances occur, the First Vendors may negotiate with the Company to adjust the committed net profit amount and other content under the Letter of Performance Commitment according to the degree of impact of the abovementioned circumstances.

10. The Performance Commitment Letter constitutes an integral part of the Transaction. The First Vendors shall bear the declaration, representation and warranty obligations to the Company in respect of the matters committed under the Letter of Performance Commitment with reference to the relevant provisions of the First Equity Transfer Agreement; the First Vendor's breach of the relevant matters committed under the Letter of Performance Commitment shall be deemed to constitute a default under the First Equity Transfer Agreement and the First Vendors shall bear the corresponding default liability. If the First Vendors breach the relevant matters committed under the Letter of Performance Commitment and fails to resolve the dispute with the Company through negotiations, the Company shall have the right to initiate arbitration in

accordance with the dispute resolution clause of the First Equity Transfer Agreement. The Total Amount Payable under the Performance Commitment Letter by the First Vendors and the amount of compensation paid by the First Vendors to the Company according to the agreement in the First Equity Transfer Agreement shall not exceed the consideration for the First Acquisitions.

11. The Letter of Performance Commitment shall take effect when all the following conditions are fulfilled: (1) the common seals of the First Vendors and the Company are affixed; (2) the First Equity Transfer Agreement is signed and becomes effective.

The Company will comply with the disclosure requirements under Rule 14A.63 of the Listing Rules in respect of the fulfillment of the Letter of Performance Commitment.

Note 1: Non-recurring gains and losses refer to gains and losses arising from various transactions and events that are not directly related to the normal business operations of the company, or, although related to normal business operations, are of a special and non-recurring nature, which could affect the ability of users of the financial statements to make a normal judgment on the company's operating performance and profitability. When defining non-recurring gains and losses, the following principles are followed: (i) the identification of non-recurring gains and losses should be based on the economic nature of the transactions and events; (ii) the identification of non-recurring gains and losses should be based on industry characteristics and business models; (iii) the identification of non-recurring gains and losses should follow the materiality principle. Non-recurring gains and losses typically include: (i) gains/losses from the disposal of non-current assets, including the write-off portion of accrued asset impairment provisions; (ii) government grants recognised in the current profit or loss, except those that are closely related to the company's normal business operations, comply with national policies, are entitled to according to established standards, and have a continuing impact on the company's profit or loss; (iii) changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains/losses from the disposal of financial assets and financial liabilities, except for effective hedging activities related to the company's normal business operations. The non-recurring gains and losses of New Energy Group during the Commitment Period will be determined based on its actual circumstances.

Note 2: In the Transactions, the Independent Valuer conducted valuations on a total of 32 direct and indirect subsidiaries of New Energy Group. Taking into account the specific circumstances of these target companies, the selection of valuation methods is as follows:

No.	Name of Investee Company	Subject to Comprehensive Valuation	Valuation Approach Adopted	Valuation Approach Selected for Final Conclusion	Separate Asset Valuation Explanation Issued
1	Shanneng New Energy (Dongying) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes

No.	Name of Investee Company	Subject to Comprehensive Valuation	Valuation Approach Adopted	Valuation Approach Selected for Final Conclusion	Separate Asset Valuation Explanation Issued
2	Shandong Bohai No.1 Wind Power Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
3	Shandong Bohai No.2 Wind Power Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
4	Shandong Bohai No.3 Wind Power Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
5	Shandong Bohai No.5 Wind Power Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
6	Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
7	Shanneng Huixin Smart Energy (Dongying) Co., Ltd.	No accounts established	No accounts established	No accounts established	No accounts established
8	Shanneng New Energy (Yishui) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
9	Shanneng New Energy Development (Tancheng) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
10	Shanneng New Energy (Zoucheng) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
11	Shanneng New Energy (Chengwu) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
12	Shanneng New Energy (Zibo Zichuan District) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
13	Shanneng New Energy (Zaozhuang) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
14	Shanneng New Energy (Yiyuan) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
15	Shanneng New Energy (Rizhao) Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
16	Shanneng New Energy (Heze) Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes

No.	Name of Investee Company	Subject to Comprehensive Valuation	Valuation Approach Adopted	Valuation Approach Selected for Final Conclusion	Separate Asset Valuation Explanation Issued
17	Shandong Energy Inner Mongolia Shenglu Power Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
18	Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
19	Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
20	Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
21	Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
22	Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
23	Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
24	Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
25	Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
26	Shandong Luxi Power Generation Co., Ltd.	Yes	Asset-based Approach, Income Approach	Income Approach	Yes
27	Shandong Energy Power Group Xintai Power Generation Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
28	Shandong Energy Power Group Qingyang New Energy Co., Ltd.	No accounts established	No accounts established	No accounts established	No accounts established
29	Shanneng (Guanxian) Wind Power Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
30	Shanneng New Energy (Binzhou) Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes

No.	Name of Investee Company	Subject to Comprehensive Valuation	Valuation Approach Adopted	Valuation Approach Selected for Final Conclusion	Separate Asset Valuation Explanation Issued
31	Shanneng (Zoucheng) Wind Power Co., Ltd.	Yes	Asset-based Approach	Asset-based Approach	Yes
32	Datang Yuncheng Power Generation Co., Ltd.	No	Financial statement analysis	Financial statement analysis	No

According to the First Equity Asset Valuation Report, the Accumulated Committed Net Profit during the Commitment Period includes the entities valued using the income approach within the scope of profit forecast. There are a total of 19 direct and indirect holding subsidiaries of New Energy Group. The projected net profits of these subsidiaries during the Commitment Period are detailed as follows:

Unit: RMB'0000

Name of Subsidiary	Shareholding Ratio of New Energy Group	Projected Net Profit		
		February to December 2026	2027	2028
Shanneng New Energy (Dongying) Co., Ltd.	95.2381%	371.79	422.80	418.43
Shandong Bohai No.1 Wind Power Co., Ltd.	76.1905%	11,115.88	14,856.41	13,374.57
Shandong Bohai No.2 Wind Power Co., Ltd.	95.2381%	13,348.92	16,575.54	14,717.28
Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd.	100%	1,579.36	2,377.67	2,192.50
Shanneng New Energy (Yishui) Co., Ltd.	100%	–9.87	–8.62	–11.85
Shanneng New Energy Development (Tancheng) Co., Ltd.	56.6667%	42.98	43.78	33.85
Shanneng New Energy (Zoucheng) Co., Ltd.	100%	924.11	919.85	778.40
Shanneng New Energy (Chengwu) Co., Ltd.	100%	3.51	–0.35	–1.27
Shanneng New Energy (Zibo Zichuan District) Co., Ltd.	100%	53.26	47.44	35.41
Shanneng New Energy (Zaozhuang) Co., Ltd.	100%	124.80	123.14	94.35
Shanneng New Energy (Yiyuan) Co., Ltd.	100%	33.39	62.25	47.14

Name of Subsidiary	Shareholding Ratio of New Energy Group	Projected Net Profit February to December 2026	2027	2028
Shanneng New Energy (Rizhao) Co., Ltd.	100%	47.82	47.52	35.31
Shandong Energy Inner Mongolia Shenglu Power Co., Ltd.	70%	15,398.06	24,280.15	21,580.66
Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd.	100%	5,877.55	6,402.46	7,303.17
Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd.	100%	847.22	1,223.47	1,305.45
Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd.	100%	241.60	247.10	250.75
Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.	100%	19,948.80	31,167.64	28,188.16
Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd.	100%	–401.47	–366.61	–330.19
Shandong Luxi Power Generation Co., Ltd.	100%	11,167.77	22,028.49	21,996.56
Total Projected Net Profit	**–**	**80,715.51**	**120,450.13**	**112,008.68**
Total Projected Net Profit Attributable to Parent		**72,777.89**	**108,800.98**	**101,615.14**

Note: Any discrepancies between the total amount and the sum of individual breakdowns in the above table and throughout this circular are due to rounding.

According to the audit by the certified public accountants of Beijing Zhongtianheng Certified Public Accountants (Special General Partnership), the net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses realised by New Energy Group in January 2026 was RMB226.6636 million (the "Net profit attributable to parent after deducting non-recurring gains and losses of New Energy Group for January 2026").

Based on the above, the Accumulated Committed Net Profit during the Commitment Period = Net profit attributable to parent after deducting non-recurring gains and losses of New Energy Group for January 2026 + Total projected net profit attributable to parent for February to December 2026 in the above table + Total projected net profit attributable to parent for 2027 in the above table + Total projected net profit attributable to parent for 2028 in the above table = RMB3,058.6036 million.

The profit forecast scope of the Accumulated Committed Net Profit during the Commitment Period only includes the above 19 direct and indirect holding subsidiaries of New Energy Group for which the income approach valuation result was adopted as the final valuation conclusion in the First Equity Asset Valuation Report. For the direct and indirect holding subsidiaries of New Energy Group for which the asset-based approach valuation result was adopted as the final valuation conclusion, they are not included in the profit forecast scope of the Accumulated Committed Net Profit during the Commitment Period. The Independent Valuer adopted different valuation methods based on the development stage, business operation status and available financial information of each direct and indirect holding subsidiary of New Energy Group. For certain companies that are still in the pre-production, under-construction or pre-commercial operation stage, the Independent Valuer adopted the asset-based approach for valuation as their future cash flows could not yet be reliably measured. For the remaining companies that have commenced commercial operations, the Independent Valuer adopted the income approach for valuation, as the income approach can reflect the expected profitability of such companies and more comprehensively and reasonably reflect their equity value than the asset-based approach. The Directors consider that, given the different development stages and actual operating conditions of the relevant companies, adopting the respective valuation methods for valuation can more appropriately reflect their respective values and is fair and reasonable.

According to the Letter of Performance Commitment, upon expiry of the Commitment Period, the Company will engage a valuation institution meeting the requirements of the *Securities Law of the People's Republic of China*（《中華人民共和國證券法》）to conduct a re-assessment of New Energy Group as of 31 December 2028 and issue a special valuation report for the Commitment Period to confirm the appraised value of New Energy Group as at the end of the Commitment Period. Such assessment will cover the direct and indirect holding subsidiaries of New Energy Group at that time, and will be adjusted accordingly and reflect the appraised value at the end of the Commitment Period in accordance with the provisions of the Letter of Performance Commitment. Based on the above arrangements, the Directors consider that it is fair and reasonable to include only the above 19 direct and indirect holding subsidiaries of New Energy Group for which the income approach valuation result was adopted as the final valuation conclusion in the profit forecast scope of the Accumulated Committed Net Profit during the Commitment Period.

To the best of the Directors' knowledge, information and belief, the setting of the Accumulated Committed Net Profit during the Commitment Period complies with laws, regulations and regulatory requirements; the Accumulated Committed Net Profit during the Commitment Period matches the valuation results of the First Equity, and can reasonably reflect the future profitability of New Energy Group; the setting of the Accumulated Committed Net Profit during the Commitment Period can protect the overall interests of the Company and its shareholders, and prevent the interests of minority shareholders from being harmed due to unreasonable performance commitments.

Note 3: After the expiry of the Commitment Period, the Company will engage an accounting firm recognised by both the First Vendors and the Company to issue the special audit report for the Commitment Period, and the special audit report for the Commitment Period will be issued on or before the disclosure date of the Group's annual results for the relevant Commitment Period. The Company considers that, in light of its practical experience in implementing similar transactions and arrangements in the past, the above timetable is reasonable, pragmatic and practicable. The appointment of an accounting firm is generally a relatively standardised procedural matter, and relevant parties have a common interest in finalising the auditing arrangements and proceeding with the subsequent steps as soon as possible. On this basis, the Company expects that the likelihood of any substantive disagreement arising between the Company and the First Vendors in relation to the appointment of the accounting firm, or of any material delay to the timetable for the issuance of the special audit report for the Commitment Period as a result, is remote.

Note 4: After the expiry of the Commitment Period, the Company will engage a qualified valuation institution to issue the special valuation report for the Commitment Period, and the special valuation report for the Commitment Period will be issued within four to six months after the expiry of the Commitment Period. The Company considers that, in light of its practical experience in implementing similar transactions and arrangements in the past, the above timetable is reasonable, pragmatic and practicable. The Company expects that the likelihood of any material delay to the timetable for the special valuation report for the Commitment Period is remote.

Note 5: If the Net Profit Difference and the Valuation Difference are negative, the Company has no obligation to settle such differences.

B. Second Equity Transfer Agreement

Date

3 June 2026

Parties

Purchaser	the Company
Vendor	Shandong Energy
Target Company	Shandong Energy Electricity Sales

Summary of the Transactions

Pursuant to the Second Equity Transfer Agreement, the Company has conditionally agreed to acquire by way of cash, and the Second Vendor has conditionally agreed to sell, an aggregate of 100% equity interest in Shandong Energy Electricity Sales, at a consideration of RMB845,245,406.66.

The Acquisitions

The appraised value of the entire shareholders' equity of Shandong Energy Electricity Sales as at the Valuation Benchmark Date as set out in the Second Equity Asset Valuation Report filed with the authorised state-owned assets regulatory agencies or their authorised units was RMB845,245,406.66.

The consideration for the Second Acquisition is RMB845,245,406.66, which was determined by the parties based on the appraised value of the entire shareholders' equity of Shandong Energy Electricity Sales as at the Valuation Benchmark Date of RMB845,245,406.66. The details of second equity interest to be transferred by the Second Vendor and the consideration payable by the Company to the Second Vendor are set out below:

	Second equity interest to be transferred				
Second vendor	**Shareholding percentage** *(%)*	**Subscribed registered capital** *(RMB)*	**Paid-up registered capital** *(RMB)*	**Proportion of the paid-in registered capital to the total subscribed registered capital** *(%)*	**Consideration payable** *(RMB)*
Shandong Energy	100	792,514,200.00	792,514,100.00	99.9999%	845,245,406.66

Payment Method

The Company will pay the consideration for the Second Acquisition of RMB845,245,406.66 to the Second Vendor in the following manner.

1. The Company shall pay 30% of the actual consideration (i.e., approximately RMB253,573,622.00) to the Second Vendor in a lump sum within five Working Days after the Second Equity Transfer Agreement becomes effective;

2. The Company shall pay 70% of the actual consideration (i.e., approximately RMB591,671,784.66) and the corresponding interest to the Second Vendor in a lump sum within five Working Days after the Second Closing Date.

The corresponding interest mentioned above is calculated based on the LPR One-year Interest Rate of the month immediately preceding the actual payment date of second tranche consideration. The calculation period is from the payment date of the first tranche consideration (exclusive) to the actual payment date of second tranche consideration. The calculation period is based on 365 days a year.

Unless agreed by the parties in writing, if the failure to complete the registration (filing) procedures with the company registry authority for the Second Equity Interest in accordance with the provisions of the Second Equity Transfer Agreement is attributable to the Second Vendor, the Company shall be entitled not to pay the corresponding interest on the second tranche consideration arising from the day following December 31 of the year in which the Second Equity Transfer Agreement became effective (exclusive) up to the date of completing the registration (filing) procedures with the company registry authority for the transfer of the Second Equity (inclusive).

Conditions Precedent

The Second Equity Transfer Agreement shall take effect on the day when all the following conditions are fulfilled, and the day on which the last consent or approval set out below is obtained shall be the effective date:

1. The Second Equity Transfer Agreement is executed by the legal representatives or authorised representatives of each party and stamped with their respective company seals;

2. All necessary consents or approvals have been obtained for the transfer of the Second Equity, including but not limited to:

   (i) the filing of the valuation results of the entire equity of Shandong Energy Electricity Sales with the authorised state-owned assets regulatory agencies or their authorised units;

   (ii) the authorised state-owned assets regulatory agencies or their authorised units considering and approving the transfer of the Second Equity;

   (iii) the Second Vendor completing its internal procedures to approve the transfer of the Second Equity; and

   (iv) the Company obtaining approval for the transfer of the Second Equity from its competent decision-making authorities such as the Board and the General Meeting.

Waiver of the conditions precedent under the Second Equity Transfer Agreement requires a unanimous written agreement by the parties to the Second Equity Transfer Agreement, including the Company. As at the Latest Practicable Date, all other conditions precedent have been satisfied except for the approval by the Company's shareholders' meeting.

The First Equity Transfer Agreement and the Second Equity Transfer Agreement are not inter-conditional. The failure of either agreement to proceed will not affect the continued performance of the other agreement.

Closing

Unless otherwise agreed in writing by the parties, the shareholder of Shandong Energy Electricity Sales shall, prior to December 31 of the year in which the Second Equity Transfer Agreement becomes effective (inclusive), pass a shareholders' resolution to amend the articles of association with respect to the transfer of the Second Equity and related corporate governance matters, and complete the registration (filing) procedures with the company registry authority for the transfer of the Second Equity. The Second Closing Date shall be the date on which the registration (filing) procedures with the company registry authority for the transfer of the Second Equity are completed. The rights and obligations corresponding to the Second Equity will be transferred to the Company with effect from the Second Closing Date.

Profit and Loss during the Second Transition Period

Unless otherwise agreed by the parties, the profit and loss of the Second Equity during the Second Transition Period (based on the net profit attributable to shareholders of the parent company of Shandong Energy Electricity Sales) shall be entitled to or borne by the Company.

Representations and Warranties

The Second Vendor makes the following representations and warranties to the Company:

1. The Second Vendor is a limited liability company legally established and validly subsisting under the laws of the PRC with independent legal person qualification in accordance with the laws of the PRC;

2. The Second Vendor has the power and authority to execute and perform the Second Equity Transfer Agreement;

3. The execution and performance of the Second Equity Transfer Agreement will not (a) violate any organisational documents of the Second Vendor or Shandong Energy Electricity Sales currently in force, or (b) violate any laws of the PRC, or (c) violate any legally binding contract or agreement to which the Second Vendor or Shandong Energy Electricity Sales is a party, or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the Second Vendor or Shandong Energy Electricity Sales;

4. From the date of signing the Second Equity Transfer Agreement to the Second Closing Date, the Second Vendor is the legal shareholder or owner of Shandong Energy Electricity Sales, legally and validly holding the equity interest in Shandong Energy Electricity Sales without any encumbrance, the Second Equity has clear ownership, and

there is no pledge, mortgage, other guarantee, judicial seizure, freezing, auction or any other encumbrance on the Second Equity, and there will not be any third party asserting any rights in respect of the Second Equity held by the Second Vendor in any manner whatsoever;

5. The Second Vendor has fully performed its paid-up capital contribution obligation in accordance with the law for approximately 99.9999% of the equity interest in Shandong Energy Electricity Sales (corresponding to a subscribed capital contribution of RMB792,514,100), but has not yet completed the paid-up capital contribution for approximately 0.0001% of the equity interest in Shandong Energy Electricity Sales held by it (corresponding to a subscribed capital contribution of RMB100). The assets used by the aforementioned Second Vendor for paid-up capital contributions are all legally owned by the Second Vendor, and there has been no false capital contribution, deferred capital contribution, evasion of capital contribution or other breach of obligations and liabilities as a shareholder, and the capital contribution activities have all undergone necessary internal and external approval procedures;

6. Shandong Energy Electricity Sales and its holding subsidiaries legally own properties and interests that have a material impact on their production and operations, with clear ownership, free from any mortgage, pledge, lien, right of first refusal or any third party rights;

7. Unless otherwise agreed in the Second Equity Transfer Agreement or otherwise undertaken in writing by the Second Vendor, for the liabilities, losses and responsibilities of the Target Company and its holding subsidiaries arising from acts or matters prior to the Second Closing Date and incurred after the Second Closing Date, including: (a) penalties and resulting liabilities, losses and responsibilities arising from violations of laws, regulations and relevant rules in respect of project construction and acceptance, production and operation (including leased properties, land use rights) prior to the Second Closing Date; (b) expenses or compensation arising from litigation disputes arising from acts prior to the Second Closing Date; (c) default liability and compensation liability arising from breach of contractual agreements with third parties existing prior to the Second Closing Date; (d) losses or compensation liability arising from defects or disputes in the title of assets (including land use rights, properties, power equipment, etc.) included in the valuation scope of this transaction as at the Second Closing Date; the Second Vendor shall assume the amount of the aforesaid losses in accordance with the provisions of the Second Equity Transfer Agreement and compensate the Company in a timely manner, except where such liabilities, losses and responsibilities have been reflected in the Second Audit Report.

The Company makes the following representations and warranties to the Second Vendor:

1. After the completion of the Transactions, in respect of the unfulfilled capital contribution obligation of the Second Vendor to Shandong Energy Electricity Sales (the unfulfilled capital contribution amount being RMB100), the Company shall perform such obligation in a timely and full manner; if the Company fails to perform the aforesaid capital contribution obligation in a timely manner, resulting in the Second Vendor being required to bear the capital contribution liability under the relevant laws and regulations, the Second Vendor shall have the right to claim full reimbursement from the Company for the amount of capital contribution actually borne by it and the related losses, and the Company shall make full compensation to the Second Vendor;

2. The Company is a joint stock limited company legally established and validly subsisting under the laws of the PRC with independent legal person qualification in accordance with the laws of the PRC;

3. The Company has the power and authority to execute and perform the Second Equity Transfer Agreement;

4. The execution and performance of the Second Equity Transfer Agreement will not (a) violate any organisational document of the Company currently in force, or (b) violate any laws of the PRC, or (c) violate any legally binding contract or agreement to which the Company is a party, or (d) result in the release of the other party from its obligations or give rise to other claims under any agreement or arrangement already signed by the Company.

The parties agree and confirm that, unless otherwise agreed in the Second Equity Transfer Agreement or otherwise undertaken in writing by the Second Vendor, if any of the representations and warranties made by the Second Vendor to the Company causes Shandong Energy Electricity Sales to bear any liability and incur any payment arising therefrom, or causes Shandong Energy Electricity Sales to actually suffer losses, the amount of compensation payable by the Second Vendor to the Company shall be calculated according to the following specific formula:

The amount of compensation payable by the Second Vendor to the Company = all payments made and actual losses suffered by Shandong Energy Electricity Sales due to a loss compensation triggering event under the representations and warranties made by the Second Vendor to the Company in the Second Equity Transfer Agreement.

The parties agree and confirm that, unless otherwise agreed in the Second Equity Transfer Agreement or otherwise undertaken in writing by the Second Vendor, if any of the representations and warranties made by the Second Vendor

to the Company causes a holding subsidiary of Shandong Energy Electricity Sales to bear any liability and incur any payment arising therefrom, or causes a holding subsidiary of Shandong Energy Electricity Sales to actually suffer losses, after taking into full consideration of Shandong Energy Electricity Sales's shareholding ratio in the holding subsidiary, the amount of compensation payable by the Second Vendor to the Company shall be calculated according to the following specific formula:

The amount of compensation payable by the Second Vendor to the Company = all payments made and actual losses suffered by the holding subsidiary of Shandong Energy Electricity Sales due to a loss compensation triggering event under the representations and warranties made by the Second Vendor to the Company in the Second Equity Transfer Agreement × Shandong Energy Electricity Sales's shareholding ratio in the holding subsidiary.

The parties agree and confirm that the Second Vendor shall continuously assist and urge Shandong Energy Electricity Sales and its holding subsidiaries to cooperate with the Company in completing, within a reasonable period of time as required by the Company, the rectification of compliance issues identified during the due diligence process, matters that may affect the independence of the listed company, and other matters that may have an adverse impact on the normal production and operation of Shandong Energy Electricity Sales and its holding subsidiaries.

Staff Settlement

After the Second Closing Date, the employment contract relationships of the employees of Shandong Energy Electricity Sales will not change as a result of the Second Equity Transfer. The Second Equity Transfer has actuarially calculated and accrued, in accordance with relevant accounting standards, the costs to be borne by Shandong Energy Electricity Sales and its holding subsidiaries in respect of the coordination of various categories of personnel, including retirees, early retirees, and survivors.

Treatment of Creditors' Rights and Debts

The parties agree and confirm that, after the Second Closing Date, the creditors' rights, debts and other contingent liabilities of Shandong Energy Electricity Sales shall continue to be enjoyed or borne by Shandong Energy Electricity Sales.

The parties agree and confirm that Shandong Energy Electricity Sales and its holding subsidiaries shall perform their obligations to notify creditors or obtain creditors' consent in respect of the Second Equity Transfer in accordance with the terms of the contracts they have signed, and the parties shall provide Shandong Energy Electricity Sales and its holding subsidiaries with necessary assistance or cooperation.

Liability for Breach of Contract

After the Second Equity Transfer Agreement becomes effective, if any party fails to perform its obligations under the Second Equity Transfer Agreement in accordance with its terms, or any representation, warranty or undertaking made by it is false, such party shall be deemed to have committed a breach of contract. The breaching party shall compensate the non-breaching party for the losses caused by its aforementioned breach of contract.

Without precluding the termination of the Second Equity Transfer Agreement by the relevant parties in accordance with its terms, unless otherwise expressly provided in the Second Equity Transfer Agreement, if a party suffers any reasonable costs, expenses, liabilities or losses due to the other party's breach of contract, the breaching party shall compensate for any such costs, expenses, liabilities or losses and hold the non–breaching party harmless. The breaching party shall not be liable for losses caused by the non-breaching party's own fault, negligence or omission, nor for losses or any increase in losses arising from the non–breaching party's failure to take measures.

Amendment and Termination of the Agreement

The parties agree and confirm that, unless otherwise undertaken in writing by the Second Vendor, the parties may, by mutual agreement, amend or terminate the Second Equity Transfer Agreement. Any amendment or termination of the Second Equity Transfer Agreement shall be in writing.

If, within 12 months after the Second Equity Transfer Agreement becomes effective, due to the fault of the Second Vendor or Shandong Energy Electricity Sales, the industrial and commercial change registration or filing in respect of this transfer is not completed, the Company shall have the right to terminate the Second Equity Transfer Agreement, and the Second Equity Transfer Agreement shall be terminated on the date when the Company issues a written notice of termination to the Second Vendor. If the Second Equity Transfer Agreement is terminated pursuant to the foregoing clause, the Second Vendor shall refund the transfer consideration received by it to the Company within 3 months from the date of termination of the Second Equity Transfer Agreement.

C. Basic Information of the Target Companies

The basic information of New Energy Group and Shandong Energy Electricity Sales, including details of their direct and indirect holding subsidiaries as of the Latest Practicable Date, their shareholding structures before and after the completion of the Transactions, and financial data, are set out in Appendix I to this circular.

D. Information on the Parties

The Company

The Company is principally engaged in the business of mining, high-end chemical new materials, new energy, and high-end equipment manufacturing and smart logistics. The Company's main products are steam coal for use in large-scale power plants, coking coal for metallurgical production, prime quality low sulphur coal for use in pulverized coal injection, and chemical products such as methanol and acetic acid, etc.

Shandong Energy

Shandong Energy is a state-controlled limited liability company, of which Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission is the de facto controller. As of the Latest Practicable Date, Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission, Shandong Development Investment Holding Group Co., Ltd. (which is directly held as to 97.88% and 2.12% by Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission and Shandong Caixin Asset Management Co., Ltd., respectively) and Shandong Caixin Asset Management Co., Ltd. (which is directly held as to 100% by Shandong Provincial Department of Finance) directly hold 70%, 20% and 10% of the equity interests in Shandong Energy, respectively. Shandong Energy is principally engaged in mining, high-end chemicals, electricity, high-end equipment manufacturing, new energy and materials, and modern trade and logistics. As of the Latest Practicable Date, Shandong Energy is the controlling shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company, and is hence a connected person of the Company.

Yankuang Hong Kong

Yankuang Hong Kong is directly wholly-owned by Shandong Energy and is principally engaged in investment management.

E. Financial and Business Impact of the Transactions

Upon completion of the Transactions, the Company will acquire 100% equity interests in New Energy Group and Shandong Energy Electricity Sales. The performance of New Energy Group and Shandong Energy Electricity Sales will be consolidated into the Company's consolidated financial statements. The principal consolidated financial data in respect of each Target Companies are set out in Appendix I to this circular.

Upon completion of the Transactions, the profitability of the Company will be significantly enhanced. The Company will be able to further develop its coal core business while expanding its power segment. The installed capacity of power

generation projects and the annual power generation volume will both be significantly increased, which will help mitigate the impact of cyclical fluctuations in the coal industry, further strengthen the Company's operating capacity, and enhance its sustainable development capability. Based on the power project status of the Target Companies as of 31 January 2026, the installed capacity of the Company's power generation projects will increase by 13,252MW, among which, the installed capacity of power generation projects that are already in commercial operation will increase by 7,058MW, the installed capacity of power generation projects that are already grid-connected but not yet in commercial operation will increase by 1,750MW, the installed capacity of power generation projects that are under construction and not yet grid-connected will increase by 3,204MW upon grid connection, and the installed capacity of proposed projects that have been approved or filed will increase by 1,240MW, and the annual power generation volume will increase by approximately 22.9 billion kWh.

F. Reasons for and Benefits of the Transactions

In recent years, the Company has continuously promoted the synergistic integration and high-quality development of traditional energy and new energy. The purpose of this Transaction is to rapidly expand the scale of its power business and strengthen emerging industries by injecting high-quality power assets, while effectively reducing horizontal competition with the controlling shareholder in the power business segment and further improving corporate governance.

This Transaction has the dual value of both upgrading traditional industries and empowering emerging industries. Among them, the thermal power assets, with stable operating efficiency and high contribution to performance, constitute the core component of the assets acquired in this Transaction. By incorporating high-quality thermal power assets, the Company can deeply establish an integrated coal-power operation pattern, relying on its own thermal power production capacity to stably absorb its self-produced coal, effectively hedging against cyclical fluctuations in the coal industry, significantly enhancing profitability and risk resistance capacity, and solidifying its operational foundation. The injection of wind power, photovoltaic power and energy storage assets represents a key initiative for the Company to actively respond to the national "dual carbon" strategic deployment, seize the opportunity of energy restructuring, and implement the goal of "strategic priority and accelerated development" for the new energy industry. Through this acquisition, the Company can effectively expand the scale of its new energy assets, accelerate the layout of its clean energy industry, and promote green and low-carbon transformation. The electricity sales business acquired as a package can connect the entire industrial chain of power generation, sales and consumption, provide flexible risk hedging tools for power plants, form an integrated synergistic operation model, and strengthen the competitive advantage across the entire chain. Upon completion of this Transaction, the Company will achieve a favourable development pattern of improving quality and efficiency for traditional energy and accelerating growth and expansion for new energy, thereby comprehensively enhancing its overall profitability and core competitiveness.

1. Strengthening emerging industries and accelerating strategic layout

This Transaction is a key step for the Company to accelerate its transformation into a comprehensive clean energy service provider and build a world-class enterprise. By injecting high-quality thermal power, wind-solar-storage assets and a mature electricity sales platform in one go, the Company can rapidly expand its power business scale, strengthen emerging industries, and accelerate the construction of a clean energy business system that integrates "wind-solar-thermal-storage" and promotes the synergistic development of "source-grid-load-storage".

2. Enhancing coal-power integration synergy and strengthening anti-cyclical ability

The integration of high-quality thermal power assets is a key initiative for the Company to extend the coal industry chain, implement the coal-power joint venture policy, and improve the integrated coal-power operation pattern. Relying on its own coal for direct supply to thermal power plants achieves a two-way linkage of locking in long-term coal supply sources for power plants and ensuring stable coal consumption for the Company, which helps to smooth out cyclical fluctuations in the core coal business, enhance risk resistance capacity, and solidify the operational foundation. The thermal power assets to be acquired under this Transaction are all large-capacity, high-parameter clean units, possessing core advantages such as low coal consumption, low emissions, strong peak-shaving capability, and reliable operation, which are conducive to achieving both economic and environmental benefits.

3. Accelerating green and low-carbon transformation and fulfilling strategic commitments

The acquisition of high-quality wind-solar-storage assets is an important initiative for the Company to implement the dual-carbon strategy and promote green transformation, helping to rapidly expand the scale of the new energy industry and implement the new energy development plan. The assets to be injected under this Transaction possess favorable resource endowments, absorption guarantees and scale advantages. Coupled with effective synergy from flexible peak-shaving of thermal power, it can build a healthy development pattern where traditional energy serves as the foundation and new energy expands, highly aligned with the direction of new power system construction. The layout of this Transaction is conducive to the Company seizing renewable energy opportunities, continuously benefiting from policy support such as green electricity and green certificates, consolidating and enhancing its leading ESG position, and strengthening its green and sustainable development foundation.

4. Enhancing profitability and increasing shareholders' return

The assets to be injected under this Transaction are all high-quality power assets of Shandong Energy, with stable operating efficiency and excellent profitability level. Upon completion of the Transaction, it will be conducive to the Company expanding the scale of its asset and revenue in new energy industry, enhancing its profitability, increasing shareholders' returns, and achieving a win-win situation for both the Company's sustainable development and long-term shareholders' returns.

5. Reducing horizontal competition and promoting standardised operations

Prior to this Transaction, there existed a certain degree of horizontal competition between the Company's new energy industry and the power businesses (including power generation, energy storage and electricity sales) of Shandong Energy, the controlling shareholder. Injecting Shandong Energy's high-quality power assets into the Company through this Transaction is conducive to reducing horizontal competition between the Company and Shandong Energy, promoting standardised operations, and effectively safeguarding the legitimate rights and interests of Shandong Energy and minority shareholders.

The Directors (including the independent non-executive Directors) are of the view that the Transaction Documents are on normal commercial terms which have been negotiated at an arm's length basis and are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

G. Implications under the Listing Rules

As one or more applicable percentage ratios (calculated on a consolidated basis) of the Acquisitions are more than 5% but all applicable percentage ratios are less than 25%, the Acquisitions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As of the Latest Practicable Date, Shandong Energy is the controlling shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company. Yankuang Hong Kong, New Energy Group and Shandong Energy Electricity Sales are all subsidiaries of Shandong Energy and are connected persons of the Company. Hence, the Acquisitions also constitute a connected transaction of the Company and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the valuation of certain assets was prepared based on the income approach in the Asset Valuation Report(s), such valuation constitutes a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules.

Pursuant to Rule 14.60A of the Listing Rules, the details of the principal assumptions, including commercial assumptions, on which the Asset Valuation Report(s) prepared by the Independent Valuer were based are set out in Appendix II to this circular.

The Independent Valuer was established in August 2000 and obtained the qualification certificate for asset valuation for securities and futures related business in 2001. It is one of the first batch of professional valuation institutions in China to obtain the qualification for securities and futures business valuation. The Independent Valuer has completed the filing with the Ministry of Finance of the PRC as an asset valuation institution engaged in securities service businesses, and is approved to engage in securities and futures related valuation businesses.

As at the Latest Practicable Date, the Independent Valuer has undertaken a number of asset valuation projects for equity transfers of similar businesses or enterprises since 2023. The signing persons of the Asset Valuation Reports are all validly registered valuers of the China Appraisal Society.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, neither the Independent Valuer nor its signing persons have any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Independent Valuer is a third party independent of the Group and its connected persons. The Independent Valuer and its signing persons are qualified to give the relevant conclusions or opinions in this circular and have experience in similar valuation projects.

H. Confirmations

Baker Tilly Hong Kong Limited, the reporting accountant of the Company, has reviewed the arithmetical accuracy of the calculations of the Profit Forecast on which certain valuations using the income approach as contained in the Asset Valuation Report(s) are based (which does not involve the adoption of accounting policies). The Board has confirmed that the Profit Forecast for the Target Companies as set out in the Asset Valuation Report(s) has been made after due and careful enquiry by the Board.

The letter of the reporting accountant (the "**Reporting Accountant Letter**") from Baker Tilly Hong Kong Limited and the letter (the "**Letter from the Board in relation to the profit forecast**") issued by the Board, both dated 3 June 2026, are set out in Appendix III and Appendix IV to this circular, respectively.

III. CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025, relating to, among other things, the Existing Continuing Connected Transaction Agreements and the proposed transactions contemplated thereunder and the respective proposed annual caps.

As (i) the Target Companies will become wholly-owned subsidiaries of the Company and certain subsidiaries of the Target Companies will become connected subsidiaries of the Company and associates of Shandong Energy (as Shandong Energy will continue to indirectly hold part of the equity interests in such companies after completion of the Transactions) upon the completion of the Transactions, the Board envisages that the annual caps under certain Existing Continuing Connected Transactions Agreements will need to be adjusted; and (ii) the Existing Continuing Connected Transactions Agreements will expire on 31 December 2027 and the parties thereto expect that the continuing connected transactions contemplated thereunder will continue on an ongoing basis, on 3 June 2026, the parties to the Existing Continuing Connected Transactions Agreements entered into the Proposed Continuing Connected Transaction Agreements to renew and supersede the Existing Continuing Connected Transaction Agreements. The Proposed Continuing Connected Transaction Agreements are subject to the Independent Shareholders' approval at the General Meeting.

Shandong Energy is a controlling shareholder of the Company directly and indirectly holding 52.84% of the issued share capital of the Company as of the Latest Practicable Date, and thus a connected person of the Company under the Listing Rules. Shandong Energy Finance Company is directly owned as to approximately 53.92% equity interests by the Company, and directly and indirectly owned as to approximately 46.08% equity interests by Shandong Energy. Shandong Energy Finance Company is a connected subsidiary of the Company under the Listing Rules. Accordingly, the Proposed Continuing Connected Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

1. Proposed Provision of Materials Supply Agreement

On 8 April 2025, the Company entered into the Existing Provision of Materials Supply Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcement of the Company dated 8 April 2025, and the circular of the Company dated 15 May 2025 for the details of the Existing Provision of Materials Supply Agreement.

On 3 June 2026, the Company entered into the Proposed Provision of Materials Supply Agreement with Shandong Energy to renew and supersede the Existing Provision of Materials Supply Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Provision of Materials Supply Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the

places where the shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Provision of Materials Supply Agreement becomes effective, (i) the Existing Provision of Materials Supply Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Provision of Materials Supply Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Provision of Materials Supply Agreement.

Set out below are the major terms of the Proposed Provision of Materials Supply Agreement:

Date

3 June 2026

Parties

(1) the Company; and

(2) Shandong Energy

Term

Three years commencing from 1 January 2026 and expiring on 31 December 2028

Major terms

The Shandong Energy Members would provide the following materials to the Group: chemical raw materials (methanol, pure benzene, etc.), coal, electricity, underground supporting and protection materials, equipment accessories for coalmine operation, safety protection materials, informatization facilities, grease and oil materials and other general materials.

On or before 30 November each year, the Company may provide to Shandong Energy an annual assessment of the supplies or services that it requires from the other in the coming year and the parties shall agree on the annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Provision of Materials Supply Agreement.

Payment

(1) The payment of consideration of the Proposed Provision of Materials Supply Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Provision of Materials Supply Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing

All materials would be supplied at the Market Price and such price shall in so far as possible be calculated and estimated before the commencement of each financial year, and shall be determined according to normal commercial terms based on the following:

(1) the price offered by Independent Third Parties for provision of the same or similar type of materials in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or

(2) if the foregoing (1) is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of materials under normal commercial terms in the ordinary course of business of such Independent Third Parties.

To determine the Market Price, the purchase department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The purchase department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

The price of electricity shall be determined with reference to the electricity trading price in the electricity spot market of Shandong Province and would be settled according to the actual usage of electricity by the Company. If at any time the nationwide pricing is in force and applicable to a material, the price of such material shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such materials in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC (as the case may be).

The Shandong Energy Members have undertaken that the price of such supplies would not be higher than the price offered by Shandong Energy to any Independent Third Parties for the same type of materials under any circumstances.

In the event that the terms of provision of any materials by any Independent Third Parties are better than the terms offered by the Shandong Energy Members or if the provision of such materials by the Shandong Energy Members cannot meet the demand of the Company, the Group would be entitled to purchase any such materials from the Independent Third Parties.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Provision of Materials Supply Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

The historical amounts, proposed annual caps and reasons

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the provision of materials supply:

For the year ended 31 December 2024		**For the year ended 31 December 2025**		**For the year ending 31 December 2026**
Annual cap *(RMB'000)*	**Actual amount** *(RMB'000)*	**Annual cap** *(RMB'000)*	**Actual amount** *(RMB'000)*	**Existing annual cap** *(RMB'000)*
5,370,000	3,192,930	5,840,000	3,985,238	5,480,000

As of the Latest Practicable Date, the transaction amounts of the continuing connected transactions under the Existing Provision of Materials Supply Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Having considered the reasons set out below, the Board proposed that the annual amount payable by the Group to the Shandong Energy Members under the Proposed Provision of Materials Supply Agreement shall not exceed RMB9,273,000,000, RMB11,223,000,000 and RMB11,508,000,000 for the three financial years ending 31 December 2026, 2027 and 2028, respectively.

(1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Provision of Materials Supply Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the purchase of materials and supplies from the Shandong Energy Members. For the year ended 31 December

2025, the actual transaction amount of the Group's purchase of materials and supplies from the Shandong Energy Members was RMB3,985.24 million.

(2) After the completion of the Transactions, New Energy Group will become a subsidiary of the Company, and the thermal power plants under New Energy Group will continue to purchase thermal coal from the Shandong Energy Members in accordance with the signed procurement contracts, resulting in an increase in the expected amount of continuing connected transactions under the Proposed Provision of Materials Supply Agreement. The Company estimates that for each of the three financial years ending 31 December 2026, 2027 and 2028, the amounts payable by New Energy Group to the Shandong Energy Members in respect of material supplies will be RMB4,045.90 million, RMB6,006.51 million and RMB6,109.76 million, respectively.

(3) As certain newly constructed mines and chemical projects of the Group's subsidiaries commence production and the output of relevant products steadily increases, the procurement demand for certain materials and supplies, such as mining materials and chemical raw materials, will also increase accordingly.

Reasons for and benefits of entering into the Proposed Provision of Materials Supply Agreement

Since the Shandong Energy Members will continue to provide materials to the Target Companies (which will become subsidiaries of the Company upon the completion of the Transactions) after the completion of the Transactions, the Board proposed to enter into the Proposed Provision of Materials Supply Agreement to renew and supersede the Existing Provision of Materials Supply Agreement.

The Group requires stable suppliers of mining production materials for steady business expansion. Certain materials provided by the Shandong Energy Members are better in quality than those provided by external suppliers and it is rather difficult for the Group to source materials with comparable quality, specifications and value from other external suppliers. Furthermore, since the Shandong Energy Members' production sites are close to the Group's coal mines and factories, the transportation of such materials is convenient and at a relatively lower cost.

At the same time, the Target Companies were subsidiaries of Shandong Energy prior to the Transactions and the Target Companies have been procuring materials from the Shandong Energy Members every year. Such transactions will continue after the completion of the Transactions in order to maintain the stable operations of the Target Companies, which is in line with the Company's production and operation and further business integration needs.

The Directors (including the independent non-executive Directors) consider that the Proposed Provision of Materials Supply Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Provision of Materials Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the transactions under the Proposed Provision of Materials Supply Agreement exceeds 5% on an annual basis, the Proposed Provision of Materials Supply Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Proposed Mutual Provision of Labor and Services Agreement

On 8 April 2025, the Company entered into the Existing Mutual Provision of Labor and Services Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025 for the details of the Existing Mutual Provision of Labor and Services Agreement.

On 3 June 2026, the Company entered into the Proposed Mutual Provision of Labor and Services Agreement with Shandong Energy to renew and supersede the Existing Mutual Provision of Labor and Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Mutual Provision of Labor and Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Mutual Provision of Labor and Services Agreement becomes effective, (i) the Existing Mutual Provision of Labor and Services Agreement would be superseded with effect from 1 January 2026, and (ii) all transactions performed under the Existing Mutual Provision of Labor and Services Agreement since 1 January 2026 would be classified as the transactions performed under the Proposed Mutual Provision of Labor and Services Agreement.

Set out below are the major terms of the Proposed Mutual Provision of Labor and Services Agreement:

Date

3 June 2026

Parties

(1) the Company; and

(2) Shandong Energy

Term

Three years commencing from 1 January 2026 and expiring on 31 December 2028

Major terms

Provision of labor and services by the Shandong Energy Members to the Group:

Pursuant to the Proposed Mutual Provision of Labor and Services Agreement, the Shandong Energy Members have agreed to provide the Group with labor and services including repair services (building and equipment repair), construction engineering and management services, individual employee benefits (including but not limited to health check-ups, rehabilitation and therapy, social, arts, sports and entertainment services, financial difficulties subsidies, and other welfare expenses as stipulated by the PRC government), asset leasing and services, guarantee services, training services, security services (including security guard services and coal train convoy services), labor export, backup services (including canteen operation, property cleaning and catering and accommodation, etc.), informatization and technology services, mine rescue services, maintenance services of the ERP and relevant systems, and medical services (including wellhead emergency services, staff medical check-ups, occupational health record management, epidemic prevention and control, prevention and control of infectious diseases, management of sick and injury leave for staff, public health services, emergency maintenance for major public health incidents, etc.), and transportation services.

Provision of labor and services by the Group to the Shandong Energy Members:

Pursuant to the Proposed Mutual Provision of Labor and Services Agreement, the Group has agreed to provide the Shandong Energy Members with labor and services including transportation services, engineering construction and

management services, maintenance services, training services, labor export, informatization and technology services, mine rescue services, chemical product sales agency services and port services.

On or before 30 November each year, the requesting party may provide to the supplying party an annual assessment of the labor or services that it may require in the coming year and the parties shall agree on an annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Mutual Provision of Labor and Services Agreement.

Payment

(1) The payment of consideration of the Proposed Mutual Provision of Labor and Services Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Mutual Provision of Labor and Services Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing

Provision of maintenance services (building and equipment repair services), construction engineering and management services, asset leasing and services, guarantee services, training services, transportation services, guard services in security services, backup services, informatization and technology services by the Shandong Energy Members to the Group:	The consideration shall be determined according to the Market Price (as defined below).
Provision of transportation services, engineering construction and management services, port services, maintenance services, training services, informatization and technology services by the Group to the Shandong Energy Members:	The consideration shall be determined according to the Market Price. The Market Price shall in so far as possible be calculated and estimated before the commencement of each financial year.

"**Market Price**" shall be determined according to normal commercial terms based on the following:

(i) the price offered by Independent Third Parties for provision of the same or similar type of services in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or

(ii) if paragraph (i) above is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of services under normal commercial terms in the ordinary course of business of such Independent Third Parties.

Prior to entering into the relevant contracts, to determine the Market Price, the sales department or purchase department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The sales department or purchase department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above.

	With respect to the labor and services provided or received by the Group to or from the Shandong Energy Members according to the Market Price, the Company or the subsidiaries of the Company that provide or receive such labor and services would, prior to entering into the relevant contracts, collect market data and conduct research on the market prices of similar labor and services so as to ensure the price of which is fair and reasonable.
Provision of individual employee benefits services, labor export and mine rescue services by the Shandong Energy Members to the Group:	The consideration shall be determined according to the Cost Price (as defined below). "**Cost Price**" is the transaction price determined based on the actual cost. The actual cost is the cost incurred from providing the subject matter of the transaction by the providing party. For the purpose of computing the actual cost, Shandong Energy shall provide the Company with full account books and records in respect of the costs of such services. The individual employee benefits and mine rescue service fees to be paid shall be equal to the actual cost incurred from the provision of such services by the Shandong Energy Members. The guard services in security services involve costs such as salaries, consumption of materials and equipment, and depreciation incurred by the Shandong Energy Members. The price of labor export services is determined based on the remuneration and social insurance expenses for employees providing the services.

The Shandong Energy Members provide the Group with coal train convoy services under security services:	Coal train convoy services under security services are the cost of salary, material and equipment consumption and depreciation incurred by the Shandong Energy Members plus reasonable profit. Reasonable profit is normally 5% of the cost price, which is determined through commercial negotiation between the parties with reference to the general profit margin of the service industry.
Provision of maintenance services of the ERP and relevant systems by the Shandong Energy Members to the Group:	The consideration shall be determined based on the general pricing rules of the ERP and relevant systems maintenance market, using the per person per day rate as the pricing basis.
Provision of medical services by the Shandong Energy Members to the Group:	The fees for medical check-ups shall be formulated with strict reference to the fee standards of the Shandong Provincial Price Bureau and the medical fee directory of the Healthcare Security Administration of Shandong Province, and the fees for other medical services shall be measured with reference to the actual workload, the number of staff members engaged in the services, and their wages and the costs of consumables.
Provision of labor export by the Group to the Shandong Energy Members:	The consideration shall be determined based on the Cost Price (as defined above).
Provision of sales agency service of chemical products, mine rescue services provided by the Group to the Shandong Energy Members:	The consideration shall be determined based on the cost-plus method. Reasonable profit is normally 5% of the cost price, which is determined through commercial negotiation between the parties with reference to the general profit margin of the service industry.

If at any time the nationwide pricing is in force and applicable to the provision of labor and services under the Proposed Mutual Provision of Labor and Services Agreement, the price of such labor and services shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price

stipulated for such agreed provision in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC (as the case may be).

Shandong Energy has undertaken that the price of such labor and services provided to the Group would not be higher than the price offered by Shandong Energy to any Independent Third Parties for the same type of labor and services under any circumstances. The Group is not required to obtain such labor and services solely from the Shandong Energy Members. The Company has also undertaken to provide such labor and services to the Shandong Energy Members on normal commercial terms.

To ensure that the prices offered by Shandong Energy to the Group for labour and services are no less favourable than those offered by Independent Third Parties to the Group, the sales department or purchase department of the Company and its designated personnel will from time to time collect and review the prices of other Independent Third Parties providing the same types of labour and services in the same or neighbouring areas for comparison. Quotations are generally obtained by email, fax or telephone inquiries. Quotations may also be obtained through various media resources (such as local newspapers) by publishing tender notices and obtaining bids from tender documents. Before entering into the relevant contracts, the Group will obtain quotations from at least two Independent Third Parties for comparison.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Mutual Provision of Labor and Services Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

The historical amounts, proposed annual caps and reasons

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the mutual provision of labor and services:

	For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
	Annual cap *(RMB'000)*	Transaction amount *(RMB'000)*	Annual cap *(RMB'000)*	Transaction amount *(RMB'000)*	Existing Annual cap *(RMB'000)*
Provision of labor and services by the Shandong Energy Members to the Group	5,662,000	3,868,450	7,571,000	5,424,562	7,203,000
Provision of labor and services by the Group to the Shandong Energy Members	1,360,000	988,610	1,810,000	1,585,900	1,865,000

As of the Latest Practicable Date, the transaction amount of continuing connected transactions under the Existing Mutual Provision of Labor and Services Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Having considered the historical figures and the reasons set out below, the Board proposed that the total amounts of the service fees payable by the Group to the Shandong Energy Members under the Proposed Mutual Provision of Labor and Services Agreement shall not exceed RMB10,990,000,000, RMB9,522,000,000 and RMB9,447,000,000 for the three financial years ending 31 December 2026, 2027 and 2028, respectively, and the total amounts of the service fees payable by the Shandong Energy Members to the Group under the Proposed Mutual Provision of Labor and Services Agreement shall not exceed RMB3,448,000,000, RMB4,071,000,000 and RMB4,409,000,000 for the three financial years ending 31 December 2026, 2027 and 2028, respectively.

The proposed annual caps for the transactions under the Proposed Mutual Provision of Labor and Services Agreement are determined mainly based on the following reasons:

Basis of the proposed caps for labor and services provided by the Shandong Energy Members to the Group

(1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Mutual Provision of Labor and Services Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the purchase of Labor and services from the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Shandong Energy Members providing Labor and services to the Group was RMB5,424.56 million.

(2) It is expected that for the year ending 31 December 2026, the amount of the Group's purchase of labor and services from the Shandong Energy Members will increase to RMB10,714.33 million, representing a year-on-year increase of approximately RMB5,289.77 million compared

to 2025. The main reason is that the Group has added new infrastructure mines, construction of the subsidiary office building, etc., and the demand for construction engineering services has increased. It is expected that the amount of the Group's purchase of construction engineering services from Shandong Energy Members will increase by approximately RMB4,733.57 million. At the same time, with the continuous expansion and in-depth advancement of the Group's various businesses, the demand of certain subsidiaries of the Group for the purchase of repair services, logistics services, information and ERP system technology services and transportation services from the Shandong Energy Members will also increase. The Company estimates that for the year ending 31 December 2026, the amount of the Group's purchase of the above services from the Shandong Energy Members will increase by approximately RMB558.88 million year-on-year compared to 2025.

(3) After the completion of the Transactions, New Energy Group will become a subsidiary of the Company, and New Energy Group will continue to purchase labor and services (mainly including accommodation and meal operation services and construction engineering services) from Shandong Energy Members in 2026. The Company estimates that for each of the three financial years ending 31 December 2026, 2027 and 2028, the amounts payable by New Energy Group to the Shandong Energy Members for the purchase of labor and services will be RMB276.11 million, RMB77.11 million and RMB74.73 million, respectively.

Basis of the proposed caps for labor and services provided by the Group to the Shandong Energy Members

(1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Mutual Provision of Labor and Services Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the provision of labor and services to the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Group providing labor and services to the Shandong Energy Members was RMB1,585.90 million.

(2) It is expected that for the year ending 31 December 2026, the amount of relevant services will increase to RMB3,448 million, representing a year-on-year increase of approximately RMB1,862 million compared to 2025. The main reason is that Wubo Technology Co., Ltd.（物泊科技有限公司）("**Wubo Technology**"), as the Group's professional logistics and freight platform, possesses strong capabilities in road transportation, waterway transportation, port agency and other businesses. Currently, Wubo Technology is actively undertaking transportation and port businesses from Shandong Energy Members, and Shandong Energy Members are gradually increasing their

procurement of transportation and port services from Wubo Technology. The Company estimates that for the year ending 31 December 2026, the amount of Shandong Energy Members' procurement of the above transportation and port services from Wubo Technology will increase by approximately RMB1,456.47 million year-on-year compared to 2025. Furthermore, it is expected that in 2027 and 2028, with the continued growth of the import and export business of Shandong Energy Members and the further deepening of the cooperative relationship between the two parties, the scale of transportation and port services provided by Wubo Technology will remain stable with an upward trend, and the overall transaction amount is expected to maintain a steady growth trend.

Reasons for and benefits of entering into the Proposed Mutual Provision of Labor and Services Agreement

Proposed Mutual Provision of Labor and Services Agreement effectively covers the continuous transactions between the Shandong Energy Members and the Target Companies after the completion of the Transactions, which is conducive to ensuring the stability of the operations of the Target Companies, and is in line with the Company's production and operation and further business integration needs.

As regards the provision of labor and services by the Shandong Energy Members to the Company, relying on its huge asset volume and internal demand, the Shandong Energy Members has established a strong capacity in providing services such as repair and maintenance services, construction engineering and management services, canteen operations services and security services in Shandong Province, Shaanxi Province and Inner Mongolia Autonomous Region and is an important service provider in the relevant regional market. The Group can obtain timely and stable supply from the Shandong Energy Members, thereby reducing the operating risks, which is favourable to the normal production and operation of the Group. The qualifications and quality of labor and services provided by the Shandong Energy Members have been approved and certified by governmental departments or industries, which can ensure that reliable and quality-assured labor and services are available to the Group.

As regards the provision of labor and services by the Group to the Shandong Energy Members, leveraging on the Group's advantage of centralised and bulk purchasing, the Group is able to purchase labor and services at lower prices and sell them to the Shandong Energy Members at prices no less favourable than the Market Price, which will enhance the operating income of the Group. Since the Group has professional qualification of and management experience in providing services such as training services, transportation services, repair and maintenance services and informatization and telecommunication services, the Group can enjoy operating profits by providing such services to the Shandong Energy Members at

a fair price. Leveraging on its experience and advantageous technologies, the provision of professional services to the Shandong Energy Members will enable the Group to gain access to a stable sales market and generate revenue.

The Directors (including the independent non-executive Directors) consider that the Proposed Mutual Provision of Labor and Services Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As stated above, Shandong Energy is a controlling Shareholder, and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Mutual Provision of Labor and Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the provision of labor and services by the Group to the Shandong Energy Members under the Proposed Mutual Provision of Labor and Services Agreement exceeds 0.1% but below 5% on an annual basis, the proposed transactions under the Proposed Mutual Provision of Labor and Services Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but are exempt from the Independent Shareholders' approval requirements.

As the highest of the relevant percentage ratios for the provision of labor and services by the Shandong Energy Members to the Group under the Proposed Mutual Provision of Labor and Services Agreement exceeds 5% on an annual basis, the Proposed Mutual Provision of Labor and Services Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Proposed Provision of Insurance Fund Administrative Services Agreement

On 8 April 2025, the Company entered into the Existing Provision of Insurance Fund Administrative Services Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Provision of Insurance Fund Administrative Services Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, the Company entered into the Proposed Provision of Insurance Fund Administrative Services Agreement with Shandong Energy to renew and supersede the Existing Provision of Insurance Fund Administrative Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Provision of Insurance Fund Administrative Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Provision of Insurance Fund Administrative Services Agreement becomes effective, (i) the Existing Provision of Insurance Fund Administrative Services Agreement would be superseded with effect from 1 January 2026, and (ii) all transactions performed under the Existing Provision of Insurance Fund Administrative Services Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Provision of Insurance Fund Administrative Services Agreement.

Set out below are the major terms of the Proposed Provision of Insurance Fund Administrative Services Agreement:

Date

3 June 2026

Parties

(1) the Company; and

(2) Shandong Energy

Term

Three years commencing from 1 January 2026 and expiring on 31 December 2028

Major terms

The Group and the Shandong Energy Members will, in accordance with the provisions of the relevant laws, rules, regulations and other regulatory documents as well as the requirements of the governmental social insurance administration, handle the administration and transfer of insurance fund for each other. In respect of such administration and transfer of insurance fund services, both parties agreed not to charge each other any service fee or advance any funds.

The Group and the Shandong Energy Members shall calculate the insurance fund payable based on the remuneration level of the relevant employees on a monthly basis in accordance with the relevant national laws and regulations and the relevant internal systems, and remit the full amount of such fund to the respective special account for such fund set up by one party for the other (the

"**Special Account for Insurance Fund**") by the end of the month. The Group and the Shandong Energy Members shall transfer the insurance fund for the employees of the other party in accordance with the relevant laws and regulations.

The Group and the Shandong Energy Members shall provide the other party with an annual explanation of the use of the funds in the Special Account for Insurance Fund, and one party shall have the right to supervise and inspect the use of the Special Account for Insurance Fund by the other party.

Pricing

The provision of insurance fund administrative services under the Proposed Provision of Insurance Fund Administrative Services Agreement is on a free-of-charge basis.

The historical amounts, estimated amounts for future years and reasons

The historical amounts in respect of the insurance fund transferred under the free transfer services provided by Shandong Energy Members to the Group for the two financial years ended 31 December 2024 and 2025 were approximately RMB454,790,000 and RMB563,080,000, respectively. The historical amounts in respect of the insurance fund transferred under the free transfer services provided by the Group to the Shandong Energy Members for the two financial years ended 31 December 2024 and 2025 were approximately RMB261,840,000 and RMB205,560,000, respectively.

Under the Proposed Provision of Insurance Fund Administrative Services Agreement, for the three financial years ending 31 December 2026, 2027 and 2028, the amounts of insurance funds that Shandong Energy Members will administer for the Group on a free-of-charge basis will be RMB1,197 million, RMB1,228 million and RMB1,258 million, respectively. The above amounts are estimated mainly taking into account: (i) Shandong Energy will continue to provide insurance fund administrative services to New Energy Group (which will become a subsidiary of the Company upon completion of the Transactions) after the completion of the Transactions. It is expected that the amounts of insurance funds transferred under the free transfer services to New Energy Group from 2026 to 2028 will be RMB15.18 million, RMB14.94 million and RMB16.43 million, respectively; (ii) Shandong Energy Group Northwest Mining Co., Ltd. was consolidated into the Group in the second half of 2025, resulting in a small actual amount of insurance funds transferred under the free transfer services for 2025, amounting to only RMB4.76 million. For the years from 2026 to 2028, such amounts are expected to increase to RMB424.89 million, RMB438.19 million and RMB438.19 million, respectively.

In addition, based on the total payroll of relevant employees involved in the social insurance contributions and the applicable contribution ratios for the previous year, the Company estimates that under the Proposed Provision of Insurance Fund Administrative Services Agreement, for the three financial years

ending 31 December 2026, 2027 and 2028, the amounts of insurance funds that the Group will administer for Shandong Energy Members on a free-of-charge basis will be RMB400 million, RMB444 million and RMB477 million, respectively. The above amounts are estimated mainly taking into account: (i) the amounts of insurance funds that the Group will administer for Shandong Energy Members on a free-of-charge basis was approximately RMB205.56 million; (ii) due to changes in the social security contribution process arising from organisational and personnel adjustments, the amount of insurance funds that the Group will administer for the employees of our connected subsidiaries has increased and (iii) in view of the year-on-year increase in the average social wage level, the Company expects that the wages of relevant employees will increase accordingly, and the contribution amounts for social insurance and housing provident fund will also increase correspondingly. It is expected that such amounts will continue to rise from 2026 to 2028.

Reasons for and benefits of entering into the Proposed Provision of Insurance Fund Administrative Services Agreement

Having considered the continuous provision of insurance fund administrative services on a free-of-charge basis by Shandong Energy to the Target Companies (which will become subsidiaries of the Company upon completion of the Transactions) after completion of the Transactions, the Board considers that it is necessary to enter into the Proposed Provision of Insurance Fund Administrative Services Agreement to renew and supersede the Existing Provision of Insurance Fund Administrative Services Agreement.

Before the closing of the Transactions, insurance payments such as social insurance, housing provident fund of some employees of the Target Companies were transferred by Shandong Energy to the relevant authorities. After the closing of the Transactions, according to the relevant requirements of social insurance management, the aforesaid insurance premiums of the Target Companies will still be transferred from Shandong Energy to the relevant authorities, and in order to protect the interests of the employees, it would be the most efficient if Shandong Energy provides free transfer services of insurance payments to the Company.

The Directors (including the independent non-executive Directors) consider that the Proposed Provision of Insurance Fund Administrative Services Agreement and the transactions contemplated thereunder are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Provision of Insurance Fund Administrative Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the insurance fund administrative services do not involve the charging of any service fees, the Proposed Provision of Insurance Fund Administrative Services Agreement and the transactions contemplated thereunder are exempt from all reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, and no annual cap is required to be set for the provision of such services.

According to the applicable Listing Rules of the Shanghai Stock Exchange and the relevant provisions of the Articles of Association, the Company will submit the resolution relating to the Proposed Provision of Insurance Fund Administrative Services Agreement and the transactions contemplated thereunder for the Independent Shareholders' approval at the General Meeting.

4. Proposed Provision of Products, Materials and Asset Leasing Agreement

On 8 April 2025, the Company entered into the Existing Provision of Products, Materials and Asset Leasing Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcement of the Company dated 8 April 2025, and the circular of the Company dated 15 May 2025 for the details of the Existing Provision of Products, Materials and Asset Leasing Agreement.

On 3 June 2026, the Company entered into the Proposed Provision of Products, Materials and Asset Leasing Agreement with Shandong Energy to renew and supersede the Existing Provision of Products, Materials and Asset Leasing Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Provision of Products, Materials and Asset Leasing Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Provision of Products, Materials and Asset Leasing Agreement becomes effective, (i) the Existing Provision of Products, Materials and Asset Leasing Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Provision of Products, Materials and Asset Leasing Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Provision of Products, Materials and Asset Leasing Agreement.

Set out below are the major terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement:

Date

3 June 2026

Parties

(1) the Company; and

(2) Shandong Energy

Term

Three years commencing from 1 January 2026 and expiring on 31 December 2028

Major Terms

Pursuant to the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Group would provide the following to the Shandong Energy Members: coal products, electricity, chemical products (methanol, glycol, acetic acid, ammonia, ammonium sulfate and other chemical products), materials (including but not limited to steel, non-ferrous metal, timber, grease and oil products, bearings, mining equipment and machineries such as hydraulic support and rubber conveyors, and other similar materials) and asset leasing (equipment, property leasing).

On or before 30 November each year, the requesting party may provide to the supplying party an annual plan of the supplies or services that it requires from the other in the coming year and the parties shall agree on the annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement.

Payment

(1) The payment of consideration of the Proposed Provision of Products, Materials and Asset Leasing Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Provision of Products, Materials and Asset Leasing Agreement in its accounts on or before the last Working Day of that calendar month.

Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing

The price of coal products, chemical products, materials and asset leasing shall be determined according to the Market Price. The market price shall be determined according to normal commercial terms based on the following:

(1) the price offered by Independent Third Parties for provision of the same or similar type of products or services in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or

(2) if the foregoing (1) is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of products or services under normal commercial terms in the ordinary course of business of such Independent Third Parties.

To determine the Market Price, the sales department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations from at least two Independent Third Parties via emails, fax or phone or tenders by publishing tender notice through various media resources, such as local newspapers. The sales department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above. The Company will also refer to the prices at which the Group sells the same or similar types of products and services to customers which are Independent Third Parties in the ordinary course of business, and will consider factors such as the specifications, quantity, delivery arrangements, payment terms, scope of services and prevailing market supply and demand conditions of the products or services, to ensure that the prices offered to the Shandong Energy Members are not more favourable than the comparable prices offered by the Group to customers which are Independent Third Parties.

The price of electricity shall be determined with reference to the electricity trading price in the electricity spot market of Shandong Province and would be settled according to the actual usage of electricity by the Shandong Energy Members. The source of the electricity price is the Shandong Electric Power Trading Center (山東電力交易中心). Pursuant to the rules of the *Shandong Electric Power Market Rules (Trial) (Revised April 2026)* (《山東電力市場規則(試行)(2026年4月修訂版)), the real-time market electricity price of the Shandong electricity spot market is updated every 15 minutes, forming the real-time nodal electricity price for the next 2 hours. In addition, the Company and the Shandong Energy Members also refer to the bilateral negotiated electricity prices published monthly

by major power generation enterprises in Shandong Province at the Shandong Electric Power Trading Center to determine the applicable medium- and long-term electricity trading prices.

If at any time the nationwide pricing is in force and applicable to the products and services under the Proposed Provision of Products, Materials and Asset Leasing Agreement, the price of such products and services shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such agreed provision in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC (as the case may be).

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Provision of Products, Materials and Asset Leasing Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

The historical amounts, proposed annual caps and reasons

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the provision of products, materials and asset leasing:

For the year ended 31 December 2024		**For the year ended 31 December 2025**		**For the year ending 31 December 2026**
Annual cap *(RMB'000)*	**Actual amount** *(RMB'000)*	**Annual cap** *(RMB'000)*	**Actual amount** *(RMB'000)*	**Existing annual cap** *(RMB'000)*
14,532,000	8,696,270	15,261,000	12,261,155	16,872,000

As of the Latest Practicable Date, the transaction amounts of the continuing connected transactions under the Existing Provision of Products, Materials and Asset Leasing Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026. Having considered the reasons set out below, the Board proposed that the annual amount payable by the Shandong Energy Members to the Company under the Proposed Provision of Products, Materials and Asset Leasing Agreement shall not exceed RMB18,684 million, RMB19,936 million and RMB20,732 million for the three financial years ending 31 December 2026, 2027 and 2028, respectively.

(1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Provision of Products, Materials and Asset Leasing Agreement and the current specific arrangements and needs of the Group's existing subsidiaries for the provision of products and services to the Shandong Energy Members under this continuing connected transaction. For the year ended 31 December 2025, the actual transaction amount paid by the Shandong Energy Members to the Group under the Existing Provision of Products, Materials and Asset Leasing Agreement was approximately RMB12,261.16 million.

(2) For the year ended 31 December 2025, the actual transaction amount of coal sales by the Group to the Shandong Energy Members under the Existing Provision of Products, Materials and Asset Leasing Agreement was approximately RMB10,173.49 million. It is expected that this transaction amount will continue to grow in 2026, 2027 and 2028. The main reason is that the coal production scale of the Company and its subsidiaries continued to expand. In order to ensure the release of coal production capacity and improve coal sales efficiency, the Group increased sales efforts to internal customers such as Shandong Energy Members and actively expanded internal sales channels. The Group has commenced sales to several Shandong Energy Members with actual coal procurement needs, and preliminary cooperation intentions have been reached for some other partnerships. It is anticipated that the above cooperation will positively drive the coal sales revenue of the Group for the next three financial years. The Company estimates that for each of the three financial years ending 31 December 2026, 2027 and 2028, the amounts of coal purchases by Shandong Energy Members from the Group will be RMB14,670.19 million, RMB15,705.40 million and RMB16,283.87 million, respectively.

(3) Based on currently reached cooperation intentions, the Group's sales of chemical products such as methanol to chemical enterprises under Shandong Energy have increased. It is estimated that for the three financial years ending 31 December 2026, 2027 and 2028, the relevant amounts will increase by RMB597.93 million, RMB539.80 million and RMB544.49 million, respectively.

Reasons for and benefits of entering into the Proposed Provision of Products, Materials and Asset Leasing Agreement

As Shandong Energy is in close proximity to the Company and the Company can obtain Shandong Energy's demand plan more easily and the provision of products and materials by the Group to the Shandong Energy Members at Market Price can enable the Group to achieve a stable sales market and reduce management and operational costs of the Group. Meanwhile, the Group's materials supply centre has the qualification for materials and equipment distribution. Hence, it is able to purchase materials and equipment at a lower wholesale price, and subsequently resell to the Shandong Energy Members at the

Market Price, thereby increasing the Company's operating profit. Furthermore, the Group's equipment management centre can provide equipment leasing to the Shandong Energy Members under normal commercial terms based on its operation needs and thus could effectively control the risks of leasing business and achieve economic benefits.

The Directors (including the independent non-executive Directors) consider that the Proposed Provision of Products, Materials and Asset Leasing Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As stated above, Shandong Energy is a controlling Shareholder, and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Provision of Products, Materials and Asset Leasing Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the transactions under the Proposed Provision of Products, Materials and Asset Leasing Agreement exceeds 5% on an annual basis, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. Proposed Bulk Commodities Sale and Purchase Agreement

On 8 April 2025, the Company entered into the Existing Bulk Commodities Sale and Purchase Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. Please refer to the announcements of the Company dated 8 April 2025, and the circulars of the Company dated 15 May 2025 for the details of the Existing Bulk Commodities Sale and Purchase Agreement.

On 3 June 2026, the Company entered into the Proposed Bulk Commodities Sale and Purchase Agreement with Shandong Energy to renew and supersede the Existing Bulk Commodities Sale and Purchase Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Bulk Commodities Sale and Purchase Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Bulk Commodities Sale and Purchase Agreement becomes effective, (i) the

Existing Bulk Commodities Sale and Purchase Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Bulk Commodities Sale and Purchase Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Bulk Commodities Sale and Purchase Agreement.

Set out below are the major terms of the Proposed Bulk Commodities Sale and Purchase Agreement:

Date

3 June 2026

Parties

(1) the Company; and

(2) Shandong Energy

Term

Three years commencing from 1 January 2026 and expiring on 31 December 2028

Major terms

Under the Proposed Bulk Commodities Sale and Purchase Agreement, the Group and the Shandong Energy Members may, from time to time, sell or purchase coal, iron ores, rubber and other bulk commodities from each other.

On or before 30 November each year, the requesting party may provide to the supplying party an annual assessment of the supplies that it requires from the other in the coming year and the parties shall agree on the annual plan for the coming year before 31 December each year. The parties may enter into specific contracts in accordance with the terms of the Proposed Bulk Commodities Sale and Purchase Agreement.

Payment

(1) The payment of consideration of the Proposed Bulk Commodities Sale and Purchase Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Bulk Commodities Sale and Purchase Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments

made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing

The prices of coal, iron ores, rubber and other bulk commodities shall be determined according to the Market Price. The market price shall be determined according to normal commercial terms based on the following:

(1) the price offered by Independent Third Parties for provision of the same or similar type of bulk commodities in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties;

(2) if the foregoing is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of bulk commodities under normal commercial terms in the ordinary course of business of such Independent Third Parties; and

(3) If any national pricing policy becomes effective and applicable to any bulk commodities under the purchase and sale agreement at any time, the parties agree that the agreed purchase and sale price of such bulk commodities is subject to such national pricing policy.

To determine the Market Price, the sales department or purchase department of the Company and its designated personnel are mainly responsible for checking the prices offered by other Independent Third Parties generally through obtaining quotations to determine the Market Price. Quotations are obtained through emails, fax or telephone inquiries to at least two Independent Third Parties, or through various media resources (such as local newspapers) by publishing tender notices and obtaining bids from tender documents. The sales department or purchase department of the Company will update the relevant information from time to time based on the procurement demand and continue to monitor the Market Price to ensure that each transaction is conducted in accordance with the pricing policy set out above. In respect of the sale of bulk commodities by the Group to the Shandong Energy Members, the Company will also refer to the prices at which the Group sells the same or similar types of bulk commodities to customers which are Independent Third Parties in the ordinary course of business, and will consider factors such as the specifications, quantity, delivery arrangements, payment terms, scope of services and prevailing market supply and demand conditions, to ensure that the prices offered to the Shandong Energy Members are not more favourable than the comparable prices offered by the Group to customers which are Independent Third Parties.

Shandong Energy has undertaken that the price of such bulk commodities would not be higher than the price offered by Shandong Energy to any Independent Third Parties for the same type of bulk commodities under any circumstances.

In the event that the terms or conditions in respect of the supply or purchase of similar bulk commodities by any Independent Third Parties are better than those offered by the Shandong Energy Members, or if the provision of such bulk commodities by the Shandong Energy Members cannot meet the demand of the Company (including quantity and quality), the Company would be entitled to purchase any such bulk commodities from Independent Third Parties or sale any bulk commodities to Independent Third Parties.

If at any time the nationwide pricing is in force and applicable to a certain agreed bulk commodity under the Proposed Bulk Commodities Sale and Purchase Agreement, both parties agree that the agreed price of such bulk commodity shall be determined in accordance with the nationwide pricing. Such nationwide pricing means the price stipulated for such agreed bulk commodities in accordance with the laws, regulations, decisions, orders or pricing policies formulated by the relevant governmental authorities in the PRC.

Accordingly, the Directors believe that the above methods and procedures can ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the Proposed Bulk Commodities Sale and Purchase Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

The historical amounts, proposed annual caps and reasons

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the bulk commodities sale and purchase:

Category	**For the year ended 31 December 2024**		**For the year ended 31 December 2025**		**For the year ending 31 December 2026**
	Annual cap *(RMB'000)*	**Actual amount** *(RMB'000)*	**Annual cap** *(RMB'000)*	**Actual amount** *(RMB'000)*	**Existing Annual cap** *(RMB'000)*
Sales of bulk commodities from the Group to the Shandong Energy Members	8,000,000	3,653,970	8,223,000	2,562,041	6,217,000
Sales of bulk commodities from the Shandong Energy Members to the Group	4,439,000	2,651,780	11,683,000	4,562,397	19,209,000

As of the Latest Practicable Date, the transaction amounts of the continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Set out below are the proposed annual caps for each transaction category under the Proposed Bulk Commodities Sale and Purchase Agreement for each of the three financial years ending 31 December 2028.

Having considered the historical figures and the reasons set out below, the Board proposed that the proposed annual caps for each transaction category under the Proposed Bulk Commodities Sale and Purchase Agreement for the three financial years ending 31 December 2026, 2027 and 2028 are set out below:

Category	**Annual cap for the year ending 31 December 2026** *(RMB million)*	**Annual cap for the year ending 31 December 2027** *(RMB million)*	**Annual cap for the year ending 31 December 2028** *(RMB million)*
Sales of bulk commodities from the Group to the Shandong Energy Members	6,217	8,376	8,443
Sales of bulk commodities from the Shandong Energy Members to the Group	8,000	9,000	10,000

The proposed annual caps for each transaction category under the Proposed Bulk Commodities Sale and Purchase Agreement are determined mainly based on the following reasons:

Basis of the proposed caps for sales of bulk commodities by the Group to the Shandong Energy Members

(1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement and the current specific arrangements and future estimated business needs of the Group's existing subsidiaries for the sale of bulk commodities to the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Group's sale of bulk commodities to the Shandong Energy Members was approximately RMB2,562.04 million.

(2) Yancoal Australia Limited (兗煤澳大利亞有限公司) ("**Yancoal Australia**"), a subsidiary of the Group, in order to achieve better returns, intends to increase the volume of coal sold to the domestic market of China and utilise the trading companies under Shandong Energy to expand sales channels. It is expected that the sales amount to the trading companies under Shandong Energy will increase by RMB1,831.40 million, RMB4,221.75 million and RMB4,221.75 million for the years from 2026 to 2028, respectively.

(3) According to the business development plans of certain thermal power plants and chemical plants under Shandong Energy, it is expected that the demand for coal will continue to increase. Based on their coal procurement plans and the sales intentions already reached with the Group's subsidiary trading companies, it is expected that the coal sales amount to such Shandong Energy Members will increase by RMB830.38 million, RMB908.47 million and RMB908.47 million for the years from 2026 to 2028, respectively.

Basis of the proposed caps for sales of bulk commodities by the Shandong Energy Members to the Group

(1) Based on the historical transaction amounts of the continuing connected transactions under the Existing Bulk Commodities Sale and Purchase Agreement and the current specific arrangements and future estimated business needs of the Group's existing subsidiaries for the purchase of bulk commodities from the Shandong Energy Members. For the year ended 31 December 2025, the actual transaction amount of the Group's purchase of bulk commodities from the Shandong Energy Members was approximately RMB4,562.40 million.

(2) The Group's subsidiary trading companies intend to leverage the supply sources of the controlling shareholder and their own sales channel advantages to expand the scale of coal trading, creating new procurement demand for bulk commodities.

Reasons for and benefits of entering into the Proposed Bulk Commodities Sale and Purchase Agreement

The entering into of the Proposed Bulk Commodities Sale and Purchase Agreement will help to alleviate the impact of economic cycle fluctuations on the business performance of the Group, enlarge the overall operating scale and improve the profitability of the Group. Furthermore, the Proposed Bulk Commodities Sale and Purchase Agreement will enable the Group and the Shandong Energy Members to share the suppliers and customers in their respective resourcing and distribution channels which cover different areas, and thus bringing the advantages of both the Group and the Shandong Energy

Members in their resourcing and distribution channels into full play, thereby creating a synergistic effect that could expand the trading size, improve the sales volume and improve the revenue of both parties.

In addition, as the Company has a better understanding in the operation and reputation of the Shandong Energy Members, the Company believes that the risk of trading with the Shandong Energy Members is lower than trading with Independent Third Parties. By purchasing bulk commodities from the Shandong Energy Members, the Group could secure a long-term and stable source of supply. By selling bulk commodities to the Shandong Energy Members, the Company could ensure the safety of the transactions, including payment recoveries. Collectively, this could reduce the operational risks of the entire trading business of the Group.

Under the Proposed Bulk Commodities Sale and Purchase Agreement, the coal, iron ores, rubber and other types of bulk commodities purchased by the Group from the Shandong Energy Members are of different sources, batches, types or models from the coal, iron ores, rubber and other types of bulk commodities sold by the Group to the Shandong Energy Members. No cross selling will be made under the Proposed Bulk Commodities Sale and Purchase Agreement.

The Directors (including the independent non-executive Directors) consider that the Proposed Bulk Commodities Sale and Purchase Agreement, the transactions contemplated thereunder and the proposed annual caps thereunder are (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As mentioned above, Shandong Energy is a controlling shareholder and therefore constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Bulk Commodities Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios in respect of the transactions under the Proposed Bulk Commodities Sale and Purchase Agreement exceeds 5% on an annual basis, the Proposed Bulk Commodities Sale and Purchase Agreement, the transactions contemplated thereunder and the proposed annual caps thereunder are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. Proposed Finance Lease and Factoring Agreement

On 8 April 2025, the Company entered into the Existing Finance Lease and Factoring Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Finance Lease and Factoring Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, the Company entered into the Proposed Finance Lease and Factoring Agreement with Shandong Energy to renew and supersede the Existing Finance Lease and Factoring Agreement on substantially the same terms, meanwhile, the scope of services will be expanded by including the provision of factoring services by the Group to the Shandong Energy Members in the Proposed Finance Lease and Factoring Agreement.

Unless otherwise agreed by the parties in writing, the Proposed Finance Lease and Factoring Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Finance Lease and Factoring Agreement becomes effective, (i) the Existing Finance Lease and Factoring Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Finance Lease and Factoring Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Finance Lease and Factoring Agreement.

Set out below are the major terms of the Proposed Finance Lease and Factoring Agreement:

Date

3 June 2026

Parties

(1) the Company; and

(2) Shandong Energy

Term

Three years commencing from 1 January 2026 and expiring on 31 December 2028

Main Arrangements of the Finance Leasing and Factoring Service

Under the Proposed Finance Lease and Factoring Agreement, the Company will provide finance leasing services (including direct leasing and sale-leaseback), factoring and related services to the Shandong Energy Members.

The leased assets under the Proposed Finance Lease and Factoring Agreement include machinery and equipment, facilities and other movable and immovable properties.

Under the direct finance leasing service, the Company or its subsidiaries (as lessor) will purchase the leased assets based on the demands and requirements of the Shandong Energy Members (as lessee) from Independent Third-party suppliers, and will then lease the leased assets to the Shandong Energy Members for their use in return for periodic lease payments. The ownership of the leased assets will be solely vested in the Company or its subsidiaries during the lease period. The Shandong Energy Members could choose to purchase the leased assets after expiry of the lease or upon the consent of the Company or its subsidiaries prior to the expiry of the lease, subject to compliance with the then relevant requirements of the regulatory rules of the place of listing of the Company.

Under the sale-leaseback service, the Shandong Energy Members (as lessee) will sell the leased assets to the Company or its subsidiaries (as lessor) at a negotiated purchase price with reference to the book value, the appraisal value, and/or the original acquisition costs of the leased assets, and the Company or its subsidiaries will then lease the leased assets back to the Shandong Energy Members for their use in return for periodic lease payments. The ownership of the leased assets will be solely vested in the Company or its subsidiaries during the lease period. The Shandong Energy Members could choose to purchase the leased assets after expiry of the lease or upon the consent of the Company or its subsidiaries prior to the expiry of the lease, subject to compliance with the then relevant requirements under the Listing Rules.

The Company or its subsidiaries intend to pay the purchase price for the leased assets by way of its internal funds and financing funds. The principal amount of each finance leasing service will be equal to the respective purchase price of the leased assets. The principal and interest with respect to the provision of finance leasing service will be paid by the Shandong Energy Members according to the equal-principal or average-capital-plus interests standard on a quarterly basis. The Company or its subsidiaries will also charge commission fees or consulting fees with respect to the provision of finance leasing service. Such commission fees or consulting fees will be paid by the Shandong Energy Members to the Company or its subsidiaries in a lump sum upon or prior to the Company or its subsidiaries' payment of the consideration for the transfer of the leased assets.

In addition, the Group will provide factoring services for the accounts receivable with recourse to the Shandong Energy Members.

Separate Individual Agreement(s)

With respect to the provision of each Finance Leasing and Factoring Service, the Company or its subsidiaries and the Shandong Energy Members will enter into separate individual agreement(s) pursuant to the Proposed Finance Lease and Factoring Agreement and the transactions contemplated thereunder shall be conducted on normal commercial terms or better and no less favourable to the Company than the same offered by the Shandong Energy Members to Independent Third Parties for receiving comparable finance leasing or factoring service. The term of the separate individual agreement(s) may exceed the term of the Proposed Finance Lease and Factoring Agreement subject to the domestic and overseas approval procedures for connected transactions.

Pricing of Finance Lease Services

The interest rate and relevant fees to be agreed for the finance leasing service shall be fair and reasonable and on normal commercial terms or better. In particular, when determining the effective interest rate, the Company shall make reference to the following non-exhaustive factors:

(1) The lowest interest rate shall be the yield of treasury bonds with the same tenor, and the highest interest rate shall be 150 basis points above the quoted interest rate on the loan market for the same period announced by the National Interbank Funding Center;

(2) all other relevant fees, including the annual commission fees and consulting fees not higher than 1% of the principal per annum of the relevant finance lease agreement; and

(3) The rentals under the financial leasing services shall be paid by Shandong Energy Members to the Company or its subsidiaries on a quarterly basis through equal principal payment method or equal installment payment method. The handling fee and consultancy fee shall be collected in a single lump-sum payment on or before the date of lease asset transfer payment.

Prior to entering into a specific finance leasing service agreement, the Group, as the provider of finance leasing services, will use the Group's effective borrowing rate at the relevant time as the lower pricing limit, and will overlay factors such as risk premium and strategic orientation, and also comprehensively consider parameters including the asset status, credit risk and external financing capability of the Shandong Energy Members, to comprehensively determine the finance lease price, so as to ensure that the effective interest rate charged to the Shandong Energy Members is higher than the Group's effective borrowing rate. At the same time, before entering into specific transactions, the Company and its subsidiaries will, where feasible, refer to not less than two comparable market data, including the terms of comparable finance leasing transactions provided by the Company and its subsidiaries to lessees which are Independent Third Parties,

and comparable quotations or terms provided by independent finance leasing companies or financial institutions, to ensure that the effective interest rate, fees, payment conditions and other material terms provided by the Group to the Shandong Energy Members are not more favourable than the comparable terms offered to lessees which are Independent Third Parties, and are no less favourable to the Company and its subsidiaries than the terms for similar transactions with Independent Third Parties.

Pricing of Factoring Service

The factoring service provided by the Group to the Shandong Energy Members under the Proposed Finance Lease and Factoring Agreement will be conducted on normal or better commercial terms. The process of determining the pricing of the factoring service is set out as follows:

(1) The Shandong Energy Members will transfer the amount to the Company or its subsidiaries at a price determined through negotiation based on the book value or appraised value of accounts receivable, and the Company or its subsidiaries will provide them with a series of services such as fund financing, purchaser's credit rating, sales account management, credit risk guarantee, and account collection;

(2) During the validity period of the Proposed Finance Lease and Factoring Agreement, the lowest interest rate implemented for the factoring and other services provided by the Company or its subsidiaries to the Shandong Energy Members is the yield of the same term government bonds, and the highest interest rate is 150 basis points higher than the quoted market lending rate published by the National Interbank Funding Center at the same period; and

(3) The commission fees or consulting fees for the factoring and other services provided by the Company or its subsidiaries to the Shandong Energy Members shall be charged at a rate not higher than 1% of the principal of the financing every year. The commission fees or consulting fees shall be charged in one lump sum on or before the date of paying the transfer price of accounts receivable.

The historical amounts, proposed annual caps and reasons

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions in respect of the provision of finance lease and factoring services by the Group to the Shandong Energy Members:

Category	For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
	Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	Annual cap *(RMB'000)*
Maximum transaction amount[1]	1,000,000	1,000,000	2,000,000	550,000	5,250,000
Maximum interest and fees payment[2]	85,000	1,890	170,000	14,090	268,000
Total	**1,085,000**	**1,001,890**	**2,170,000**	**564,090**	**5,518,000**

Note 1 i.e., the aggregate of the highest daily outstanding principal amount under the finance lease services provided to the Shandong Energy Members, and the highest daily balance of principal receivable transferred by the Shandong Energy Members to the Group under factoring services, at any time point during the year

Note 2 i.e., the aggregate amount of the interests, commission fees and the consulting fees

As of the Latest Practicable Date, the transaction amounts of the continuing connected transactions under the Existing Finance Lease and Factoring Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Set out below are the proposed annual caps under the Proposed Finance Lease and Factoring Agreement for each of the three financial years ending 31 December 2028.

Category	Annual cap for the year ending 31 December 2026 *(RMB million)*	Annual cap for the year ending 31 December 2027 *(RMB million)*	Annual cap for the year ending 31 December 2028 *(RMB million)*
Maximum transaction amount[3]	5,250	8,400	11,025
Maximum interest and fees payment[4]	268	428	562
Total	**5,518**	**8,828**	**11,587**

Note 3 i.e., the aggregate of the highest daily outstanding principal amount under the finance lease services provided to the Shandong Energy Members, and the highest daily balance of principal receivable transferred by the Shandong Energy Members to the Group under factoring services, at any time point during the year

Note 4 i.e., proposed annual cap for the aggregate of interests, commission fees and the consulting fees

The proposed annual caps were determined with reference to the fact that the existing business for finance leasing and factoring services of the Shandong Energy Members provided by the Group will be continued in the coming years, and that new finance leasing and commercial factoring business demands will arise.

For the year ended 31 December 2025, the actual daily outstanding principal amount under the finance leasing and factoring services provided by the Group to the Shandong Energy Members was RMB550 million, and the aggregate interests, commission fees and consulting fees during the period amounted to RMB14.09 million. This was due to the fact that, impacted by factors such as the progress of certain project constructions, the funding needs of the Shandong Energy Members have decreased.

The Company expects that such amounts will increase significantly in 2026, 2027 and 2028, mainly due to the following reasons:

(1) The existing business of providing finance leasing and factoring services by the Group to the Shandong Energy Members will continue to be carried out in the coming years;

(2) Yankuang Xinjiang Energy and Chemical Co., Ltd. ("**Xinjiang Energy and Chemical**"), a connected subsidiary of the Company, plans to construct new mines and chemical projects and has substantial funding needs. It has reached a cooperation intention with Yankuang Financial Leasing Company Limited (a subsidiary of the Company engaged in finance leasing business). As the construction of the Wucaiwan coal mine project and the 800,000-tonne olefin project of Xinjiang Energy and Chemical progresses, the amounts of project and equipment payments to be made are gradually increasing. It is expected that in 2026, Yankuang Financial Leasing Company Limited will carry out newly added finance leasing and factoring services with Xinjiang Energy and Chemical and its subsidiaries of approximately RMB3.0 billion, and will continue to add approximately RMB2.5 billion and RMB2.0 billion in 2027 and 2028, respectively;

(3) Yankuang Financial Leasing Company Limited has reached cooperation intentions with certain connected subsidiaries of the Company (including but not limited to Shandong Energy Group Northwest Mining Co., Ltd.) that have equipment renewal needs in the future. It is expected that from 2026 to 2028, it will provide newly added finance leasing services to such companies each year to support their equipment renewal plans.

Reasons for and benefits of entering into the Proposed Finance Lease and Factoring Agreement

By the provision of the finance leasing and factoring service to the Shandong Energy Members, the subsidiaries of the Company engaged in financial leasing and factoring business will be able to conduct centralized procurement of equipment and financing to improve the Group's bargaining advantage over equipment procurement and credit financing and to improve the profitability and competitiveness of the Group. Meanwhile, the provision of asset leasing services to Shandong Energy on normal commercial terms will enable the Group to effectively control the risks of its financial leasing business, and the interest payment generated from the finance leasing service (after deducting the financing costs) will enable the Group to obtain a stable cash flow.

The Directors (including the independent non-executive Directors) consider that the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and the proposed annual caps are: (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Finance Lease and Factoring Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios for the transactions under the Proposed Finance Lease and Factoring Agreement exceeds 5% on an annual basis, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and the proposed annual caps are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

7. Proposed Entrusted Management Service Framework Agreement

On 8 April 2025, the Company entered into the Existing Entrusted Management Service Framework Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Entrusted Management Service Framework Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, the Company entered into the Proposed Entrusted Management Service Framework Agreement with Shandong Energy to renew and supersede the Existing Entrusted Management Service Framework Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Entrusted Management Service Framework Agreement shall take effect upon execution by the respective legal representatives or the authorised representatives of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Entrusted Management Service Framework Agreement becomes effective, (i) the Existing Entrusted Management Service Framework Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Entrusted Management Service Framework Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Entrusted Management Service Framework Agreement.

Set out below are the major terms of the Proposed Entrusted Management Service Framework Agreement:

Date

3 June 2026

Parties

(1) the Company; and

(2) Shandong Energy

Term

Three years commencing from 1 January 2026 and expiring on 31 December 2028

Major terms

Pursuant to the Proposed Entrusted Management Service Framework Agreement, the Group will provide management services to the Shandong Energy Members in relation to the target assets. The service scope includes but is not limited to, strategic management, industrial development, major safety technology management, management of related production and operation, and product sales, as well as undertaking the regulatory responsibility for major safety and environmental protection issues of target assets as required by laws.

The parties will determine the specific scope of target assets for entrusted management, the authorization relating to the management of specific assets and entrusted management fees through separate negotiation, which shall be clarified in an entrusted management implementation agreement and may be adjusted under the framework of the Proposed Entrusted Management Service Framework Agreement through negotiation.

During the period of entrusted management, the ownership of target assets remains unchanged, the ownership of and revenue from target assets shall be vested to the Shandong Energy Members, and Shandong Energy Members are entitled to participate in the decision-making on the overall design, planning and coordinated development of target assets.

During the period of entrusted management, the target assets will not be consolidated into the financial statements of the Company or its subsidiaries. The Group will be entitled to the entrusted management fee in relation to the management services provided during the period of entrusted management.

Pricing

During the term of the Proposed Entrusted Management Service Framework Agreement, the accumulated entrusted management fee received by the Group from the Shandong Energy Members in relation to the target assets shall not exceed RMB60 million.

The specific entrusted management fee for target assets will be determined according to the status of target assets, the Group's expenses arising from entrusted management and the profitability of target assets.

If any national pricing policy becomes effective and applicable to any agreed entrusted management issues, the specific entrusted management fee for target assets is subject to such national pricing. National pricing means the price of entrusted management provided by the laws, regulations, decisions, orders or pricing policies issued by competent governmental authorities of the PRC (as the case may be).

Payment

The entrusted management fee shall be paid on an annual basis, and the details shall be determined by the parties according to the conditions of target assets through separate negotiation.

The historical amounts, proposed annual caps and reasons

Set out below are the annual cap and the historical transaction amount for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 in respect of the transactions relating to the entrusted management service:

For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
Annual cap *(RMB'000)*	**Actual amount** *(RMB'000)*	**Annual cap** *(RMB'000)*	**Actual amount** *(RMB'000)*	**Existing annual cap** *(RMB'000)*
60,000	41,700	60,000	23,267	60,000

As of the Latest Practicable Date, the transaction amounts of the continuing connected transactions under the Existing Entrusted Management Service Framework Agreement did not exceed the existing annual cap for the financial year ending 31 December 2026.

Having considered the following factors, the Board proposed that the proposed annual caps for the entrusted management fees for each of the financial years ending 31 December 2026, 2027 and 2028 are RMB60 million:

(1) The historical transaction amounts of the continuing connected transactions under the Existing Entrusted Management Service Framework Agreement and the operational arrangements of the Group's existing subsidiaries for managing the units under Shandong Energy and collecting corresponding management service fees. For the year ended 31 December 2025, the actual transaction amount of the Group's provision of management services to the Shandong Energy Members was RMB23.27 million.

(2) Certain subsidiaries of the Company (including but not limited to Shandong Coal Science and Technology Research Institute and Yankuang Financial Leasing Company Limited) are expected to be entrusted with the management of certain units of Shandong Energy and will collect management service fees based on a fixed fee plus revenue sharing. According to the annual operating plans of these entrusted units, their operating income is expected to increase year-on-year, and the management service fees will also increase accordingly. Meanwhile, the Group expects to be entrusted with the management of additional coal and chemical units under Shandong Energy that are business-related to the Group, and the corresponding entrusted management fees will increase accordingly.

(3) After the Transactions, New Energy Group will become a subsidiary of the Company. It is expected that it will be entrusted with the management of certain member companies of Shandong Energy (including but not limited to Shandong Luhua Clean Energy Co., Ltd. and Tengzhou Fuyuan Low-Heat Value Fuel Thermal Power Co., Ltd.). The expected entrusted management fees are approximately RMB10 million per year.

Reasons for and benefits of entering into the Proposed Entrusted Management Service Framework Agreement

By conducting the transactions under the Proposed Entrusted Management Service Framework Agreement, the Company can bring its advantages in resources and professional management in relevant industries into full play, avoid horizontal competition in relevant industries, promote the resource sharing and synergy between the Group and the Shandong Energy Members, tap into the scale advantages, enhance the market competitiveness of the Group in relevant industries, and further improve the economic benefits of the Company.

The Directors (including the independent non-executive Directors) consider that the Proposed Entrusted Management Service Framework Agreement, the transactions contemplated thereunder and the proposed annual cap thereunder are (i) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

As stated above, Shandong Energy is a controlling Shareholder and thus constitutes a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Entrusted Management Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of the relevant percentage ratios in respect of the transactions under the Proposed Entrusted Management Service Framework Agreement is less than 0.1% on an annual basis, the Proposed Entrusted Management Service Framework Agreement, the transactions contemplated thereunder and the proposed annual caps are exempt from reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

According to the applicable Listing Rules of the Shanghai Stock Exchange and the relevant provisions of the Articles of Association, the Company will submit the resolution relating to the Proposed Entrusted Management Service Framework Agreement and the transactions contemplated thereunder for the Independent Shareholders' approval at the General Meeting.

8. Proposed Shandong Energy Financial Services Agreement

On 8 April 2025, Shandong Energy Finance Company entered into the Existing Shandong Energy Financial Services Agreement with Shandong Energy for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Shandong Energy Financial Services Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

On 3 June 2026, Shandong Energy Finance Company entered into the Proposed Shandong Energy Financial Services Agreement with Shandong Energy to renew and supersede the Existing Shandong Energy Financial Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Shandong Energy Financial Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Shandong Energy Financial Services Agreement becomes effective, (i) the Existing Shandong Energy Financial Services Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Shandong Energy Financial Services Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Shandong Energy Financial Services Agreement.

Set out below are the major terms of the Proposed Shandong Energy Financial Services Agreement:

Date

3 June 2026

Parties

(1) Shandong Energy Finance Company; and

(2) Shandong Energy

Major Terms and Pricing Policy

Pursuant to the Proposed Shandong Energy Financial Services Agreement, (1) Shandong Energy Finance Company shall provide financial services to the Shandong Energy Members; and (2) Shandong Energy Finance Company shall subscribe for/purchase money funds distributed by Zhongtai Securities, with Shandong Energy Finance Company paying management fees, sales service fees, or other service charges to Zhongtai Securities.

(1) Shandong Energy Finance Company will provide the following financial services to the Shandong Energy Members:

(i) Deposit services

Shandong Energy Finance Company shall provide deposit services to the Shandong Energy Members in accordance with normal commercial terms with a maximum daily balance (including accrued interests) of not exceeding RMB62.5 billion during the term of the Proposed Shandong Energy Financial Services Agreement.

The interest rate for the Shandong Energy Members' deposit with Shandong Energy Finance Company shall comply with relevant regulations of the People's Bank of China ("PBOC") and be determined on normal commercial terms with reference to the deposit benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by the general commercial banks for the provision of same type of deposit services.

(ii) Comprehensive credit facility services

Shandong Energy Finance Company shall provide comprehensive credit facilities (including but not limited to loans, bill acceptance and discounting, non-financing guarantees, etc.) to the Shandong Energy Members with a maximum daily balance (including accrued interests) of not exceeding RMB32 billion for each of the three years from 2026 to 2028 respectively during the term of the Proposed Shandong Energy Financial Services Agreement.

The interest rate for the loan to be provided by Shandong Energy Finance Company to the Shandong Energy Members shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the loan benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by general commercial banks for the provision of same type of loan services.

(iii) Miscellaneous financial services

Shandong Energy Finance Company shall provide miscellaneous financial services (including but not limited to bill acceptance and discounting services, financing consultation services, credit certification and consultation and agency services, settlement services including payment and receipt, entrusted loans services and other services) to the Shandong Energy Members. The total annual fees charged by Shandong Energy Finance Company for the provision of miscellaneous financial

services to the Shandong Energy Members for the three years from 2026 to 2028 shall not exceed RMB6 million during the term of the Proposed Shandong Energy Financial Services Agreement.

The fees for the provision of miscellaneous financial services to the Shandong Energy Members shall be charged by Shandong Energy Finance Company according to the prescribed rates determined by the PBOC or the National Financial Regulatory Administration. If no such prescribed rates are available, the services fees shall be determined on normal commercial terms with reference to the fees charged by general commercial banks for the provision of the same type of financial services to the Shandong Energy Members.

(2) Zhongtai Securities shall, within the scope of business approved by the China Securities Regulatory Commission, lawfully provide the following securities and financial product services to Shandong Energy Finance Company:

Zhongtai Securities will provide money fund services to Shandong Energy Finance Company during the term of the Proposed Shandong Energy Financial Services Agreement. Shandong Energy Finance Company shall subscribe for/purchase money funds distributed by Zhongtai Securities, with Shandong Energy Finance Company paying management fees, sales service fees, or other service charges to Zhongtai Securities.

The maximum daily investment balance (including the quota for subscribing/purchasing money funds and the remaining account balance) of Shandong Energy Finance Company in money funds distributed by Zhongtai Securities shall not exceed RMB4.0 billion. The management fees, sales service fees, or other service charges imposed by Zhongtai Securities on Shandong Energy Finance Company shall not exceed RMB3 million on an annual basis.

The pricing standards for money fund management fees are primarily based on regulations such as the Securities Investment Fund Law and the Measures for the Administration of Operation of Securities Investment Fund, in addition to the specific terms stipulated in the fund contract. Within the scope permitted by the China Securities Regulatory Commission, fees are determined with reference to the market rates for money market securities investment funds registered in Mainland China. The typical market range for management fees is 0.15%-0.5% per annum; for custody fees, it is generally 0.05% per annum; and for sales service fees, the range is typically 0.01%-0.05% per annum.

Historical Amounts, Proposed Annual Caps and Reasons

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ending 31 December 2026 of relevant transactions:

Category	For the year ended 31 December 2024		For the year ended 31 December 2025		For the year ending 31 December 2026
	Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	Existing Annual cap *(RMB'000)*
Maximum daily balance of deposit	62,500,000	22,525,080	62,500,000	30,327,000	62,500,000
Maximum daily balance of comprehensive credit facility	30,000,000	16,050,700	32,000,000	23,368,000	32,000,000
Aggregate miscellaneous financial services fees	6,000	1,440	6,000	2,543	6,000
Maximum daily investment balance of Shandong Energy Finance Company for subscription/ application of money funds distributed by Zhongtai Securities	–	–	4,000,000	1,000,000	4,000,000
Service fees charged by Zhongtai Securities from Shandong Energy Finance Company	–	–	3,000	0	3,000

As of the Latest Practicable Date, the transaction amount of the continuing connected transactions under the Existing Shandong Energy Financial Services Agreement did not exceed the existing annual cap for the financial year ended 31 December 2026.

In 2025, the maximum daily balance of deposits (including accrued interests) provided by Shandong Energy Finance Company to the Shandong Energy Members was RMB30,327 million. After considering the historical maximum daily balance of deposits provided by Shandong Energy Finance Company to the Shandong Energy Members during the term of the Existing Shandong Energy Financial Services Agreement, as well as the needs of Shandong Energy Members for new project investments, trade financing, material procurement, etc., from 2026 to 2028, and taking into account that the investment and settlement timings of various projects may coincide, leading to a significant increase in their peak fund reserves, the Company expects that the peak deposit amounts of Shandong Energy Members with Shandong Energy Finance Company will increase. Therefore, the Board proposed that the maximum daily balance of deposits (including accrued interests) under the Proposed Shandong Energy Financial Services Agreement shall not exceed RMB62.5 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

In 2025, the maximum daily balance of comprehensive credit facilities (including accrued interests) provided by Shandong Energy Finance Company to the Shandong Energy Members was RMB23,368 million. After considering (i) the

historical maximum daily balances of comprehensive credit facilities provided by Shandong Energy Finance Company to the Shandong Energy Members; (ii) the various financial needs of Shandong Energy Members such as new loans, bills, and guarantees, the Board proposed that the maximum daily balance of comprehensive credit facilities to be provided by Shandong Energy Finance Company to the Shandong Energy Members under the Proposed Shandong Energy Financial Services Agreement shall not exceed RMB32 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

In 2025, the annual fees for other financial services provided by Shandong Energy Finance Company to the Shandong Energy Members were RMB2.54 million. After considering (i) the historical balances of other financial services provided by Shandong Energy Finance Company to the Group for the two years ended 31 December 2025; and (ii) the increasing financial needs of Shandong Energy Members for bills, guarantees, etc., the Board proposed that the maximum annual fees payable for such other financial services under the Proposed Shandong Energy Financial Services Agreement shall not exceed RMB6 million for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

Having considered the estimates of historical idle fund positions and fund management requirements, the maximum daily investment balance (including the quota for subscribing/ purchasing money funds and the remaining account balance) of Shandong Energy Finance Company in money funds distributed by Zhongtai Securities shall not exceed RMB4 billion. Based on the projected fee rates of 0.25% per annum for management fees, 0.01% per annum for sales service fees, and approximately 0.04% per annum for other fees, the management fees, sales service fees, or other service charges imposed by Zhongtai Securities on Shandong Energy Finance Company shall not exceed RMB3 million on an annual basis.

The above annual caps are made on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group.

Reasons for and benefits of entering into the Proposed Shandong Energy Financial Services Agreement

Through the provision of financial services to the Shandong Energy Members, Shandong Energy Finance Company can expand its source of capital through absorbing capital from the Shandong Energy Members, enlarge its business scope, and improve its profitability through providing loan and settlement services to the Shandong Energy Members by means of charging loan interests and other service fees. At the same time, the Company can integrate financial resources and enhance financial innovation capabilities through the platform of Shandong Energy Finance Company.

In addition, the money fund investment business conducted by Shandong Energy Finance Company falls within the scope of its core business operations. Meanwhile, Zhongtai Securities holds the requisite business licenses and qualifications, giving it professional advantages. The collaboration between the two parties will help expand Shandong Energy Finance Company's cash management channels and, under the strict control of compliance risks and the assurance of fund safety, achieve efficient allocation of existing funds and steady value appreciation.

The Directors (including the independent non-executive Directors) consider that the transactions under the Proposed Shandong Energy Financial Services Agreement (excluding the provision of comprehensive credit facility services) are entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the provision of comprehensive credit facility services under the Proposed Shandong Energy Financial Services Agreement is entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

Shandong Energy is a controlling shareholder of the Company directly and indirectly holding 52.84% of the issued share capital of the Company as of the Latest Practicable Date, and thus a connected person of the Company under the Listing Rules. Shandong Energy Finance Company is directly owned as to approximately 53.92% equity interests by the Company, and directly and indirectly owned as to approximately 46.08% equity interests by Shandong Energy, Shandong Energy Finance Company is a connected subsidiary of the Company under the Listing Rules. Accordingly, transactions under the Proposed Shandong Energy Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(i) Deposit services

As the deposit services to be provided by Shandong Energy Finance Company to the Shandong Energy Members under the Proposed Shandong Energy Financial Services Agreement are on normal commercial terms, and no security over the assets of the Group is or will be granted in respect of such services, the deposit services to be provided by Shandong Energy Finance Company to the Shandong Energy Members are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

(ii) Comprehensive credit facility services

As the highest applicable percentage ratio with respect to the proposed annual caps in relation to the provision of comprehensive credit facility services under the Proposed Shandong Energy Financial Services Agreement is more than 5% but less than 25%, such transactions, together with the proposed annual caps are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Such transactions also constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(iii) Miscellaneous financial services

As all of the relevant applicable percentage ratios with respect to the proposed annual caps in relation to the provision of miscellaneous financial services under the Proposed Shandong Energy Financial Services Agreement are less than 0.1%, such transactions are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

(iv) Securities and financial product services

As the highest applicable percentage ratios of the proposed annual caps for the provision of securities and financial product services under the Proposed Shandong Energy Financial Services Agreement are more than 0.1% but less than 5%, such transactions are subject to the reporting and relevant announcement requirement under Chapter 14A of the Listing Rules but are exempt from the Independent Shareholders' approval requirements.

9. Proposed Yankuang Energy Financial Services Agreement

On 8 April 2025, Shandong Energy Finance Company entered into the Existing Yankuang Energy Financial Services Agreement with the Company for a term of three years commencing from 1 January 2025 and expiring on 31 December 2027. For details of the Existing Yankuang Energy Financial Services Agreement, please refer to the announcement of the Company dated 8 April 2025 and the circular of the Company dated 15 May 2025.

Shandong Energy Finance Company is directly owned as to approximately 53.92% by the Company, directly and indirectly owned as to approximately 46.08% by Shandong Energy. The principal businesses of Shandong Energy Finance Company include provision of guarantee between members; provision of entrusted loans between members; provision of bill acceptance and discount services to members; provision of internal fund transfer and settlement services and corresponding settlement between members; accepting deposits from members; provision of loans and finance leasing to members. Shandong Energy Finance Company is a non-banking financial institution legally established with the approval of the relevant national government authorities.

On 3 June 2026, Shandong Energy Finance Company entered into the Proposed Yankuang Energy Financial Services Agreement with the Company to renew and supersede the Existing Yankuang Energy Financial Services Agreement on substantially the same terms.

Unless otherwise agreed by the parties in writing, the Proposed Yankuang Energy Financial Services Agreement shall take effect upon execution by the respective legal representative or the authorised representative of the parties and approval by the Board and Independent Shareholders in accordance with the regulatory requirements of the places where the Shares of the Company are listed, with retrospective effect commencing from 1 January 2026 and ending on 31 December 2028. When the Proposed Yankuang Energy Financial Services Agreement becomes effective, (i) the Existing Yankuang Energy Financial Services Agreement would be superseded with effect from 1 January 2026; and (ii) all transactions performed under the Existing Yankuang Energy Financial Services Agreement since 1 January 2026 would be classified as transactions performed under the Proposed Yankuang Energy Financial Services Agreement.

Set out below are the major terms of the Proposed Yankuang Energy Financial Services Agreement:

Date

3 June 2026

Parties

(1) Shandong Energy Finance Company; and

(2) The Company

Major Terms and Pricing Policy

Pursuant to the Proposed Yankuang Energy Financial Services Agreement, Shandong Energy Finance Company shall provide the following financial services to the Group:

(i) Deposit services

Shandong Energy Finance Company shall provide deposit services to the Group in accordance with normal commercial terms with a maximum daily balance (including accrued interests) shall not exceed RMB27 billion during the term of the Proposed Yankuang Energy Financial Services Agreement.

The interest rate for the Group's deposit with Shandong Energy Finance Company shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the deposits

benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by the general commercial banks for the provision of same type of deposit services.

(ii) Comprehensive credit facility services

Shandong Energy Finance Company shall provide comprehensive credit facilities (including but not limited to loans, bill acceptance and discounting, non-financing guarantees, etc.) during the term of the Proposed Yankuang Energy Financial Services Agreement to the Group with a maximum daily balance (including accrued interests) of not exceeding RMB30 billion for each of the three years from 2026 to 2028.

The interest rate for the loan to be provided by Shandong Energy Finance Company to the Group shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the loan benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by general commercial banks for the provision of same type of loan services.

(iii) Miscellaneous financial services

Shandong Energy Finance Company shall provide miscellaneous financial services (including but not limited to bill acceptance and discounting services, financing consultation services, credit certification and consultation and agency services, settlement services including payment and receipt, entrusted loans services and other services) to the Group. The total agency fees, handling fees, or other service fees charged by Shandong Energy Finance Company for the provision of miscellaneous financial services to the Group shall not exceed RMB10 million during the term of the Proposed Yankuang Energy Financial Services Agreement.

The fees for the provision of miscellaneous financial services to the Group shall be charged by Shandong Energy Finance Company according to the prescribed rates determined by the PBOC or the National Financial Regulatory Administration. If no such prescribed rates are available, the services fees shall be determined on normal commercial terms with reference to the fees charged by general commercial banks for the provision of the same type of financial services to the Shandong Energy Members.

Historical Amounts, Proposed Annual Caps and Reasons

Set out below are the annual caps and the historical transaction amounts for the two financial years ended 31 December 2024 and 2025 as well as the existing annual cap for the year ended 31 December 2026 of relevant transactions:

Category	For the year ended 31 December 2024 Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	For the year ended 31 December 2025 Annual cap *(RMB'000)*	Actual amount *(RMB'000)*	For the year ending 31 December 2026 Existing Annual cap *(RMB'000)*
Maximum daily balance of deposit	27,000,000	5,142,980	27,000,000	13,252,000	27,000,000
Maximum daily balance of comprehensive credit facility	26,000,000	16,303,240	30,000,000	17,202,000	30,000,000
Aggregate miscellaneous financial services fees	8,000	3,700	10,000	3,146	10,000

As of the Latest Practicable Date, the transaction amount of the continuing connected transactions under the Existing Yankuang Energy Financial Services Agreement did not exceed the existing annual cap for the financial year ended 31 December 2026.

In 2025, the maximum daily balance of deposits (including accrued interests) provided by Shandong Energy Finance Company to the Group was RMB13,252 million, more than double the amount in 2024. After considering the following factors, the Board proposed that the maximum daily balance of deposits (including accrued interests) under the Proposed Yankuang Energy Financial Services Agreement shall not exceed RMB27 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028:

(1) Reference to the historical maximum daily balance of deposits during the term of the Existing Yankuang Energy Financial Services Agreement;

(2) After the completion of the Transactions, New Energy Group will become a subsidiary of the Company. It is expected that it will continue to place its funds with Shandong Energy Finance Company. The maximum daily balance of deposits (including accrued interests) that Shandong Energy Finance Company will provide to New Energy Group for each of the three financial years ending 31 December 2026, 2027 and 2028 is expected to be RMB3,000 million;

(3) Given that the coal market is expected to stop falling and stabilise, coupled with the recovery of downstream demand driving the growth of coal sales revenue, the Group's operating cash inflow is expected to increase, thereby correspondingly increasing the Group's fund reserves with Shandong Energy Finance Company;

(4) In order to meet the future payment needs for coal mine and chemical project payments and potential equity acquisition projects, the Company will increase its cash reserve scale.

In 2025, the maximum daily balance of comprehensive credit facilities (including accrued interests) provided by Shandong Energy Finance Company to the Group was RMB17,202 million. After considering (i) the historical balances of comprehensive credit facilities provided by Shandong Energy Finance Company to the Group for the two years ended 31 December 2025; and (ii) based on the Group's future funding needs for new project investments, trade financing and material procurement, combined with the statistics of the credit facility needs of the Group's subsidiary companies, it is expected that there will be various new financial needs such as loans, bills, and guarantees. Therefore, the Board proposed that the maximum daily balance of comprehensive credit facilities to be provided by Shandong Energy Finance Company to the Group under the Proposed Yankuang Energy Financial Services Agreement shall not exceed RMB30 billion for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

In 2025, the annual fees for other financial services provided by Shandong Energy Finance Company to the Group were RMB3.15 million. After considering the Group's demand for various financial services such as bills and guarantees, the Board proposed that the maximum annual fees payable for such other financial services under the Proposed Yankuang Energy Financial Services Agreement shall not exceed RMB10 million for each of the three years ending 31 December 2026, 31 December 2027 and 31 December 2028.

The above annual caps are made on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group.

Reasons for and benefits of entering into the Proposed Yankuang Energy Financial Services Agreement

Through the provision of financial services to the Group, Shandong Energy Finance Company can expand its source of capital through absorbing capital from the Group, enlarge its business scope, and improve its profitability through providing loan and settlement services to the Group by means of charging loan interests and other service fees. At the same time, the Company can also integrate financial resources and replace external high-interest loans through the platform of Shandong Energy Finance Company, thereby lowering the Company's financing costs and improving its competitive edge. The transactions contemplated under the Proposed Yankuang Energy Financial Services Agreement will not affect the independence of the Company and are in the interests of the Company and the Shareholders.

As the Company directly holds approximately 53.92% of Shandong Energy Finance Company, the Company will also be able to benefit from the profits of Shandong Energy Finance Company.

In addition, since Shandong Energy Finance Company will continue to provide financial services to the Target Companies after the completion of the Transactions, the provision of financial services by Shandong Energy Finance Company to the Target Companies will constitute a continuing connected transaction of the Company. The entering into of the Proposed Yankuang Energy Financial Services Agreement is conducive to Shandong Energy Finance Company's continued provision of financial services to the Target Companies, ensuring that the Target Companies can continuously obtain the necessary financial support in the course of business operations, ensuring the continuity and security of its cash flow, and is beneficial to the stable operation of the Target Companies.

The Directors (including the independent non-executive Directors) consider that the transactions under the Proposed Yankuang Energy Financial Services Agreement (excluding the provision of deposit services) are entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the deposit services under the Proposed Yankuang Energy Financial Services Agreement are entered into after arm's length negotiations and based on normal commercial terms, and therefore the terms of such transactions and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

Shandong Energy is a controlling shareholder of the Company directly and indirectly holding 52.84% of the issued share capital of the Company as of the Latest Practicable Date, and thus a connected person of the Company under the Listing Rules. Shandong Energy Finance Company is directly owned as to approximately 53.92% equity interests by the Company, and directly and indirectly owned as to approximately 46.08% equity interests by Shandong Energy, Shandong Energy Finance Company is a connected subsidiary of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Proposed Yankuang Energy Financial Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(i) Deposit services

As the highest applicable percentage ratio with respect to the proposed annual caps in relation to the provision of deposit services under the Proposed Yankuang Energy Financial Services Agreement is more than 5% but less than 25%, such transactions, together with the proposed annual caps are subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Such transactions also constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(ii) Comprehensive credit facility services

As the provision of comprehensive credit facility services under the Proposed Yankuang Energy Financial Services Agreement is on normal commercial terms, and no security over the assets of the Group is or will be granted in respect of such services, the comprehensive credit facility services to be provided by Shandong Energy Finance Company to the Group are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

(iii) Miscellaneous financial services

As all of the relevant applicable percentage ratios with respect to the proposed annual caps in relation to the provision of miscellaneous financial services under the Proposed Yankuang Energy Financial Services Agreement are less than 0.1%, such transactions are fully exempt from reporting, announcement, annual review and Independent Shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

10. Internal Control Measures

The Group's sales or procurement departments shall ensure that the terms of all sales and procurement orders comply with the relevant framework agreements, and the relevant departments and personnel shall be satisfied that: (i) all sales or procurement orders have been properly reviewed and approved; (ii) all sales or procurement orders have adopted market prices; and (iii) each relevant transaction is conducted on normal commercial terms;

Prior to the entering into specific implementation agreements, the subsidiaries of the Company are required to fulfill the pre-application procedures in accordance with the Company's internal management system to have the necessity, reasonableness, fairness, and compliance of the transactions reviewed by the departments responsible for listing compliance, financial management, audit, and risk;

The financial management department of the Company will compile the amounts of continuing connected transactions on a quarterly basis to identify any transactions that may have the risk of exceeding the annual caps; and

The auditors and independent non-executive directors of the Company will conduct an annual review of the continuing connected transactions and confirm in the Company's annual report that the transactions have been conducted in accordance with the terms and conditions of the relevant framework agreements and pricing policies, are on normal commercial terms or terms no less favorable than those available from independent third parties, and are in the interests of the Company and its shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the above internal control measures over continuing connected transactions adopted by the Company are appropriate and that the above procedures and measures provide sufficient assurance to the Shareholders that such continuing connected transactions will be properly overseen by the Company.

IV. GENERAL

Mr. Li Wei, Mr. Liu Jian, Mr. Liu Qiang and Mr. Zhang Haijun (Mr. Liu Jian and Mr. Liu Qiang were Directors of the Company as of the date of the relevant Board meeting approving the Transaction and the Proposed Continuing Connected Transactions, but had ceased to be Directors of our Company as at the Latest Practicable Date) are regarded as having material interests in the Transactions and the Proposed Continuing Connected Transactions, and they have abstained from voting on the relevant resolutions of the Board for approving (i) the Transaction Documents and the Acquisitions; and (ii) the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and the respective proposed annual caps. Save as disclosed above, none of the other Directors has a material interest in the Transactions and the Proposed Continuing Connected Transactions or is required to abstain from voting on the relevant Board resolutions.

An Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of (i) the Transaction Documents and the Acquisitions; and (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labor and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps.

The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the Transaction Documents and the Transactions; (ii) (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated thereunder and their respective proposed annual caps, (b) the Proposed Mutual Provision of Labor and Services Agreement, the provision of labor and services by the Shandong Energy Members to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps.

According to the applicable PRC regulations, the Company will also submit resolutions for the Proposed Continuing Connected Transaction Agreements, the Proposed Continuing Connected Transactions and their respective proposed annual caps for approval by the Independent Shareholders at the 2026 First Extraordinary General Meeting.

V. 2026 FIRST EXTRAORDINARY GENERAL MEETING

The Notice of the 2026 First Extraordinary General Meeting of the Company was despatched on 7 July 2026.

The following resolutions will be proposed to the Shareholders at the 2026 First Extraordinary General Meeting:

1. To consider and approve the proposal on the acquisition of equity interests in Target Companies by agreement

2. To consider and approve the proposal to enter into the Continuing Connected Transactions Agreements:

(2.01) To consider and approve the Provision of Materials Supply Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.02) To consider and approve the Mutual Provision of Labour and Services Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.03) To consider and approve the Provision of Insurance Fund Administrative Services Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.04) To consider and approve the Provision of Products, Materials and Asset Leasing Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.05) To consider and approve the Bulk Commodities Sale and Purchase Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.06) To consider and approve the Finance Lease and Factoring Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.07) To consider and approve the Entrusted Management Service Framework Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.08) To consider and approve the Shandong Energy Financial Services Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.09) To consider and approve the Yankuang Energy Financial Services Agreement and the transaction caps for 2026-2028 as stipulated therein

Whether or not you are able to attend the relevant general meeting in person, you are strongly advised to complete and sign the Form of Proxy to be despatched on 7 July 2026 in accordance with the instructions printed thereon. For holders of H Shares of the Company, the proxy form shall be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible. For holders of A Shares of the Company, the proxy form shall be lodged at the Office of the Secretary to the Board at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the PRC as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the relevant meeting or any adjourned meeting (as the case may be). Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish. For the avoidance of doubt, any holder of treasury shares should abstain from voting in respect of any treasury shares (if any) held by him/her at the 2026 First Extraordinary General Meeting.

As at the Latest Practicable Date, Shandong Energy controlled or was entitled to exercise control over the voting rights in respect of 4,395,142,871 A Shares and 908,756,550 H Shares in the Company, representing, in aggregate, approximately 52.84% of the entire issued share capital (including 1,965,200 treasury shares) of the Company. Shandong Energy and its associates will abstain from voting at the 2026 First Extraordinary General Meeting on the ordinary resolutions approving (i) the Transaction Documents and the Transactions; and (ii) the Proposed Continuing Connected Transactions Agreements, the Proposed Continuing Connected Transactions and the proposed annual caps, which will be taken by poll as required under the Listing Rules. As at the Latest Practicable Date, so far as the Directors are aware, other than the aforesaid, no other Shareholder is required to abstain from voting on the aforesaid ordinary resolutions at the 2026 First Extraordinary General Meeting.

To the extent that the Company is aware, having made all reasonable enquiries, as at the Latest Practicable Date:

1. there was no voting trust or other agreement or arrangement or understanding entered into by or binding upon Shandong Energy or its associates, whereby they had or might have temporarily or permanently passed control over the exercise of the voting rights in respect of their Shares in the Company to a third party, whether generally or on a case-by-case basis;

2. Shandong Energy and its associates were not subject to any obligation or entitlement whereby they had or might have temporarily or permanently passed control over the exercise of the voting right in respect of their Shares in the Company to a third party, whether generally or on a case-by-case basis; and

3. it was not expected that there would be any discrepancy between the beneficial shareholding interest of Shandong Energy or its associates in the Company and the number of Shares in the Company in respect of which they would control or would be entitled to exercise control over the voting right at the 2026 First Extraordinary General Meeting.

VI. CLOSURE OF H SHARE REGISTER OF MEMBERS OF THE COMPANY

Attending the 2026 First Extraordinary General Meeting

The H Share register of members of the Company will be closed from Wednesday, 22 July 2026 to Wednesday, 29 July 2026 (both days inclusive), during which period no transfer of the Company's H Shares will be registered for the purpose of ascertaining the eligibility of Shareholders to attend the 2026 First Extraordinary General Meeting (the Record Date is Wednesday, 22 July 2026). In order to be eligible to attend the 2026 First Extraordinary General Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 21 July 2026 for registration. H Shareholders whose names appear on the H Share register of members of the Company maintained by Computershare Hong Kong Investor Services Limited at the close of business on Tuesday, 21 July 2026 will be eligible to attend the 2026 First Extraordinary General Meeting.

VII. RECOMMENDATION OF THE BOARD

The Directors believe that the resolutions set out in the Notice of the 2026 First Extraordinary General Meeting dated 7 July 2026 are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the 2026 First Extraordinary General Meeting.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 107 to 108 of this circular which contains its recommendation to the Independent Shareholders; and (ii) the letter from the Independent Financial Adviser set out on pages 109 to 160 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders.

VIII. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in each of the appendices to this circular.

IX. 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.

By order of the Board
Yankuang Energy Group Company Limited*
Li Wei
Chairman of the Board

兗礦能源集團股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01171)

Registered office:
949 South Fushan Road
Zoucheng
Shandong Province
PRC
Postal Code: 273500

Principal place of business in Hong Kong:
40th Floor, Sunlight Tower
248 Queen's Road East
Wanchai
Hong Kong

7 July 2026

To Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTEREST IN TARGET COMPANIES; AND (2) CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 7 July 2026 ("**Circular**"), of which this letter forms part. Terms defined therein shall have the same meanings when used in this letter unless the context otherwise requires. We have been appointed by the Board as the Independent Board Committee to advise you as to whether, in our opinion, (i) the Transaction Documents and the Transactions; and (ii)(a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated and the respective proposed annual caps thereunder, (b) the Proposed Mutual Provision of Labour and Services Agreement, the provision by the Shandong Energy Members of labour and services to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder

and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps are fair and reasonable in so far as the Independent Shareholders are concerned.

Rainbow Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of (i) the Transaction Documents and the Transactions; and (ii)(a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, the Proposed Finance Lease and Factoring Agreement, the transactions contemplated and the respective proposed annual caps thereunder, (b) the Proposed Mutual Provision of Labour and Services Agreement, the provision by the Shandong Energy Members of labour and services to the Group thereunder and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, the comprehensive credit facility services thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, the deposit services thereunder and the proposed annual caps. The letter from Rainbow Capital, which contains its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 109 to 160 of this Circular.

Your attention is also drawn to the "Letter from the Board" set out on pages 10 to 106 of this Circular and the additional information set out in the Appendices to this Circular. Taking into account the letter from Rainbow Capital and its advice contained therein and the terms of the relevant agreements and transactions contemplated thereunder, we are of the view that, (i) the terms of the Transaction Documents and the Transactions, although not conducted in the ordinary and usual course of business of the Group, are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and (ii) each of (a) the Proposed Provision of Materials Supply Agreement, the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Proposed Bulk Commodities Sale and Purchase Agreement, and the Proposed Finance Lease and Factoring Agreement, together with the transactions contemplated thereunder and the respective proposed annual caps, (b) the Proposed Mutual Provision of Labour and Services Agreement, including the provision by the Shandong Energy Members of labour and services to the Group and the proposed annual caps, (c) the Proposed Shandong Energy Financial Services Agreement, including the comprehensive credit facility services contemplated thereunder and the proposed annual caps, and (d) the Proposed Yankuang Energy Financial Services Agreement, including the deposit services contemplated thereunder and the proposed annual caps, is on normal commercial terms, in the ordinary and usual course of business, and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders vote in favour of the relevant resolutions to be proposed at the 2026 First Extraordinary General Meeting.

Yours faithfully,
Yankuang Energy Group Company Limited
Li Weian, Gao Jingxiang
Woo Kar Tung, Raymond, Zhu Rui
Independent Board Committee

The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular.

Rainbow Capital (HK) Limited

7 July 2026

To the Independent Board Committee and the Independent Shareholders

Yankuang Energy Group Company Limited
949 Fushan South Road, Zoucheng City
Shandong Province, the PRC

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANIES; AND CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of (i) the Acquisitions; and (ii) the Proposed Continuing Connected Transactions (collectively, the "**Transactions**"), details of which are set out in the Letter from the Board (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 7 July 2026 (the "**Circular**"), of which this letter forms a part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 3 June 2026, the Company entered into the First Equity Transfer Agreement with the First Vendors and New Energy Group. Pursuant to the agreement, the Company agreed to acquire by way of cash, and the First Vendors agreed to sell 100% equity interest in New Energy Group held by them, at a consideration of RMB15,569,658,030.40. Upon completion of the First Acquisition, the Company will directly hold 100% equity interest in New Energy Group, and New Energy Group will become a wholly-owned subsidiary of the Company.

On the same day, the Company entered into the Second Equity Transfer Agreement with the Second Vendor and Shandong Energy Electricity Sales. Pursuant to the agreement, the Company agreed to acquire by cash, and the Second Vendor agreed to sell 100% equity interest in Shandong Energy Electricity Sales, at a total consideration of RMB845,245,406.66. Upon completion of the Second Acquisition, the Company will directly hold 100% equity interest in Shandong Energy Electricity Sales, and Shandong Energy Electricity Sales will become a wholly-owned subsidiary of the Company.

As (i) the Target Companies will become wholly-owned subsidiaries of the Company and certain subsidiaries of the Target Companies will become connected subsidiaries of the Company and associates of Shandong Energy (as Shandong Energy will continue to indirectly hold part of the equity interests in such companies after completion of the Acquisitions) upon the completion of the Acquisitions, the Board envisages that the annual caps under certain Existing Continuing Connected Transactions Agreements will need to be adjusted; and (ii) the Existing Continuing Connected Transactions Agreements will expire on 31 December 2027 and the parties thereto expect that the continuing connected transactions contemplated thereunder will continue on an ongoing basis, on 3 June 2026, the parties to the Existing Continuing Connected Transactions Agreements entered into the Proposed Continuing Connected Transaction Agreements to renew and supersede the Existing Continuing Connected Transaction Agreements.

An Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Transactions. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group or Shandong Energy that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company regarding the acquisition of equity interest and capital increase in Xibei Mining, details of which were set out in the Company's circular dated 15 May 2025. Other than that, there was no engagement or connection between the Group or Shandong Energy and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Transactions. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Transactions.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group.

We consider that we have reviewed sufficient information currently available and corroborated and substantiated any public information referred to in this letter to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, Shandong Energy or any of their respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the Transactions, we have taken into account the principal factors and reasons set out below:

A. THE ACQUISITIONS

1. Information of the parties

(i) The Group

The Group is principally engaged in the coal business, coal chemicals and power generation. Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2025 ("**FY2024**" and "**FY2025**", respectively) as extracted from the Company's annual report for FY2025 (the "**2025 Annual Report**"):

	FY2024	**FY2025**
	RMB'000	*RMB'000*
	(Restated)	
Revenue	141,144,191	133,340,597
Gross profit	46,997,086	33,644,286
Gross profit margin	33.3%	25.2%
Profit before tax	28,750,862	19,310,046
Profit attributable to the Shareholders	14,592,264	8,524,664

The Group's revenue decreased by approximately 5.5% from approximately RMB141.1 billion for FY2024 to approximately RMB133.3 billion for FY2025, and the Group's gross profit margin decreased from approximately 33.3% for FY2024 to approximately 25.2% for FY2025. Such decreases were mainly due to the decreases in coal business's revenue and gross profit margin as a result of the decrease in the average coal sales price from approximately RMB649.0 per ton for FY2024 to approximately RMB517.8 per ton for FY2025. The Group's power generation business recorded revenue of approximately RMB2,310 million and RMB2,537 million for FY2025 and FY2024 respectively, representing approximately 1.7% and 1.8% of the Group's total revenue for FY2025 and FY2024 respectively.

Due to the decrease in revenue and gross profit margin, the Group's gross profit decreased by approximately 28.4% from approximately RMB47.0 billion for FY2024 to approximately RMB33.6 billion for FY2025 and the profit attributable to the Shareholders decreased by approximately 41.6% from approximately RMB14.6 billion for FY2024 to approximately RMB8.5 billion for FY2025.

	As at 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
	(Restated)	
Current assets	103,116,623	126,445,647
Non-current assets	306,724,482	325,526,717
Total assets	409,841,105	451,972,364
Current liabilities	135,111,600	149,318,163
Non-current liabilities	125,827,665	131,755,475
Total liabilities	260,939,265	281,073,638
Total equity	148,901,840	170,898,726
Equity attributable to the Shareholders	64,007,550	71,288,661

The Group's debt-to-asset ratio remained stable at approximately 62.2% as at 31 December 2025 as compared to approximately 63.7% as at 31 December 2024. The Group's net equity attributable to Shareholders grew by approximately RMB7.3 billion, rising from approximately RMB64.0 billion as at 31 December 2024 to approximately RMB71.3 billion as at 31 December 2025. This increase was primarily driven by the net profit generated during the year.

(ii) New Energy Group and Shandong Energy Electricity Sales

New Energy Group and its subsidiaries are principally engaged in the power generation business, including thermal power, wind power, and photovoltaic power generation. The key audited consolidated financial data of New Energy Group for the three years ended 31 December 2025, prepared in accordance with the China Accounting Standards for Business Enterprises (CASBE), are set out below:

Unit: RMB

	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**
Revenue	6,177,289,008.11	6,789,418,263.38	7,710,174,940.27
Profit before tax	1,100,415,948.28	1,193,701,028.74	1,298,224,210.33
Net profit	1,084,288,975.81	1,157,263,758.05	1,173,335,438.02

	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025
Net assets	9,548,196,145.27	10,210,268,140.67	11,597,115,536.05

Shandong Energy Electricity Sales is engaged in the agency electricity sales business, and its subsidiaries are engaged in the power generation business, including thermal power and photovoltaic power generation. The key audited consolidated financial data of Shandong Energy Electricity Sales for the three years ended 31 December 2025, prepared in accordance with the CASBE, are set out below:

Unit: RMB

	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Revenue	27,497,149.95	32,663,551.62	48,015,849.35
Profit/(loss) before tax	6,654,653.05	23,770,684.90	(17,238,319.65)
Net profit/(loss)	4,953,058.89	18,017,304.76	(12,545,667.33)

	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025
Net assets	1,222,225,663.50	1,240,366,642.66	1,227,863,303.77

(iii) Shandong Energy and the Vendors

Shandong Energy is a state-controlled limited liability company, of which Shandong Provincial People's Government State-owned Assets Supervision and Administration Commission is the de facto controller. Shandong Energy is principally engaged in mining, high-end chemicals, electricity, high-end equipment manufacturing, new energy and materials, and modern trade and logistics. As at the Latest Practicable Date, Shandong Energy is the controlling Shareholder of the Company, holding directly and indirectly approximately 52.84% of the issued share capital of the Company, and is hence a connected person of the Company.

Yankuang Hong Kong is wholly owned by Shandong Energy and is engaged in investment management.

2. Reasons for and benefits of the Acquisitions

In recent years, the Company has continuously promoted the synergistic integration and high-quality development of traditional energy and new energy. The purpose of the Acquisitions is to rapidly expand the scale of its power business and strengthen emerging

industries by injecting high-quality power assets, while effectively reducing horizontal competition with Shandong Energy in the power business segment and further improving corporate governance.

The Acquisitions have the dual value of both upgrading traditional industries and empowering emerging industries. Among them, the thermal power assets, with stable operating efficiency and high contribution to performance, constitute the core component of the assets acquired in the Acquisitions. By incorporating high-quality thermal power assets, the Company can deeply establish an integrated coal-power operation pattern, relying on its own thermal power production capacity to stably absorb its self-produced coal, effectively hedging against cyclical fluctuations in the coal industry, significantly enhancing profitability and risk resistance capacity, and solidifying its operational foundation. The injection of wind power, photovoltaic power and energy storage assets represents a key initiative for the Company to actively respond to the national "dual carbon" strategic deployment, seize the opportunity of energy restructuring, and implement the goal of "strategic priority and accelerated development" for the new energy industry. Through the Acquisitions, the Company can effectively expand the scale of its new energy assets, accelerate the layout of its clean energy industry, and promote green and low-carbon transformation. The electricity sales business acquired as a package can connect the entire industrial chain of power generation, sales and consumption, provide flexible risk hedging tools for power plants, form an integrated synergistic operation model, and strengthen the competitive advantage across the entire chain. Upon completion of the Acquisitions, the Company will achieve a favourable development pattern of improving quality and efficiency for traditional energy and accelerating growth and expansion for new energy, thereby comprehensively enhancing its overall profitability and core competitiveness.

Based on the above, although the Acquisitions are not conducted in the Company's ordinary and usual course of business, we consider that the Acquisitions are in the interest of the Company and the Shareholders as a whole.

3. Principal terms of the agreements

Details of the terms of the First Equity Transfer Agreement and the Second Equity Transfer Agreement are set out in the Letter from the Board, which are summarized as follows:

(i) The First Equity Transfer Agreement

Date	:	3 June 2026
Purchaser	:	the Company
Vendors	:	Shandong Energy Yankuang Hong Kong
Subject	:	100% equity interest in New Energy Group

Consideration	:	RMB15,569,658,030.40
Payment Method	:	The Company will pay the consideration for the First Acquisition to each of the First Vendors in the following manner: 1. The Company shall pay 30% of the consideration to the First Vendors in a lump sum within five Working Days after the First Equity Transfer Agreement becomes effective; 2. The Company shall pay 70% of the consideration and the corresponding interest to the First Vendors in a lump sum within five Working Days after the First Closing Date.

After the completion of the Acquisitions, the Company shall fulfil Shandong Energy's unfulfilled capital contribution obligation to New Energy Group (the unfulfilled capital contribution amount being RMB3,221,805,000.38) in full and on schedule in accordance with the provisions of laws and regulations and the articles of association of New Energy Group. The equity value corresponding to the above unfulfilled capital contribution amount of RMB3,221,805,000.38 was not included in the consideration and valuation of the First Equity. This transaction is priced based on the proportion of paid-up capital contribution, and the valuation of the portion of equity with unfulfilled capital contribution corresponds to RMB0. If the Company fails to perform the aforesaid capital contribution obligation in accordance with the laws, regulations and the articles of association of New Energy Group, resulting in Shandong Energy being required to bear the capital contribution liability under the relevant laws and regulations, Shandong Energy shall have the right to claim full reimbursement from the Company for the amount of capital contribution actually borne by it and the related losses, and the Company shall make full compensation to Shandong Energy.

Since the unpaid registered capital was not reflected in the balance sheet of the New Energy Group as at the Valuation Benchmark Date (i.e., 31 January 2026), any subsequent capital injection by Shandong Energy prior to completion would expand the equity base of New Energy Group, and the consideration payable by the Company would be increased by a corresponding amount. Therefore, we consider it fair and reasonable that the consideration excludes such unpaid registered capital. The Company's fulfilment of the capital contribution obligation upon completion of the Acquisitions constitutes an intra-group capital injection into a wholly-owned subsidiary, which will not result in any cash outflow from the Group's consolidated perspective.

Letter of Performance Commitment

On the same date of entering into of the First Equity Transfer Agreement, the Company and the First Vendors entered into the Letter of Performance Commitment, pursuant to which the First Vendors agreed to make commitments regarding the operating performance of New Energy Group from 2026 to 2028. For details of terms of the Letter of Performance Commitment, please refer to the Letter from the Board.

We are advised by the management of the Company that the Accumulated Committed Net Profit during the Commitment Period of RMB3,058.6036 million is the total of (i) the expected net profit of each subsidiary of New Energy Group (excluding the net profit generated from the intercompany transactions among the subsidiaries of New Energy Group) multiplied by (ii) the shareholding percentage in each subsidiary held by New Energy Group during the Performance Commitment Period.

In evaluating the basis and reasonableness of the Accumulated Committed Net Profit during the Commitment Period of RMB3,058.6036 million, we have obtained and reviewed the consolidated profit forecast of the subsidiaries of New Energy Group. We noted that the forecast is based on the valuations of the subsidiaries of New Energy Group prepared by the Independent Valuer, which have adopted the income approach as their power generation projects have been in stable operation. The scope of the Accumulated Committed Net Profit during the Commitment Period does not include the results of subsidiaries of New Energy Group for which the asset-based approach was adopted for valuation. For our further analysis of the valuations of the subsidiaries of New Energy Group, please refer to the section headed "4. Valuation of New Energy Group" below. We consider that such determination of the Accumulated Committed Net Profit during the Commitment Period is fair and reasonable, as these profit forecasts serve as the primary basis for determining the consideration of the First Acquisition. Furthermore, the elimination of intercompany transactions among subsidiaries is primarily designated to accurately reflect the profit profile at the consolidated level. In addition, we consider the exclusion of companies valued under the asset-based approach from the scope of the Accumulated Committed Net Profit during the Commitment Period to be fair and reasonable. This is because the performance of such companies is inherently difficult to forecast; furthermore, even if their operational conditions were to deteriorate significantly compared to the existing status, such impact would nonetheless be reflected in the valuation results upon the expiry of the Commitment Period as detailed below.

Upon expiry of the Commitment Period, the Company will engage a valuation institution to conduct a re-assessment of New Energy Group as of 31 December 2028. Compensation would be paid not only if Accumulated Committed Net Profit during the Commitment Period is not met but also if Appraised Value at the End of the Commitment Period is lower than the existing valuation after appropriate adjustments. If adverse operational events occur, such as insufficient grid absorption or a decline in electricity prices, which subsequently lead to lower-than-expected operating results of New Energy Group, the Appraised Value at the End of the Commitment Period will dynamically and objectively reflect such changes. Consequently, we are of the view that this compensation mechanism prudently protects the interests of the Company and the Independent Shareholders.

The special audit report for the Commitment Period will be issued on or before the disclosure date of the Group's annual results for the relevant Commitment Period, and the special valuation report for the Commitment Period

will be issued within four to six months after the expiry of the Commitment Period. We consider that the timeline for issuing both the special audit report and the special valuation report is fair and reasonable, as it aligns with the Group's timeframe for preparing audited financial results for the year ending 31 December 2028, and the special valuation report shall be based on the audited financial results of New Energy Group.

Taking into account that (i) New Energy Group recorded an aggregate net profit attributable to the shareholders of approximately RMB2,547.8 million for the three years ended 31 December 2025 and the Accumulated Committed Net Profit during the Commitment Period exceeds the aggregate net profit for the previous three years; (ii) the Accumulated Committed Net Profit during the Commitment Period is determined based on the profit forecasts performed by the Independent Valuer which we consider to be fair and reasonable; and (iii) the First Vendors are required to provide compensation if the Appraised Value at the End of the Commitment Period is less than the appraised value of New Energy Group as at the Valuation Benchmark Date, we consider the Letter of Performance Commitment is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(ii) The Second Equity Transfer Agreement

Date	:	3 June 2026
Purchaser	:	the Company
Vendor	:	Shandong Energy
Subject	:	100% equity interest in Shandong Energy Electricity Sales
Consideration	:	RMB845,245,406.66
Payment Method	:	The Company will pay the consideration for the Second Acquisition to the Second Vendor in the following manner: 1. The Company shall pay 30% of the consideration to the Second Vendor in a lump sum within five Working Days after the Second Equity Transfer Agreement becomes effective; 2. The Company shall pay 70% of the consideration and the corresponding interest to the Second Vendor in a lump sum within five Working Days after the Second Closing Date.

Pursuant to the Operational Rules for Corporate State-Owned Asset Transactions, if the payment of the consideration is made by installments, the down payment must not be less than 30% of the total aggregate consideration and must be settled within 5 business days upon the transaction agreement coming into effect. Accordingly, we are of the view that such payment arrangement of the Acquisitions is justified. For our further analysis on the fairness and reasonableness of the consideration, please refer to our assessment of the valuation of New Energy Group and Shandong Energy Electricity Sales below.

4. Valuation of New Energy Group

As stated in the Letter from the Board, the consideration of RMB15,569,658,030.40 for the acquisition of 100% equity interest in New Energy Group was determined after arm's length negotiations between the parties with reference to the appraised value of the entire equity interests of New Energy Group as at the Valuation Benchmark Date (i.e. 31 January 2026) of RMB15,569,658,030.40 (the "**First Valuation**").

In assessing the fairness and reasonableness of the First Valuation, we have taken into the following factors:

(i) The qualification and scope of work of the Independent Valuer

We have performed the work as required under Note 1(d) to Rule 13.80 of the Listing Rules in relation to the Independent Valuer. In particular, we have reviewed the Asset Valuation Reports and relevant documents obtained from the Independent Valuer and interviewed them with particular attention to (i) the terms of its engagement; and (ii) the qualifications and experience of the Independent Valuer.

We noted that the Independent Valuer is among the first batch of professional appraisal institutions in China to obtain the valuation license for securities and futures related businesses with over 20 years of operating history. According to its latest regulation filing report for securities-related business, in 2024, the Independent Valuer issued a total of 44 valuation reports for equity/asset transfers, business combinations, and asset acquisitions, which also involved companies in the electric power and heat production industry.

Based on our review of the terms of engagement, we noted that the scope of work is appropriate for arriving at the valuation of the Target Companies and we are not aware of any limitations on the scope of work which might adversely impact on the degree of assurance given by the Asset Valuation Reports. Nothing has come to our attention that the Company or Shandong Energy had made formal or informal representation to the Independent Valuer that contravenes with our understanding of the information, to a material extent, as set out in the Circular. Furthermore, the Independent Valuer has confirmed their independence from the Company and Shandong Energy.

In light of the above, we are not aware of any matters that would cause us to question the Independent Valuer's competence and independence, and we consider that the Independent Valuer has sufficient expertise to perform the valuation of the Target Companies.

(ii) Valuation methodologies

We have reviewed and discussed with the Independent Valuer the methodologies, bases and assumptions adopted for the First Valuation and understood that the Independent Valuer has carried out physical inspections and made relevant enquiries for the purpose of valuing New Energy Group. As stated in the First Equity Asset Valuation Report, the Independent Valuer has considered three generally accepted approaches, namely, market approach, income approach and asset-based approach and adopted the asset-based approach in the First Valuation due to the following consideration:

(a) the market approach is not adopted as it was not able to identify a sufficient number of comparable listed companies or precedent transactions that align with New Energy Group in terms of business model, enterprise scale, market position, capital structure, growth potential, and risk profile;

(b) New Energy Group is an investment holding company. Its profit is primarily derived from investment income, and its future profitability will largely depend on the operational performance of its investees. As at the Valuation Benchmark Date, New Energy Group held 28 long-term equity investments, comprising 19 wholly-owned subsidiaries, 8 non-wholly-owned subsidiaries, and one associate. The Independent Valuer has adopted appropriate valuation methodologies to conduct separate and comprehensive appraisals of these long-term equity investments. As such, the income approach was not separately adopted for the valuation of New Energy Group itself; and

(c) the asset-based approach is adopted as each of the assets and liabilities of New Energy Group is identifiable and the Independent Valuer is able to conduct appropriate valuation for each item.

Taking into account above factors, we concur with the Independent Valuer that it is fair and reasonable to adopt the asset-based approach in arriving at the market value of New Energy Group.

(iii) The First Valuation

The following table sets forth the difference between the appraised value and the net book value of the assets and liabilities of New Energy Group as at the Valuation Benchmark Date:

	Net book value *RMB0'000* *a*	**Appraised value** *RMB0'000* *b*	**Valuation appreciation/ (depreciation)** *RMB0'000* *c=b-a*
Current assets	394,675.76	394,675.76	–
Non-current assets, including:	1,205,514.38	2,020,381.64	814,867.26
Long-term equity investments	1,202,671.69	2,017,428.51	814,756.83
Fixed assets	251.15	359.24	108.09
Right-of-use assets	2,478.86	2,478.86	–
Intangible assets	7.89	10.22	2.34
Long-term deferred expenses	104.79	104.79	–
Current liabilities	641,896.46	641,896.46	–
Non-current liabilities	216,195.14	216,195.14	–
Net assets	742,098.54	1,556,965.80	814,867.26

As shown in the table above, the valuation appreciation is mainly derived from the increase in the appraised value of long-term equity investments.

According to CASBE, New Energy Group shall recognise the investment in the subsidiaries as long-term equity investments. The investment in the subsidiaries is initially recognised at cost. The net book value of the investment in the subsidiaries will not change unless New Energy Group (a) increases or disposes of its investment in the subsidiaries; or (b) no longer controls the subsidiaries. The measurement of the long-term equity investment does not take into account the changes in the market value of the net asset of the subsidiaries.

The difference between the appraised value and net book value of the long-term equity investments was mainly attributable to the fact that the market value of the net assets of the subsidiaries is higher than the initial investment cost of the long-term equity investments. The net book value of the investments in the subsidiaries remained unchanged since New Energy Group initially invested in the subsidiaries regardless of (a) profit or loss generated during the subsidiaries' business operation; or (b) any changes occurred in the net asset value or the market value of the net assets of the subsidiaries, whereas the appraised value of the net asset value was determined with reference to the market value of the net asset of the subsidiaries.

The following table sets forth the difference between the appraised value and the net book value of New Energy Group's long-term equity investments as at the Valuation Benchmark Date:

Company name	Shareholding percentage	Net book value	Appraised value	Valuation appreciation/ (depreciation)	Valuation methodologies
	%	*RMB0'000*	*RMB0'000*	*RMB0'000*	
		a	*b*	*c=b-a*	
New Energy Dongying	95.24	400,000.00	555,206.41	155,206.41	Income Approach
Huixin Lijin	100	14,000.00	19,367.75	5,367.75	Income Approach
New Energy Yishui	100	10,000.00	8,760.86	(1,239.14)	Income Approach
New Energy Tancheng	56.67	3,000.00	3,330.58	330.58	Income Approach
New Energy Zoucheng	100	4,000.00	12,276.21	8,276.21	Income Approach
New Energy Chengwu	100	500.00	135.18	(364.82)	Income Approach
New Energy Zibo	100	800.00	1,065.05	265.05	Income Approach
New Energy Zaozhuang	100	3,000.00	3,387.50	387.50	Income Approach
New Energy Yiyuan	100	800.00	654.13	(145.87)	Income Approach
New Energy Rizhao	100	500.00	766.45	266.45	Income Approach
New Energy Heze	100	500.00	510.06	10.06	Asset-based Approach
Shenglu Power	70	98,000.00	299,354.30	201,354.30	Income Approach
Shenglu Alxa	100	50,000.00	107,838.24	57,838.24	Income Approach
Shenglu Ordos	100	14,000.00	23,269.39	9,269.39	Income Approach
Shenglu Power Sales	100	2,000.00	7,108.00	5,108.00	Income Approach
Lingtai Thermal Power	100	130,000.00	251,393.30	121,393.30	Income Approach
Lingtai New Energy	100	10,000.00	(3,283.97)	(13,283.97)	Income Approach
Pingchuan Shenglu	100	26,310.00	26,717.61	407.61	Asset-based Approach
Jingyuan Shenglu	100	48,020.00	48,274.80	254.80	Asset-based Approach
Jingtai Shenglu	100	58,000.00	58,542.71	542.71	Asset-based Approach
Luxi Power Generation	100	170,572.59	433,945.38	263,372.79	Income Approach
Xintai Power Generation	63.33	95,000.00	95,074.19	74.19	Asset-based Approach
Guanxian Wind Power	60	36,000.00	36,065.24	65.24	Asset-based Approach
New Energy Binzhou	67	13,100.00	13,100.00	–	Asset-based Approach
Zoucheng Wind Power	51	2,000.00	2,000.04	0.04	Asset-based Approach
Yuncheng Power Generation	30	12,569.10	12,569.10	–	Statement Analysis
Total		**1,202,671.69**	**2,017,428.51**	**814,756.83**	

The Independent Valuer has adopted different valuation methodologies tailored to the distinct development stages of the subject companies. The asset-based approach was applied to certain companies that are either in their pre-operational, under-construction, or pre-commercialization phases, as their future cash flows cannot be reliably measured. For the remaining subject companies that have already commenced commercial operations, the income approach was adopted. This is because the income approach captures their earning capacity, thereby providing a more comprehensive and reasonable reflection of their true equity value than the asset-based approach. We are of

the view that the adoption of different valuation methodologies for different subject companies is fair and reasonable. Given that the underlying operating conditions and development stages vary across these companies, the corresponding valuation methodologies should inherently be tailored to reflect their respective operational realities.

As shown in the table above, the valuation appreciation of New Energy Group is mainly derived from the increase in the appraised value of New Energy Dongying, Shenglu Power, Lingtai Thermal Power and Luxi Power Generation. We have further reviewed the respective valuation reports of these investees.

(a) New Energy Dongying

New Energy Dongying is mainly engaged in the operation of Phase I of a 2×200MWh energy storage project (100MW/200MWh). As such project has commenced operations in May 2025 and maintains stable, its future cash flows are predictable and measurable. Accordingly, the discounted cash flow method under the income approach has been adopted for the valuation of New Energy Dongying. We have reviewed the key parameters and assumptions used in the valuation of New Energy Dongying:

(1) Forecast period

According to the feasibility study report of the energy storage project operated by New Energy Dongying, the economic useful life of the equipment (excluding batteries) is 25 years, with batteries requiring replacement every 10 years. Consequently, the Independent Valuer has adopted a forecast period from February 2026 to May 2050, being 25 years after the energy storage project was put into operation. In this regard, we have obtained and reviewed the feasibility study report and noted the forecast period is consistent with the economic useful life of the equipment. As such, we consider that the forecast period is fair and reasonable.

(2) Cash flow forecast

The projected operating income is estimated based on the expected annual charging volume, net settlement price, and capacity compensation.

We have reviewed the feasibility study report and noted that the expected annual charging volume is calculated based on the designed charging capacity, which include a charging duration of 2 hours per day, 300 charging days per year, a charging capacity of 100MW, a battery lifespan of 10 years, a depth of discharge of 90%, and a progressive capacity degradation rate of 6% for the first year and 3% annually for the subsequent years. According to the Shandong Electricity Market Rules (Trial) issued by the Shandong Regulatory Office of the National Energy Administration, energy storage projects are mandated to maintain a charge/discharge duration of no less than 2 hours per time. As for parameters like the annual number

of charging days, depth of discharge, and capacity degradation rate, we consider them to be reasonable assumptions that have accounted for the maintenance of battery health and lifespan.

The net settlement price is primarily determined with reference to the charging and discharging prices within the electricity spot market. In this regard, we have obtained and reviewed the prevailing electricity spot market prices. The current market price spread aligns closely with the price spread adopted in the valuation. The capacity compensation price adopted in the valuation of New Energy Dongying is in accordance with the Notice on Matters relating the Improvement of the Capacity Electricity Price Mechanism issued by the Shandong Development and Reform Commission, pursuant to which the capacity compensation is benchmarked at RMB0.0705 per kWh. Accordingly, we consider that the net settlement price and capacity compensation applied in the projections are consistent with the prevailing fee standards.

The projected operating costs primarily comprise depreciation, maintenance expenses, and related personnel costs. We noted that maintenance and staff costs are estimated based on the feasibility study report, while depreciation was calculated based on the fixed assets held as at the Valuation Benchmark Date and their remaining useful lives.

Administrative expenses have been estimated with reference to existing remuneration scales and staff numbers, adjusted by a 2% annual inflation factor.

Finance costs were calculated based on the outstanding loan balance and applicable interest rates as at the Valuation Benchmark Date, under the assumption that such borrowings will be continuously renewed.

(3) Discount rate

The Independent Valuer has used the weighted average cost of capital ("**WACC**") to determine the discount rate. Based on the assumptions and bases as discussed below, a discount rate of 5.20% was applied to the discounted cash flow model.

WACC is calculated based on the (i) cost of debt, (ii) cost of equity, and (iii) debt-to-equity ratio. Cost of debt was based on interest rate on debt after income tax and the cost of equity was determined using the Capital Asset Pricing Model ("**CAPM**"), being the widely accepted model for the purpose of estimating the required rate of return on equity, after taking into account the risk-free rate, market risk premium, equity risk coefficient and specific risk premium.

Regarding the cost of debt, the 5-year Loan Prime Rate (LPR) of 3.5%, as at the Valuation Benchmark Date and a corporate income tax (CIT) rate of 25%, were adopted for the calculation.

In arriving at the cost of equity using the CAPM, the Independent Valuer adopted the following parameters:

(i) risk-free rate of 2.29%, representing the average yield of PRC treasury bonds with a maturity of 10 years or more as at the Valuation Benchmark Date;

(ii) market risk premium of 6.10%, determined with reference to the long-term average yield of the Chinese equity market in excess of the risk-free rate;

(iii) equity risk coefficient of 0.8945. We noted that the Independent Valuer has made reference to the average beta coefficients of three comparable listed companies in the A-share market. We have reviewed and discussed with the Independent Valuer on the selection criteria of the comparable companies to determine the equity risk coefficient, which include: (i) the comparable companies are profitable for the latest two years; (ii) the comparable companies have a listing history of at least two years on the Shanghai Stock Exchange or the Shenzhen Stock Exchange; and (iii) the comparable companies have been engaged in the power industry for no less than two years, with simultaneous operations in thermal power and new energy segments (such as wind and solar power). Based on the same selection criteria, we have performed our independent research and identified the same set of comparable companies used by the Independent Valuer, which represents an exhaustive list. As such, we are of the view that the selected comparable companies in determining the equity risk coefficient are appropriate; and

(iv) specific risk adjustment of 3.00%, which was determined by the Independent Valuer based on the differences in terms of enterprise scale, enterprise operational performance, industry positioning, operation capabilities and competitiveness between New Energy Dongying and comparable companies.

Based on the above and the formula of CAPM, the cost of equity used for New Energy Dongying was 10.75%.

With respect to the target capital structure utilised in the WACC calculation, the Independent Valuer has adopted the latest debt-to-equity ratio of the comparable companies as at the Valuation Benchmark Date.

Based on the above assessments, we are of the view that the appraised value of the net assets of New Energy Dongying is fair and reasonable.

(b) Shenglu Power

Shenglu Power is primarily engaged in power generation, operating the Phase I 2×1,000MW ultra-supercritical air-cooled power generation project (一期2×1000MW超臨界空冷機組發電工程). As the project has been put into operation since November 2020 and remains stable as at the Valuation Benchmark Date, its future cash flows are predictable and measurable. Accordingly, the discounted cash flow method under the income approach has been adopted for the valuation of Shenglu Power. We have reviewed the key parameters and assumptions used in the valuation of Shenglu Power:

(1) Forecast period

The power generation project commenced operations in November 2020. According to its Electric Power Business Permit, the units have a design lifecycle of 30 years. Accordingly, the Independent Valuer has adopted a forecast period from February 2026 to December 2050.

(2) Cash flow forecast

The projected operating income is estimated based on the power generation volume and the electricity price. We have obtained and reviewed Shenglu Power's historical power generation volume and electricity price for the three years ended 31 December 2025. We noted that the estimated electricity price during the forecast period remains generally consistent with the historical average price over the past three years. Considering that the power generation project successfully commenced commercial operations in November 2020 and has since established a track record of over five years of stable operation, we are of the view that utilizing the three-year historical average price as the baseline for future projection is fair and reasonable. In terms of the power generation volume, Shenglu Power's power generation experienced a compound annual decline rate of approximately 7.9% from 2023 to 2025. Its power generation volume is projected to further decrease by approximately 7.2%, 3.4%, and 5.9% from 2026 to 2028, respectively, and is assumed to remain stable throughout the remaining forecast period. Taking into account the historical declining trend, we are of the view that the downward adjustments in the projected power generation volumes are justifiable.

The projected operating costs primarily comprise raw material costs, staff costs, depreciation, and maintenance expenses. We have reviewed the projected gross profit margins of Shenglu Power during the forecast period and noted that they generally align within the historical range for the three years ended 31 December 2025. Furthermore, the fluctuations in the gross profit margin during the forecast period are primarily driven by the impact

of depreciation, which is determined based on the fixed assets and their respective useful lives as at the Valuation Benchmark Date. Consequently, we consider the projected operating costs to be reasonable.

Regarding marketing expenses, administrative expenses, research expenses and finance costs, we noted the estimated expenses during the forecast period are generally consistent with those in 2025 save for the growth in staff costs in line with inflation.

(3) Discount rate

A discount rate of 5.53% is applied to the discounted cash flow model. Shenglu Power has been recognised as a National High-Tech Enterprise, thereby qualifying for a preferential CIT rate of 15%. Save for the differences in CIT rate applied, all other parameters are identical to those adopted for New Energy Dongying. Please refer to our analysis set out in the subsection headed "(a) New Energy Dongying" above.

Based on the above assessments, we are of the view that the appraised value of the net assets of Shenglu Power is fair and reasonable.

(c) Lingtai Thermal Power

Lingtai Thermal Power is primarily engaged in the operation of a 2×1,000MW peak-shaving coal-fired power project (2×1000MW調峰煤電項目), with its revenue mainly derived from electricity sales. Its operation remained stable as at the Valuation Benchmark Date and its future cash flows are predictable and measurable. Accordingly, the discounted cash flow method under the income approach has been adopted for the valuation of Lingtai Thermal Power. We have reviewed the key parameters and assumptions used in the valuation of Lingtai Thermal Power:

(1) Forecast period

The power generation project commenced operations in July 2025. According to its Electric Power Business Permit, the units have a design lifecycle of 20 years. Accordingly, the Independent Valuer has adopted a forecast period from February 2026 to July 2045.

(2) Cash flow forecast

The projected operating income is estimated based on the power generation volume and the electricity price. We have obtained and reviewed Lingtai Thermal Power's historical power generation volume and electricity price for the year ended 31 December 2025 and for the four months ended 30 April 2026. We noted that the projected monthly power generation volume throughout the forecast period is generally in line with the historical monthly average generation volume for the four months ended 30 April

2026. The electricity price during the forecast period is also determined based on the Lingtai Thermal Power's historical average price for the four months ended 30 April 2026. The two power generation units of Lingtai Thermal Power achieved grid-connection and commenced commercial operations in July and September 2025, respectively. As the operations of both units have stabilized since 2026, we consider it fair and reasonable to utilize the average power generation volume and electricity price for the four months ended 30 April 2026 as the baseline for future projection.

The projected operating costs primarily comprise raw material costs, staff costs, depreciation, and maintenance expenses. We have reviewed the projected gross profit margins of Lingtai Thermal Power during the forecast period. The gross profit margins for 2026 and 2027 are projected to be approximately 19.2% and 21.6% respectively, representing an increase compared to the 16.0% recorded in 2025, which is primarily attributable to a decrease in the proportion of material costs relative to revenue. The two power generation units of Lingtai Thermal Power were successively grid-connected and put into operation in July and September 2025, respectively. Consequently, they did not achieve full-load stable operations for the entire year, resulting in insufficient effective power generation hours. Furthermore, as the units were in the commissioning and trial-running phase, their equipment operating conditions had not yet reached standard specifications in 2025. In 2026, the operations of the units are expected to stabilise, leading to a continuous recovery in operating efficiency and a subsequent improvement in gross profit margin. By 2027, the project will fully enter a mature and stable operational phase. Consequently, we consider the projected operating costs to be reasonable.

Regarding administrative expenses and finance costs, we noted the estimated expenses during the forecast period are generally consistent with those in 2025 save for the growth in staff costs in line with inflation.

(3) Discount rate

Discount rates of 5.53% and 5.20% are adopted for the period from 2026 to 2030 and the remaining forecast period, respectively. Pursuant to the Announcement on Continuing the Corporate Income Tax Policy for the Western Development Strategy jointly issued by the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission, encouraged industrial enterprises established in the western region are entitled to a reduced CIT rate of 15% from 1 January 2021 to 31 December 2030. Lingtai Thermal Power is entitled to a preferential enterprise income tax rate of 15% for the period from 2026 to 2030. Save for the differences in CIT rate applied, all other parameters are identical to those adopted for New Energy Dongying. Please refer to our analysis set out in the subsection headed "(a) New Energy Dongying" above.

Based on the above assessments, we are of the view that the appraised value of the net assets of Lingtai Thermal Power is fair and reasonable.

(d) Luxi Power Generation

Luxi Power Generation is primarily engaged in the operation of the 2×600MW Underground Coal Gasification power generation project (2×600MW煤炭地下氣化發電工程項目), with its revenue mainly derived from electricity sales. Its operation remained stable as at the Valuation Benchmark Date and its future cash flows are predictable and measurable. Accordingly, the discounted cash flow method under the income approach has been adopted for the valuation of Luxi Power Generation. We have reviewed the key parameters and assumptions used in the valuation of Luxi Power Generation:

(1) Forecast period

The power generation project commenced operations in December 2022. According to its Electric Power Business Permit, the units have a design lifecycle of 30 years. Accordingly, the Independent Valuer has adopted a forecast period from February 2026 to December 2052.

(2) Cash flow forecast

The projected operating income is estimated based on the power generation volume and the electricity price. We have obtained and reviewed Luxi Power Generation's historical power generation volume and electricity price for the three years ended 31 December 2025. We noted that the projected annual power generation volume during the forecast period is generally in line with the historical average annual power generation volume for the three years ended 31 December 2025. The projected electricity price during the forecast period represents a 10% decrease compared to the average electricity price over the three years ended 31 December 2025. This was primarily due to the policy impact of the Notice on Deepening the Market-Oriented Reform of On-Grid Tariffs for New Energy to Promote High-Quality Development of New Energy, which led to a decline in the average electricity price of Luxi Power Generation in 2026. Despite utilizing the same three-year historical average electricity price as its benchmark, Shenglu Power did not project a similar 10% decrease. This discrepancy is primarily attributable to the geographical variations of the respective companies, whereby local electricity markets experience differing degrees of impact from new energy participation in the electricity spot market. Specifically, the average electricity price of Luxi Power Generation for the four months ended 30 April 2026 experienced a significant decline compared to 2025, whereas Shenglu Power maintained a relatively stable price during the same period.

The projected operating costs primarily comprise raw material costs, staff costs, depreciation, and maintenance expenses. We have reviewed the projected gross profit margins of Luxi Power Generation during the forecast period. The gross profit margin of Luxi Power Generation experienced year-on-year growth during the period from 2023 to 2025. It is projected to remain generally consistent in 2026 compared to 2025, further expand in 2027, and stabilize thereafter. We noted that this trend is primarily driven by a decrease in the proportion of material costs relative to revenue, which is consistent with its historical performance trajectory for the three years ended 31 December 2025. Consequently, we consider the projected operating costs to be reasonable.

Regarding administrative expenses, research and development expenses and finance costs, we noted the estimated expenses during the forecast period are generally consistent with those in 2025 save for the growth in staff costs in line with inflation.

(3) Discount rate

The discount rate of 5.20% is adopted for the valuation of Luxi Power Generation, which is identical to the discount rate adopted for New Energy Dongying. Please refer to our analysis set out in the subsection headed "(a) New Energy Dongying" above.

Based on the above assessments, we are of the view that the appraised value of the net assets of Luxi Power Generation is fair and reasonable.

(iv) **Conclusion**

Based on the above, we are of the view that the First Valuation is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

5. Valuation of Shandong Energy Electricity Sales

As stated in the Letter from the Board, the consideration of RMB845,245,406.66 for the acquisition of 100% equity interest in Shandong Energy Electricity Sales was determined after arm's length negotiations between the parties with reference to the appraised value of the entire equity interests of Shandong Energy Electricity Sales as at the Valuation Benchmark Date (i.e. 31 January 2026) of RMB845,245,406.66 (the "**SEPS Valuation**").

In assessing the fairness and reasonableness of the SEPS Valuation, we have taken into the following factors:

(i) The qualification and scope of work of the Independent Valuer

Please refer to the section headed "4. Valuation of New Energy Group – (i) Qualification and Scope of Work of the Independent Valuer" for details of our assessment regarding the Independent Valuer's qualification and terms of engagement. We are not aware of any matters that would cause us to question the Independent Valuer's competence and independence, and we consider that the Independent Valuer has sufficient expertise to perform the SEPS Valuation.

(ii) Valuation methodologies

We have reviewed and discussed with the Independent Valuer the methodologies, bases and assumptions adopted for the SEPS Valuation and understood that the Independent Valuer has carried out physical inspections and made relevant enquiries for the purpose of valuing Shandong Energy Electricity Sales. As stated in the Second Equity Asset Valuation Report, the Independent Valuer has considered three generally accepted approaches, namely, market approach, income approach and asset-based approach and adopted the income approach in the SEPS Valuation due to the following consideration:

(a) the market approach is not adopted as it was not able to identify a sufficient number of comparable listed companies or precedent transactions that align with Shandong Energy Electricity Sales in terms of business model, enterprise scale, market position, capital structure, growth potential, and risk profile;

(b) Shandong Energy Electricity Sales has stable historical operations. Its future cash flows are predictable and measurable; and

(c) Shandong Energy Electricity Sales is principally engaged in the electricity sales business. As such, the asset-based approach is inadequate to accurately reflect its earning ability.

We concur with the Independent Valuer that it is fair and reasonable to adopt the income approach in arriving at the market value of Shandong Energy Electricity Sales.

(iii) The SEPS Valuation

We have reviewed the key parameters and assumptions used in the SEPS Valuation:

(1) Forecast period

Shandong Energy Electricity Sales is engaged in the electricity trading services industry. There are no limitations imposed on Shandong Energy Electricity Sales's operation period and the useful lives of its core assets. Shandong Energy Electricity Sales's business model and operational methods are relatively stable. Therefore, the forecast period is determined to be from February

2026 to December 2031, with a terminal perpetual period thereafter. We consider that a five-year forecast period is reasonable and justified for a company with stable operations.

(2) Cash flow forecast

Pursuant to the Notice on Deepening the Market-Oriented Reform of On-Grid Tariffs for New Energy to Promote High-Quality Development of New Energy （關於深化新能源上網電價市場化改革促進新能源高品質發展的通知） jointly issued by the National Development and Reform Commission and the National Energy Administration at the end of 2025, alongside the Implementation Plan for the Market-Oriented Reform of New Energy On-Grid Tariffs in Shandong Province （山東省新能源上網電價市場化改革實施方案), significant changes have occurred in the spot electricity market trading since the first quarter of 2026. This round of policy adjustments not only caps the electricity tariffs for retail consumers but also imposes further restrictions on the revenue of electricity sales companies, with the ultimate objective of minimizing intermediary margins and reducing electricity costs for end-users. Impacted by these policy changes, Shandong Energy Electricity Sales's revenue is projected to decrease by approximately 14.4% in 2026 compared to 2025, before entering a period of stable growth at an annual rate of 4.0% to 5.0% from 2027 onwards. Having reviewed the actual revenue of Shandong Energy Electricity Sales from January to April 2026, we consider that the projected revenue contraction during the forecast period is reasonable. Shandong Energy Electricity Sales recorded an annual growth rate of over 20% in its service revenue from electricity trading services for both 2024 and 2025, which was primarily driven by the successive grid connection of newly constructed power plants under Shanneng Group, as well as its own business development. Although revenue is expected to experience a decline in 2026 due to the introduction of the new policy, we consider the subsequent growth rates to be reasonable and conservative, taking into account the Group's power generation projects under construction and Shandong Energy Electricity Sales' historical growth.

The projected operating costs primarily comprise consultation fees, electricity fees and technical service fees. We have reviewed the projected gross profit margins of Shandong Energy Electricity Sales during the forecast period. We noted the gross profit margin is expected to increase to approximately 86.4% in 2026 from approximately 78.9% in 2025 and then remain stable at approximately 86% during the forecast period. The aforementioned growth is attributable to a corresponding reduction in consultation fees resulting from the decrease in revenue from the spot electricity trading business. We noted that the proportion of consultation fees relative to the revenue of this business segment during the forecast period remains consistent with the ratio recorded in 2025. As such, we consider the projected operating costs to be reasonable.

Administrative expenses are projected to grow at an annualized rate of approximately 2% in line with inflation, based on the historical administrative expenses in 2025. The proportion of R&D expenses relative to revenue during the forecast period is expected to be approximately 15%, remaining consistent with the ratio recorded in 2025.

(3) Discount rate

The Independent Valuer has used the WACC to determine the discount rate. Based on the assumptions and bases as discussed below, a discount rate of 9.90% was applied to the discounted cash flow model.

WACC is calculated based on the (i) cost of debt, (ii) cost of equity, and (iii) debt-to-equity ratio. Cost of debt was based on interest rate on debt after income tax and the cost of equity was determined using the CAPM, being the widely accepted model for the purpose of estimating the required rate of return on equity, after taking into account the risk-free rate, market risk premium, equity risk coefficient and specific risk premium.

Regarding the cost of debt, the 5-year Loan Prime Rate (LPR) of 3.5%, as at the Valuation Benchmark Date, was adopted for the calculation.

In arriving at the cost of equity using the CAPM, the Independent Valuer adopted a risk-free rate of 2.29%, representing the average yield of PRC treasury bonds with a maturity of 10 years or more as at the Valuation Benchmark Date. On the other hand, the Independent Valuer derived a market risk premium of 6.10%, determined with reference to the long-term average yield of the Chinese equity market in excess of the risk-free rate. In respect of equity risk coefficient, we noted that the Independent Valuer has made reference to the average beta coefficients of three comparable listed companies in the A-share market. We have reviewed and discussed with the Independent Valuer on the selection criteria of the comparable companies to determine the equity risk coefficient, which include: (i) the comparable companies are profitable for the latest two years; (ii) the comparable companies have a listing history of at least two years on the Shanghai Stock Exchange or the Shenzhen Stock Exchange; and (iii) the comparable companies have been engaged in electricity trading business for no less than two years, which represent an exhaustive list. Based on the same selection criteria, we have performed our independent research and identified the same set of comparable companies used by the Independent Valuer, which represent an exhaustive list. As such, we are of the view that the selected comparable companies in determining the equity risk coefficient are appropriate. The Independent Valuer has also taken into consideration the specific situation of Shandong Energy Electricity Sales in determining the specific risk adjustment of 4.00% based on the differences in terms of enterprise scale, enterprise operational performance, industry positioning, operation capabilities, competitiveness etc. between Shandong Energy Electricity Sales and comparable companies. Based on the above and the formula of CAPM, the cost of equity used for Shandong Energy Electricity Sales was 10.46%.

With respect to the target capital structure utilized in the WACC calculation, the Independent Valuer has adopted the latest debt-to-equity ratio of the comparable companies as at the Valuation Benchmark Date.

(iv) Conclusion

Based on the above, we are of the view that the SEPS Valuation is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

6. Financial effect of the Acquisitions

Upon completion of the Acquisitions, the profitability of the Company will be significantly enhanced. For FY2025, the Target Companies recorded revenue, net profit, and net profit attributable to the shareholders of parent company of approximately RMB7,758 million, RMB1,161 million, and RMB958 million, respectively. The completion of the Acquisitions will bolster the financial performance of the Company, representing an incremental increase in the Company's revenue, net profit, and net profit attributable to the Shareholders of the parent company by approximately 5.35%, 8.16%, and 11.43%, respectively.

From an operational perspective, following the completion of the Acquisitions, both the installed capacity and the annual power generation volume of the Company's power generation projects will expand substantially, leading to a continuous strengthening of its operational capabilities. Specifically, the installed capacity of the Company's power generation projects will increase by 13,252 MW, and the annual power generation volume will increase by approximately 22.9 billion kWh.

B. PROPOSED CONTINUING CONNECTED TRANSACTIONS

1. Information of the parties

For details of the information of the Group and Shandong Energy, please refer to the section headed "A. The Acquisitions – 1. Information of the parties" above.

Shandong Energy Finance Company is directly owned as to approximately 53.92% by the Company, directly and indirectly owned as to approximately 46.08% by Shandong Energy. The principal businesses of Shandong Energy Finance Company include provision of guarantee between members; provision of entrusted loans between members; provision of bill acceptance and discount services to members; provision of internal fund transfer and settlement services and corresponding settlement and clearing planning to members; accepting deposits from members; provision of loans and finance leasing to members. Shandong Energy Finance Company is a non-banking financial institution legally established with the approval of NFRA.

2. Proposed Provision of Materials Supply Agreement

(i) Reasons for and benefits of the entering into of the Proposed Provision of Materials Supply Agreement

The Group requires stable suppliers of mining production materials for steady business expansion. Certain materials provided by the Shandong Energy Members are better in quality than those provided by external suppliers and it is rather difficult for the Group to source materials with comparable quality, specifications and value from other external suppliers. Furthermore, since the Shandong Energy Members' production sites are close to the Group's coal mines and factories, the transportation of such materials is convenient and at a relatively lower cost.

At the same time, the Target Companies was subsidiaries of Shandong Energy prior to the Acquisitions and the Target Companies have been procuring materials from the Shandong Energy Members every year. Such transactions will continue after the completion of the Acquisitions in order to maintain the stable operations of the Target Companies, which is in line with the Company's production and operation and further business integration needs.

Based on the above, we consider that entering into of the Proposed Provision of Materials Supply Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms of the Proposed Provision of Materials Supply Agreement

Details of the terms of the Proposed Provision of Materials Supply Agreement are set out in the Letter from the Board, which are summarized as follows:

Major terms : The Shandong Energy Members would provide the following materials to the Group: chemical raw materials (methanol, pure benzene, etc.), coal, electricity, underground supporting and protection materials, equipment accessories for coalmine operation, safety protection materials, informatization facilities, grease and oil materials and other general materials.

Payment : (1) The payment of consideration of the Proposed Provision of Materials Supply Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Provision of Materials Supply Agreement in its accounts on or before the last working day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing : All materials would be supplied at the Market Price and such price shall in so far as possible be calculated and estimated before the commencement of each financial year, and shall be determined according to normal commercial terms based on the following:

(1) the price offered by Independent Third Parties for provision of the same or similar type of materials in the same or similar area or in the vicinity under normal commercial terms in the ordinary course of business of such Independent Third Parties; or

(2) if the foregoing (1) is not applicable, the price offered by Independent Third Parties in the PRC for provision of the same or similar type of materials under normal commercial terms in the ordinary course of business of such Independent Third Parties.

In assessing the terms of the Proposed Provision of Materials Supply Agreement, we have randomly selected and obtained three contracts entered into between the Group and Shandong Energy Members and three contracts entered into between the Group and independent suppliers in 2025. We noted that (1) the price offered by Shandong Energy Members to the Group is no less favourable to the Group than the price offered by independent suppliers for similar materials; and (2) the payment terms with Shandong Energy Members are consistent with those with independent suppliers. Although the selected samples do not cover all material categories or every Shandong Energy Member supplying materials to the Group, the sample contracts have covered historical year of the Existing Provision of Materials Supply Agreement and were selected by us on a random basis. Therefore, we consider that the selected samples are representative. As such, we consider that the pricing policy and payment terms of the Existing

Provision of Materials Supply Agreement have been adhered to in accordance with the Group's internal control procedures, and the terms of the Proposed Provision of Materials Supply Agreement are fair and reasonable.

(iii) Proposed annual caps

Set out below are the historical annual cap and actual transaction amount under the Existing Provision of Materials Supply Agreement:

	FY2025 *RMB'000*
Actual transaction amount	3,985,238
Historical annual cap	5,840,000
Utilisation rate	68.2%

The low utilisation rate of the annual cap for FY2025 was primarily due to a higher-than-expected amount of materials supply contracts awarded to independent third-party suppliers, which consequently led to a decrease in the procurement amount of materials from Shandong Energy Members.

Set out below are the proposed annual caps under the Proposed Provision of Materials Supply Agreement for the three years ending 31 December 2028 ("**FY2026**", "**FY2027**" and "**FY2028**", respectively):

	FY2026 *RMB'000*	**FY2027** *RMB'000*	**FY2028** *RMB'000*
Proposed annual cap	9,273,000	11,223,000	11,508,000

In assessing the reasonableness of the proposed annual caps under the Proposed Provision of Materials Supply Agreement, we have obtained and reviewed the Group's calculation of the proposed annual caps and noted that the increase in the expected transaction amounts as compared to the actual transaction amount of approximately RMB3,985 million for FY2025 is mainly due to the following factors:

(1) Upon the completion of the Acquisitions, the Target Companies will become subsidiaries of the Company, and the thermal power plants under the Target Companies will continue to purchase thermal coal from Shandong Energy Members in accordance with the signed procurement contracts. The amounts payable by the Target Companies to the Shandong Energy Members in respect of material supplies are expected to be RMB4,046 million, RMB6,007 million and RMB6,110 million for the three years ending 31 December 2028, respectively. In this regard, we have obtained and reviewed the procurement contracts entered into between the Target Companies and Shandong Energy Members regarding the procurement of coal for FY2026. We noted that the projected procurement amount for FY2026 was determined based on the estimated full-year purchase volume under the executed

contracts, current and historical coal prices, and the pricing adjustment mechanism stipulated in the contracts. Furthermore, the anticipated growth in procurement amounts for 2027 and 2028 compared to 2026 is primarily attributable to the expected increase in procurement by Xiang Guang Power Generation, where the first power generation unit is scheduled to commence commercial operation on 31 October 2026 and the second power generation unit on 28 February 2027.

(2) The Group's procurement of coal from Xibei Mining (a non-wholly-owned subsidiary of the Company and one of the Shandong Energy members) for the three years ending 31 December 2028 is projected to increase by RMB990 million, RMB1,038 million, and RMB1,088 million, respectively, compared to the actual procurement amount in 2025. Based on our discussions with the management of the Company, this growth is primarily because the Group's trading subsidiaries and chemical production subsidiaries plan to purchase coal from Xibei Mining. We consider this to be a reasonable intra-group transaction arrangement following the Company's completion of the acquisition of Xibei Mining in 2025.

Taking into account the above factors and our work done on each factor, we are of the view that the proposed annual caps under the Proposed Provision of Materials Supply Agreement are fair and reasonable.

3. Proposed Mutual Provision of Labor and Services Agreement

(i) Reasons for and benefits of the entering into of the Proposed Mutual Provision of Labor and Services Agreement

Proposed Mutual Provision of Labor and Services Agreement effectively covers the continuous transactions between the Shandong Energy Members and the Target Companies after the completion of the Acquisitions, which is conducive to ensuring the stability of the Target Companies' operations, and is in line with the Company's production and operation and further business integration needs.

As regards the provision of labor and services by the Shandong Energy Members to the Company, relying on its huge asset volume and internal demand, the Shandong Energy Members has established a strong capacity in providing services such as repair and maintenance services, construction engineering and management services, canteen operations services and security services in Shandong Province, Shaanxi Province and Inner Mongolia Autonomous Region and is an important service provider in the relevant regional market. The Group can obtain timely and stable supply from the Shandong Energy Members, thereby reducing the operating risks, which is favourable to the normal production and operation of the Group. The qualifications and quality of labor and services provided by the Shandong Energy Members have been approved and certified by governmental departments or industries, which can ensure that reliable and quality-assured labor and services are available to the Group.

Based on the above, we consider that the entering into of the Proposed Mutual Provision of Labor and Services Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms of the Proposed Mutual Provision of Labor and Services Agreement

Details of the terms of the Proposed Mutual Provision of Labor and Services Agreement are set out in the Letter from the Board, which are summarized as follows:

Major terms : Pursuant to the Proposed Mutual Provision of Labor and Services Agreement, the Shandong Energy Members have agreed to provide the Group with labor and services including repair services (building and equipment repair), construction engineering and management services, individual employee benefits (including but not limited to health check-ups, rehabilitation and therapy, social, arts, sports and entertainment services, financial difficulties subsidies, and other welfare expenses as stipulated by the PRC government), asset leasing and services, guarantee services, training services, security services (including security guard services and coal train convoy services), labor export, backup services (including canteen operation, property cleaning and catering and accommodation, etc.), informatization and technology services, mine rescue services, maintenance services of the ERP and relevant systems, and medical services (including wellhead emergency services, staff medical checkups, occupational health record management, epidemic prevention and control, prevention and control of infectious diseases, management of sick and injury leave for staff, public health services, emergency maintenance for major public health incidents, etc.), and transportation services.

Payment : (1) The payment of consideration of the Proposed Mutual Provision of Labor and Services Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Mutual Provision of Labor and Services Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing : Provision of maintenance services (building and equipment repair services), construction engineering and management services, asset leasing and services, guarantee services, training services, transportation services, guard services in security services, backup services, informatization and technology services by the Shandong Energy Members to the Group:

The consideration shall be determined according to the Market Price.

Provision of transportation services, engineering construction and management services, port services, maintenance services, training services, informatization and technology services by the Group to the Shandong Energy Members:

The consideration shall be determined according to the Market Price.

Provision of individual employee benefits services, labor export and mine rescue services by the Shandong Energy Members to the Group:

The consideration shall be determined according to the Cost Price. "**Cost Price**" is the transaction price determined based on the actual cost. The actual cost is the cost incurred from providing the subject matter of the transaction by the providing party. For the purpose of computing the actual cost, Shandong Energy shall provide the Company with full account books and records in respect of the costs of such services.

The Shandong Energy Members provide the Group with coal train convoy services under security services:

Coal train convoy services under security services are the cost of salary, material and equipment consumption and depreciation incurred by the Shandong Energy Members plus reasonable profit. Reasonable profit is normally 5% of the cost price, which is determined through commercial negotiation between the parties with reference to the general profit margin of the service industry.

Provision of maintenance services of the ERP and relevant systems by the Shandong Energy Members to the Group:

The consideration shall be determined based on the general pricing rules of the ERP and relevant systems maintenance market, using the per person per day rate as the pricing basis.

Provision of medical services by the Shandong Energy Members to the Group:

The fees for medical check-ups shall be formulated with strict reference to the fee standards of the Shandong Provincial Price Bureau and the medical fee directory of the Healthcare Security Administration of Shandong Province, and the fees for other medical services shall be measured with reference to the actual workload, the number of staff members engaged in the services, and their wages and the costs of consumables.

In assessing the terms of the Proposed Mutual Provision of Labor and Services Agreement, we have randomly selected and obtained three contracts entered into between the Group and the Shandong Energy Members in relation to provision of Labor and services by the Shandong Energy Members to the Group and three contracts entered into between the Group and independent suppliers in 2025.

We noted that (1) the price offered by the Shandong Energy Members to the Group is no less favourable to the Group than the price offered by independent suppliers or the market price collected by the Group for similar services; and (2) the payment terms with Shandong Energy Members are consistent with those with independent suppliers. Although the selected samples do not cover all service categories or every Shandong Energy Member supplying services to the Group, the sample contracts have covered historical year of the Existing Mutual Provision of Labor and Services Agreement and were selected by us on a random basis. Therefore, we consider that the selected samples are representative. As such, we consider that the

pricing policy and payment terms of the Existing Mutual Provision of Labor and Services Agreement have been adhered to in accordance with the Group's internal control procedures, and the terms of the Proposed Mutual Provision of Labor and Services Agreement are fair and reasonable.

(iii) Proposed annual caps

Set out below are the historical annual caps and actual transaction amounts under the Existing Mutual Provision of Labor and Services Agreement:

	FY2025 *RMB'000*
Labor and services provided by Shandong Energy	
Actual transaction amount	5,424,562
Historical annual cap	7,571,000
Utilisation rate	71.6%

Set out below are the proposed annual caps under the Proposed Mutual Provision of Labor and Services Agreement for the years indicated:

	FY2026 *RMB'000*	**FY2027** *RMB'000*	**FY2028** *RMB'000*
Labor and services provided by Shandong Energy	10,990,000	9,522,000	9,447,000

In assessing the reasonableness of the proposed annual caps under the Proposed Mutual Provision of Labor and Services Agreement, we have obtained and reviewed the Group's calculation of the proposed annual caps and noted that the increase in the expected transaction amounts as compared to the actual transaction amount of RMB5,425 million for FY2025 is mainly due to the following factors:

(1) The estimated procurement amounts of Xibei Mining for the three years ending 2028 are expected to increase by RMB3,020 million, RMB774 million, and RMB806 million, respectively, as compared to 2025. This is primarily attributable to the commencement of construction at the Youfanghao Coal Mine and Yangjiaping Coal Mine in 2026. In this regard, we have reviewed the executed construction contracts and the relevant project investment plans.

(2) The estimated procurement amounts for Inner Mongolia Mining for the three years ending 2028 are expected to increase by RMB729 million, RMB1,770 million, and RMB1,745 million respectively compared to 2025, mainly driven by infrastructure projects like Caosiyao, Bointai, and Galutu entering construction phase in 2026. We have reviewed the feasibility study reports for these projects accordingly.

After reviewing the relevant construction contracts, investment plans, and feasibility study reports, which substantiate the upcoming capital expenditure requirements as the projects transition into more intensive development phases, we consider that the increase in the proposed annual caps over the actual transaction amount in 2025 is consistent with the Group's ongoing development and construction plans for its coal mines.

Taking into account the above factors, we are of the view that the proposed annual caps under the Proposed Mutual Provision of Labor and Services Agreement are fair and reasonable.

4. Proposed Provision of Products, Materials and Asset Leasing Agreement

(i) Reasons for and benefits of the entering into of the Proposed Provision of Products, Materials and Asset Leasing Agreement

As Shandong Energy is in close proximity to the Company and the Company can obtain Shandong Energy's demand plan more easily and the provision of products and materials by the Group to the Shandong Energy Members at Market Price can enable the Group to achieve a stable sales market and reduce management and operational costs of the Group. Meanwhile, the Group's materials supply centre has the qualification for materials and equipment distribution. Hence, it is able to purchase materials and equipment at a lower wholesale price, and subsequently resell to the Shandong Energy Members at the Market Price, thereby increasing the Company's operating profit. Furthermore, the Group's equipment management centre can provide equipment leasing to the Shandong Energy Members under normal commercial terms based on its operation needs and thus could effectively control the risks of leasing business and achieve economic benefits.

Based on the above, we consider that the entering into of the Proposed Provision of Products, Materials and Asset Leasing Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement

Details of the terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement are set out in the Letter from the Board, which are summarized as follows:

Major terms : Pursuant to the Proposed Provision of Products, Materials and Asset Leasing Agreement, the Group would provide the following to the Shandong Energy Members: coal products, electricity, chemical products (methanol, glycol, acetic acid, ammonia, ammonium sulfate and other chemical products), materials (including but not limited to steel, non-ferrous metal, timber, grease and oil products, bearings, mining equipment and machineries such as hydraulic support and rubber conveyors, and other similar materials) and asset leasing (equipment, property leasing).

Payment : (1) The payment of consideration of the Proposed Provision of Products, Materials and Asset Leasing Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Provision of Products, Materials and Asset Leasing Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing : The price of coal products, chemical products, materials and asset leasing shall be determined according to the Market Price.

The price of electricity shall be determined with reference to the electricity trading price in the electricity spot market of Shandong Province and would be settled according to the actual usage of electricity by the Shandong Energy Members.

In assessing the terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement, we have randomly selected and obtained three contracts entered into between the Group and the Shandong Energy Members and three contracts entered into between the Group and independent customers in 2025. We noted that (1) the price offered by the Group to the Shandong Energy Members is no less favourable than the price offered to independent customers for similar products; and (2) the payment terms with Shandong Energy Members are consistent with those with independent customers. Although the selected samples do not cover all material categories or every Shandong Energy Member to which the Group sold materials or provided asset leasing services, the sample contracts have covered historical year of the Existing Provision of Products,

Materials and Asset Leasing Agreement and were selected by us on a random basis. Therefore, we consider that the selected samples are representative. As such, we consider that the pricing policy and payment terms of the Existing Provision of Products, Materials and Asset Leasing Agreement have been adhered to in accordance with the Group's internal control procedures, and the terms of the Proposed Provision of Products, Materials and Asset Leasing Agreement are fair and reasonable.

(iii) Proposed annual caps

Set out below are the historical annual cap and actual transaction amount under the Proposed Provision of Products, Materials and Asset Leasing Agreement:

	FY2025 *RMB'000*
Actual transaction amount	12,261,155
Historical annual cap	15,261,000
Utilisation rate	80.3%

Set out below are the proposed annual caps under the Provision of Products, Materials and Asset Leasing Agreement for the years indicated:

	FY2026 *RMB'000*	**FY2027** *RMB'000*	**FY2028** *RMB'000*
Proposed annual cap	18,684,000	19,936,000	20,732,000

In assessing the reasonableness of the proposed annual caps under the Proposed Provision of Products, Materials and Asset Leasing Agreement, we have obtained and reviewed the Group's calculation of the proposed annual caps and noted that the increase in the expected transaction amounts as compared to the actual transaction amount of RMB12,261 million for FY2025 is mainly due to the following factors:

(1) The projected sales amounts from Luxi Mining to Shandong Energy Members for the three years ending 2028 are anticipated to increase by RMB2,229 million, RMB2,792 million, and RMB2,737 million, respectively, compared to the historical sales amount in 2025.

(2) The projected sales amounts of Yankuang Erdos for the three years ending 2028 are estimated to increase by RMB1,189 million, RMB1,164 million, and RMB1,202 million, respectively, compared to the historical sales amount in 2025.

According to our discussions with the management, such significant growth is primarily driven by the expanding coal procurement demands from Shandong Energy Members and the strategic optimisation of the Shandong Energy Group's internal synergistic structures. To enhance operational resilience, Shandong Energy Group (including the Group) has continuously increased the utilisation proportion of its

internally produced coal. By expanding the scale of intra-group coal purchase and sales activities, Shandong Energy aims to elevate the scale of coal-power and marketing-trading synergies. This coordinated approach is strategically designed to maximize the overall economic benefits and operational efficiency of Shandong Energy Group as a whole.

In this regard, we have obtained and reviewed the definitive coal procurement agreements entered into between Luxi Mining/Yankuang Erdos and the relevant Shandong Energy Members. We noted that parties have stipulated a delivery schedule, which specifies the volume of coal to be supplied each month throughout 2026.

Taking into account the above factors, we are of the view that the proposed annual caps under the Proposed Provision of Products, Materials and Asset Leasing Agreement are fair and reasonable.

5. Proposed Bulk Commodities Sale and Purchase Agreement

(i) Reasons for and benefits of the entering into of the Proposed Bulk Commodities Sale and Purchase Agreement

The entering into of the Proposed Bulk Commodities Sale and Purchase Agreement will help to alleviate the impact of economic cycle fluctuations on the business performance of the Group, enlarge the overall operating scale and improve the profitability of the Group. Furthermore, the Proposed Bulk Commodities Sale and Purchase Agreement will enable the Group and the Shandong Energy Members to share the suppliers and customers in their respective resourcing and distribution channels which cover different areas, and thus bringing the advantages of both the Group and the Shandong Energy Members in their resourcing and distribution channels into full play, thereby creating a synergistic effect that could expand the trading size, improve the sales volume and improve the revenue of both parties.

In addition, as the Company has a better understanding in the operation and reputation of the Shandong Energy Members, the Company believes that the risk of trading with the Shandong Energy Members is lower than trading with Independent Third Parties. By purchasing bulk commodities from the Shandong Energy Members, the Group could secure a long-term and stable source of supply. By selling bulk commodities to the Shandong Energy Members, the Company could ensure the safety of the transactions, including payment recoveries. Collectively, this could reduce the operational risks of the entire trading business of the Group.

Under the Proposed Bulk Commodities Sale and Purchase Agreement, the coal, iron ores, rubber and other types of bulk commodities purchased by the Group from the Shandong Energy Members are of different sources, batches, types or models from the coal, iron ores, rubber and other types of bulk commodities sold by the Group to the Shandong Energy Members. No cross selling will be made under the Proposed Bulk Commodities Sale and Purchase Agreement.

Based on the above, we consider that the entering into of the Proposed Bulk Commodities Sale and Purchase Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms of the Proposed Bulk Commodities Sale and Purchase Agreement

Details of the terms of the Proposed Bulk Commodities Sale and Purchase Agreement are set out in the Letter from the Board, which are summarized as follows:

Major terms : Under the Proposed Bulk Commodities Sale and Purchase Agreement, the Group and the Shandong Energy Members may, from time to time, sell or purchase coal, iron ores, rubber and other bulk commodities from each other.

Payment : (1) The payment of consideration of the Proposed Bulk Commodities Sale and Purchase Agreement can be settled on a one-off basis or by installment in accordance with paragraph (2) below.

(2) Each party shall record all items payable to or from the other party in a calendar month in relation to the transactions under the Proposed Bulk Commodities Sale and Purchase Agreement in its accounts on or before the last Working Day of that calendar month. Save for the payments made for non-completed transactions or disputed payments, all payments incurred in a calendar month shall be settled in full by the responsible party within the next calendar month.

Pricing : The prices of coal, iron ores, rubber and other bulk commodities shall be determined according to the Market Price.

In assessing the terms of the Proposed Bulk Commodities Sale and Purchase Agreement, (a) we have randomly selected and obtained three contracts entered into between the Group and the Shandong Energy Members and three contracts entered into between the Group and independent customers in 2025, and we noted that the price offered by the Group to the Shandong Energy Members is no less favourable than the price offered to independent customers for similar products; and (b) we have randomly selected and obtained three contracts entered into between the Group and the Shandong Energy Members and three contracts entered into between the Group and independent suppliers in 2025, and we noted that the price offered by the Shandong Energy Members is no less favourable than the price offered by independent suppliers for similar products. We also noted the payment terms with Shandong Energy Members are consistent with those with independent customers or

independent suppliers. Although the selected samples do not cover all commodity categories or every Shandong Energy Member, the sample contracts have covered historical year of the Proposed Bulk Commodities Sale and Purchase Agreement and were selected by us on a random basis. Therefore, we consider that the selected samples are representative. As such, we consider that the pricing policy and payment terms of the Existing Bulk Commodities Sale and Purchase Agreement have been adhered to in accordance with the Group's internal control procedures, and the terms of the Proposed Bulk Commodities Sale and Purchase Agreement are fair and reasonable.

(iii) Proposed annual caps

Set out below are the historical annual caps and actual transaction amounts under the Existing Bulk Commodities Sale and Purchase Agreement:

	FY2025 *RMB'000*
Procurement of bulk commodities from Shandong Energy	
Actual transaction amount	4,562,397
Historical annual cap	11,683,000
Utilisation rate	39.0%
Sale of bulk commodities to Shandong Energy	
Actual transaction amount	2,562,041
Historical annual cap	8,223,000
Utilisation rate	31.2%

The low utilisation rates of the annual caps in 2025 were mainly due to that the price drops in bulk commodities like coal resulted in certain trading activities not being carried out as scheduled, which consequently decreased the sales revenue within the trading business segment.

Set out below are the proposed annual caps under the Bulk Commodities Sale and Purchase Agreement for the years indicated:

	FY2026 *RMB'000*	**FY2027** *RMB'000*	**FY2028** *RMB'000*
Procurement of bulk commodities from Shandong Energy	8,000,000	9,000,000	10,000,000
Sale of bulk commodities to Shandong Energy	6,217,000	8,376,000	8,443,000

In assessing the reasonableness of the proposed annual caps for procurement of bulk commodities from Shandong Energy, we have obtained and reviewed the Group's calculation of the proposed annual caps and noted that the increase in the expected transaction amounts as compared to the actual transaction amount of RMB4,562 million for FY2025 is mainly due to that the Group's subsidiary trading companies intend to

leverage the supply sources of the controlling shareholder and their own sales channel advantages to expand the scale of coal trading, creating new procurement demand for bulk commodities.

We have reviewed the historical transaction amounts for the three years ended 31 December 2025 and noted a significant upward trajectory in the procurement amounts. rising from RMB214 million in 2023 to RMB2,652 million in 2024, and further increased to RMB4,562 million. Although the actual procurement amount in 2025 was lower than originally anticipated due to adverse market conditions, we note that the overall procurement scale has maintained a rapid year-on-year growth momentum over the historical period as a result of the deepening strategic cooperation and business integration between the parties. In light of this historical growth momentum, we are of the view that the projected growth in the procurement amounts for the three years ending 2028, as compared to the actual procurement amount in 2025, is consistent with the historical growth trend and operational trajectory of the Group.

In assessing the reasonableness of the proposed annual caps for sales of bulk commodities to Shandong Energy, we have obtained and reviewed the Group's calculation of the proposed annual caps and noted that the increase in the expected transaction amounts as compared to the actual transaction amount of RMB2,562 million for FY2025 is mainly due to the following factors:

(1) Yancoal Australia, in order to achieve better returns, intends to increase the volume of coal sold to the domestic market of China and utilise the trading companies under Shandong Energy to expand sales channels. It is expected that the sales amount to the trading companies under Shandong Energy will increase by RMB1,831 million, RMB4,222 million and RMB4,222 million for the three years ending 31 December 2028, respectively, as compared to the historical sales amount in 2025. As disclosed in the Company's announcement dated 14 April 2026, Yancoal Australia proposes to acquire an 80% interest in the Kestrel Coal Mine, a large-scale, long-life metallurgical coal asset located in Queensland's Bowen Basin. The Kestrel Coal Mine produces premium metallurgical coal products characterized by high fluidity and plasticity, alongside low ash and deleterious elements, which are in high demand among global steelmakers. Notably, it stands as one of the largest producing underground coal mines in Australia. In 2025, the Kestrel Coal Mine recorded a saleable production of 5.9 Mt, which represents a substantial volume when compared to Yancoal Australia's total sales volume of metallurgical coal of 6.1 Mt for FY2025 as disclosed in its annual report for FY2025. The acquisition is expected to exponentially expand Yancoal Australia's metallurgical coal production capacity and sales volume. Consequently, leveraging this significant supply increment and the premium product profile, we consider that such estimated increase in the sales volume of coal to Shandong Energy Members is fair and reasonable.

(2) According to the business development plans of certain thermal power plants and chemical plants under Shandong Energy, it is expected that the demand for coal will continue to increase. Based on their coal procurement plans and

the sales intentions already reached with the Group's subsidiary trading companies. It is expected that the coal sales amount to such Shandong Energy Members will increase by RMB830 million, RMB908 million and RMB908 million for the years from 2026 to 2028, respectively, as compared to the historical sales amount in 2025. In this regard, we have obtained and examined certain coal procurement contracts. Given that these coal procurement plans are already in progress, we are of the view that the forecasted sales expansion is fair and reasonable.

Taking into account the above factors, we are of the view that the proposed annual caps under the Proposed Bulk Commodities Sale and Purchase Agreement are fair and reasonable.

6. Proposed Shandong Energy Financial Services Agreement

(i) Reasons for and benefits of the entering into of the Proposed Shandong Energy Financial Services Agreement

The principal businesses of Shandong Energy Finance Company include provision of guarantee between members; provision of entrusted loans between members; provision of bill acceptance and discount services to members; provision of internal fund transfer and settlement services and corresponding settlement between members; accepting deposits from members; provision of loans and finance leasing to members. Shandong Energy Finance Company is a non-banking financial institution legally established with the approval of the relevant national government authorities.

Through the provision of financial services to the Shandong Energy Members, Shandong Energy Finance Company can expand its source of capital through absorbing capital from the Shandong Energy Members, enlarge its business scope, and improve its profitability through providing loan and settlement services to the Shandong Energy Members by means of charging loan interests and other service fees. At the same time, the Company can integrate financial resources and enhance financial innovation capabilities through the platform of Shandong Energy Finance Company.

As such, we consider that the entering into of the Proposed Shandong Energy Financial Services Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms of the Proposed Shandong Energy Financial Services Agreement

Details of the terms of the Proposed Shandong Energy Financial Services Agreement are set out in the Letter from the Board, which are summarized as follows:

Major terms	:	Shandong Energy Finance Company shall provide comprehensive credit facilities (including but not limited to loans, bill acceptance and discounting, non-financing guarantees, etc.) to the Shandong Energy Members with a maximum daily balance (including accrued interests) of not exceeding RMB32 billion for each of the three years from 2026 to 2028 respectively during the term of the Proposed Shandong Energy Financial Services Agreement.
Pricing	:	The interest rate for the loan to be provided by Shandong Energy Finance Company to the Shandong Energy Members shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the loan benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by general commercial banks for the provision of same type of loan services.

In assessing the terms of the Proposed Shandong Energy Financial Services Agreement, we have randomly selected and obtained three loan agreements entered into between Shandong Energy Finance Company and the Shandong Energy Members in 2025. We noted that the interest rate for the loans offered to the Shandong Energy Members is in line with the interest rate offered by general commercial banks for the provision of same type of loan services. As such, we consider that the pricing policy of the Existing Shandong Energy Financial Services Agreement has been adherence in accordance with the Group's internal control procedures, and the terms of the Proposed Shandong Energy Financial Services Agreement are fair and reasonable.

(iii) Proposed annual caps

Set out below are the historical annual cap and actual transaction amount under the Existing Shandong Energy Financial Services Agreement:

	FY2025 *RMB'000*
Comprehensive Credit	
Actual transaction amount	23,368,000
Historical annual cap	32,000,000
Utilisation rate	73.0%

Set out below are the proposed annual caps under the Shandong Energy Financial Services Agreement for the years indicated:

	FY2026	**FY2027**	**FY2028**
	RMB'000	*RMB'000*	*RMB'000*
Comprehensive Credit			
Proposed annual cap	32,000,000	32,000,000	32,000,000

The proposed annual caps for the three years ending 31 December 2028 remain unchanged from the existing annual cap for FY2025 approved by the Independent Shareholder.

We have reviewed the annual report of Shandong Energy for FY2025 and noted that Shandong Energy had short-term loans due within one year of approximately RMB86.1 billion as at 31 December 2025. Taking into account that (a) the subsidiaries of Shandong Energy may borrow from Shandong Energy Finance Company to maintain sufficient working capital in a timely manner after external loans mature; (b) Shandong Energy's external short-term loans due within one year as at 31 December 2025 are approximately three times the proposed annual cap for comprehensive credit provided by Shandong Energy Finance Company; (c) Shandong Energy had a cash balance of approximately RMB156.5 billion as at 31 December 2025; and (d) the credit risk is relatively low considering Shandong Energy's cash balance and that the Group has adequate internal control policies and procedures in place to manage the credit risk, we are of the view that the proposed annual caps under the Shandong Energy Financial Services Agreement are fair and reasonable.

7. Proposed Yankuang Energy Financial Services Agreement

(i) Reasons for and benefits of the entering into of the Proposed Yankuang Energy Financial Services Agreement

Through the provision of financial services to the Group, Shandong Energy Finance Company can expand its source of capital through absorbing capital from the Group, enlarge its business scope, and improve its profitability through providing loan and settlement services to the Group by means of charging loan interests and other service fees. At the same time, the Company can also integrate financial resources and replace external high-interest loans through the platform of Shandong Energy Finance Company, thereby lowering the Company's financing costs and improving its competitive edge. The transactions contemplated under the Proposed Yankuang Energy Financial Services Agreement will not affect the independence of the Company and are in the interests of the Company and the Shareholders.

As the Company directly holds approximately 53.92% of Shandong Energy Finance Company, the Company will also be able to benefit from the profits of Shandong Energy Finance Company.

Based on the above, we consider that the entering into of the Proposed Yankuang Financial Services Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(ii) Principal terms of the Proposed Yankuang Energy Financial Services Agreement

Details of the terms of the Proposed Yankuang Energy Financial Services Agreement are set out in the Letter from the Board, which are summarized as follows:

Major terms	:	Shandong Energy Finance Company shall provide deposit services to the Group in accordance with normal commercial terms with a maximum daily balance (including accrued interests) shall not exceed RMB27 billion during the term of the Proposed Yankuang Energy Financial Services Agreement.
Pricing	:	The interest rate for the Group's deposit with Shandong Energy Finance Company shall comply with relevant regulations of the PBOC and be determined on normal commercial terms with reference to the deposits benchmark interest rate promulgated by the PBOC periodically (if any), and the interest rate offered by the general commercial banks for the provision of same type of deposit services.

In assessing the terms of the Proposed Yankuang Energy Financial Services Agreement, we have randomly selected and obtained three deposit agreements entered into between Shandong Energy Finance Company and the Group in 2025. We noted that the interest rate for the deposits placed by the Group with Shandong Energy Finance Company is same as the interest rate offered to other Shandong Energy Members for the same type of deposits. As such, we consider that the pricing policy of the Existing Yankuang Energy Financial Services Agreement has been adherence in accordance with the Group's internal control procedures, and the terms of the Proposed Yankuang Energy Financial Services Agreement are fair and reasonable.

(iii) Proposed annual caps

Set out below are the historical annual cap and actual transaction amount under the Existing Yankuang Energy Financial Services Agreement:

	FY2025 *RMB'000*
Deposit	
Actual transaction amount	13,252,000
Historical annual cap	27,000,000
Utilisation rate	49.1%

Set out below are the proposed annual caps under the Proposed Yankuang Energy Financial Services Agreement for the years indicated:

	FY2026	**FY2027**	**FY2028**
	RMB'000	*RMB'000*	*RMB'000*
Proposed annual cap	27,000,000	27,000,000	27,000,000

The proposed annual caps for the three years ending 31 December 2028 remain unchanged from the existing annual cap for FY2025 approved by the Independent Shareholder. We have reviewed the 2025 Annual Report and noted the Group had bank balances and cash amounted to approximately RMB26.7 billion as at 31 December 2025. Taking into account that (a) the Group can integrate financial resources by making deposits in Shandong Energy Finance Company; (b) through absorbing capitals from the Group, Shandong Energy Finance Company can expand its source of capital and provide loans to Shandong Energy; (c) the Group's cash balance as at 31 December 2025 is generally consistent with the proposed annual caps; and (d) the credit risk is low as Shandong Energy Finance Company is a 53.92% owned subsidiary of the Company and the Company could closely monitor its financial position, we are of the view that the proposed annual caps under the Proposed Yankuang Energy Financial Services Agreement are fair and reasonable.

8. Proposed Finance Lease and Factoring Agreement

(iv) Reasons for and benefits of the entering into of the Proposed Finance Lease and Factoring Agreement

By the provision of the finance leasing and factoring service to the Shandong Energy Members, the subsidiaries of the Company engaged in financial leasing and factoring business will be able to conduct centralized procurement of equipment and financing to improve the Group's bargaining advantage over equipment procurement and credit financing and to improve the profitability and competitiveness of the Group. Meanwhile, the provision of asset leasing services to Shandong Energy on normal commercial terms will enable the Group to effectively control the risks of its financial leasing business, and the interest payment generated from the finance leasing service (after deducting the financing costs) will enable the Group to obtain a stable cash flow.

As such, we consider that the entering into of the Proposed Finance Lease and Factoring Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(v) Principal terms of the Proposed Finance Lease and Factoring Agreement

Details of the terms of the Proposed Finance Lease and Factoring Agreement are set out in the Letter from the Board, which are summarized as follows:

Major terms : Under the Proposed Finance Lease and Factoring Agreement, the Company will provide finance leasing services (including direct leasing and sale-leaseback), factoring and related services to the Shandong Energy Members.

The leased assets under the Proposed Finance Lease and Factoring Agreement include machinery and equipment, facilities and other movable and immovable properties.

Under the direct finance leasing service, the Company or its subsidiaries (as lessor) will purchase the leased assets based on the demands and requirements of the Shandong Energy Members (as lessee) from Independent Third-party suppliers, and will then lease the leased assets to the Shandong Energy Members for their use in return for periodic lease payments. The ownership of the leased assets will be solely vested in the Company or its subsidiaries during the lease period. The Shandong Energy Members could choose to purchase the leased assets after expiry of the lease or upon the consent of the Company or its subsidiaries prior to the expiry of the lease, subject to compliance with the then relevant requirements of the regulatory rules of the place of listing of the Company.

Under the sale-leaseback service, the Shandong Energy Members (as lessee) will sell the leased assets to the Company or its subsidiaries (as lessor) at a negotiated purchase price with reference to the book value, the appraisal value, and/or the original acquisition costs of the leased assets, and the Company or its subsidiaries will then lease the leased assets back to the Shandong Energy Members for their use in return for periodic lease payments. The ownership of the leased assets will be solely vested in the Company or its subsidiaries during the lease period. The Shandong Energy Members could choose to purchase the leased assets after expiry of the lease or upon the consent of the Company or its subsidiaries prior to the expiry of the lease, subject to compliance with the then relevant requirements under the Listing Rules.

The Company or its subsidiaries intend to pay the purchase price for the leased assets by way of its internal funds and financing funds. The principal amount of each finance leasing service will be equal to the respective purchase price of the leased assets. The principal and interest with respect to the provision of finance leasing service will be paid by the Shandong Energy Members according to the equal principal or average-capital-plus interests standard on a quarterly basis. The Company or its subsidiaries will also charge commission fees or consulting fees with respect to the provision of finance leasing service. Such commission fees or consulting fees will be paid by the Shandong Energy Members to the Company or its subsidiaries in a lump sum upon or prior to the Company or its subsidiaries' payment of the consideration for the transfer of the leased assets.

In addition, the Group will provide factoring services for the accounts receivable with recourse to the Shandong Energy Members.

Pricing : The interest rate and relevant fees to be agreed for the finance leasing service shall be fair and reasonable and on normal commercial terms or better. In particular, when determining the effective interest rate, the Company shall make reference to the following non-exhaustive factors:

(1) The lowest interest rate shall be the yield of treasury bonds with the same tenor, and the highest interest rate shall be 150 basis points above the quoted interest rate on the loan market for the same period announced by the National Interbank Funding Center;

(2) all other relevant fees, including the annual commission fees and consulting fees not higher than 1% of the principal per annum of the relevant finance lease agreement; and

(3) The rentals under the financial leasing services shall be paid by Shandong Energy Members to the Company or its subsidiaries on a quarterly basis through equal principal payment method or equal installment payment method. The handling fee and consultancy fee shall be collected in a single lump-sum payment on or before the date of lease asset transfer payment.

The Company and its subsidiaries will consider the above factors and ensure that the overall terms and conditions for providing the finance leasing service, including the effective interest rates and fees as well as payment conditions and other material terms, are no less favourable to the Company and its subsidiaries than the same offered by the Shandong Energy Members to Independent Third Parties for receiving comparable finance leasing service.

The factoring service provided by the Group to the Shandong Energy Members under the Proposed Finance Lease and Factoring Agreement will be conducted on normal or better commercial terms. The process of determining the pricing of the factoring service is set out as follows:

(1) The Shandong Energy Members will transfer the amount to the Company or its subsidiaries at a price determined through negotiation based on the book value or appraised value of accounts receivable, and the Company or its subsidiaries will provide them with a series of services such as fund financing, purchaser's credit rating, sales account management, credit risk guarantee, and account collection;

(2) During the validity period of the Proposed Finance Lease and Factoring Agreement, the lowest interest rate implemented for the factoring and other services provided by the Company or its subsidiaries to the Shandong Energy Members is the yield of the same term government bonds, and the highest interest rate is 150 basis points higher than the quoted market lending rate published by the National Interbank Funding Center at the same period; and

(3) The commission fees or consulting fees for the factoring and other services provided by the Company or its subsidiaries to the Shandong Energy Members shall be charged at a rate not higher than 1% of the principal of the financing every year. The commission fees or consulting fees shall be charged in one lump sum on or before the date of paying the transfer price of accounts receivable.

In assessing the terms of the Proposed Finance Lease and Factoring Agreement, we have obtained and reviewed three contracts entered into between the Group and Shandong Energy and three contracts entered into between the Group and independent customers in 2025. We noted the price offered by the Group to Shandong Energy is no less favourable to the Group than the price offered to independent customers for similar services. As such, we consider that the pricing policy of the Existing Finance Lease Agreement has been adherence in accordance with the Group's internal control procedures, and the terms of the Proposed Finance Lease and Factoring Agreement are fair and reasonable.

(vi) Proposed annual caps

Set out below are the historical annual cap and actual transaction amount under the Existing Finance Lease and Factoring Agreement:

	FY2025 *RMB'000*
Total financing amount	
Actual transaction amount	550,000
Historical annual cap	2,000,000
Utilisation rate	27.5%
Interest and expenses	
Actual transaction amount	14,090
Historical annual cap	170,000
Utilisation rate	8.3%

Due to the project development timelines and related factors, the capital expenditure demands for project construction across Shandong Energy Members were mitigated, leading to low utilisation rate in 2025.

Set out below are the proposed annual caps under the Proposed Finance Lease and Factoring Agreement for the years indicated:

	FY2026	**FY2027**	**FY2028**
	RMB'000	*RMB'000*	*RMB'000*
Total financing amount	5,250,000	8,400,000	11,025,000
Interest and expenses	268,000	428,000	562,000
Total	5,518,000	8,828,000	11,587,000

In assessing the reasonableness of the proposed annual caps of the Proposed Financial Leasing and Factoring Agreement, we have obtained and reviewed the Group's calculation of the proposed annual caps and noted that the increase in the expected transaction amounts as compared to the actual transaction amount of RMB564 million for FY2025 is mainly due to the following factors:

(1) Xinjiang Energy and Chemical, a connected subsidiary of the Company, plans to construct new mines and chemical projects and has substantial funding needs. It has reached a cooperation intention with Yankuang Financial Leasing Company Limited (a subsidiary of the Company engaged in finance leasing business). As the construction of the Wucaiwan coal mine project and the 800,000-tonne olefin project of Xinjiang Energy and Chemical progresses, the amounts of project and equipment payments to be made are gradually increasing. It is expected that in 2026, Yankuang Financial Leasing Company Limited will carry out newly added finance leasing and factoring services with Xinjiang Energy and Chemical and its subsidiaries of approximately RMB3 billion, and will continue to add approximately RMB2.5 billion and RMB2.0 billion in 2027 and 2028, respectively. As disclosed in the Company's annual report for FY2025, the 800,000 tons/year coal-to-olefins project of Xinjiang Energy and Chemical commenced construction. In addition, joint trial operation has been commenced for the first phase of Wucaiwan coal mine project. In this regard, we have obtained and reviewed the Company's business plans for the Wucaiwan coal mine project and the 800,000-tonne olefin project, and we concur with the Company that Xinjiang Energy and Chemical will have significant capital need for purchases of equipment and replenish working capital;

(2) Yankuang Financial Leasing Company Limited has reached cooperation intentions with certain connected subsidiaries of the Company that have equipment renewal needs in the future. It is expected that from 2026 to 2028, it will provide newly added finance leasing services to such companies each year to support their equipment renewal plans. In this regard, given that these transactions represent the provision of funding by the Group's

financing lease subsidiary to member companies with genuine capital requirements, we consider such arrangements to be a reasonable intra-group capital allocation mechanism. By leveraging the Group's internal financial platforms to support operational upgrades, this structure optimizes treasury management and capital efficiency. Consequently, we are of the view that the underlying demands for these finance leasing services are fair and reasonable.

Taking into account the above factors, we are of the view that the proposed annual caps under the Proposed Financial Leasing and Factoring Agreement are fair and reasonable.

9. Internal control measures

As stated in the Letter from the Board, the Group has implemented the following internal control measures:

(i) the Group's sales or procurement departments shall ensure that the terms of all sales and procurement orders comply with the relevant framework agreements, and the relevant departments and personnel shall be satisfied that: (a) all sales or procurement orders have been properly reviewed and approved; (b) all sales or procurement orders have adopted market prices; and (c) each relevant transaction is conducted on normal commercial terms;

(ii) prior to the entering into specific implementation agreements, the subsidiaries of the Company are required to fulfill the pre-application procedures in accordance with the Company's internal management system to have the necessity, reasonableness, fairness, and compliance of the transactions reviewed by the departments responsible for listing compliance, financial management, audit, and risk;

(iii) The financial management department of the Company will compile the amounts of continuing connected transactions on a quarterly basis to identify any transactions that may have the risk of exceeding the annual caps; and

(iv) The auditors and independent non-executive directors of the Company will conduct an annual review of the continuing connected transactions and confirm in the Company's annual report that the transactions have been conducted in accordance with the terms and conditions of the relevant framework agreements and pricing policies, are on normal commercial terms or terms no less favorable than those available from independent third parties, and are in the interests of the Company and its shareholders as a whole.

In assessing the Group's internal control measures, (i) we reviewed the Group's report for FY2025 in relation to the ongoing continuing connected transactions and noted that the Group has closely monitored the actual transaction amounts to ensure not exceeding the proposed annual caps; and (ii) as discussed above, we obtained and reviewed (1) three contracts entered into between the Group and Shandong Energy Members and three contracts

entered into between the Group and independent suppliers in 2025 in relation to purchase of materials; (2) three contracts entered into between the Group and the Shandong Energy Members and three contracts entered into between the Group and independent suppliers in 2025 in relation to purchase of labor and services; (3) three contracts entered into between the Group and the Shandong Energy Members and three contracts entered into between the Group and independent customers in 2025 in relation to sales of products and materials and provision of asset leasing; (4) three contracts entered into between the Group and the Shandong Energy Members and three contracts entered into between the Group and independent customers in 2025 in relation to sales of commodities; (5) three contracts entered into between the Group and the Shandong Energy Members and three contracts entered into between the Group and independent suppliers in 2025 in relation to purchase of commodities; (6) three loan agreements entered into between Shandong Energy Finance Company and the Shandong Energy Members in 2025; (7) three deposit agreements entered into between Shandong Energy Finance Company and the Group in 2025; (8) three contracts entered into between the Group and Shandong Energy and three contracts entered into between the Group and independent customers in 2025 in relation to finance lease and factoring services. The pricing policy of each of the Existing Continuing Connected Transactions Agreements has been adherence in accordance with the Group's internal control procedures. Based on our review of such documents, we consider the Group has adopted sufficient and effective internal control measures.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the Transactions are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. Although the Acquisitions are not in the ordinary and usual course of business of the Group, we also consider that the Transactions are in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Transactions.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

The basic information of each Target Company, including details of their direct and indirect holding subsidiaries as at the Latest Practicable Date, their shareholding structures before and after the completion of the Transactions, and financial data, is set out below:

1. NEW ENERGY GROUP

(1) Basic Information

New Energy Group was established in April 2021 with a registered capital of RMB9.810 billion and is a wholly-owned subsidiary of Shandong Energy, primarily engaged in power development, investment, construction and operation.

As at the Latest Practicable Date, the shareholding structure of New Energy Group is as follows:

Target Company	First Vendor	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
New Energy Group	Shandong Energy	9,210,000,000.00	93.88%	5,988,194,999.62	90.89%
	Yankuang Hong Kong	600,000,000.00	6.12%	600,000,000.00	9.11%
Total		**9,810,000,000.00**	**100.00%**	**6,588,194,999.62**	**100.00%**

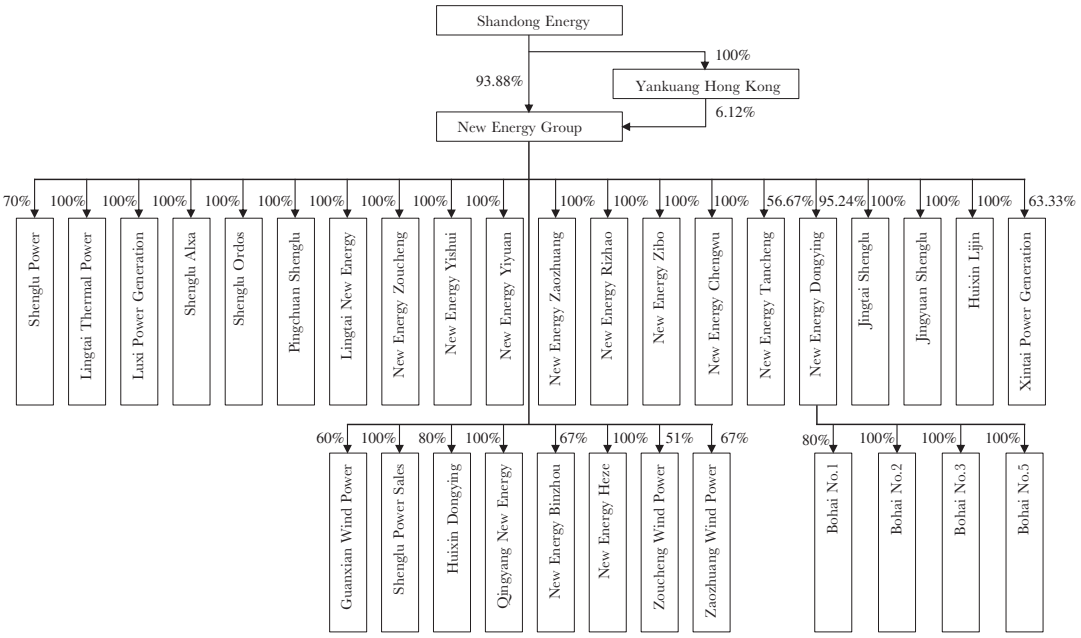
Upon closing of the First Equity Transfer Agreement, the shareholding structure of New Energy Group will be as follows:

Target Company	The Company	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
New Energy Group	Yankuang Energy Group Company Limited	9,810,000,000.00	100.00%	6,588,194,999.62	100.00%

Upon closing of the First Equity Transfer Agreement, the Company will hold 100% equity interest in New Energy Group; and New Energy Group will become a subsidiary of the Company, and its financial results will be consolidated into the Group's financial statements.

(2) Holding Subsidiaries

As of the Latest Practicable Date, New Energy Group has a total of 32 direct or indirect holding subsidiaries, the shareholding structures of which are as follows:



The details of the subsidiaries are as follows:

No.	Company Name	Shareholding Ratio	Registered Capital (RMB)	Principal Business
1	Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. ("**Shenglu Power**")	70%	1,400.00 million	Power generation and sales
2	Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. ("**Lingtai Thermal Power**")	100%	1,600.00 million	Power generation and sales
3	Shandong Luxi Power Generation Co., Ltd. ("**Luxi Power Generation**")	100%	1,700.00 million	Power generation and sales
4	Shandong Bohai No.1 Wind Power Co., Ltd. ("**Bohai No.1**")	76.19%	1,875.00 million	Power generation and sales
5	Shandong Bohai No.2 Wind Power Co., Ltd. ("**Bohai No.2**")	95.24%	1,500.00 million	Power generation and sales
6	Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd. ("**Shenglu Alxa**")	100%	500.00 million	Power generation and sales

No.	Company Name	Shareholding Ratio	Registered Capital (RMB)	Principal Business
7	Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd. ("**Shenglu Ordos**")	100%	140.00 million	Power generation and sales
8	Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd. ("**Pingchuan Shenglu**")	100%	380.00 million	Power generation and sales
9	Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. ("**Lingtai New Energy**")	100%	100.00 million	Power generation and sales
10	Shanneng New Energy (Zoucheng) Co., Ltd. ("**New Energy Zoucheng**")	100%	40.00 million	Power generation and sales
11	Shanneng New Energy (Yishui) Co., Ltd. ("**New Energy Yishui**")	100%	400.00 million	Power generation and sales
12	Shanneng New Energy (Yiyuan) Co., Ltd. ("**New Energy Yiyuan**")	100%	8.00 million	Power generation and sales
13	Shanneng New Energy (Zaozhuang) Co., Ltd. ("**New Energy Zaozhuang**")	100%	300.00 million	Power generation and sales
14	Shanneng New Energy (Rizhao) Co., Ltd. ("**New Energy Rizhao**")	100%	5.00 million	Power generation and sales
15	Shanneng New Energy (Zibo Zichuan District) Co., Ltd. ("**New Energy Zibo**")	100%	8.00 million	Power generation and sales
16	Shanneng New Energy (Chengwu) Co., Ltd. ("**New Energy Chengwu**")	100%	5.00 million	Power generation and sales
17	Shanneng New Energy Development (Tancheng) Co., Ltd. ("**New Energy Tancheng**")	56.67%	300.00 million	Power generation and sales
18	Shanneng New Energy (Dongying) Co., Ltd. ("**New Energy Dongying**")	95.24%	4,200.00 million	Power generation and sales
19	Shandong Bohai No.3 Wind Power Co., Ltd. ("**Bohai No.3**")	95.24%	1,500.00 million	Power generation and sales
20	Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd. ("**Jingtai Shenglu**")	100%	580.00 million	Power generation and sales

No.	Company Name	Shareholding Ratio	Registered Capital (RMB)	Principal Business
21	Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd. ("**Jingyuan Shenglu**")	100%	510.00 million	Power generation and sales
22	Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd. ("**Huixin Lijin**")	100%	1,000.00 million	Power generation and sales
23	Shandong Energy Power Group Xintai Power Generation Co., Ltd. ("**Xintai Power Generation**")	63.33%	1,500.00 million	Power generation and sales
24	Shanneng (Guanxian) Wind Power Co., Ltd. ("**Guanxian Wind Power**")	60%	660.00 million	Power generation and sales
25	Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd. ("**Shenglu Power Sales**")	100%	50.00 million	Agency electricity sales
26	Shandong Bohai No.5 Wind Power Co., Ltd. ("**Bohai No.5**")	76.19%	1,875.00 million	Power generation and sales
27	Shanneng Huixin Smart Energy (Dongying) Co., Ltd. ("**Huixin Dongying**")	80%	1,000.00 million	Power generation and sales
28	Shandong Energy Power Group Qingyang New Energy Co., Ltd. ("**Qingyang New Energy**")	100%	550.00 million	Power generation and sales
29	Shanneng New Energy (Binzhou) Co., Ltd. ("**New Energy Binzhou**")	67%	480.00 million	Power generation and sales
30	Shanneng New Energy (Heze) Co., Ltd. ("**New Energy Heze**")	100%	5.00 million	Power generation and sales
31	Shanneng (Zoucheng) Wind Power Co., Ltd. ("**Zoucheng Wind Power**")	51%	210.00 million	Power generation and sales
32	Shanneng (Zaozhuang) Wind Power Co., Ltd. ("**Zaozhuang Wind Power**")	67%	300.00 million	Power generation and sales

Note 1: The shareholding ratio refers to the ratio after piercing through to the New Energy Group level. Zaozhuang Wind Power was registered after the Valuation Benchmark Date of 31 January 2026 and is not included in the asset valuation scope of this transaction. As of the Latest Practicable Date, Zaozhuang Wind Power has not yet commenced its substantive business operations, and its shareholders have not yet made their capital contributions.

(3) Power Project Operation Status

New Energy Group and its subsidiaries are principally engaged in power generation business, including thermal power generation, wind power generation and photovoltaic power generation. As of 31 January 2026, the overall situation of each type of power generation business is shown in the table below:

	Installed Capacity (MW)					
Project Type	In commercial operation	Grid-connected but not yet in commercial operation	Under construction and not yet grid-connected	Total	Power generation in 2025 (billion kWh)	Electricity sales in 2025 (billion kWh)
Thermal Power	5,200	–	1,320	6,520	18.745	17.246
Wind Power	1,401	1,100	564	3,065	3.894	3.753
Photovoltaic Power	452	650	–	1,102	0.264	0.246
Total	**7,052**	**1,750**	**1,884**	**10,686**	**22.903**	**21.246**

Note 1: In addition to the above projects, as of the Latest Practicable Date, New Energy Group has planned power generation projects with approved or filed total installed capacity of 1,240MW, among which, wind power installed capacity is 930MW and photovoltaic power installed capacity is 310MW.

Note 2: Any discrepancies between the total amount and the sum of individual breakdowns are due to rounding. The same applies below.

As of 31 January 2026, the basic information of power projects of New Energy Group and its subsidiaries is shown in the table below:

Company Name	Project	Location	Type	Project Status	Installed Capacity
Shenglu Power	Inner Mongolia Shenglu Power Plant Phase I 2×1000MW Ultra-supercritical Air-cooled Unit Power Generation Project	Ordos, Inner Mongolia	Thermal Power	In commercial operation	2,000MW
Lingtai Thermal Power	Longdong to Shandong UHVDC Transmission Project Supporting Expansion and Upgrading Shandong Energy Lingtai 2×1000MW Peak-Regulating Coal Power Project	Pingliang, Gansu	Thermal Power	In commercial operation	2,000MW

Company Name	Project	Location	Type	Project Status	Installed Capacity
Luxi Power Generation	Shandong Luxi Power Generation Co., Ltd. 2×600,000kW Coal Underground Gasification Power Generation Project	Jining, Shandong	Thermal Power	In commercial operation	1,200MW
Bohai No.1	Shandong Energy Bozhong Offshore Wind Power Site A Project	Dongying, Shandong	Wind Power	In commercial operation	501MW
Bohai No.2	Shandong Energy Bozhong Offshore Wind Power Site B Project	Dongying, Shandong	Wind Power	In commercial operation	399.5MW
Shenglu Alxa	Shandong Energy Shanghai Temple to Shandong UHV Transmission Channel Alxa Base 400MW Wind Power Project	Alxa, Inner Mongolia	Wind Power	In commercial operation	400MW
Shenglu Ordos	Shandong Energy Inner Mongolia Hangjin Banner Yihewusu Wind Farm 100MW Project	Ordos, Inner Mongolia	Wind Power	In commercial operation	100MW
Pingchuan Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Pingchuan Shuiquan 250MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	In commercial operation	250MW
Lingtai New Energy	Shandong Energy Lingtai County Phase I 100,000kW Photovoltaic Agricultural Complementary Power Generation Project	Pingliang, Gansu	Photovoltaic	In commercial operation	100MW
New Energy Zoucheng	New Energy Zoucheng Distributed Photovoltaic	Jining, Shandong	Photovoltaic	In commercial operation	43.22MW
New Energy Yishui	New Energy Yishui Distributed Photovoltaic	Linyi, Shandong	Photovoltaic	In commercial operation	21.53MW
New Energy Yiyuan	New Energy Yiyuan Distributed Photovoltaic	Zibo, Shandong	Photovoltaic	In commercial operation	8MW
New Energy Zaozhuang	New Energy Zaozhuang Distributed Photovoltaic	Zaozhuang, Shandong	Photovoltaic	In commercial operation	7.16MW
New Energy Rizhao	New Energy Rizhao Distributed Photovoltaic	Rizhao, Shandong	Photovoltaic	In commercial operation	5.99MW
Shenglu Power	Shenglu Power Plant 5.95MWp Distributed Photovoltaic Project	Ordos, Inner Mongolia	Photovoltaic	In commercial operation	5.95MW

Company Name	Project	Location	Type	Project Status	Installed Capacity
New Energy Zibo	New Energy Zibo Distributed Photovoltaic	Zibo, Shandong	Photovoltaic	In commercial operation	5.93MW
New Energy Chengwu	New Energy Chengwu Distributed Photovoltaic	Heze, Shandong	Photovoltaic	In commercial operation	2.05MW
New Energy Tancheng	New Energy Tancheng Distributed Photovoltaic	Linyi, Shandong	Photovoltaic	In commercial operation	1.75MW
New Energy Dongying	Shandong Energy Group Dongying 2×200MWh Independent Shared Energy Storage Phase I Project	Dongying, Shandong	Energy Storage	In commercial operation	100MW/ 200MWh
Bohai No.3	Shandong Energy Bozhong Offshore Wind Power Site G Project	Dongying, Shandong	Wind Power	Grid-connected but not yet In commercial operation/Under construction and not yet grid-connected	400.4MW/ 163.8MW
Jingtai Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Gangdongliangxi 200MW Wind Farm Project	Baiyin, Gansu	Wind Power	Grid-connected but not yet In commercial operation	200MW
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Hongshan 100MW Wind Farm Project	Baiyin, Gansu	Wind Power	Grid-connected but not yet In commercial operation	100MW
Jingyuan Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Beitan 300MW Wind Farm Project	Baiyin, Gansu	Wind Power	Grid-connected but not yet In commercial operation	300MW
Huixin Lijin	Shandong Energy Bozhong Offshore Wind Power Base B1 Project	Dongying, Shandong	Wind Power	Grid-connected but not yet In commercial operation	100MW
Jingtai Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Shangshawo Fumin 200MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	200MW
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Sitan East 150MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	150MW

Company Name	Project	Location	Type	Project Status	Installed Capacity
Pingchuan Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Pingchuan Baoji 200MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	200MW
Jingyuan Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Beitan 100MW Photovoltaic Power Generation Project	Baiyin, Gansu	Photovoltaic	Grid-connected but not yet In commercial operation	100MW
Jingyuan Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Yongxin 150MW/ 600MWh Energy Storage Project	Baiyin, Gansu	Energy Storage	Grid-connected but not yet In commercial operation	150MW/ 600MWh
Xintai Power Generation	Xintai 2×600,000kW Coal-fired Power Generation Project	Tai'an, Shandong	Thermal Power	Under construction and not yet grid-connected	1,320MW
Guanxian Wind Power	Shandong Energy Power Group Guanxian No.1 Wind Power Project	Liaocheng, Shandong	Wind Power	Under construction and not yet grid-connected	400MW

Note 1: As of the Latest Practicable Date, among the above-mentioned grid-connected but not yet commercially operational projects, the projects that have entered commercial operation have an aggregate installed capacity of 1,250MW, specifically including: Shandong Energy Bozhong Offshore Wind Power Site G Project (400.4MW), Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Hongshan 100MW Wind Farm Project, Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Beitan 300MW Wind Farm Project, Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Shangshawo Fumin 200MW Photovoltaic Power Generation Project, Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Sitan East 150MW Photovoltaic Power Generation Project, and Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Beitan 100MW Photovoltaic Power Generation Project.

Note 2: In addition to the above projects, as of the Latest Practicable Date, New Energy Group has planned power generation projects with approved or filed total installed capacity of 1,240MW, among which, wind power installed capacity is 930MW and photovoltaic power installed capacity is 310MW.

(4) Financial Data

The principal consolidated financial data (consolidated basis) of New Energy Group for the three years ended 31 December 2023, 2024 and 2025, prepared in accordance with Chinese Accounting Standards, are as follows:

RMB

	For the year ended 31 December 2023 *(Audited)*	**For the year ended 31 December 2024** *(Audited)*	**For the year ended 31 December 2025** *(Audited)*
Revenue	6,177,289,008.11	6,789,418,263.38	7,710,174,940.27
Profit before tax	1,100,415,948.28	1,193,701,028.74	1,298,224,210.33
Profit after tax	1,084,288,975.81	1,157,263,758.05	1,173,335,438.02

	As at 31 December 2023 *(Audited)*	**As at 31 December 2024** *(Audited)*	**As at 31 December 2025** *(Audited)*
Total assets	28,824,849,953.20	33,640,052,953.43	44,510,732,696.65
Total liabilities	19,276,653,807.93	23,429,784,812.76	32,913,617,160.60
Net assets	9,548,196,145.27	10,210,268,140.67	11,597,115,536.05

The original cost of the equity interests in New Energy Group held by Shandong Energy and Yankuang Hong Kong is the amount directly injected by them over the years, i.e., RMB6,588,194,999.62.

(5) Valuation Summary

Overall Situation of Asset Valuation

The Independent Valuer of the Transactions, using 31 January 2026 as the Valuation Benchmark Date, adopted the asset-based approach to appraise the entire shareholders' equity of New Energy Group, and issued the Asset Valuation Report.

According to the valuation results, as of the Valuation Benchmark Date, the book value of the total assets of New Energy Group was RMB16,002 million, with an appraised value of RMB24,151 million, representing an appreciation of RMB8,149 million and an appreciation rate of 50.92%; the book value of total liabilities was RMB8,581 million, with an appraised value of RMB8,581 million, representing no appreciation; the book value of net assets was RMB7,421 million,

with an appraised value of RMB15,570 million, representing an appreciation of RMB8,149 million and an appreciation rate of 109.81%. The summary of the valuation is detailed in the table below:

Unit: RMB'0000

Item	Book Value A	Appraised Value B	Increase/ Decrease C=B-A	Appreciation Rate % D=C/A×100
Current assets	394,675.76	394,675.76	–	–
Non-current assets	1,205,514.38	2,020,381.64	814,867.26	67.59
Including: Long-term equity investments	1,202,671.69	2,017,428.51	814,756.83	67.75
Fixed assets	251.15	359.24	108.09	43.04
Right-of-use assets	2,478.86	2,478.86	–	–
Intangible assets	7.89	10.22	2.34	29.64
Long-term prepaid expenses	104.79	104.79	–	–
Total assets	1,600,190.14	2,415,057.40	814,867.26	50.92
Current liabilities	641,896.46	641,896.46	–	–
Non-current liabilities	216,195.14	216,195.14	–	–
Total liabilities	858,091.60	858,091.60	–	–
Owners' equity (or shareholders' equity)	742,098.55	1,556,965.80	814,867.26	109.81

Rationality Analysis of Valuation

The main reason for the appreciation in the valuation of New Energy Group is that certain subsidiaries corresponding to the long-term equity investment projects have strong profitability, resulting in a relatively large appreciation amount. The main entities contributing to the appreciation are New Energy Dongying, Shenglu Power, Lingtai Thermal Power, Luxi Power Generation:

The appraised value of the entire shareholders' equity of New Energy Dongying under the income approach was RMB5,821.7184 million, representing an appreciation of RMB1,602.6614 million compared to its book net assets, with an appreciation rate of 37.99%. The main reason for the appreciation is that the offshore wind power projects, currently operated by Bohai No.1 and Bohai No.2, subsidiaries under New Energy Dongying, have good returns, a mature operation and maintenance system, strong overall profitability, and the projects have long-term sustainable profit-generating capability.

The appraised value of the entire shareholders' equity of Shenglu Power under the income approach was RMB4,276.4900 million, representing an appreciation of RMB2,193.1416 million compared to its book net assets, with an appreciation rate of 105.27%. The main reason for the appreciation is that the high-efficiency thermal power units have stable revenue from electricity sales and capacity tariff, and based on the current business operations, financial position and asset characteristics, the future operating income is expected to be good.

The appraised value of the entire shareholders' equity of Lingtai Thermal Power under the income approach was RMB2,513.9330 million, representing an appreciation of RMB1,095.7089 million compared to its book net assets, with an appreciation rate of 77.26%. The main reason for the appreciation is that as the core peak-shaving power source for the "Gansu Power to Shandong" transmission project, the thermal power assets have good operating returns from ultra-supercritical units, comprehensively reflecting the future long-term profitability.

The appraised value of the entire shareholders' equity of Luxi Power Generation under the income approach was RMB4,339.4538 million, representing an appreciation of RMB2,009.6581 million compared to its book net assets, with an appreciation rate of 86.26%. The main reason for the appreciation is that the thermal power assets have the protection of long-term coal supply contracts and capacity tariff, coupled with the synergistic benefits of cogeneration, resulting in expectations of sustained and stable profitability in the future.

2. SHANDONG ENERGY ELECTRICITY SALES

(1) Basic Information

Shandong Energy Electricity Sales was established in January 2016 with a registered capital of RMB792,514,200 and is a wholly-owned subsidiary of Shandong Energy, primarily engaged in electricity sales and power generation.

As at the Latest Practicable Date, the shareholding structure of Shandong Energy Electricity Sales is as follows:

Target Company	Second Vendor	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
Shandong Energy Electricity Sales	Shandong Energy	792,514,200.00	100.00%	792,514,100.00	100.00%

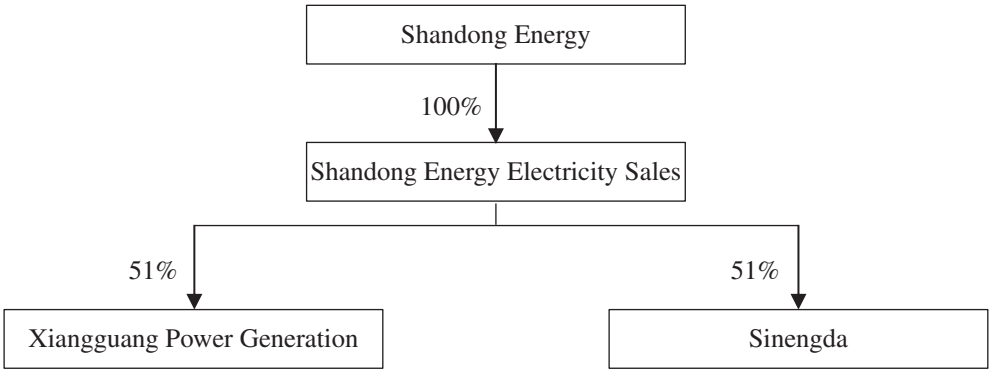
Upon closing of the Second Equity Transfer Agreement, the shareholding structure of Shandong Energy Electricity Sales will be as follows:

Target Company	The Company	Subscribed Registered Capital (RMB)	Subscribed Ratio	Paid-up Registered Capital (RMB)	Ratio of the Total Paid-up Capital Contribution
Shandong Energy Electricity Sales	Yankuang Energy Group Company Limited	792,514,200.00	100.00%	792,514,100.00	100.00%

Upon closing of the Second Equity Transfer Agreement, the Company will hold 100% equity interest in Shandong Energy Electricity Sales; and Shandong Energy Electricity Sales will become a subsidiary of the Company, and its financial results will be consolidated into the Group's financial statements.

(2) Holding Subsidiaries

As of the Latest Practicable Date, Shandong Energy Electricity Sales has a total of 2 direct holding subsidiaries, the shareholding structures of which are as follows:



The details of the subsidiaries are as follows:

No.	Company Name	Shareholding Ratio	Registered Capital (RMB)	Principal Business
1	Liaocheng Xiangguang Power Generation Co., Ltd. (聊城祥光發電有限公司) ("**Xiangguang Power Generation**")	51%	RMB1,100 million	Power production and sales
2	Shandong Sinengda Energy Development Co., Ltd. (山東思能達能源發展有限公司) ("**Sinengda**")	51%	RMB12 million	Power production and sales

(3) Power Project Operation Status

Shandong Energy Electricity Sales is engaged in agency electricity sales business, while its subsidiaries are engaged in power generation business, including thermal power generation and photovoltaic power generation. As of 31 January 2026, the overall situation of each type of power generation business is shown in the table below:

	Installed Capacity (MW)					
Project Type	**In commercial operation**	**Grid-connected but not yet in commercial operation**	**Under construction and not yet grid-connected**	**Total**	**Power Generation in 2025 (billion kWh)**	**Electricity Sales in 2025 (billion kWh)**
Thermal Power	–	–	1,320	1,320	–	–
Photovoltaic Power	6	–	–	6	0.005	0.005
Total	**6**	**-**	**1,320**	**1,326**	**0.005**	**0.005**

As of 31 January 2026, the basic information of the power projects of Shandong Energy Electricity Sales' subsidiaries is shown in the table below:

Company Name	**Project**	**Location**	**Type**	**Project Status**	**Installed Capacity**
Xiangguang Power Generation	Shandong Energy Liaocheng Xiangguang 2×660,000 kW Cogeneration Project	Liaocheng, Shandong	Thermal Power	Under construction and not yet grid-connected	1,320MW
Sinengda	5.7MWp Distributed Photovoltaic Power Generation Project	Tai'an, Shandong	Photovoltaic	In commercial operation	5.7MW

(4) Financial Data

The principal consolidated financial data (on a consolidated basis) of Shandong Energy Electricity Sales for the three years ended 31 December 2023, 2024 and 2025, prepared in accordance with Chinese Accounting Standards, are as follows:

RMB

	For the year ended 31 December 2023 *(Audited)*	**For the year ended 31 December 2024** *(Audited)*	**For the year ended 31 December 2025** *(Audited)*
Revenue	27,497,149.95	32,663,551.62	48,015,849.35
Profit before tax	6,654,653.05	23,770,684.90	-17,238,319.65
Profit after tax	4,953,058.89	18,017,304.76	-12,545,667.33
	As at 31 December 2023 *(Audited)*	**As at 31 December 2024** *(Audited)*	**As at 31 December 2025** *(Audited)*
Total assets	1,368,689,432.59	1,390,938,194.85	3,174,236,404.52
Total liabilities	146,463,769.09	150,571,552.19	1,946,373,100.75
Net assets	1,222,225,663.50	1,240,366,642.66	1,227,863,303.77

The original cost of the equity interest in Shandong Energy Electricity Sales held by Shandong Energy is the amount directly injected by it over the years, i.e., RMB792,514,100.

(5) Valuation Summary

Overall Situation of Asset Valuation

The Independent Valuer of the Transactions, using 31 January 2026 as the Valuation Benchmark Date, adopted both the asset-based approach and the income approach to appraise the entire shareholders' equity of Shandong Energy Electricity Sales, and issued the Asset Valuation Report.

The book value of the total assets of Shandong Energy Electricity Sales was RMB844 million, the book value of total liabilities was RMB14 million, and the book value of owners' equity was RMB830 million. The appraised value of the entire shareholders' equity under the income approach was RMB845 million, representing an increase of RMB15 million and an appreciation rate of 1.83%.

Rationality Analysis of Valuation

The appreciation in the valuation of Shandong Energy Electricity Sales is mainly attributable to the fact that, leveraging high-quality user resources and a large-scale electricity sales foundation, coupled with the growth potential of value-added businesses such as integrated energy services, green electricity trading, and ancillary services, the future performance of the electricity sales business will maintain stable development.

3. RISK WARNING AND COUNTERMEASURES

(1) Risks of macroeconomic fluctuations, insufficient grid absorption, decline in electricity prices lead to lower-than-expected operating results of the Target Companies

(a) Risk Warning

The power industry is closely related to the macroeconomic operating and development cycles. Considering the numerous uncertainties in the current domestic and international economic development situation, if the macroeconomic fluctuates in the future leading to a decline in the overall electricity market demand, this will have an adverse impact on the production and operation of the generating units.

Grid operators need to adjust the power generation scale of various types of generating units according to changes in electricity consumption, so as to maintain a balance between total grid power generation and electricity consumption. Fluctuations in social electricity consumption, spatio-temporal mismatches of new energy units, or increases in installed power generation capacity may lead to insufficient grid absorption capacity. Under conditions of limited absorption, the actual generation hours of generating units may fall short of expectations.

Since 2025, the market-oriented reform of new energy feed-in tariffs has been comprehensively advanced. Against the background of full market entry of new energy electricity and the continuous increase in social installed capacity, the feed-in tariff is more directly affected by market supply and demand dynamics. There is uncertainty as to whether the current electricity price level can be maintained in the future. If the market electricity tariff declines, the revenue and profit of the generating units will be adversely affected.

In summary, if the above factors change adversely, there is a risk that the operating results of the Target Companies may fall short of expectations.

(b) Countermeasures

The Company will closely monitor macroeconomic trends and changes in industrial policies, grasp the direction of macro-control policies, proactively adjust power generation plans and actively participate in power market transactions, so as to enhance the overall risk resistance capability and market competitiveness of the Target Companies, and the Company will promptly negotiate and discuss plans with the First Vendors and the Second Vendors on industrial policy changes that may have an impact. At the same time, to safeguard the interests of the Company and minority shareholders, the First Vendors have provided a commitment. For details, please refer to the relevant content of the "Letter of Performance Commitment" in this circular.

(2) Risk of receipt and repayment of offshore wind power fiscal subsidies

(a) Risk Warning

The wind power projects under Bohai No.1 and Bohai No.2 are eligible for the offshore wind power subsidy policy of Shandong Province, involving the collection of fiscal subsidies from the Shandong Provincial Finance and the Dongying Municipal Finance. Among which, the Shandong Provincial Finance is expected to allocate subsidies of RMB140.28 million to Bohai No.1 and RMB111.86 million to Bohai No.2 by 31 December 2032. Such amounts have been included in the valuation scope of this transaction; the Dongying Municipal Finance is expected to allocate subsidies of RMB200.40 million to Bohai No.1 and RMB159.80 million to Bohai No.2. Such amounts were not considered in this valuation.

(b) Countermeasures

The First Equity Transfer Agreement explicitly stipulates that if the subsidies actually allocated by the Shandong Provincial Finance to Bohai No.1 and Bohai No.2 by 31 December 2032 are lower than the expected amounts, the shortfall shall be compensated by Shandong Energy and Yankuang Hong Kong to the Company; if after such compensation, Bohai No.1 or Bohai No.2 subsequently recovers the shortfall subsidies, the Company shall refund the corresponding amount to Shandong Energy and Yankuang Hong Kong; if the Dongying Municipal Finance subsidies are actually received in the future, the Company shall refund such amounts to Shandong Energy and Yankuang Hong Kong. For details, please refer to "A. First Equity Transfer Agreement" in this circular.

(3) Existence of material dispute over project cost settlement

(a) Risk Warning

Two subsidiaries under New Energy Group have project cost settlement disputes with the general contractor. The First Audit Report and the First Equity Asset Valuation Report have measured the amounts based on the amounts confirmed by the two subsidiaries under New Energy Group. The amounts claimed by the general contractor exceed the amounts confirmed by such subsidiaries by RMB118.3851 million. The two subsidiaries under New Energy Group and the general contractor are still communicating regarding the disputed amounts, and no litigation has been involved yet.

(b) Countermeasures

The First Equity Transfer Agreement explicitly stipulates that if the actual debt borne by the two subsidiaries under New Energy Group exceeds the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the excess amount shall be fully compensated by Shandong Energy and Yankuang Hong Kong to the Company; if such debt is lower than the amounts recognised in the First Audit Report and the First Equity Asset Valuation Report, the difference shall be refunded by the Company to Shandong Energy and Yankuang Hong Kong. For details, please refer to "A. First Equity Transfer Agreement" in this circular.

(4) Risk of compensation difference for land reserve of designated land use

(a) Risk Warning

Luxi Power Generation, a subsidiary of New Energy Group, holds one parcel of state-owned designated use land with an area of 196,411 square meters, and the right holder recorded on the certificate is Shandong Province Luxi Prison. The appraised value of this parcel of land recognised in the First Equity Asset Valuation Report is RMB35.2777 million. The local government has issued a statement indicating its intention to implement the land reserve for this parcel of land. There is a risk that no compensation will be paid upon land reserve, or that the compensation paid will be lower than the appraised value of this parcel of land.

(b) Countermeasures

The First Equity Transfer Agreement explicitly stipulates that if there is no compensation for the land reserve of this parcel of land, or the compensation is lower than the appraised value of this parcel of land recognised in the First Equity Asset Valuation Report, the shortfall shall be compensated by Shandong Energy and Yankuang Hong Kong to the Company; if the land reserve compensation exceeds the appraised value of this parcel of land recognised in the First Equity Asset Valuation Report, the excess amount shall be refunded by the Company to Shandong Energy and Yankuang Hong Kong. For details, please refer to "A. First Equity Transfer Agreement" in this circular.

(5) Issues relating to defects in land and property ownership and project construction procedures

(a) Risk Warning

As of the date of this circular, for some projects of the holding subsidiaries of New Energy Group and the holding subsidiaries of Shandong Energy Electricity Sales, there are still circumstances of incomplete property rights registration for land use rights and properties, as well as incomplete construction procedures such as construction project planning, construction, fire safety design review and acceptance. These are mainly due to historical legacies, project construction cycles and completion acceptance progress, etc. No administrative penalties have been imposed as a result of the aforementioned circumstances. However, it cannot be ruled out that the relevant competent government authorities may impose penalties on the relevant companies in the future for such defects in land and property ownership and defects in project construction procedures.

(b) Countermeasures

After the completion of the Transactions, the Company will continue to promote the follow-up procedures for re-application, property rights perfection and completion acceptance to ensure the compliant operation of the projects.

At the same time, to protect the Company's rights and interests, the First Vendors and the Second Vendors of the Transactions have undertaken in the First Equity Transfer Agreement and the Second Equity Transfer Agreement that all liabilities, losses and responsibilities arising from the ownership of aforementioned land and properties and the approval procedures for project construction prior to the closing date shall be fully borne and compensated by the transferring parties. For details, please refer to "A. First Equity Transfer Agreement" and "B. Second Equity Transfer Agreement" in this circular.

(6) Part of the registered capital of the Target Companies not yet paid up

(a) Risk Warning

Shandong Energy has not yet fulfilled its paid-up capital contribution obligation of RMB3,222 million to New Energy Group and RMB100 to Shandong Energy Electricity Sales. Pursuant to the relevant arrangements under the First Equity Transfer Agreement and the Second Equity Transfer Agreement, such paid-up capital contribution obligations will all be transferred to the Company for full performance. The above unpaid registered capital is not included in the appraised value of the entire shareholders' equity of New Energy Group and Shandong Energy Electricity Sales in this transaction.

(b) Countermeasures

After the completion of the Transactions, the Company will timely and fully fulfill its paid-up capital contribution obligations to New Energy Group and Shandong Energy Electricity Sales.

The following is an extract from the Asset Valuation Reports, setting out the assumptions (including commercial assumptions) used by the Independent Valuer in the preparation of the Asset Valuation Reports:

The Independent Valuer prepared the Asset Valuation Report on New Energy Group based on the following:

(I) General Assumptions

1. Transaction assumption: it is assumed that all assets to be appraised are already in a transaction process, and the appraiser estimates the value by simulating the market based on the transaction conditions of the assets to be appraised;

2. Open market assumption: it means that assets can be freely bought and sold in a fully competitive market, and their price level depends on the value judgment of independent buyers and sellers under the supply conditions of a particular market. An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers have equal status, each has the opportunity and time to obtain sufficient market information, and their transactions are conducted voluntarily and rationally, not under duress or unconstrained conditions;

3. It is assumed that there are no material changes in the current relevant laws, regulations and policies of the state, nor in the national macroeconomic situation, and that there are no material changes in the political, economic and social environment of the region where each party to this transaction is located;

4. Based on the actual condition of the assets as at the Valuation Benchmark Date, it is assumed that the enterprise will continue as a going concern;

5. It is assumed that there are no material changes after the Valuation Benchmark Date in the tax bases and tax rates, as well as policy-related levies, applicable to the appraised entity;

6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;

7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

8. It is assumed that there are no force majeure events or unforeseen factors that would materially and adversely affect the appraised entity after the Valuation Benchmark Date.

(II) Special Assumptions

1. It is assumed that, after the Valuation Benchmark Date, the accounting policies adopted by the appraised entity are consistent in material respects with the accounting policies adopted in the preparation of this valuation report;

2. It is assumed that, after the Valuation Benchmark Date, the scope and manner of operations of the appraised entity remain consistent with the current scope and manner, based on the existing management model and level;

3. It is assumed that, after the Valuation Benchmark Date, the appraised entity receives net cash flows evenly throughout each year;

4. It is assumed that all information provided by the client and the appraised entity in connection with this valuation is true, complete, lawful and valid;

5. It is assumed that the financial reports, transaction data, etc. of the benchmark companies relied upon by the appraisers are true and reliable;

6. It is assumed that the office and production/business premises originally leased by the parent company and its subsidiaries can be sustainably leased during the operating period;

7. It is assumed that the transaction structure ratio and transaction price for green certificate trading will remain relatively stable in future years;

8. This valuation assumes that the power business licences of the relevant subsidiaries can be normally renewed upon expiry of their validity periods;

9. It is assumed that no new generating units will be rebuilt after the expiry of the economic life of the relevant subsidiaries' generating units, and the related assets will be disposed of;

10. It is assumed that upon expiry of the generating units, each asset will be recovered at its carrying amount or appraised value, and this valuation does not consider any price changes that may occur to each asset from the Valuation Benchmark Date to the time of disposal at the end of the period;

11. Assumptions regarding tax benefits

    (1) According to the *Announcement of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on Adjusting the Value-added Tax Policy for Wind Power Generation*（《財政部海關總署稅務總局關於調整風力發電等增值稅政策的公告》）(Announcement No. 10 [2025] of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation), from 1 November 2025 to 31 December 2027, a 50% immediate refund policy applies to the value-added tax on electricity products generated by taxpayers using offshore wind power

and sold by them. This valuation assumes that companies including Shandong Bohai No.1 Wind Power Co., Ltd.（山能渤海一號風電有限公司）will normally enjoy the above tax benefits during this period.

(2) According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Tax Policies*（《財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》）(Announcement No. 12 [2023] of the Ministry of Finance and the State Administration of Taxation), from 1 January 2023 to 31 December 2027, a 50% reduction applies to resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities trading), cultivated land occupation tax, education surcharge and local education surcharge for small-scale VAT taxpayers, small and micro enterprises and individual industrial and commercial households; and a policy of calculating taxable income at 25% and paying corporate income tax at a rate of 20% applies to small and micro enterprises. This valuation assumes that companies including Shanneng New Energy (Chengwu) Co., Ltd.（山能新能源(成武)有限公司）will normally enjoy the above tax benefits during this period.

(3) According to the relevant provisions of the *Corporate Income Tax Law of the People's Republic of China*（《中華人民共和國企業所得稅法》), the *Implementing Regulations of the Corporate Income Tax Law of the People's Republic of China*（《中華人民共和國企業所得稅法實施條例》), and the *Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Corporate Income Tax Preferential Policies for Public Infrastructure Projects and Environmental Protection, Energy Conservation and Water Conservation Projects*（《財政部國家稅務總局關於公共基礎設施項目和環境保護節能節水項目企業所得稅優惠政策問題的通知》）(Cai Shui [2012] No. 10), from 1 January 2013, resident enterprises engaged in new construction projects of power grids (power transmission and transformation facilities) that meet the conditions and standards set out in the *Catalogue of Corporate Income Tax Preferential Policies for Public Infrastructure Projects*（《公共基礎設施項目企業所得稅優惠目錄》）may enjoy a "three-year exemption and three-year half-reduction" corporate income tax preferential policy. This valuation assumes that companies including Shandong Bohai No.1 Wind Power Co., Ltd. will normally enjoy the above tax benefits during this period.

(4) According to the *Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Extending the Corporate Income Tax Policy for the Western Development Programme*（《財政部稅務總局國家發展改革委關於延續西部大開發企業所得稅政策的公告》）(Announcement No. 23 [2020] of the Ministry of Finance), from 1 January 2021 to 31 December 2030, a reduced corporate income tax rate of 15% applies to enterprises in encouraged industries

located in the western region. This valuation assumes that companies including Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. will normally enjoy the above tax benefits during this period.

(5) The subsidiary, Shandong Energy Inner Mongolia Shenglu Power Co., Ltd., has been recognised as a National High-tech Enterprise and enjoys the tax preference of corporate income tax calculated at the rate of 15%. For this valuation, on the premise that the ratio of the subsidiary's R&D expenditure to revenue during the forecast period is not less than 3% and that it can satisfy other conditions for recognition as a High-tech Enterprise, it is assumed that it can continuously maintain its High-tech Enterprise qualification during the income period and obtain the corporate income tax preference.

According to the provisions of the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Policy of Additional Deduction of R&D Expenses before Tax*（《財政部税務總局關於進一步完善研發費用税前加計扣除政策的公告》） (Announcement No. 7 [2023] of the Ministry of Finance and the State Administration of Taxation), "For the R&D expenses actually incurred by an enterprise in R&D activities that are not capitalised into intangible assets and are recorded in current profit or loss, on the basis of the actual deduction amount in accordance with the regulations, starting from 1 January 2023, an additional deduction of 100% of the actual amount incurred is allowed before tax; for those that are capitalised into intangible assets, starting from 1 January 2023, amortisation is allowed before tax at 200% of the cost of the intangible asset."

This valuation assumes that Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. can normally enjoy the above tax preferences during its income period.

The Independent Valuer prepared the Asset Valuation Report on Shandong Energy Electricity Sales based on the following:

(I) General Assumptions

1. Transaction assumption: it is assumed that all assets to be appraised are already in a transaction process, and the appraiser estimates the value by simulating the market based on the transaction conditions of the assets to be appraised;

2. Open market assumption: it means that assets can be freely bought and sold in a fully competitive market, and their price level depends on the value judgment of independent buyers and sellers under the supply conditions of a particular market. An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers have equal status, each has the opportunity and time to obtain sufficient market information, and their transactions are conducted voluntarily and rationally, not under duress or unconstrained conditions;

3. It is assumed that there are no material changes in the current relevant laws, regulations and policies of the state, nor in the national macroeconomic situation, and that there are no material changes in the political, economic and social environment of the region where each party to this transaction is located;

4. Based on the actual condition of the assets as at the Valuation Benchmark Date, it is assumed that the enterprise will continue as a going concern;

5. It is assumed that there are no material changes after the Valuation Benchmark Date in the tax bases and tax rates, as well as policy-related levies, applicable to the appraised entity;

6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;

7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

8. It is assumed that there are no force majeure events or unforeseen factors that would materially and adversely affect the appraised entity after the Valuation Benchmark Date.

(II) Special Assumptions

1. It is assumed that, after the Valuation Benchmark Date, the accounting policies adopted by the appraised entity are consistent in material respects with the accounting policies adopted in the preparation of this valuation report;

2. It is assumed that, after the Valuation Benchmark Date, the scope and manner of operations of the appraised entity remain consistent with the current scope and manner, based on the existing management model and level;

3. It is assumed that, after the Valuation Benchmark Date, the appraised entity receives net cash flows evenly throughout each year;

4. It is assumed that all information provided by the client and the appraised entity in connection with this valuation is true, complete, lawful and valid;

5. The financial reports, transaction data, etc. of the benchmark companies relied upon by the appraisers are true and reliable;

6. The office and production/business premises originally leased by the parent company and its subsidiaries can be sustainably leased during the operating period.

bakertilly
天職國際

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF YANKUANG ENERGY GROUP COMPANY LIMITED

We have examined the calculations of the discounted future estimated cashflows on which the valuation prepared by Beijing Huaya Zhengxin Asset Appraisal Co., Ltd.*（北京華亞正信資產評估有限公司）dated 16 May 2026 in respect of the appraisal of the fair value of the companies as set out in the Appendix to this report as at 31 January 2026 (the "**Valuation**") in connection with the proposed acquisition of 100% equity interest in Shandong Energy Group New Energy Group Co., Ltd.*（山東能源集團新能源集團有限公司）and Shandong Energy Electricity Sales Co., Ltd.*（山東能源電力銷售有限公司）(together, the "**Target Companies**") is based. The Valuation, prepared based on the discounted future cash flows, is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

DIRECTORS' RESPONSIBILITIES

The directors of the Company are responsible for the preparation of the discounted future estimated cashflows in accordance with the bases and assumptions (the "**Assumptions**") determined by the directors and as set out in the valuation reports of the Valuer dated 16 May 2026. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cashflows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to form an assurance conclusion on the calculations of the discounted future estimated cashflows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the directors have properly compiled the discounted future estimated cashflows based upon the Assumptions. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

OPINION

In our opinion, so far as the calculations are concerned, the discounted future estimated cashflows have been properly compiled, in all material aspects, based upon the Assumptions.

OTHER MATTER

The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from those used in the Valuation and the variation may be material. Our opinion is not qualified in respect of this matter.

For the purpose of this engagement, we do not review the accounting policies for the Valuation as the Valuation relates to discounted future cash flows and no accounting policies have been adopted in the preparation of the Valuation. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation is based and our work does not constitute any valuation of the Target Companies or an expression of an audit or review opinion on the Valuation.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 3 June 2026
Wan Wing Ping
Practising certificate number P07471

* *English name for identification purpose only*

Appendix

List of companies

1 Shandong Luxi Power Generation Co., Ltd.*（山東魯西發電有限公司）
2 Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.*（山東能源集團靈台火力發電有限公司）
3 Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd.*（山能匯鑫智慧風電(利津)有限公司）
4 Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd.*（山東能源盛魯能化阿拉善盟新能源有限公司）
5 Shanneng New Energy (Yishui) Co., Ltd.*（山能新能源(沂水)有限公司）
6 Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd.*（山東能源盛魯能化鄂爾多斯市新能源有限公司）
7 Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd.*（山東能源集團靈台盛魯新能源有限公司）
8 Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd.*（山東能源內蒙古盛魯售電有限公司）
9 Shanneng New Energy (Zoucheng) Co., Ltd.*（山能新能源(鄒城)有限公司）
10 Shanneng New Energy (Zaozhuang) Co., Ltd.*（山能新能源(棗莊)有限公司）
11 Shanneng New Energy (Zibo Zichuan District) Co., Ltd.*（山能新能源(淄博淄川區)有限公司）
12 Shanneng New Energy (Yiyuan) Co., Ltd.*（山能新能源(沂源)有限公司）
13 Shanneng New Energy (Rizhao) Co., Ltd.*（山能新能源(日照)有限公司）
14 Shanneng New Energy (Chengwu) Co., Ltd.*（山能新能源(成武)有限公司）
15 Shanneng New Energy (Dongying) Co., Ltd.*（山能新能源(東營)有限公司）
16 Shandong Bohai No.1 Wind Power Co., Ltd.*（山東渤海一號風電有限公司）
17 Shandong Bohai No.2 Wind Power Co., Ltd.*（山東渤海二號風電有限公司）
18 Shandong Energy Inner Mongolia Shenglu Power Co., Ltd.*（山東能源內蒙古盛魯電力有限公司）
19 Shanneng New Energy Development (Tancheng) Co., Ltd.*（山能新能源發展(郯城)有限公司）
20 Shandong Energy Electricity Sales Co., Ltd.*（山東能源電力銷售有限公司）
21 Shandong Sinengda Energy Development Co., Ltd.*（山東思能達能源發展有限公司）

* *English name for identification purpose only*

The following is the text of a letter from the Board in relation to the profit forecast prepared for the purpose of incorporation in this circular.

The Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place
Central, Hong Kong

3 June 2026

Dear Sir or Madam,

Company: Yankuang Energy Group Company Limited (the "Company")

Re: Discloseable and Connected Transaction in relation to the Acquisition of Equity Interest in the Target Companies

We refer to the announcement of the Company dated 3 June 2026 (the "**Announcement**"), of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

Reference is made to (i) the valuation report on New Energy Group dated 16 May 2026; and (ii) the valuation report on Shandong Energy Electricity Sales (together with the valuation of New Energy Group, the "**Valuations**") dated 16 May 2026, prepared by the Independent Valuer, Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. (the "**Independent Valuer**") (collectively, the "**Asset Valuation Report(s)**"). In the Asset Valuation Report(s), the valuation of certain assets was prepared based on the income approach and therefore constitutes a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Listing Rules.

We have discussed with the Independent Valuer and reviewed the bases and assumptions based upon which the Profit Forecast was prepared. We have also engaged Baker Tilly Hong Kong Limited to report on the calculations of the Profit Forecast used in the Asset Valuation Report(s) and considered the report from Baker Tilly Hong Kong Limited. Based on the aforesaid, we confirm that the Profit Forecast as contained in the Asset Valuation Report(s) has been made after due and careful inquiry.

Yours faithfully,
For and on behalf of the Board
Yankuang Energy Group Company Limited*
Li Wei
Chairman

This report is prepared under the PRC Asset Appraisal Standards

ASSET VALUATION REPORT ON THE PROPOSED ACQUISITION OF ENTIRE EQUITY INTEREST IN SHANDONG ENERGY GROUP NEW ENERGY GROUP CO., LTD.（山東能源集團新能源集團有限公司）BY YANKUANG ENERGY GROUP COMPANY LIMITED

Hua Ya Zheng Xin Ping Bao Zi [2026] No. A16-0015
(Volume 1 of 1)

BEIJING HUAYA ZHENGXIN ASSET APPRAISAL CO., LTD.

16 May 2026

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DISCLAIMER

I. This Asset Valuation Report is prepared in accordance with the Basic Appraisal Standards issued by the Ministry of Finance and the Appraisal Practicing Standards and the Code of Ethics for Appraisal issued by the China Appraisal Society.

II. The principal or other intended users of this Asset Valuation Report shall use the report in compliance with laws, administrative regulations and the scope of use set out herein. If the principal or other intended users use the report in violation of the foregoing requirements, the Appraisal Firm and the appraisers assume no liability.

This Asset Valuation Report is intended solely for the principal, other users stipulated in the asset valuation engagement contract, and users mandated by laws and administrative regulations. No other organization or individual shall be considered a user of this report.

The appraisal firm and the appraisers hereby remind users that the valuation conclusion should be properly interpreted and used; it is neither equivalent to the realizable price of the valuation object nor should it be considered a guarantee of such realizable price.

III. The appraisal firm and the appraisers comply with laws, administrative regulations and appraisal standards, adhere to the principles of independence, objectivity and fairness, and assume legal responsibility for the report issued.

IV. The assets and liabilities under valuation are declared by the principal and the Appraised Entity and confirmed by them via signature, seal, or other legally permissible means. The principal and other relevant parties are responsible for the authenticity, completeness and legality of the information they provide.

V. The appraisal firm and the appraisers have no existing or anticipated interest in the valuation object, nor any existing or anticipated interest in or prejudice against the relevant parties.

VI. The appraisers have conducted field investigation of the valuation object and the assets involved, paid due attention to the legal ownership status of the valuation object and its assets, examined related title documents, disclosed issues identified, and urged the principal and other relevant parties to perfect the title as necessary to satisfy the requirements for issuing this report.

VII. The analyses, judgments and conclusions in this report are subject to the assumptions and limitations set out herein. Users shall pay attention to and fully consider such assumptions, limitations, special notes and their impact on the valuation conclusion.

SUMMARY OF ASSET VALUATION REPORT ON THE PROPOSED ACQUISITION OF ENTIRE EQUITY INTEREST IN SHANDONG ENERGY GROUP NEW ENERGY GROUP CO., LTD.（山東能源集團新能源集團有限公司） BY YANKUANG ENERGY GROUP COMPANY LIMITED

Hua Ya Zheng Xin Ping Bao Zi [2026] No. A16-0015

Yankuang Energy Group Company Limited and Shandong Energy Group New Energy Group Co., Ltd.:

Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. accepts your engagement and, in compliance with applicable laws, administrative regulations and asset appraisal standards, following necessary appraisal procedures, and based on the assumptions of going concern and an open market, adopts the asset-based approach to appraise the market value of the entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date for the purpose of the proposed equity acquisition by Yankuang Energy Group Company Limited.

Purpose of appraisal: Yankuang Energy Group Company Limited intends to acquire the equity interest in Shandong Energy Group New Energy Group Co., Ltd. Accordingly, it is necessary to appraise the market value of the entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date. The appraisal provides a value reference for such economic activity.

Valuation object: The entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date.

Valuation scope: All assets and liabilities of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date set out in its audited financial statements, including current assets, long-term equity investments, fixed assets, right-of-use assets, intangible assets, long-term prepaid expenses, current liabilities and non-current liabilities.

Valuation Benchmark Date: 31 January 2026.

Type of value: Market value.

Valuation conclusion:

This appraisal adopts the result of the asset-based approach as the final valuation conclusion for the market value of the entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date. The specific conclusion is as follows:

Summary table of the valuation results

Valuation Benchmark Date: 31 January 2026 *Unit: RMB0'000*

Item		Book value A	Appraised value B	Appreciation/ Depreciation C=B-A	Appreciation rate % D=C/A×100
Current assets	1	394,675.76	394,675.76	–	–
Non-current assets	2	1,205,514.38	2,020,381.64	814,867.26	67.59
Including: Long-term equity investments	3	1,202,671.69	2,017,428.51	814,756.83	67.75
Fixed assets	4	251.15	359.24	108.09	43.04
Right-of-use assets	5	2,478.86	2,478.86	–	–
Intangible assets	6	7.89	10.22	2.34	29.64
Long-term prepaid expenses	7	104.79	104.79	–	–
Total assets	8	1,600,190.14	2,415,057.40	814,867.26	50.92
Current liabilities	9	641,896.46	641,896.46	–	–
Non-current liabilities	10	216,195.14	216,195.14	–	–
Total liabilities	11	858,091.60	858,091.60	–	–
Owners' equity (or shareholders' equity)	12	742,098.55	1,556,965.80	814,867.26	109.81

Subject to the valuation assumptions, the appraised value of the entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date using the asset-based approach is RMB15,569.6580 million, an appreciation of RMB8,148.6726 million and an appreciation rate of 109.81%.

This valuation conclusion does not reflect any premium arising from control, any discount arising from lack of control, or the impact of equity liquidity.

This valuation report serves solely as a value reference for the economic activity described herein. The validity period of the valuation conclusion is one year from the Valuation Benchmark Date. If material changes occur in the asset condition or market conditions relative to the Valuation Benchmark Date during the validity period, the principal should instruct the appraisal firm to carry out an updated valuation or a new valuation.

Users of this report should fully consider the assumptions, limiting conditions, special notes and their impact on the valuation conclusion as set out in the report.

The special matters that may affect the valuation conclusion are detailed in "Section XI SPECIAL NOTES" of the main body of this valuation report. Users of the report are advised to pay attention to their impact on the valuation conclusion.

The above is an extract from the body of the Asset Valuation Report. For full details and proper understanding of the valuation conclusion, please read the body of the Asset Valuation Report.

FULL ASSET VALUATION REPORT ON THE PROPOSED ACQUISITION OF ENTIRE EQUITY INTEREST IN SHANDONG ENERGY GROUP NEW ENERGY GROUP CO., LTD.（山東能源集團新能源集團有限公司）BY YANKUANG ENERGY GROUP COMPANY LIMITED

Hua Ya Zheng Xin Ping Bao Zi [2026] No. A16-0015

Yankuang Energy Group Company Limited and Shandong Energy Group New Energy Group Co., Ltd.:

Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. accepts your engagement and, in compliance with laws, administrative regulations and asset appraisal standards, adhering to the principles of independence, objectivity and fairness, applying the asset-based approach, and following necessary appraisal procedures, appraises the market value of the entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd. as at 31 January 2026 for the purpose of the proposed equity acquisition by Yankuang Energy Group Company Limited. We hereby present the appraisal as follows.

I. OVERVIEW OF THE PRINCIPAL, THE APPRAISED ENTITY AND OTHER INTENDED USERS OF THE ASSET VALUATION REPORT

The principals of this appraisal are Yankuang Energy Group Company Limited and Shandong Energy Group New Energy Group Co., Ltd. The Appraised Entity is Shandong Energy Group New Energy Group Co., Ltd.

(I) Principal Profile

1. Principal A

Company name	:	Yankuang Energy Group Company Limited (hereinafter, "Yankuang Energy")
Unified social credit code	:	91370000166122374N
Registered address	:	No. 949, Fushan South Road, Zoucheng City, Jining City, Shandong Province
Business premises: No.	:	949, Fushan South Road, Zoucheng City, Jining City, Shandong Province
Legal representative	:	Li Wei
Registered capital	:	RMB10,039,860,402
Type	:	Joint stock company with limited liability (Hong Kong/Macau/Taiwan investment, listed)
Date of establishment	:	25 September 1997
Operating period	:	25 September 1997 to indefinite term

Principal business scope	:	Permitted items: coal mining; public railway transport; road freight transport (excluding hazardous materials); port operation; installation, alteration and repair of special equipment; catering services; accommodation services; sewage treatment and recycling; heat production and supply; inspection and testing services; work safety inspection and testing; construction projects; Class I value-added telecom services; Class II value-added telecom services. General items: import and export of goods and technology; project cost consulting; investment activities with own funds; enterprise management; social and economic consulting; market survey (excluding foreign-related survey); mining machinery manufacturing and sales; machinery and equipment leasing; general equipment repair; general mechanical equipment installation services; metal material sales; mechanical and electrical equipment sales; building material sales; timber sales; manufacturing and sales of specialty chemical products (excluding hazardous chemicals); daily chemical products manufacturing; coal and coal products sales; coating manufacturing and sales (excluding hazardous chemicals); lubricating oil sales; petroleum product sales (excluding hazardous chemicals); chemical product sales (excluding licensed ones); technology services, development, consulting, exchange, transfer and promotion; non-residential real estate leasing; metal ore sales; general warehousing services (excluding hazardous chemicals etc.); landscaping; scenic area management; safety technical training for special operators; measurement technology services; corporate image planning; textile sales; plastic product sales; instrument sales; cement product sales; refractory material production and sales; labor protection product sales; office supplies sales; stationery retail; railway transport auxiliary activities; fireproof sealing material production and sales; special electronic equipment manufacturing and sales; software development; network technology services; network equipment sales; internet data services; broadcast and television transmission equipment sales; communication equipment sales; motor vehicle repair and maintenance; property management; human resources services (excluding job placement, labor dispatch); system integration services; system operation and maintenance services; industrial automatic control system device sales; digital video surveillance system sales; internet equipment sales. (Except for items subject to approvals required by the laws, business activities shall be conducted independently with the business license and in accordance with the laws)

2. Principal B

The same as appraised entity.

(II) Profile of the appraised entity

1. Basic information

Company name	:	Shandong Energy Group New Energy Group Co., Ltd. (hereinafter, "New Energy Group")
Unified social credit code	:	91370100MA3WLDTG7A
Registered address	:	19th Floor, J3 Tower, High-tech Wanda Plaza, No. 57-1 Gongye South Road, Jinan High-tech Zone, Jinan City, Shandong Province
Legal representative	:	Li Wei
Registered capital	:	RMB9,810 million
Paid-in capital	:	RMB6,588.1950 million
Type	:	Other limited liability company
Date of establishment	:	12 April 2021
Operating period	:	12 April 2021 to 11 April 2081
Principal business scope	:	Permitted items: power generation, transmission, supply and distribution business; heat production and supply; biomass gas production and supply. General items: power facility equipment manufacturing; new energy motive equipment manufacturing; power transmission, distribution and control equipment manufacturing; emerging energy technology development; wind power generation technology services; wind farm related system development; wind farm related equipment sales; offshore wind turbine generator sales; onshore wind turbine generator sales; solar power technology services; solar thermal power product sales; solar thermal utilization product sales; photovoltaic equipment and component sales; photovoltaic equipment leasing; biomass energy technology services; biofuel processing; power generation technology services; contract energy management; engineering and technology research and development; technology services, development, consulting, exchange, transfer and promotion. (Except for items subject to approvals required by the laws, business activities shall be conducted independently with the business license and in accordance with the laws)

2. History and equity structure of the company

New Energy Group was established on 12 April 2021 under the original name "Shandong Energy Group New Energy Co., Ltd." with a registered capital of RMB6,000 million, which was fully subscribed by Shandong Energy Group Co., Ltd. (hereinafter "Shandong Energy"), Yankuang Group (Hong Kong) Company Limited (hereinafter "Yankuang Hong Kong") in cash. The shareholding structure of New Energy Group at the time of its establishment was as follows:

Shareholder Name, Capital Contribution and Contribution Ratio

Shareholder name	Capital contribution *(RMB0'000)*	Contribution Form of contribution	Percentage of total registered capital
Shandong Energy	540,000	Cash	90%
Yankuang Hong Kong	60,000	Cash	10%
Total	**600,000**	**–**	**100%**

On 29 May 2023, New Energy Group convened an extraordinary shareholders' meeting, at which it was resolved to change the company name of Shandong Energy Group Power Group Co., Ltd. to "Shandong Energy Group New Energy Group Co., Ltd. (Electric Power Group)"; and resolved to change the registered capital of the company from RMB6,000 million to RMB9,810 million, with the shareholder Shandong Energy increasing its capital contribution to RMB9,210 million in cash. Upon completion of this change registration, the equity structure of Electric Power Group is as follows:

Shareholder Name	Capital contribution amount *(RMB0'000)*	Contribution Form of contribution	% of registered capital
Shandong Energy	921,000	Cash	93.88%
Yankuang Hong Kong	60,000	Cash	6.12%
Total	**981,000**	**–**	**100%**

On 28 March 2025, Electric Power Group convened an extraordinary shareholders' meeting, at which it was resolved to change the company name of Electric Power Group to "Shandong Energy Group New Energy Group Co., Ltd."

As at the Valuation Benchmark Date, Shandong Energy Group New Energy Group Co., Ltd had a paid-in capital of RMB6,588.1950 million. The shareholder's name, capital contribution and contribution ratio were as follows:

Shareholder name, capital contribution and contribution ratio

Amount unit: RMB0'000

No.	Shareholder name	Subscribed capital	Percentage of subscribed capital (%)	Paid-in Capital	Percentage of paid-in capital (%)
1	Shandong Energy	921,000.00	93.88	598,819.50	90.89
2	Yankuang Hong Kong	60,000.00	6.12	60,000.00	9.11
	Total	**981,000.00**	**100.00**	**658,819.50**	**100.00**

3. Management structure of the company

As at the Valuation Benchmark Date, the company has board of directors, supervisory committee and executive management, the composition of which was as follows:

(1) Shareholders' meeting

The shareholders of New Energy Group are Shandong Energy and Yankuang Hong Kong. The shareholders' meeting is composed of all shareholders and is the company's authority. When voting at the shareholders' meeting, shareholders exercise their voting rights in proportion to their subscribed capital contributions. Ordinary resolutions of the shareholders' meeting require the approval of shareholders representing more than one-half of the voting rights; special resolutions require the approval of shareholders representing more than two-thirds of the voting rights.

(2) Board of directors

The Board of New Energy Group shall consist of 7 directors, including 2 internal directors, 4 external directors and 1 employee representative director. The internal directors and external directors shall be appointed by Shandong Energy, and the employee representative director shall be elected by the company's employee representative assembly, employees' general assembly or other democratic means. The Board shall have one chairman, who shall be designated by Shandong Energy from among the directors appointed by it and elected by a majority of all directors of the board.

Board resolutions are divided into ordinary resolutions and special resolutions. Ordinary resolutions of the Board require the approval of more than half of all directors; special resolutions require the approval of more than two-thirds of all directors.

(3) Supervisory committee

New Energy Group does not have a supervisory committee or supervisors. Relevant powers are exercised by the board's audit and risk committee, internal audit and other bodies.

(4) Executive management

New Energy Group has one general manager, a number of deputy general managers as configured according to regulations, and one chief financial officer. The executive management is the executive body of the company, responsible to the Board, reports to the Board, and is subject to the supervision and management of the Board.

4. Equity investment status

The company has 28 external investee units, as follows:

No.	Name of Investee	Abbreviation	Date of Establishment	% of Subscribed Capital	Carrying Amount	Business Classification
1	Shanneng New Energy (Dongying) Co., Ltd. (山能新能源(東營)有限公司)	New Energy Dongying	2021-11-24	95.24	4,000,000,000.00	Offshore wind power, energy storage
2	Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd. (山能匯鑫智慧風電(利津)有限公司)	Huixin Lijin	2021-11-4	100	140,000,000.00	Offshore wind power
3	Shanneng Huixin Smart Energy (Dongying) Co., Ltd. (山能匯鑫智慧能源(東營)有限公司)	Huixin Dongying	2021-11-5	80	–	Not yet operating, no accounts established
4	Shanneng New Energy (Yishui) Co., Ltd.	New Energy Yishui	2021-9-6	100	100,000,000.00	Photovoltaic power generation
5	Shanneng New Energy Development (Tancheng) Co., Ltd. (山能新能源發展(郯城)有限公司)	New Energy Tancheng	2021-11-12	56.67	30,000,000.00	Photovoltaic power generation
6	Shanneng New Energy (Zoucheng) Co., Ltd. (山能新能源(鄒城)有限公司)	New Energy Zoucheng	2021-9-26	100	40,000,000.00	Photovoltaic power generation

No.	Name of Investee	Abbreviation	Date of Establishment	% of Subscribed Capital	Carrying Amount	Business Classification
7	Shanneng New Energy (Chengwu) Co., Ltd. (山能新能源(成武)有限公司)	New Energy Chengwu	2021-10-11	100	5,000,000.00	Photovoltaic power generation
8	Shanneng New Energy (Zibo Zichuan District) Co., Ltd. (山能新能源(淄博淄川區)有限公司)	New Energy Zibo	2021-10-11	100	8,000,000.00	Photovoltaic power generation
9	Shanneng New Energy (Zaozhuang) Co., Ltd. (山能新能源(棗莊)有限公司)	New Energy Zaozhuang	2021-10-9	100	30,000,000.00	Photovoltaic power generation
10	Shanneng New Energy (Yiyuan) Co., Ltd. (山能新能源(沂源)有限公司)	New Energy Yiyuan	2021-10-9	100	8,000,000.00	Photovoltaic power generation
11	Shanneng New Energy (Rizhao) Co., Ltd. (山能新能源(日照)有限公司)	New Energy Rizhao	2021-10-9	100	5,000,000.00	Photovoltaic power generation
12	Shanneng New Energy (Heze) Co., Ltd. (山能新能源(菏澤)有限公司)	New Energy Heze	2021-10-13	100	5,000,000.00	Not yet operating
13	Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. (山東能源內蒙古盛魯電力有限公司)	Shenglu Power	2016-6-28	70	980,000,000.00	Thermal power, photovoltaic
14	Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd. (山東能源盛魯能化阿拉善盟新能源有限公司)	Shenglu Alxa	2019-4-1	100	500,000,000.00	Wind power generation
15	Shandong Energy Shenglu Energy Chemical Ordos City New Energy Co., Ltd. (山東能源盛魯能化鄂爾多斯市新能源有限公司)	Shenglu Ordos	2019-9-4	100	140,000,000.00	Wind power generation
16	Shandong Energy Inner Mongolia Shenglu Electricity Sales Co., Ltd. (山東能源內蒙古盛魯售電有限公司)	Shenglu Electricity Sales	2016-9-5	100	20,000,000.00	Electricity sales
17	Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. (山東能源集團靈台火力發電有限公司)	Lingtai Thermal Power	2020-5-25	100	1,300,000,000.00	Thermal power

No.	Name of Investee	Abbreviation	Date of Establishment	% of Subscribed Capital	Carrying Amount	Business Classification
18	Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. (山東能源集團靈台盛魯新能源有限公司)	Lingtai New Energy	2021-8-25	100	100,000,000.00	Photovoltaic power generation
19	Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd. (山東能源集團平川盛魯新能源有限公司)	Pingchuan Shenglu	2022-5-18	100	263,100,000.00	Photovoltaic power generation
20	Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd. (山東能源集團靖遠盛魯新能源有限公司)	Jingyuan Shenglu	2022-5-13	100	480,200,000.00	Wind and photovoltaic power generation
21	Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd. (山東能源集團景泰盛魯新能源有限公司)	Jingtai Shenglu	2022-5-11	100	580,000,000.00	Wind and photovoltaic power generation
22	Shandong Luxi Power Generation Co., Ltd. (山東魯西發電有限公司)	Luxi Power Generation	2011-9-19	100	1,705,725,858.42	Thermal power, heat
23	Shandong Energy Power Group Xintai Power Generation Co., Ltd. (山東能源電力集團新泰發電有限公司)	Xintai Power Generation	2023-6-26	63.33	950,000,000.00	Thermal power, heat
24	Shandong Energy Power Group Qingyang New Energy Co., Ltd. (山東能源電力集團慶陽新能源有限公司)	Qingyang New Energy	2023-11-16	100	–	Not yet operating, no accounts established
25	Shanneng (Guanxian) Wind Power Co., Ltd. (山能(冠縣)風電有限公司)	Guanxian Wind Power	2024-11-21	60	360,000,000.00	Wind power generation
26	Shanneng New Energy (Binzhou) Co., Ltd. (山能新能源(濱州)有限公司)	New Energy Binzhou	2024-11-25	67	131,000,000.00	Saline-alkali mudflat wind-solar integration
27	Shanneng (Zoucheng) Wind Power Co., Ltd. (山能(鄒城)風電有限公司)	Zoucheng Wind Power	2025-10-23	51	20,000,000.00	Wind power generation

No.	Name of Investee	Abbreviation	Date of Establishment	% of Subscribed Capital	Carrying Amount	Business Classification
28	Datang Yuncheng Power Generation Co., Ltd. (大唐鄆城發電有限公司)	Yuncheng Power Generation	2017-10-17	30	125,691,000.00	Thermal power
	Total				12,026,716,858.42	

5. Financial position of the appraised entity for the past three years

The Valuation Benchmark Date of this project is 31 January 2026. The balance sheets of the appraised entity as at the Valuation Benchmark Date and the preceding three years are as follows:

Balance sheet for the past three years and current period (on a consolidated basis)

Amount unit: RMB0'000

No.	Item	Valuation Benchmark Date	31 December 2025	31 December 2024	31 December 2023
1	Current assets	889,101.10	903,259.06	484,985.53	507,157.86
2	Non-current assets	3,567,632.93	3,547,814.21	2,879,019.77	2,375,327.13
3	Including: Long-term equity investments	17,021.37	16,840.49	4,286.13	3,062.23
4	Long-term receivables	0.00	0.00	500.00	0.00
5	Fixed assets	2,375,138.79	2,384,531.07	1,610,018.71	1,454,809.03
6	Construction in progress	925,479.30	923,941.20	1,062,654.17	716,742.91
7	Right-of-use assets	46,347.25	45,638.97	35,857.49	34,137.22
8	Intangible assets	98,177.21	98,408.87	93,405.77	72,452.30
9	Long-term prepaid expenses	627.83	640.38	607.53	15.18
10	Deferred tax assets	936.78	785.74	410.25	214.45
11	Other non-current assets	103,904.40	77,027.48	71,279.73	92,236.63
12	Total assets	4,456,734.04	4,451,073.27	3,364,005.30	2,882,485.00
13	Current liabilities	1,167,345.53	1,221,978.24	759,210.06	646,041.89
14	Non-current liabilities	2,101,234.32	2,069,383.47	1,583,768.42	1,281,623.49
15	Total liabilities	3,268,579.85	3,291,361.72	2,342,978.48	1,927,665.38
16	Total equity	1,188,154.19	1,159,711.55	1,021,026.81	954,819.61
17	Including: Equity attributable to owners of the parent	978,707.25	952,764.08	842,501.63	745,131.95

Balance sheet for the past three years and current period (on a parent company basis)

Amount unit: RMB0'000

No.	Item	Valuation Benchmark Date	31 December 2025	31 December 2024	31 December 2023
1	Current assets	394,675.76	376,525.21	220,185.34	344,809.69
2	Non-current assets	1,205,514.38	1,205,551.75	841,899.17	642,546.90
3	Including: Long-term equity investments	1,202,671.69	1,202,671.69	838,451.22	639,155.82
4	Fixed assets	251.15	258.66	347.23	228.61
5	Right-of-use assets	2,478.86	2,505.81	2,950.11	3,152.47
6	Intangible assets	7.89	7.97	8.99	10.01
7	Long-term prepaid expenses	104.79	107.63	141.61	–
8	Total assets	1,600,190.14	1,582,076.97	1,062,084.51	987,356.59
9	Current liabilities	641,896.46	626,245.38	355,930.24	283,765.82
10	Non-current liabilities	216,195.14	215,724.32	2,930.80	3,138.55
11	Total liabilities	858,091.60	841,969.70	358,861.03	286,904.38
12	Total equity	742,098.55	740,107.27	703,223.48	700,452.22

Income statement of the appraised entity for the past three years and current period (on a consolidated basis)

Amount unit: RMB0'000

No.	Item	Valuation Benchmark Date	2025	2024	2023
I	Revenue	102,053.88	771,017.49	678,941.83	617,728.90
	Less: Cost of sales	66,982.27	548,129.24	482,999.71	440,669.66
	Taxes and surcharges	274.36	7,736.77	3,384.72	2,252.15
	Selling expenses	15.09	218.09	–	–
	Administrative expenses	2,140.36	22,972.51	23,288.06	31,451.69
	Research and development expenses	–	16,394.81	18,703.60	14,342.98
	Financial expenses	4,794.64	34,899.20	38,564.97	28,098.98
	Add: Investment income	7.79	3,891.92	4,418.51	4,160.66
	Other income	180.87	1,585.27	2,823.90	2,268.77
	Credit impairment losses	-45.94	0.05	-50.56	-45.04
	Asset impairment losses	–	-19,578.69	–	–
	Gain on disposal of assets	–	2.04	–	–
II	Operating profit	27,989.90	126,567.46	119,192.61	107,297.83
	Add: Non-operating income	2,547.77	3,285.93	254.79	2,754.61
	Less: Non-operating expenses	0.01	30.97	77.30	10.84
III	Profit before tax	30,537.66	129,822.42	119,370.10	110,041.59
	Less: Income tax expenses	2,942.85	12,488.88	3,643.73	1,612.70
IV	Net profit	27,594.81	117,333.54	115,726.38	108,428.90
	Including: Net profit attributable to owners of the parent	25,161.65	95,888.22	82,137.43	76,753.87

Income statement of the appraised entity for the past three years and current period (on a parent company basis)

Amount unit: RMB0'000

No.	Item	Valuation Benchmark Date	2025	2024	2023
I	Revenue	0.00	0.00	0.00	0.00
	Less: Cost of sales	0.00	0.00	0.00	0.00
	Taxes and surcharges	2.22	32.13	81.43	30.69
	Selling expenses	0.00	0.00	0.00	0.00
	Administrative expenses	373.77	6,976.53	8,137.29	7,007.86
	Research and development expenses	0.00	5.33	0.00	0.00
	Financial expenses	102.98	-4,104.58	-6,893.64	-4,345.40
	Add: Investment income	7.26	8.11	80.00	3.21
	Other income	0.00	27,219.93	4,007.54	901.19
	Credit impairment losses				
	Impairment losses on assets				
	Gain on disposal of assets				
II	Operating profit	-471.71	24,318.62	2,762.45	-1,788.74
	Add: Non-operating income	2,462.99	6.04	9.61	6.39
	Less: Non-operating expenses	0.00	9.97	0.80	0.00
III	Profit before tax	1,991.28	24,314.69	2,771.26	-1,782.35
	Less: Income tax expenses	0.00	0.00	0.00	-0.56
IV	Net profit	1,991.28	24,314.69	2,771.26	-1,781.80

The above financial statements have been audited by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership), which issued an unqualified audit opinion. The audit report number is Zhong Tian Heng Zhuan Shen Zi [2026] No. 1308.

6. Overall Operating Situation of the Appraised Entity

New Energy Group is a large-scale industrial group established in October 2022 through the integration and reorganisation of Shandong Energy's subordinate enterprises, in order to implement the national strategic plan for building a new energy system and the provincial party committee and government's requirements for deepening specialised reorganisation and integration, to promote the optimisation and upgrading of traditional energy and the synergistic development of new energy, and to continuously strengthen and expand the main power

business. It fulfils the role of the provincial new energy investment platform in Shandong Province, undertakes the responsibility of ensuring the supply of "external power to Shandong（外電入魯）", and is responsible for the planning, investment and operation, project construction, technical guidance and external coordination of Shandong Energy's power industry. Its main business involves thermal power, wind power, photovoltaic power, biomass power generation and electricity sales services, striving to build an integrated development model of "wind, solar, thermal, storage, hydrogen" and "source, grid, load, storage". As of January 2026, the total installed capacity of power projects in operation, under construction and in preparation exceeds 20,000 MW, making it the largest power enterprise among provincial state-owned enterprises.

As at 31 January 2026, the basic information of the operating, under construction and planned power projects of New Energy Group and its subsidiaries is shown in the table below

Company Abbreviation	**Project Name**	**Project Location**	**Generation Type**	**Project Status**	**Grid Connection Date**	**Installed Capacity (MW/ MWh)**
New Energy Group (headquarter)	Zaozhuang Shanting Northwest 210MW Onshore Wind Power Project	Zaozhuang	Wind	Planned	/	210
Xintai Power Generation	Xintai 2×600,000 kW Coal-fired Power Generation Project	Tai'an	Thermal	Under Construction	Expected 2026	1,320
Guanxian Wind Power	Shandong Energy Power Group Guanxian No.1 Wind Power Project	Guanxian	Wind	Under Construction	/	400
Luxi Power Generation	Shandong Luxi Power Generation Co., Ltd. 2×600,000 kW Coal Underground Gasification Power Generation Project	Zoucheng	Thermal	Operating	Unit 1: First grid connection on 29 October 2022; Unit 2: First grid connection on 31 December 2022	1,200
New Energy Yishui	Yishui County Whole-county Distributed Photovoltaic Project (21 sub-projects)	Yishui	Photovoltaic	Operating	December 2022	22

Company Abbreviation	Project Name	Project Location	Generation Type	Project Status	Grid Connection Date	Installed Capacity (MW/ MWh)
New Energy Tancheng	Tancheng County Whole-county Distributed Photovoltaic Project 1.75MW (3 sub-projects)	Tancheng	Photovoltaic	Operating	All sub-projects completed grid connection by April 2023	2
New Energy Zoucheng	Zoucheng 44.37MW Distributed Photovoltaic Project (9 sub-projects)	Zoucheng	Photovoltaic	Operating	All sub-projects completed grid connection by December 2022	43
New Energy Yiyuan	Yiyuan 8MW Distributed Photovoltaic Power Generation Project (2 sub-projects)	Yiyuan	Photovoltaic	Operating	All sub-projects completed grid connection by May 2022	8
New Energy Zaozhuang	Zaozhuang 7.16MW Rooftop Distributed Photovoltaic Project (2 sub-projects)	Zaozhuang	Photovoltaic	Operating	December 2022	7
New Energy Chengwu	Heze Luhua Huacheng Bio-Power Co., Ltd. 2.05MW Rooftop Distributed Photovoltaic Power Generation Project	Heze	Photovoltaic	Operating	February 2022	2
New Energy Zibo	Shandong Fangda Hangxiao Steel Structure Technology Co., Ltd. 5.93MW Rooftop Distributed Photovoltaic Project	Zichuan	Photovoltaic	Operating	December 2021	6

Company Abbreviation	Project Name	Project Location	Generation Type	Project Status	Grid Connection Date	Installed Capacity (MW/ MWh)
New Energy Rizhao	Shandong Energy Materials Group Co., Ltd. Rizhao Roland Factory Area 5.99MW Rooftop Distributed Photovoltaic Project	Rizhao	Photovoltaic	Operating	March 2022	6
New Energy Dongying	Shandong Energy Group Dongying 2×200MWh Independent Shared Energy Storage Phase I Project	Dongying	Energy Storage	Trial Operation	May 2025	100MW/ 200MWh
	Shandong Energy Group Dongying 2×200MWh Independent Shared Energy Storage Phase II Project	Dongying	Energy Storage	Planned	/	100MW/ 200MWh
Bohai No.1	Shandong Energy Bozhong Offshore Wind Power Site A Project	Dongying	Wind	Operating	December 2022	501
	Shandong Energy Bozhong Offshore Wind Power Site C Project	Dongying	Wind	Planned	December 2030	2,000
Bohai No.2	Shandong Energy Bozhong Offshore Wind Power Site B Project	Dongying	Wind	Operating	December 2022	400
Bohai No.3	Shandong Energy Bozhong Offshore Wind Power Site G Phase I Project	Dongying	Wind	Operating	May 2025	400
	Shandong Energy Bozhong Offshore Wind Power Site G Phase II Project	Dongying	Wind	Under Construction	/	500

Company Abbreviation	Project Name	Project Location	Generation Type	Project Status	Grid Connection Date	Installed Capacity (MW/ MWh)
Bohai No.5	Shandong Energy Bozhong Offshore Wind Power Site D Project	Dongying	Wind	Planned	December 2029	1,000
	Shandong Energy Bozhong Offshore Wind Power Site E Project	Dongying	Wind	Planned	December 2027	600
Huixin Lijin	Shandong Energy Bozhong Offshore Wind Power Site B Expansion Project (B1 Project)	Dongying	Wind	Operating	June 2025	100
New Energy Binzhou	Shandong Energy North Shandong (Binzhou) Saline-alkali Mudflat Wind-Solar Integration Base Project	Binzhou	Wind	Planned	/	650
		Binzhou	Photovoltaic	Planned	/	1,500
Shenglu Power	Shandong Energy Inner Mongolia Shengli Power Plant Phase I 2×1000MW Ultra-supercritical Air-cooled Generator Unit Power Generation Project	Ordos	Thermal	Operating	Unit 1: September 2020 Unit 2: November 2020	2,000
	Shengli Power Plant 5.95MWp Distributed Photovoltaic Project	Ordos	Photovoltaic	Operating	November 2024	6
Shenglu Alxa	Shandong Energy Shanghai Temple to Shandong UHV Transmission Corridor Alxa Base 400MW Wind Power Project	Alxa League	Wind	Operating	December 2023	400

Company Abbreviation	Project Name	Project Location	Generation Type	Project Status	Grid Connection Date	Installed Capacity (MW/ MWh)
Shenglu Ordos	Shandong Energy Inner Mongolia Hangjin Banner Yihewusu Wind Farm 100MW Project	Ordos	Wind	Operating	December 2022	100
Pingchuan Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Pingchuan Shuiquan 250MW Photovoltaic Power Generation Project	Baiyin	Photovoltaic	Operating	September 2025	250
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Pingchuan Baoji 200MW Photovoltaic Power Generation Project	Baiyin	Photovoltaic	Under Construction	/	200

Company Abbreviation	Project Name	Project Location	Generation Type	Project Status	Grid Connection Date	Installed Capacity (MW/ MWh)
Jingtai Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Gangdongliang West 200MW Wind Farm Project	Baiyin	Wind	Under Construction	/	200
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Hongshan 100MW Wind Farm Project	Baiyin	Wind	Under Construction	/	100
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Sitan East 150MW Photovoltaic Power Generation Project	Baiyin	Photovoltaic	Under Construction	/	150
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingtai Shangshawo Fumin 200MW Photovoltaic Power Generation Project	Baiyin	Photovoltaic	Under Construction	/	200

Company Abbreviation	Project Name	Project Location	Generation Type	Project Status	Grid Connection Date	Installed Capacity (MW/ MWh)
Jingyuan Shenglu	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Beitan 300MW Wind Farm Project	Baiyin	Wind	Under Construction	/	300
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Beitan 100MW Photovoltaic Power Generation Project	Baiyin	Photovoltaic	Operating	/	100
	Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Yongxin 150MW/600MWh Energy Storage Project	Baiyin	Energy Storage	Under Construction	/	150MW/ 600MWh
Lingtai New Energy	Shandong Energy Lingtai County Phase I 100,000 kW Photovoltaic Agriculture Composite Power Generation Project	Lingtai, Pingliang	Photovoltaic	Operating	April 2023	100
	Lingtai Photovoltaic Supporting Energy Storage Project	Lingtai, Pingliang	Energy Storage	Operating	April 2023	5MW/ 10MWh

Company Abbreviation	Project Name	Project Location	Generation Type	Project Status	Grid Connection Date	Installed Capacity (MW/ MWh)
Lingtai Thermal Power	Longdong to Shandong UHV DC Transmission Project Supporting Expansion and Upgrade of Shandong Energy Lingtai 2×1000 MW Peak-shaving Coal Power Project	Lingtai, Pingliang	Thermal	Operating	September 2025	2,000
Shanneng Zoucheng Wind Power	Jining Zoucheng Central 180,000 kW Onshore Wind Power Project	Jining, Shandong	Wind	Planned	/	180
Yuncheng Power Generation	Datang Yuncheng Power Generation Co., Ltd.	Heze, Shandong	Thermal	Under Construction (equity investment)	/	2,000

Note 1: The Zaozhuang Shanting Northwest 210MW Onshore Wind Power Project has not yet determined the construction entity and is presented under headquarter of New Energy Group.

Note 2: Among the Zoucheng New Energy 44.37MW distributed photovoltaic project, 1.15MW has ceased operation and is pending building demolition. This capacity has been excluded from the installed capacity figures.

7. Principal Accounting Policies Adopted

(1) Accounting period

The accounting year runs from 1 January to 31 December on the Gregorian calendar.

(2) Functional currency

The functional currency is Renminbi (RMB).

(3) Basis of accounting and measurement principles

The accounting records are prepared on an accrual basis. Except for certain financial instruments and investment properties, the financial statements are measured at historical cost. If an asset is impaired, a corresponding impairment provision is recognized in accordance with relevant provisions.

(4) Receivables

The Group assesses credit risk individually for receivables with significantly different credit risk profiles, such as receivables in dispute or involved in litigation or arbitration; receivables where there is clear evidence that the debtor is likely unable to fulfil its repayment obligations, etc.

Apart from receivables whose credit risk is assessed individually, the Group classifies receivables into different groups based on shared credit risk characteristics and assesses credit risk on a portfolio basis.

① Accounts receivable

For accounts receivable that do not contain a significant financing component, the Group measures loss allowances at an amount equal to the expected credit losses over the entire lifetime of the asset.

For accounts receivable and lease receivables that contain a significant financing component, the Group chooses to always measure loss allowances at an amount equal to the expected credit losses over the entire lifetime. It does not adopt the simplified approach; rather, depending on whether the credit risk has increased significantly since initial recognition, it measures loss allowances at an amount equal to 12-month expected credit losses or expected credit losses over the entire lifetime.

Apart from accounts receivable whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into the following portfolios:

Item	**Basis for determining the portfolio**
accounts receivable:	13, 6
Portfolio 1	Amounts due from internal related entities, low-risk entities
Portfolio 2	Aging of accounts receivable as a credit risk characteristic

② Receivables financing

Notes receivable measured at fair value through other comprehensive income with a maturity of one year or less (including one year) from initial recognition are presented as receivables financing. The Group measures impairment losses using expected credit losses over the entire lifetime.

Apart from receivables financing whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into the following portfolios:

Item	Basis for determining the portfolio
Portfolio 1	Bank acceptance bills

③ Other receivables

Based on whether the credit risk of other receivables has increased significantly since initial recognition, the Group measures impairment losses at an amount equal to 12-month expected credit losses or expected credit losses over the entire lifetime. Apart from other receivables whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into the following portfolios:

Item	Basis for determining the portfolio
Portfolio 1	Amounts due from related parties, deposits, petty cash, mortgage deposits, etc.
Portfolio 2	Aging of the receivables as a credit risk characteristic

(5) Inventories

Inventories mainly comprise raw materials, finished goods, etc.

Inventories are measured at actual cost when acquired, where cost includes purchase cost, processing cost and other costs. When issued or consumed, they are priced using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, estimated selling expenses and related taxes. When determining the net realisable value of inventories, the basis is the conclusive evidence obtained, taking into account the purpose for which the inventory is held and the effect of events occurring after the end of the reporting period.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. Where the net realisable value is lower than cost, a provision for Decline in value of inventories is recognised. The provision for Decline in value of inventories is normally recognised for individual inventory items based on the excess of cost over net realisable value.

After the provision for Decline in value of inventories is made, if the previously recognised impairment loss is reversed because the factors causing the impairment no longer exist and the net realisable value exceeds the carrying amount, the reversal is limited to the amount of the original provision and is recognised in profit or loss for the period.

The perpetual inventory system is adopted for inventory counting.

Low-value consumable supplies are amortised using the one-time write-off method at the time of issue. Packaging materials are amortised using the one-time write-off method at the time of issue.

(6) Long-term equity investments

Long-term equity investments refer to investments in investees over which the Group has control, joint control or significant influence. Investments in investees under which the Group has no control, joint control or significant influence are accounted for as financial assets at fair value through profit or loss. However, for those that are non-trading, such investments may, upon initial recognition, be designated as financial assets at fair value through other comprehensive income.

Joint control means the contractually agreed sharing of control over an arrangement by the Group, where decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence means the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

1) Determination of investment cost

For long-term equity investments acquired through a business combination under common control, at the combination date, the initial investment cost is the share of the carrying amount of the acquiree's equity in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of the long-term equity investment and the sum of the cash paid, the carrying amount of the non-cash assets transferred and the carrying amount of the liabilities assumed is adjusted to capital reserves; if capital reserves are insufficient to absorb the reduction, retained earnings are adjusted. Where equity securities are issued as consideration for the combination, at the combination date, the initial investment cost of the long-term equity investment is the share of the carrying amount of the acquiree's equity in the consolidated financial statements of the ultimate controlling party, and the total par value of the shares issued is recorded as share capital; the difference between the initial investment cost of the long-term equity investment and the total par value of the shares issued is adjusted to capital reserves; if capital reserves are insufficient to absorb the reduction, retained earnings are adjusted. Where the equity interest in the acquiree under common control is obtained in stages through multiple transactions, ultimately resulting in a business combination under common control, it should be determined whether the transactions constitute a "package transaction" and accounted for accordingly: if they constitute a

"package transaction", the transactions are accounted for as a single transaction in which control is obtained. If they do not constitute a "package transaction", at the combination date, the initial investment cost of the long-term equity investment is the share of the carrying amount of the acquiree's equity in the consolidated financial statements of the ultimate controlling party; the difference between the initial investment cost of the long-term equity investment and the sum of the carrying amount of the long-term equity investment held before the combination and the carrying amount of the new consideration paid for the further acquisition of shares at the combination date is adjusted to capital reserves; if capital reserves are insufficient to absorb the reduction, retained earnings are adjusted. Other comprehensive income recognized in respect of equity investments held before the combination date that were accounted for using the equity method or as financial assets at fair value through other comprehensive income is not accounted for temporarily.

For long-term equity investments acquired through a business combination not under common control, at the acquisition date, the initial investment cost is the combination cost, which is the sum of the fair values of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. Where the equity interest in the acquiree is obtained in stages through multiple transactions, ultimately resulting in a business combination not under common control, it should be determined whether the transactions constitute a "package transaction" and accounted for accordingly: if they constitute a "package transaction", the transactions are accounted for as a single transaction in which control is obtained. If they do not constitute a "package transaction", the initial investment cost of the long-term equity investment accounted for using the cost method is the sum of the carrying amount of the original equity investment in the acquiree and the cost of the additional investment. Where the original equity investment was accounted for using the equity method, the other comprehensive related income is not accounted for temporarily.

Incidental expenses such as audit, legal services, valuation and consultancy, and other related administrative expenses incurred by the combining party or the acquirer for the business combination are recognized in profit or loss for the period when incurred.

For equity investments other than those arising from a business combination, the initial measurement is at cost. Such cost is determined based on, as the case may be, the cash purchase price actually paid by the Group, the fair value of the equity securities issued by the Group, the value stipulated in the investment contract or agreement, the fair value or the original carrying amount of the assets given up in a non-monetary asset exchange transaction, or the fair value of the long-term equity investment itself, depending on the method of

acquisition. Costs, taxes and other necessary expenses directly attributable to the acquisition of the long-term equity investment are also included in the investment cost. Where additional investment enables the Group to have significant influence over or joint control of the investee without constituting control, the cost of the long-term equity investment is the sum of the fair value of the original equity investment determined in accordance with ASBE 22 – Recognition and Measurement of Financial Instruments (《企業會計準則第22號——金融工具確認和計量》) and the additional investment cost.

2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in investees over which the Group has joint control (other than those constituting joint operations) or significant influence are accounted for using the equity method. In addition, in the Group's financial statements, long-term equity investments in investees over which the Group has control are accounted for using the cost method.

(1) Long-term equity investments accounted for using the cost method

Under the cost method, long-term equity investments are measured at initial investment cost. The cost is adjusted for additional investment or recoveries of investment. Investment income is recognized when the investee declares cash dividends or profit distributions, except for cash dividends or profits that are already included in the price actually paid or the consideration given at the time of investment.

(2) Long-term equity investments accounted for using the equity method

Under the equity method, if the initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of investment, no adjustment is made; if the initial investment cost is less than that share, the difference is recognized in profit or loss and the carrying amount of the investment is increased.

Under the equity method, the Group's share of the investee's net profit or loss and other comprehensive income is recognized as investment income and other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. Distributions of profit or cash dividends declared by the investee reduce the carrying amount. Changes in the investee's other equity (other than those arising from net profit or loss, other comprehensive income and profit distributions) are recognized in

capital reserves with a corresponding adjustment to the carrying amount of the investment. When recognizing the Group's share of the investee's net profit or loss, adjustments are made based on the fair values of the investee's identifiable assets at the acquisition date. If the accounting policies and accounting period of the investee differ from those of the Group, adjustments are made to the investee's financial statements accordingly. For transactions between the Group and its associates or joint ventures, where the assets contributed or sold do not constitute a business, the unrealized internal transaction profit or loss is eliminated to the extent of the Group's proportionate interest, and the investment profit or loss is recognized on that basis. However, unrealized internal transaction losses arising from asset impairment losses are not eliminated. If the assets contributed by the Group to a joint venture or associate constitute a business, and the Group obtains long-term equity investment without obtaining control, the fair value of the business contributed is used as the initial investment cost of the additional long-term equity investment, and the difference between the initial investment cost and the carrying amount of the business contributed is fully recognized in profit or loss for the period. If the assets sold by the Group to a joint venture or associate constitute a business, the difference between the consideration received and the carrying amount of the business is fully recognized in profit or loss for the period. If the assets purchased by the Group from a joint venture or associate constitute a business, they are accounted for in accordance with ASBE 20 – Business Combinations (《企業會計準則第20號——企業合併》), and the gains or losses related to the transaction are fully recognized.

In recognizing the Group's share of the investee's net losses, the carrying amount of the long-term equity investment is reduced to zero, together with any other long-term interests that in substance form part of the Group's net investment in the investee. Furthermore, if the Group has an obligation to bear additional losses, it recognizes a provision for the estimated obligation and charges it to investment loss for the period. If the investee subsequently generates net profit, the Group resumes recognizing its share of the profit only after its share of the profit compensates for its share of losses not previously recognized.

(7) Fixed assets

1) Recognition criteria

Fixed assets are tangible assets held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, with useful lives of more than one accounting year. Fixed

assets are recognized only when it is probable that future economic benefits associated with the assets will flow to the Group and the cost of the assets can be measured reliably. Fixed assets are initially measured at cost, taking into account the effect of any expected decommissioning obligations.

2) Depreciation methods for major categories of fixed assets

Depreciation is provided monthly from the month following the date when the asset is ready for its intended use over its useful life. The useful lives, estimated residual value rates and annual depreciation rates for each category of fixed assets are as follows:

Category	**Depreciation method**	**Useful life** *(years)*	**Residual value rate** *(%)*	**Annual depreciation rate** *(%)*
Buildings and structures	Straight-line method	5.00-40.00	0.00	2.50-20.00
Machinery and equipment	Straight-line method	5.00-30.00	0.00	4.85-20.00
Transportation vehicles	Straight-line method	4.00-10.00	0.00	10.00-25.00
Electronic equipment	Straight-line method	3.00-5.00	0.00	20.00-33.33
Office equipment	Straight-line method	5.00-8.00	0.00	10.00-33.33
Others	Straight-line method	3.00-8.00	0.00	12.50-33.33

The estimated residual value is the estimated amount currently obtainable from disposal of the asset after deducting estimated disposal costs, assuming the asset is already of the age and in the condition expected at the end of its useful life.

(8) Right-of-use assets

1) Recognition conditions for right-of-use assets

The company's right-of-use assets represent the company's right, as a lessee, to use the leased asset during the lease term.

At the commencement date of the lease, right-of-use assets are initially measured at cost. Such cost includes: the initial measurement amount of the lease liability; lease payments made at or before the commencement date of the lease, less any lease incentives received; initial direct costs incurred by the company as a lessee; and estimated costs to be incurred by the company as a lessee for dismantling and removing the leased asset, restoring the site on which the leased asset is located, or restoring the leased asset to the condition required by the lease terms. The company recognises and measures costs such as dismantling and restoration in accordance with ASBE 13 – Contingencies. Adjustments are made subsequently for any remeasurement of the lease liability.

2) Depreciation method for right-of-use assets

The company uses the straight-line method to calculate depreciation. If the company, as a lessee, can reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, depreciation is provided over the remaining useful life of the leased asset. If it cannot reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

(9) Taxation

1) Principal taxes and tax rates

Tax	**Basis of calculation**	**Statutory tax rate** *(%)*
Value-added tax (VAT)	Taxable value-added amount (tax amount calculated as taxable sales amount multiplied by applicable tax rate, less deductible input VAT for the period)	13, 9, 6
Urban maintenance and construction tax	Turnover tax payable	7
Education surcharge	Turnover tax payable	3
Local education surcharge	Turnover tax payable	2
Corporate income tax	Taxable income	25

2) Tax Incentives and Preferences

① According to the *Announcement of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on Adjusting VAT Policies for Wind Power and Other Industries*（《財政部海關總署税務總局關於調整風力發電等增值税政策的公告》）(Announcement No. 10 [2025] of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation), from 1 November 2025 to 31 December 2027, a VAT policy of immediate refund of 50% will be implemented for taxpayers selling self-produced electricity generated from offshore wind power.

Subsidiary such as Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd. and subsidiaries under Shanneng New Energy (Dongying) Co., Ltd., namely Shandong Bohai No.1 Wind Power Co., Ltd. and Shandong Bohai No.2 Wind Power Co., Ltd., comply with these provisions.

② According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Policies Related to Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households*（《財政部税務總局關於進一步支持小微企業和個體工商戶發展有關税費政策的公告》）(Announcement No. 12 [2023] of the Ministry of Finance and the State Administration of Taxation), from 1 January 2023 to 31 December 2027, resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp tax (excluding stamp tax on securities trading), cultivated land occupation tax, education surcharge and local education surcharge for small-scale VAT taxpayers, small and low-profit enterprises and individual industrial and commercial households will be reduced by half; the policy of calculating taxable income at 25% and paying enterprise income tax at a rate of 20% for small and low-profit enterprises will continue to be implemented until 31 December 2027.

Subsidiaries such as Shanneng New Energy Development (Tancheng) Co., Ltd., Shanneng New Energy (Yiyuan) Co., Ltd., Shanneng New Energy (Rizhao) Co., Ltd., Shanneng New Energy (Zichuan District, Zibo) Co., Ltd., Shanneng New Energy (Heze) Co., Ltd., Shanneng New Energy (Chengwu) Co., Ltd., Shanneng New Energy (Zaozhuang) Co., Ltd., and Shanneng (Zoucheng) Wind Power Co., Ltd. comply with these provisions.

③ According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》), the *Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得税法實施條例》), the *Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Enterprise Income Tax Incentive Policies for Public Infrastructure Projects and Environmental Protection, Energy and Water Conservation Projects* (《財政部國家税務總局關於公共基礎設施項目和環境保護節能節水項目企業所得税優惠政策問題的通知》) (Cai Shui [2012] No. 10) and other relevant regulations, from 1 January 2013, resident enterprises engaged in new construction projects of power grids (power transmission and transformation facilities) that meet the conditions and standards set out in the *Catalogue of Enterprise Income Tax Incentives for Public Infrastructure Projects* (《公共基礎設施項目企業所得税優惠目錄》) may enjoy the enterprise income tax incentive policy of "three-year exemption and three-year half-reduction".

Subsidiaries such as Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd., Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd., Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd., Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd., Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd., Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd., Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd., Shanneng New Energy Development (Tancheng) Co., Ltd., Shanneng New Energy (Rizhao) Co., Ltd., Shanneng New Energy (Chengwu) Co., Ltd., Shanneng New Energy (Yiyuan) Co., Ltd., Shanneng New Energy (Zaozhuang) Co., Ltd., Shanneng New Energy (Zichuan District, Zibo) Co., Ltd., Shanneng New Energy (Yishui) Co., Ltd., Shanneng New Energy (Zoucheng) Co., Ltd.; and subsidiaries under Shanneng New Energy (Dongying) Co., Ltd., namely Shandong Bohai No.1 Wind Power Co., Ltd. and Shandong Bohai No.2 Wind Power Co., Ltd., comply with these provisions.

④ According to the Announcement of the Ministry of Finance, the *State Administration of Taxation and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policy for the Western Development* (《財政部税務總局國家發展改革委關於延續西部大開發企業所得税政策的公告》) (Announcement No. 23 [2020] of the Ministry of Finance), from 1 January 2021 to 31

December 2030, enterprises in encouraged industries located in the western region are subject to enterprise income tax at a reduced rate of 15%.

Subsidiaries such as Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. and Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. belong to the national encouraged industries and enjoy relevant tax incentives.

(III) Relationship between the Principals and the Appraised Entity

As at the Valuation Benchmark Date, principal A – Yankuang Energy Group Company Limited – has no equity relationship or administrative subordination relationship with the appraised entity; the principal intends to acquire an equity interest in the appraised entity, i.e., they are in an acquiring/acquired relationship. Principal B is the appraised entity.

(IV) Intended Users of the Asset Valuation Report as Stipulated in the Appraisal Engagement Contract

The intended user of this report is the principal. No other intended users are specified in the appraisal engagement contract.

II. VALUATION PURPOSE

Yankuang Energy Group Company Limited intends to acquire the equity interest in Shandong Energy Group New Energy Group Co., Ltd. Accordingly, it is necessary to appraise the market value of the entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd., as at the Valuation Benchmark Date, so as to provide a value reference for the aforesaid economic activity.

This economic activity has been approved by the General Manager's Office Meeting of Shandong Energy Group Co., Ltd., and the *Minutes of the General Manager's Office Meeting of Shandong Energy Group Co., Ltd.* (《山東能源集團有限公司總經理辦公會會議紀要》) [2025] No. 24 was issued.

III. VALUATION OBJECT AND SCOPE

(I) Valuation object

Based on the purpose of this appraisal, the valuation object is the entire shareholders' equity of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date.

(II) Valuation scope

1. The valuation scope comprises all assets and related liabilities of Shandong Energy Group New Energy Group Co., Ltd. as at the Valuation Benchmark Date, specifically including: current assets, long-term equity investments, fixed assets, right-of-use assets, intangible assets, long-term prepaid expenses, current liabilities and non-current liabilities. The total assets carry an amount of RMB16,001.9014 million, total liabilities amount to RMB8,580.9160 million, and owners' equity (or shareholders' equity) amounts to RMB7,420.9855 million. The carrying amounts of each category of assets and liabilities are as follows:

Amount unit: RMB

No.	Item	Carrying amount
1	Current assets	3,946,757,573.36
2	Non-current assets	12,055,143,836.60
3	Including: Long-term equity investments	12,026,716,858.42
4	Fixed assets	2,511,509.21
5	Right-of-use assets	24,788,649.80
6	Intangible assets	78,871.68
7	Long-term prepaid expenses	1,047,947.49
8	**Total assets**	**16,001,901,409.96**
9	Current liabilities	6,418,964,554.00
10	Non-current liabilities	2,161,951,397.68
11	**Total liabilities**	**8,580,915,951.68**
12	**Owners' equity (or shareholders' equity)**	**7,420,985,458.28**

The above carrying amounts of assets and liabilities as at the Valuation Benchmark Date have been audited by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership), which issued an unqualified audit opinion. The audit report number is Zhong Tian Heng Zhuan Shen Zi [2026] No. 1308.

The entrusted valuation object and scope are consistent with those involved in this economic activity.

2. Types and quantities of off-balance sheet assets declared by the enterprise

All assets declared by the Company and included in the scope of valuation were on-balance-sheet assets.

3. Reference to conclusions of reports issued by other institutions

The carrying amounts of assets and liabilities as at the Valuation Benchmark Date used in this report are sourced from the audit report issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership). Apart from this, no other institutional reports have been referenced.

IV. TYPE OF VALUE

In accordance with the purpose of this appraisal, the type of value of the valuation object is determined to be market value.

Market value refers to the estimated amount for which the valuation object could be exchanged on the Valuation Benchmark Date between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein both parties had each acted knowledgeably, prudently and without compulsion.

V. VALUATION BENCHMARK DATE

The Valuation Benchmark Date is 31 January 2026.

The Valuation Benchmark Date was determined by the principal. The determination of the Valuation Benchmark Date primarily took into account the following factors:

1. The selected Valuation Benchmark Date should be as close as possible to the date on which the valuation purpose is to be realized, so that the valuation conclusion can more reasonably serve the valuation purpose;

2. The Valuation Benchmark Date is chosen to be at the end of an accounting period and consistent with the audit cut-off date, which enables a more comprehensive and complete reflection of the carrying amounts of the assets and liabilities subject to valuation, and facilitates the verification of assets and other work.

VI. VALUATION BASIS

The specific economic conduct bases, legal bases, standard bases, title bases and pricing bases followed in this appraisal are as follows:

(I) Bases of economic conduct

1. the *Minutes of the General Manager's Office Meeting of Shandong Energy Group Co., Ltd.* (《山東能源集團有限公司總經理辦公會會議紀要》) [2025] No. 24;

(II) Legal bases

1. Company Law of the People's Republic of China (revised for the second time at the 7th Session of the Standing Committee of the 14th National People's Congress on 29 December 2023);

2. Asset Valuation Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);

3. Civil Code of the People's Republic of China (adopted at the 3rd Session of the Standing Committee of the 13th National People's Congress on 28 May 2020);

4. Enterprise State-owned Assets Law of the People's Republic of China (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);

5. Securities Law of the People's Republic of China (revised for the second time at the 15th Session of the Standing Committee of the 13th National People's Congress on 28 December 2019);

6. Urban Real Estate Administration Law of the People's Republic of China (revised for the third time on 26 August 2019 in accordance with the Decision of the Standing Committee of the 13th National People's Congress at its 12th Session on Amending the Land Administration Law of the People's Republic of China and the Urban Real Estate Administration Law of the People's Republic of China (《關於修改〈中華人民共和國土地管理法〉、〈中華人民共和國城市房地產管理法〉的決定》);

7. Land Administration Law of the People's Republic of China (revised for the third time on 26 August 2019 in accordance with the Decision of the Standing Committee of the 13th National People's Congress at its 12th Session on Amending the Land Administration Law of the People's Republic of China and the Urban Real Estate Administration Law of the People's Republic of China (《關於修改〈中華人民共和國土地管理法〉、〈中華人民共和國城市房地產管理法〉的決定》);

8. Vehicle Purchase Tax Law of the People's Republic of China (adopted at the 7th Session of the Standing Committee of the 13th National People's Congress on 29 December 2018);

9. Enterprise Income Tax Law of the People's Republic of China (second revision at the 7th Session of the Standing Committee of the 13th National People's Congress on 29 December 2018);

10. Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China (promulgated by State Council Order No. 512 on 6 December 2007, revised for the second time on 6 December 2024 in accordance with the Decision of the State Council on Amending and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》);

11. Financial Supervision and Administration Measures for the Asset Valuation Industry (Ministry of Finance Order No. 86, amended by Ministry of Finance Order No. 97 on 2 January 2019);

12. Administrative Measures for the Appraisal of State-owned Assets (State Council Order No. 91 of 1991), (revised on 29 November 2020 in accordance with the Decision of the State Council on Amending and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》);

13. Provisions on Certain Issues Concerning the Administration of State-owned Assets Appraisal (Ministry of Finance Order No. 14 in 2001);

14. Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (promulgated by State Council Order No. 378 on 27 May 2003, amended in accordance with the Decision of the State Council on Amending Certain Administrative Regulations (《國務院關於修改部分行政法規的決定》) promulgated by State Council Order No. 709 on 2 March 2019);

15. Interim Measures for the Administration of Appraisal of State-owned Assets of Enterprises (SASAC Order No. 12, 25 August 2005);

16. Notice on Strengthening the Administration of Appraisal of State-owned Assets of Enterprises (SASAC Asset Rights [2006] No. 274);

17. Notice on Matters Concerning the Review of State-owned Enterprise Asset Appraisal Reports (SASAC Asset Rights [2009] No. 941);

18. Guidelines for the Filing of State-owned Enterprise Asset Appraisal Projects (SASAC Asset Rights [2013] No. 64);

19. Measures for the Supervision and Administration of State-owned Enterprise Asset Transactions (SASAC & MOF Order No. 32, 24 June 2016);

20. Supplementary Notice on the Administrative Measures for the Filing of State-owned Asset Appraisal Projects (MOF Assets [2017] No. 70);

21. Circular of Shandong Provincial SASAC on Issuing the Interim Measures for the Administration of Appraisal of State-owned Assets of Provincial Enterprises (Lu Guo Zi Chan Quan [2023] No. 4);

22. Circular of Shandong Provincial SASAC on Issuing the Key Points for the Review of Appraisal Reports of State-owned Assets of Provincial Enterprises (Lu Guo Zi Chan Quan [2023] No. 5);

23. Copyright Law of the People's Republic of China (third revision on 11 November 2020 in accordance with the Decision of the Standing Committee of the 23rd Session of the Standing Committee of the 13th National People's Congress on Amending the Copyright Law of the People's Republic of China (《關於修改〈中華人民共和國著作權法〉的決定》);

24. Trademark Law of the People's Republic of China (fourth revision on 23 April 2019 in accordance with the Decision of the Standing Committee of the 10th Session of the Standing Committee of the 13th National People's Congress on Amending Eight Laws including the Construction Law of the People's Republic of China (《關於修改〈中華人民共和國建築法〉等八部法律的決定》);

25. Patent Law of the People's Republic of China (fourth revision on 17 October 2020 in accordance with the Decision of the Standing Committee of the 22nd Session of the Standing Committee of the 13th National People's Congress on Amending the Patent Law of the People's Republic of China (《關於修改＜中華人民共和國專利法＞的決定》);

26. Notice on Several Issues Concerning the Strengthening of the Administration of Intellectual Property Asset Appraisal (MOF Enterprise [2006] No. 109);

27. Notice MOF, the National Financial Regulatory Administration, the China National Intellectual Property Administration and the National Copyright Administration on Further Regulating Certain Issues Concerning Intellectual Property Asset Appraisal (MOF Assets [2025] No. 128);

28. Deed Tax Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 13th National People's Congress on 11 August 2020);

29. Urban Maintenance and Construction Tax Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 13th National People's Congress on 11 August 2020);

30. Stamp Duty Law of the People's Republic of China (adopted at the 29th Session of the Standing Committee of the 13th National People's Congress on 10 June 2021);

31. Value-added Tax Law of the People's Republic of China (adopted at the 13th Session of the Standing Committee of the 14th National People's Congress on 25 December 2024, effective from 1 January 2026);

32. Implementing Regulations of the Value-added Tax Law of the People's Republic of China (State Council Order of PRC No. 826);

33. Notice on Several Issues Concerning the Implementation of the Value-added Tax Transformation Reform Nationwide (Cai Shui [2008] No. 170);

34. Notice of the Ministry of Finance and the State Administration of Taxation on Comprehensively Promoting the Pilot Program of Replacing Business Tax with Value-added Tax (Cai Shui [2016] No. 36);

35. Notice of the Ministry of Finance and the State Administration of Taxation on Pilot Policies for Replacing Business Tax with Value-added Tax for Construction Services etc. (Cai Shui [2017] No. 58);

36. Announcement on Policies for Deepening Value-added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs);

37. Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policy of Pre-tax Additional Deduction of Research and Development Expenses (Cai Shui [2015] No. 119);

38. Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Pre-tax Additional Deduction Policy for Research and Development Expenses (Announcement No. 7 [2023] of the Ministry of Finance and the State Administration of Taxation);

39. Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Extending the Corporate Income Tax Policy for the Western Development Program (Announcement No. 23 [2020] of the Ministry of Finance);

40. Announcement of the Ministry of Finance and the State Administration of Taxation on Extending the Implementation Period of Certain Tax Preferential Policies (Announcement No. 6 [2021] of the Ministry of Finance and the State Administration of Taxation);

41. Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Tax Policies (Announcement No. 12 [2023] of the Ministry of Finance and the State Administration of Taxation);

42. Announcement No. 15 [2019] of the People's Bank of China (25 August 2019);

43. The *Electric Power Law of the People's Republic of China*(《中華人民共和國電力法》) (third revision according to the *Decision on Amending Four Laws including the Electric Power Law*(《關於修改〈中華人民共和國電力法〉等四部法律的決定》) adopted at the 7th Meeting of the Standing Committee of the 13th National People's Congress on 29 December 2018);

44. The *Energy Conservation Law of the People's Republic of China*(《中華人民共和國節約能源法》) (second revision according to the *Decision on Amending Fifteen Laws including the Wildlife Protection Law*(《關於修改〈中華人民共和國野生動物保護法〉等十五部法律的決定》) adopted at the 6th Meeting of the Standing Committee of the 13th National People's Congress on 26 October 2018);

45. The *Renewable Energy Law of the People's Republic of China*(《中華人民共和國可再生能源法》) (revised according to the *Decision on Amending the Renewable Energy Law of the People's Republic of China*(《關於修改〈中華人民共和國可再生能源法〉的決定》) adopted at the 12th Meeting of the Standing Committee of the 11th National People's Congress on 26 December 2009);

46. The *Environmental Protection Law of the People's Republic of China*(《中華人民共和國環境保護法》) (revised at the 8th Meeting of the Standing Committee of the 12th National People's Congress on 24 April 2014);

47. The *Regulations on the Protection of Electric Power Facilities*(《電力設施保護條例》) (second revision according to the *Decision of the State Council on Abolishing and Amending Some Administrative Regulations*(《國務院關於廢止和修改部分行政法規的決定》) on 8 January 2011);

48. The *Regulations on the Administration of Power Grid Dispatching*(《電網調度管理條例》)) (revised according to the *Decision of the State Council on Abolishing and Amending Some Administrative Regulations*(《國務院關於廢止和修改部分行政法規的決定》) on 8 January 2011);

49. The *Regulations on the Supply and Use of Electricity*(《電力供應與使用條例》) (second revision according to the *Decision of the State Council on Amending Some Administrative Regulations*(《國務院關於修改部分行政法規的決定》) on 2 March 2019);

50. The *Regulations on the Supervision of the Electricity Industry*(《電力監管條例》) (Order No. 432 of the State Council of the People's Republic of China);

51. The *Provisions on the Administration of Electric Power Business Licenses*(《電力業務許可證管理規定》) (Order No. 9 of the State Electricity Regulatory Commission);

52. The *Regulations on the Emergency Response, Investigation and Handling of Electric Power Safety Accidents* (《電力安全事故應急處置和調查處理條例》) (Order No. 599 of the State Council of the People's Republic of China);

53. Other relevant laws, regulations, and notices.

(III) Appraisal Standard Bases

1. Basic Standards for Asset Valuation (Cai Zi [2017] No. 43);

2. Code of Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);

3. Asset Valuation Practice Standards – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);

4. Asset Valuation Practice Standards – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);

5. Asset Valuation Practice Standards – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);

6. Asset Valuation Practice Standards – Asset Valuation Engagement Contracts (Zhong Ping Xie [2017] No. 33);

7. Asset Valuation Practice Standards – Utilizing the Work of Experts and Related Reports (Zhong Ping Xie [2017] No. 35);

8. Asset Valuation Practice Standards – Business Valuation (Zhong Ping Xie [2018] No. 38);

9. Asset Valuation Practice Standards – Intangible Assets (Zhong Ping Xie [2017] No. 37);

10. Asset Valuation Practice Standards – Real Estate (Zhong Ping Xie [2017] No. 38);

11. Asset Valuation Practice Standards – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);

12. Asset Valuation Practice Standards – Asset Valuation Methods (Zhong Ping Xie [2019] No. 35);

13. Asset Valuation Practice Standards – Intellectual Property (Zhong Ping Xie [2023] No. 14);

14. Guidelines for the Valuation Report on State-owned Enterprise Assets (Zhong Ping Xie [2017] No. 42);

15. Guidelines for Quality Control of Asset Valuation Firms (Zhong Ping Xie [2017] No. 46);

16. Guidance on the Types of Value in Asset Valuation (Zhong Ping Xie [2017] No. 47);

17. Guidance on the Legal Title of the Asset Valuation Object (Zhong Ping Xie [2017] No. 48);

18. Guidance on Patent Asset Valuation (Zhong Ping Xie [2017] No. 49);

19. Guidance on Copyright Asset Valuation (Zhong Ping Xie [2017] No. 50);

20. Application Guidance on Regulatory Rules – Valuation Category No. 1;

21. Application Guidance on Regulatory Rules – Valuation Category No. 2.

(IV) Title Bases

1. State-owned asset property registration certificates;

2. State-owned land use certificates or real estate title certificates (or land use right grant contracts and payment vouchers);

3. State-owned construction land approval certificates;

4. Land use planning permits;

5. Construction project planning permits;

6. Construction project commencement permits;

7. Construction project construction permits;

8. Building ownership certificates or real estate title certificates;

9. Patent certificates;

10. Trademark registration certificates;

11. Computer software registration certificates;

12. Motor vehicle driving permits and motor vehicle registration certificates;

13. Equipment purchase contracts and payment vouchers;

14. Approvals or agreements for asset transfer, etc.;

15. Explanatory letters provided by the principal (or relevant parties);

16. Other relevant title documents.

(V) Pricing Bases

1. Basic Construction Financial Rules (《基本建設財務規則》) (Order No. 81 of the Ministry of Finance of the PRC, effective from 1 September 2016);

2. Reference to the Notice of the Ministry of Finance on Issuing the Provisions on Management of Construction Costs for Basic Construction Projects (《財政部關於印發〈基本建設項目建設成本管理規定〉的通知 》) (Cai Jian [2016] No. 504);

3. Notice of the National Development and Reform Commission and the National Energy Administration on Improving the Capacity Price Mechanism on the Generation Side (《國家發展改革委 國家能源局關於完善發電側容量電價機制的通知》) (Fa Gai Jia Ge [2026] No. 114);

4. Reference Cost Indicators for Thermal Power Engineering Limit Design (2024 level) (《火電工程限額設計參考造價指標》) (Electric Power Planning and Design Institute);

5. General Cost Indicators for National Energy Group Onshore Wind Power Projects (《國家能源集團陸上風電項目通用造價指標》) (2024 level) (National Energy Group Technology and Economy Research Institute);

6. General Cost Indicators for National Energy Group Offshore Wind Power Projects (《國家能源集團海上風電項目通用造價指標》) (2024 level) (National Energy Group Technology and Economy Research Institute);

7. General Cost Indicators for National Energy Group Photovoltaic Projects (《國家能源集團光伏項目通用造價指標》) (2024 level) (National Energy Group Technology and Economy Research Institute);

8. Power Construction Engineering Budgetary Quotas (《電力建設工程概算定額》) (2018 edition) (National Energy Administration);

9. Document Ding E [2026] No. 5 of the Power Engineering Cost and Quota Management General Station: Notice on the Release of Price Level Adjustments for the Second Half of 2025 for the 2018 Edition of Power Construction Engineering Budget and Quota (《關於發佈2018版電力建設工程概預算定額2025年下半年價格水平調整的通知》);

10. Guiding Opinions on Implementing the Notice of the National Development and Reform Commission on Further Liberalising Prices for Professional Services of Construction Projects (《國家發展改革委關於進一步放開建設項目專業服務價格的通知》) (Fa Gai Jia Ge [2015] No. 299) (China Electricity Council Document Ding E [2015] No. 162);

11. Offshore Wind Farm Project Budgetary Quota (《海上風電場工程概算定額》) (NB/T31008-2019);

12. Provisions on the Preparation of Design Estimates and Cost Standards for Offshore Wind Farm Projects (《海上風電場工程設計概算編製規定及費用標準》) (NB/T31009-2019);

13. Onshore Wind Farm Project Budgetary Quota (《陸上風電場工程概算定額》) (NB/T31010-2019);

14. Provisions on the Preparation of Design Estimates and Cost Standards for Onshore Wind Farm Projects (《陸上風電場工程設計概算編製規定及費用標準》) (NB/T31011-2019);

15. Photovoltaic Power Generation Project Budgetary Quota (《光伏發電工程概算定額》) (NB/T32035-2016);

16. Provisions on the Preparation of Design Estimates and Cost Standards for Photovoltaic Power Generation Projects (《光伏發電工程設計概算編製規定及費用標準》) (NB/T32027-2016);

17. Calculation Standard for Survey and Design Fees for Photovoltaic Power Generation Projects (《光伏發電工程勘察設計費計算標準》) (NB/T32030-2016);

18. Relevant project budget and final account information provided by the enterprise;

19. Statistical information on the payment progress of construction in progress and relevant payment vouchers provided by the enterprise;

20. Material market price information for the city where the property is located for January 2026 and relevant local basis for construction project pricing;

21. Updated benchmark land price results for the city where the land is located;

22. Standards for Grading and Assessment of Building Conditions (Cheng Zhu Zi [1984] No. 678) of the former Ministry of Urban and Rural Construction and Environmental Protection;

23. Mandatory Standards for Vehicle Retirement (Order No. 12 [2012] of the Ministry of Commerce, NDRC, Ministry of Public Security and Ministry of Environmental Protection);

24. Common Methods and Parameter Manual for Asset Valuation (Machinery Industry Press);

25. RMB benchmark exchange rate as at 31 January 2026 published by the State Administration of Foreign Exchange;

26. Loan Prime Rate (LPR) (20 January 2026) published by the People's Bank of China;

27. Audit reports and financial statements for prior years and as at the Valuation Benchmark Date provided by the enterprise;

28. Future business development plans and measures provided by the enterprise;

29. Feasibility study reports, project investment estimates and design estimates provided by the appraised entity;

30. Current and future market forecast information for the main products provided by the enterprise;

31. Project contracting agreements entered into between the enterprise and relevant parties;

32. Information collected by appraisers through due diligence and on-site investigation;

33. Relevant valuation information collected by appraisers from various government departments, professional websites, and publications;

34. Other information related to this asset valuation.

(VI) Other Reference Bases

1. Appraisal engagement contract;

2. Asset valuation declaration schedules provided by the enterprise;

3. Income approach valuation forecast schedules provided by the enterprise;

4. Explanatory Notes on Matters Concerning the Asset Valuation provided by the enterprise;

5. Audit report issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership);

6. Tonghuashun iFinD（同花顺iFinD）database.

VII. VALUATION METHODS

(I) Selection of valuation methods

The main methods for enterprise valuation are the asset-based approach, the income approach and the market approach.

The asset-based approach in enterprise valuation refers to a valuation method that determines the value of the valuation object by reasonably assessing the value of all assets and liabilities (both on-balance sheet and off-balance sheet) of the appraised entity based on its balance sheet as at the Valuation Benchmark Date.

The income approach in enterprise valuation refers to a valuation method that determines the value of the valuation object by capitalizing or discounting the expected future income of the appraised entity. The commonly used specific methods under the income approach include the dividend discount model and the discounted cash flow model.

The market approach in enterprise valuation refers to a valuation method that determines the value of the valuation object by comparing it to comparable listed companies or comparable arm's length transactions. The two commonly used specific methods under the market approach are the listed company comparison method and the transaction case comparison method.

In accordance with the Asset Valuation Practice Standards – Business Valuation, in performing a business valuation engagement, the appraisers should, based on the valuation purpose, valuation object, type of value, data availability, and other circumstances, analyze the applicability of the three basic methods (income approach, market approach and asset-based approach) and select the valuation method(s).

Based on the valuation purpose, valuation object, type of value, data availability, and the applicable conditions of the three basic valuation methods, this appraisal adopts the asset-based approach.

It is difficult to find three or more comparable enterprises listed on domestic stock exchanges that are similar to the valuation object in terms of business structure, scale, market position, asset allocation and usage, growth potential and risk. Therefore, the listed company comparison method is not suitable for this appraisal. In recent years, domestic corporate acquisition activities have become increasingly frequent, and certain specific conditions and related data that are associated with the M&A case and affect the transaction price can be obtained from the announcements of listed companies. However, taking into account the characteristics of the appraisal object, and considering that the transaction case comparison method may not be able to fully account for the impact of various adjustment factors on the overall value. Therefore, this project is not suitable for the transaction case comparison method. Accordingly, this appraisal did not select the market approach.

New Energy Group is a large-scale industrial group established in October 2022 through the integration and reorganization of Shandong Energy Group's subordinate enterprises, in order to implement the national strategic plan for building a new energy system and the provincial party committee and government's requirements for deepening specialized reorganisation and integration, to promote the optimization and upgrading of traditional energy and the synergistic development of new energy, and to continuously strengthen and expand the main power business. It fulfils the role of the provincial new energy investment platform in Shandong Province, undertakes the responsibility of ensuring the supply of "external power to Shandong", and is responsible for the planning, investment and operation, project construction, technical guidance and external coordination of Shandong Energy's power industry. The profit of the Appraised Entity is mainly derived from investment income, and the future profit of the company mainly depends on the operating condition of the investee entities. As at the Valuation Benchmark Date, the Appraised Entity had a total of 28 external long-term equity investments, including 19 wholly-owned subsidiaries, 8 controlling subsidiaries and 1 investee company. In this valuation, appropriate valuation methods have been adopted for separate overall valuation of the long-term equity investments. The valuation of the subsidiaries already reflects the value of the Appraised Entity's input and output. Therefore, the income approach is not adopted separately for the Appraised Entity in this valuation.

Based on the audited financial statements as at the Valuation Benchmark Date, the assets and liabilities entrusted for valuation by New Energy Group are clearly defined and can be verified and assessed item by item using financial information, construction/acquisition records and on-site inspection. Therefore, the asset-based approach is adopted for this appraisal.

(II) Asset-based approach

The asset-based approach refers to a valuation method that determines the value of the valuation object by reasonably assessing the value of all assets and liabilities (both on-balance sheet and off-balance sheet) of the appraised entity based on its balance sheet as at the Valuation Benchmark Date.

The valuation methods for the various assets and liabilities are as follows:

1. Current assets

The current assets within the valuation scope include monetary funds, prepayments, and other receivables.

(1) Monetary funds

Monetary funds consist of bank deposits.

For monetary funds, the valuation is determined based on the verified amount through verification of bank statements and bank confirmations.

Foreign currency funds are valued as the product of the verified foreign currency carrying amount as at the Valuation Benchmark Date and the foreign exchange rate on the Valuation Benchmark Date;

(2) Prepayments

Prepayments are valued based on the value of the corresponding assets or rights that can be recovered. For prepayments for which the corresponding assets or rights can be recovered, the valuation is the verified amount. For prepayments where there is conclusive evidence that the corresponding goods or rights cannot be received or realized, the valuation method for other receivables is used by reference. For prepayments that are expenses in nature where no invoice has been obtained, the realization of the corresponding rights is verified. Where the corresponding rights have been realized, the valuation is zero.

(3) Other receivables

Including other receivables, interest receivable, and dividends receivable.

1) Other receivables

Various other receivables are verified by comparing ledgers and account statements, sending confirmations, and sampling vouchers to ascertain the time, economic matter and cause of each amount, the basic situation of the debtor, etc. Based on the verified amount, the valuation is determined according to the amount likely to be recovered for each amount. For amounts with sufficient justification that they can be fully recovered, the valuation is calculated at the full amount. For amounts where partial non-recovery is likely, where it is difficult to determine the amount of the non-recoverable portion, historical data and information obtained from on-site investigation are used to analyze the age and reason of the debt, the collection status, the debtor's funds, creditworthiness and current management, etc., to estimate the portion likely to be unrecoverable as a risk loss using the individual assessment method or the aging analysis method. The valuation is the verified carrying amount less the risk loss. For amounts with conclusive evidence that they are irrecoverable, the valuation is zero. The "provision for bad debts" account is valued at zero.

2) Interest receivable

Interest receivable represents interest income receivable by the enterprise from external loans.

The appraisers verified the accounting records, relevant source vouchers, business contracts, and the timing, amount and nature of the transactions, confirming that each transaction is genuine and correctly accounted for. The valuation is based on the verified carrying amount.

3) Dividends receivable

Dividends receivable represent dividends receivable from the investees, Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd. and Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. The appraisers verified the carrying amount of dividends receivable by reviewing the investee's financial statements, articles of association, board of directors' resolutions on profit distribution plans and other relevant information, and determined the valuation based on the verified carrying amount.

2. Non-current assets

(1) Long-term equity investments

As at the Valuation Benchmark Date, the long-term equity investments of the appraised entity comprise investments in 28 entities, including Shanneng New Energy (Dongying) Co., Ltd.. The appraisers, based on verifying the cause of the long-term equity investments, their carrying amounts, the financial statements of the investee companies, and reviewing investment agreements, shareholder resolutions, articles of association and relevant accounting records, adopt appropriate valuation methods for each long-term equity investment depending on the appraised entity's actual control over the investment and the degree of influence on the value of the valuation object.

1) Wholly-owned and controlling long-term equity investments

For wholly-owned and controlling long-term equity investments, the income approach, the asset-based approach or the asset-based approach is used for an overall valuation to obtain the entire shareholders' equity value of the investee unit, which is then multiplied by the shareholding ratio to derive the valuation of the long-term equity investment.

Details of the investee units valued on an overall basis are set out in the asset valuation descriptions for each long-term investment unit.

In determining the valuation of long-term equity investments, the appraisers did not consider premiums or discounts arising from factors such as having control or lack of control.

2) Non-controlling long-term equity investments

For non-controlling long-term equity investments, as the conditions for overall valuation are not met, the appraisers, based on the actual circumstances of the investee entities, obtained the financial statements of the investee entities as at the Valuation Benchmark Date. After an appropriate analysis of the financial statements of the investee entities, the valuation of such non-controlling long-term equity investments was determined by multiplying the reasonable owner's equity of the investee entities by the shareholding ratio.

(2) Equipment assets

Based on the valuation purpose and the type of value, following the principles of continuing use, using market prices as the basis, and considering the characteristics of the entrusted equipment and the data collected, the replacement cost method is mainly adopted for the valuation, and the market method is partially adopted for the valuation.

Replacement cost method

The replacement cost method is an asset valuation method that determines the valuation of the asset in question by subtracting the physical deterioration, functional depreciation and economic depreciation already incurred by the asset from the total cost required to replace or reproduce the asset in its new condition under current market conditions.

Under the replacement cost method, the valuation may also be determined by first estimating the percentage of newness of the asset in question relative to its new condition, i.e., the newness rate, and then multiplying the total cost by the newness rate.

Formula: Valuation = Replacement Cost × Newness Rate

1) Determination of replacement cost

① Determination of replacement cost of electronic equipment

The replacement cost is determined based on the price information of the same model of electronic equipment in the local electronic equipment market as at the Valuation Benchmark Date and recent online transaction prices, after deducting the deductible input VAT amount.

That is: Replacement Cost = Purchase price exclusive of VAT

2) Determination of comprehensive newness rate

① Determination of newness rate for electronic equipment

For small equipment such as electronic equipment and air conditioning units, the comprehensive newness rate is mainly determined based on their economic life. Formula is set out below:

Age-based newness rate = (Economic life – Age already used) / Economic life × 100%

3) Determination of valuation

Equipment Valuation = Replacement Cost of Equipment × Comprehensive Newness Rate

Market method

1) Electronic equipment

For electronic equipment purchased some time ago where the relevant model is no longer available in the market, but the equipment is still usable, the valuation is determined by reference to the second-hand equipment market price exclusive of VAT.

2) Vehicles

For vehicles with long production and use periods where no similar models are available, the valuation is determined by reference to the recent second-hand vehicle market price.

Based on the information collected on the vehicle, three comparable vehicle transaction cases with the same model, similar initial registration date, complete documentation, similar transaction timing and similar vehicle condition are selected for comparative analysis. The benchmark price is obtained by analyzing and adjusting the differences. Calculation formula:

Price of vehicle to be appraised = Transaction price of reference object × Transaction condition adjustment × Transaction timing adjustment × Vehicle specific factors adjustment.

(3) Right-of-use assets

Right-of-use assets primarily represent assets leased by the appraised entity under long-term lease arrangements.

The appraisers examined relevant lease contracts, agreements, accounting books and vouchers to verify the performance status and depreciation accounting. On-site inspections were conducted for some right-of-use assets with larger amounts or longer lease terms. Based on verification of the original recorded amount, depreciation period and periodic depreciation amounts of the right-of-use assets, the valuation is determined as the value of the rights to use the assets during the remaining lease term.

(4) Intangible assets

The intangible assets declared by the enterprise are other intangible assets.

The other intangible assets declared by the enterprise are purchased office software. The market approach is adopted for this valuation, as detailed below:

① For purchased software that is available on the market as at the Valuation Benchmark Date, the market price as at the Valuation Benchmark Date is taken as the valuation;

② For purchased software that is available on the market as at the Valuation Benchmark Date but has been upgraded to a newer version, the market price as at the Valuation Benchmark Date less the software upgrade cost is taken as the valuation;

③ For customized software, the price quoted by the software developer is taken as the valuation;

④ For software that has ceased to be used and, after verification with the enterprise, has no use value, the valuation is zero.

(5) Long-term prepaid expenses

Long-term prepaid expenses primarily represent fit-out costs for leased properties.

The appraisers investigated the causes of the long-term prepaid expenses, examined relevant lease contracts (agreements) and accounting vouchers, verified the amortization period and amount, and confirmed that the amortization calculations are correct. The valuation is determined as the carrying amount after amortization.

3. Liabilities

As at the Valuation Benchmark Date, the liabilities declared by the enterprise include short-term borrowings, accounts payables, employee compensation payable, taxes payable, other payables, non-current liabilities due within one year, long-term borrowings, bonds payable, lease liabilities, and deferred income. Based on the detailed schedules provided by the appraised entity, the appraisers verified the actual debtors and amounts of each liability as at the Valuation Benchmark Date. Following review and verification, the valuation is determined as the amount of liability that the appraised entity is actually required to bear as at the Valuation Benchmark Date.

VIII. IMPLEMENTATION PROCEDURES AND PROCESS OF THE VALUATION

Upon accepting the engagement, the appraisers of Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. performed the appraisal on the assets and liabilities involved in the valuation object. The main implementation procedures and process are as follows:

(I) Engagement acceptance and appraisal preparation stage

Negotiate with the principal to clarify the basic matters of appraisal engagement, comprehensively analyze and assess professional competence, independence and business risk, accept the engagement, and sign the asset appraisal engagement contract. Determine the project leader, form the project team, and formulate the valuation work plan. Guide the Appraised Entity in completing the asset appraisal declaration forms and providing appraisal information and providing training to the project team members.

(II) On-site investigation and data collection stage

The appraisers conducted necessary verification of the assets and liabilities within the valuation scope and carried out necessary verification and investigation of the management and operational condition of the appraised entity.

1. The appraisers verified the appraisal declaration forms provided by the appraised entity, compared them with the enterprise's relevant financial record data, checked for omissions, errors or unclear entries, understood the identified issues, and promptly provided feedback to the Appraised Entity to improve the "Asset Valuation Declaration Forms".

2. Based on the type, quantity, distribution, nature and characteristics of the assets within the valuation scope, with the assistance of the relevant personnel of the Appraised Entity and in accordance with the relevant provisions of the asset valuation standards, the appraisers conducted inventory counts and on-site inspections of the quantity, quality and condition as at the Valuation Benchmark Date of each asset, and conducted a

comprehensive understanding and verification of the valuation object and the assets and liabilities involved. Necessary due diligence was carried out on the enterprise's operations and asset conditions.

3. The appraisers paid attention to the legal ownership of the valuation object, verified and examined the original copies of important legal documents relating to the ownership interests of the valuation object, collected relevant title documents, and verified whether the assets within the valuation scope were involved in mortgages, guarantees, litigation, etc. Where title documents were incomplete or unclear, the appraisers requested the enterprise to verify the matter or issue relevant title explanation documents.

4. Based on the specific circumstances of the valuation project, the appraisers collected the required valuation information through various possible channels, and performed necessary analysis, collation and organization of the collected information to form the basis for the valuation estimation and the compilation of the asset valuation report.

5. The principal and the appraised entity, through appropriate means, confirmed the valuation declaration schedules and relevant important information provided. The appraisers verified and validated the important information used in the valuation to ensure that the information used was reasonable and reliable.

(III) Valuation estimation and preparation of preliminary report stage

The appraisers, based on the specific circumstances of each type of asset and the valuation method adopted, selected the corresponding calculation formulas and parameters for analysis, calculation and judgment, and formed calculation results. After comprehensive analysis of the calculation results, preliminary valuation conclusions were formed, and a preliminary asset valuation report was prepared.

(IV) Internal review and report issuance stage

In accordance with the firm's internal quality control system, after completing the preliminary asset valuation report, the project leader submits it for internal review. After revision based on the feedback from internal reviews at various levels, the formal asset valuation report is issued and submitted.

(V) Collation and filing of valuation documents

The working papers, asset valuation report and other relevant information are organized to form the asset valuation file.

IX. VALUATION ASSUMPTIONS

(I) General assumptions

1. Transaction assumption: it is assumed that all assets to be appraised are already in a transaction process, and the appraiser estimates the value by simulating the market based on the transaction conditions of the assets to be appraised;

2. Open market assumption: it means that assets can be freely bought and sold in a fully competitive market, and their price level depends on the value judgment of independent buyers and sellers under the supply conditions of a particular market. An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers have equal status, each has the opportunity and time to obtain sufficient market information, and their transactions are conducted voluntarily and rationally, not under duress or unconstrained conditions;

3. It is assumed that there are no material changes in the current relevant laws, regulations and policies of the state, nor in the national macroeconomic situation, and that there are no material changes in the political, economic and social environment of the region where each party to this transaction is located;

4. Based on the actual condition of the assets as at the Valuation Benchmark Date, it is assumed that the enterprise will continue as a going concern;

5. It is assumed that there are no material changes after the Valuation Benchmark Date in the tax bases and tax rates, as well as policy-related levies, applicable to the Appraised Entity;

6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;

7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

8. It is assumed that there are no force majeure events or unforeseen factors that would materially and adversely affect the appraised entity after the Valuation Benchmark Date.

(II) Special assumptions

1. It is assumed that, after the Valuation Benchmark Date, the accounting policies adopted by the appraised entity are consistent in material respects with the accounting policies adopted in the preparation of this valuation report;

2. It is assumed that, after the Valuation Benchmark Date, the scope and manner of operations of the appraised entity remain consistent with the current scope and manner, based on the existing management model and level;

3. It is assumed that, after the Valuation Benchmark Date, the appraised entity receives net cash flows evenly throughout each year;

4. It is assumed that all information provided by the principal and the appraised entity in connection with this valuation is true, complete, lawful and valid;

5. It is assumed that the financial reports, transaction data, etc. of the benchmark companies relied upon by the appraisers are true and reliable;

6. It is assumed that the office and production/business premises originally leased by the parent company and its subsidiaries can be sustainably leased during the operating period.

7. It is assumed that the transaction structure ratio and transaction price for green certificate trading will remain relatively stable in future years;

8. This valuation assumes that the power business licenses of the relevant subsidiaries can be normally renewed upon expiry of their validity periods;

9. It is assumed that no new generating units will be rebuilt after the expiry of the economic life of the relevant subsidiaries' generating units, and the related assets will be disposed of;

10. It is assumed that upon expiry of the generating units, each asset will be recovered at its carrying amount or appraised value, and this valuation does not consider any price changes that may occur to each asset from the Valuation Benchmark Date to the time of disposal at the end of the period;

11. Assumptions regarding tax benefits

    (1) According to the *Announcement of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on Adjusting the Value-added Tax Policy for Wind Power Generation*《財政部海關總署稅務總局關於調整風力發電等增值稅政策的公告》(Announcement No. 10 [2025] of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation), from 1 November 2025 to 31 December 2027, a 50% immediate refund policy applies to the value-added tax on electricity products generated by taxpayers using offshore wind power and sold by them.

    This valuation assumes that companies including Shandong Bohai No. 1 Wind Power Co., Ltd. will normally enjoy the above tax benefits during this period.

(2) According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Tax Policies*《財政部税務總局關於進一步支持小微企業和個體工商戶發展有關税費政策的公告》 (Announcement No. 12 [2023] of the Ministry of Finance and the State Administration of Taxation), from 1 January 2023 to 31 December 2027, a 50% reduction applies to resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities trading), cultivated land occupation tax, education surcharge and local education surcharge for small-scale VAT taxpayers, small and micro enterprises and individual industrial and commercial households; and a policy of calculating taxable income at 25% and paying corporate income tax at a rate of 20% applies to small and micro enterprises, extended until 31 December 2027.

This valuation assumes that companies including Shanneng New Energy (Chengwu) Co., Ltd. will normally enjoy the above tax benefits during this period.

(3) According to the relevant provisions of the *Corporate Income Tax Law of the People's Republic of China*《中華人民共和國企業所得税法》, the *Implementing Regulations of the Corporate Income Tax Law of the People's Republic of China*《中華人民共和國企業所得税法實施條例》, and the *Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Corporate Income Tax Preferential Policies for Public Infrastructure Projects and Environmental Protection, Energy Conservation and Water Conservation Projects*《財政部國家税務總局關於公共基礎設施項目和環境保護節能節水項目企業所得税優惠政策問題的通知》(Cai Shui [2012] No. 10), from 1 January 2013, resident enterprises engaged in new construction projects of power grids (power transmission and transformation facilities) that meet the conditions and standards set out in the *Catalogue of Corporate Income Tax Preferential Policies for Public Infrastructure Projects*《公共基礎設施項目企業所得税優惠目録》 may enjoy a "three-year exemption and three-year half-reduction" corporate income tax preferential policy.

This valuation assumes that companies including Shandong Bohai No. 1 Wind Power Co., Ltd. will normally enjoy the above tax benefits during this period.

(4) According to the *Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Extending the Corporate Income Tax Policy for the Western Development Program*《財政部税務總局國家發展改革委關於延續西部大開發企業所得税政策的公告》 (Announcement No.23 [2020] of the

Ministry of Finance), from 1 January 2021 to 31 December 2030, a reduced corporate income tax rate of 15% applies to enterprises in encouraged industries located in the western region.

This valuation assumes that companies including Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. will normally enjoy the above tax benefits during this period.

(5) Subsidiary Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. is recognised as a National High-tech Enterprise and enjoys the preferential tax policy of enterprise income tax at a rate of 15%. For this valuation, it is assumed that the ratio of R&D expenditure to revenue of Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. during the forecast period will not be less than 3%, and that it can meet other conditions for recognition as a High-tech Enterprise. It is assumed that it will continue to obtain High-tech Enterprise certification during the earnings period and will be able to enjoy the income tax preference.

According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Policy of Pre-tax Super Deduction of R&D Expenses*（《財政部 税務總局關於進一步完善研發費用税前加計扣除政策的公告》）(Announcement No. 7 [2023] of the Ministry of Finance and the State Administration of Taxation): "For R&D expenses actually incurred by enterprises in R&D activities that are not forming intangible assets and are charged to current profit or loss, on the basis of actual deduction according to regulations, from 1 January 2023, an additional 100% of the actual amount incurred may be deducted before tax; for those forming intangible assets, from 1 January 2023, a 200% pre-tax amortisation of the cost of the intangible assets shall be allowed".

For this valuation, it is assumed that Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. can normally enjoy the above-mentioned tax incentives during the earnings period.

The valuation conclusion of this asset valuation report is established as at the Valuation Benchmark Date under the above assumptions. If significant changes occur in the above assumptions, the signing appraisers, other valuation professionals and this valuation firm assume no responsibility for deriving different valuation conclusions arising from changes in the assumptions.

X. VALUATION CONCLUSION

(I) Valuation conclusion

As at the Valuation Benchmark Date, under the established valuation assumptions, using the asset-based approach, the total asset carrying amount of Shandong Energy Group New Energy Group Co., Ltd. was RMB16,001.9014 million, the appraised value

was RMB24,150.5740 million, the appreciation was RMB8,148.6726 million, and the appreciation rate was 50.92%; the total liability carrying amount was RMB8,580.9160 million, the appraised value was RMB8,580.9160 million, with no appreciation or depreciation; the carrying amount of owners' equity (or shareholders' equity) was RMB7,420.9855 million, the appraised value of the entire shareholders' equity was RMB15,569.6580 million, the appreciation was RMB8,148.6726 million, and the appreciation rate was 109.81%.

The valuation results are shown in the following summary table of valuation results:

Summary Table of Asset Valuation Results
Valuation Benchmark Date: 31 January 2026

Amount Unit: RMB0'000

Item			Carrying amount	Appraised value	Appreciation/ Depreciation	Appreciation/ Depreciation rate %
			A	B	C=B-A	D=C/A×100
Current assets		1	394,675.76	394,675.76	–	–
Non-current assets		2	1,205,514.38	2,020,381.64	814,867.26	67.59
Including:	Long-term equity investments	3	1,202,671.69	2,017,428.51	814,756.83	67.75
	Fixed assets	4	251.15	359.24	108.09	43.04
	Right-of-use assets	5	2,478.86	2,478.86	–	–
	Intangible assets	6	7.89	10.22	2.34	29.64
	Long-term prepaid expenses	7	104.79	104.79	–	–
Total assets		8	1,600,190.14	2,415,057.40	814,867.26	50.92
Current liabilities		9	641,896.46	641,896.46	–	–
Non-current liabilities		10	216,195.14	216,195.14	–	–
Total liabilities		11	858,091.60	858,091.60	–	–
Owners' equity (or shareholders' equity)		12	742,098.55	1,556,965.80	814,867.26	109.81

Detailed results of the asset-based approach valuation are shown in the valuation schedules.

(II) Analysis of changes and reasons for the differences between the valuation conclusion and the carrying amount

1. The appreciation of long term equity was RMB8,147,568,277.01, with an appreciation rate of 67.75%. The reason for the appreciation was the operating accumulation of the investee entities over the years and the consideration of the future operating performance of the investee entities;

2. The appreciation of fixed assets was RMB1,080,918.79, with an appreciation rate of 43.04 %. The reason for the appreciation was that the economic useful lives of the equipment are longer than the depreciation periods used by the enterprise for its fixed assets;

3. The appreciation of intangible assets was RMB23,376.32, with an appreciation rate of 29.64%. The reason for the value appreciation is primarily due to the enterprise's amortisation of such asset in accordance with the relevant accounting policies.

The valuation object of this appraisal is the entire shareholders' equity. No premium arising from control, discount arising from lack of control, or special transaction impacts such as equity liquidity have been considered.

XI. SPECIAL NOTES

This valuation project has the following special notes:

(I) In accordance with the Guidance on the Legal Title of the Asset Valuation Object, the appraised entity and relevant parties shall provide information on the legal title of the valuation object in accordance with the law and guarantee its authenticity, completeness and legality. The appraiser's responsibility is to conduct necessary verification and disclosure of such information and its source and does not represent any guarantee of the title of the valuation object. Confirming or expressing an opinion on the legal title of the valuation object is beyond the scope of practice of the appraiser.

(II) Reference to conclusions of reports issued by other institutions

The carrying amounts of assets and liabilities as at the Valuation Benchmark Date used in this report are sourced from the audit report issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership). Apart from this, no other institutional reports have been referenced.

(III) This asset valuation report is prepared on the basis of information provided by the principal and relevant parties in connection with the valuation. Providing necessary information and guaranteeing the truthfulness, legality and completeness of the information provided is the responsibility of the principal and relevant parties. The responsibility of the valuation professionals is to analyze, estimate and express a professional opinion on the value of the valuation object for the specific purpose as at the Valuation Benchmark Date. The valuation professionals' verification, validation and disclosure of such information and its source do not represent any guarantee of the truthfulness, legality or completeness of the said information. Confirming or expressing an opinion on such information and its source is beyond the scope of practice of the valuation professionals.

(IV) In this asset valuation report, where any table or textual representation expressed in RMB0'000 shows a rounding difference between the total and the sum of the sub-items, it is caused by rounding.

(V) Circumstances of limited appraisal procedures, remedial measures taken and the impact on the valuation conclusion

Due to the rough sea conditions in the area where the offshore wind turbines are located and the safety risks associated with offshore operations, this valuation did not include on-site inspections of the offshore wind turbines. Only a visit to the onshore control center was conducted to verify the actual number and current operating status of the offshore wind turbines by reviewing monitoring screens and the operating system. The above limited appraisal procedures are not expected to have a material impact on the valuation results, and the conditions for issuing the valuation report are met.

(VI) Unresolved legal, economic and other matters existing as at the Valuation Benchmark Date

The enterprise did not declare any such matters for this valuation.

(VII) Mortgage, guarantee and lease matters

1. Mortgage and guarantee matters

The enterprise did not declare any such matters for this valuation.

2. Lease matters

(1) Shandong Energy Group New Energy Group Co., Ltd. ("Shandong Energy Group")

As of 31 January 2026, New Energy Group leased 2 operating properties and 77 employee dormitories. Details are as follows:

① Operating properties

No.	Lessor	Location	Annual Rent (RMB0'000)	Use	Leased Area (m^2)	Lease Term
1	Shandong Yiyang Health Group Huaxin Industrial Co., Ltd.(山東頤養健康集團華新地產有限公司)	Ayuan Times Building, east of Great Wall Road, north of Dongtianmen Street, Tai'an City	384.47	Office use	7,022.22	2023.09.28-2033.09.27

② Employee dormitories

New Energy Group leased a total of 77 properties for employee accommodation, with 77 lease contracts executed. Total annual rent was approximately RMB2.327 million.

(2) Shanneng (Guanxian) Wind Power Co., Ltd. ("Guanxian Wind Power")

As of 31 January 2026, Guanxian Wind Power had leased a total of 3 properties for living and office use, with 3 lease contracts executed, covering a total area of 561.45 sq.m., with total rent of RMB158,160. Details are as follows:

No.	Lessor	Property Ownership Certificate No.	Location	Rent (RMB0'000)	Use	Leased Area (m^2)	Lease Term
1	Guanxian Tairong Real Estate Development Co., Ltd.	---	2nd Floor, Building 5, Guanxian Science and Technology Innovation Industrial Park	12	Living and office	328.77	2025.01.01-2026.12.31
2	Jia Hongqian	Lu (2025) Guanxian Real Estate Right No. 0003255	Room 1701, Unit 2, Building 1, Guanxian Hanlin Yuan	1.92	Accommodation	132.55	2026.01.08-2027.01.07
3	Xin Yongli	Guanfang Quan Zheng Guanxian Zi No. 0012338	Room 2402, Unit 2, Building 10, Fuhua Yuan Residential Area, North Side of Zhenxing East Road, Guanxian	1.896	Accommodation	100.13	2026.01.01-2026.12.31
Total				15.816	–	561.45	–

(3) Shandong Luxi Power Generation Co., Ltd. ("Luxi Power Generation")

As of 31 January 2026, Luxi Power Generation had leased 1 parcel of land with a total area of 55,481 sq.m. Details are as follows:

No.	Lessor	Land Nature	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	Liyan Power Plant, Shandong Jining Liyan Industry Co., Ltd.	State-designated land	RMB3,719,100/ year in total with the property lease below	Construction land	55,481	10 years

As of 31 January 2026, Luxi Power Generation had leased a total of 4 properties with a total area of 19,780 sq.m. Details are as follows:

No.	Lessor	Annual Rent (RMB0'000)	Use	Leased Area (m^2)	Lease Term
1	Liyan Power Plant, Shandong Jining Liyan Industry Co., Ltd.	RMB3,719,100/year in total with the property lease	Maintenance building	3,510	10 years
2			Office building	6,270	
3			Guest house (staff dormitory)	4,300	
4			Canteen	5,700	
	Total			19,780	

(4) Shanneng New Energy (Yishui) Co., Ltd. ("New Energy Yishui")

As of 31 January 2026, New Energy Yishui had leased a total of 21 parcels of collectively-owned land covering a total area of 1,229.2 sq.m. As of 31 January 2026, New Energy Yishui had leased the rooftops corresponding to properties from 698 individuals or village committees, with lease agreements executed for each, covering a total leased area of approximately 64,200 sq.m.

(5) Shanneng New Energy Development (Tancheng) Co., Ltd. ("New Energy Tancheng")

As of 31 January 2026, New Energy Tancheng had leased the rooftops corresponding to 2 properties, with a total area of 106,500 sq.m. Details are as follows:

No.	Lessor	Location	Annual Rent (RMB0'000)	Use	Leased Area (m^2)	Lease Term
1	Shandong Tancheng No. 1 Middle School	East end of Shitan Road, Tancheng County, Linyi City	RMB4 per sq.m./ year	Laying PV panels	6,500	2022.08.03 to 25 years after completion, acceptance and grid connection of PV plant
2	Management Committee of Shandong Tancheng Economic Development Zone	Factory Building No.4, Shunyi Road, Tancheng County Economic Development Zone	RMB4 per sq.m./ year	Laying PV panels	100,000	2022.02 to 25 years after completion, acceptance and grid connection of PV plant
					106,500	

(6) Shanneng New Energy (Zoucheng) Co., Ltd. ("New Energy Zoucheng")

As of 31 January 2026, New Energy Zoucheng had leased a total of 3 parcels of land use rights covering a total area of 211,361.2 sq.m. Details are as follows:

No.	Lessor	Location	Land Nature	Annual Rent (RMB)	Use	Leased Area (m^2)	Lease Term
1	Yankuang Energy Group Company Limited	Southwest side of Dongtan Coal Mine	State-owned construction land	1,565,728.91	Installing PV station	144,592	2024.10.08-2026.10.08
2	Shandong Energy Group Co., Ltd. Xinglongzhuang Branch	North side of existing mine of Xinglongzhuang Company	State-owned construction land	332,940.28	Installing PV station	30,745.70	2024.11.08-2026.11.08
3	Yankuang Energy Group Company Limited	North side of existing Yankuang mine	State-owned construction land	390,114.76	Installing PV station	36,023.50	2024.11.08-2026.11.08
Total						**211,361.2**	**–**

As of 31 January 2026, New Energy Zoucheng had leased the rooftops corresponding to 3 properties, with a total area of 362,451.03 sq.m. Details are as follows:

No.	Lessor	Location	Annual Rent (RMB0'000)	Use	Leased Area (m^2)	Lease Term
1	Yankuang Donghua Heavy Industry Co., Ltd.	5289 Xihuan Road, Zoucheng City, Shandong Province	Preferential electricity rate of RMB0.59/kWh instead of rent	Laying PV panels	100,000	2022.01.01-2026.12.31
2	Yankuang Lantian Clean Energy Co., Ltd.	Lantian Road, Beisu Town, Zoucheng City, Jining, Shandong Province	Preferential electricity rate of RMB0.57/kWh instead of rent	Laying PV panels	91,382.6	2021.12.11-2041.12.10
3	Shandong Yankuang Light Alloy Co., Ltd.	No.777 Lantian Road, Beisu Town, Zoucheng Economic Development Zone, Jining City, Shandong Province	Preferential electricity rate of RMB0.53/kWh instead of rent	Laying PV panels	171,068.43	2021.12.11-2041.12.10
Total					**362,451.03**	

(7) Shanneng New Energy (Zaozhuang) Co., Ltd. ("New Energy Zaozhuang")

As of 31 January 2026, New Energy Zaozhuang had leased the rooftops corresponding to 2 properties, with a total area of 67,568 sq.m. Details are as follows:

No.	Lessor	Location	Annual Rent (RMB0'000)	Use	Leased Area (m^2)	Lease Term
1	Shandong Fengyuan Tire Manufacturing Co., Ltd.	Fengyuan Tire Company, No. 1 South Ring Road, Yicheng Economic Development Zone	10% of New Energy Zaozhuang's Power Sales revenue	Laying PV panels	38,000	2021.12.15-2041.12.15
2	Shandong Zao Mine Zhongxing Steel Structure Co., Ltd.	No.27 Yuejin West Road, Yicheng Economic Development Zone, Zaozhuang City, Shandong Province	10% of New Energy Zaozhuang's annual Power Sales revenue	Laying PV panels	29,568	2021.12.15-2041.12.15
Total					**67,568**	

(8) Shanneng New Energy (Chengwu) Co., Ltd. ("New Energy Chengwu")

As of 31 January 2026, New Energy Chengwu had leased the rooftop corresponding to 1 property, with a total area of 12,720 sq.m. Details are as follows:

No.	Lessor	Location	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	Heze Luhua Huacheng Bio-Power Co., Ltd.	Buildings of Heze Luhua Huacheng Bio-Power Co., Ltd., Datanji Town, Chengwu County, Heze City, Shandong Province	Preferential electricity rate of RMB0.585/kWh instead of rent	Laying PV panels	12,720	2021.12.15-2041.12.14

(9) Shanneng New Energy (Zichuan District, Zibo) Co., Ltd. ("New Energy Zibo")

As of 31 January 2026, New Energy Zibo had leased the rooftop corresponding to 1 property, with a total area of 52,183.95 sq.m. Details are as follows:

No.	Lessor	Location	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	Shandong Fangda Hangxiao Steel Structure Technology Co., Ltd.	No.88 Meishan Road, Zhonglou Subdistrict Office, Jingjiahe Community, Zichuan District, Zibo City, Shandong Province	Preferential electricity rate of RMB0.6/kWh instead of rent	Laying PV panels	52,183.95	2022.01.01-2041.12.31

(10) Shanneng New Energy (Rizhao) Co., Ltd. ("New Energy Rizhao")

As of 31 January 2026, New Energy Rizhao had leased the rooftop corresponding to 1 property, with a total area of 59,800 sq.m. Details are as follows:

No.	Lessor	Location	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	Rizhao Rokland International Logistics Co., Ltd.	Buildings of Rizhao Rokland International Logistics Co., Ltd., north side of Lingang Road, Taoluo Town, Donggang District, Rizhao City	10% of Power Sales revenue, paid monthly	Laying PV panels	59,800	2021.12.15-2041.12.14

(11) Shandong Bohai No. 1 Wind Power Co., Ltd. ("Bohai No. 1")

As of 31 January 2026, Bohai No. 1 had leased 1 parcel of land use rights with a total area of 27,578.4 sq.m. Details are as follows:

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	New Energy Dongying	South of Haibin Road, East of Gangxi First Road, Dongying Port Economic Development Zone	Construction land	RMB 318,000/ year	Construction of power industry project	27,578.4	2023.2-2028.2

In December 2022, New Energy Dongying and Bohai No. 1 signed the *Land Use Right Lease Contract* (《土地使用權租賃合同》) (the "Original Agreement"). The Original Agreement stipulated that Bohai No. 1 would lease land with Real Estate Right Certificate No. Lu (2022) Dongying City Real Estate Right No. 0044709 from New Energy Dongying, with a leased land area of 45,964 sq.m. In January 2026, New Energy Dongying, Bohai No. 1 and Bohai No. 2 signed the *Land Use Right Lease Contract* (《土地使用權租賃合同》) (the "Supplemental Agreement"). The Supplemental Agreement stipulated that Bohai No. 1 and Bohai No. 2 would lease land with Real Estate Right Certificate No. Lu (2022) Dongying City Real Estate Right No. 0044709 from New Energy Dongying, with a leased land area of 45,964 sq.m, of which Bohai No. 1 actually uses 27,578.4 sq.m and Bohai No. 2 actually uses 18,385.6 sq.m.

Regarding the right to use sea areas for the Site A wind farm actually operated by Bohai No. 1, the right holder recorded on the certificate is New Energy Dongying, and Bohai No. 1 leases it from New Energy Dongying for use. Details are as follows:

No.	Lessor	Location of Sea Area	Rent (RMB0'000/year)	Planned Use of Sea Area	Sea Area Use Area (hectares)	Sea Area Use Right Real Estate Unit No.	Lease Term
1	New Energy Dongying	Northwest side of the Old Yellow River Estuary, Dongying City	901	Power industry sea use	543.9099	370503200238GH89548W0000000	2022.06.29-2048.04.12
	Total				**543.9099**	**–**	

(12) Shandong Bohai No. 2 Wind Power Co., Ltd. ("Bohai No. 2")

As of 31 January 2026, Bohai No. 2 had leased 1 parcel of land use rights with a total area of 18,385.6 sq.m. Details are as follows:

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	New Energy Dongying	South of Haibin Road, East of Gangxi First Road, Dongying Port Economic Development Zone	Construction land	RMB212,000/ year	Construction of power industry project	18,385.6	2023.2-2028.2

In December 2022, New Energy Dongying and Bohai No. 1 signed the Original Agreement. The Original Agreement stipulated that Bohai No. 1 would lease land with Real Estate Right Certificate No. Lu (2022) Dongying City Real Estate Right No. 0044709 from New Energy Dongying, with a leased land area of 45,964 sq.m. In January 2026, New Energy Dongying, Bohai No. 1 and Bohai No. 2 signed the Supplemental Agreement. The Supplemental Agreement stipulated that Bohai No. 1 and Bohai No. 2 would lease land with Real Estate Right Certificate No. Lu (2022) Dongying City Real Estate Right No. 0044709 from New Energy Dongying, with a leased land area of 45,964 sq.m, of which Bohai No. 1 actually uses 27,578.4 sq.m and Bohai No. 2 actually uses 18,385.6 sq.m.

(13) Shandong Bohai No. 3 Wind Power Co., Ltd. ("Bohai No. 3")

As of 31 January 2026, Bohai No. 3 had 1 leased land use right with an area of 14,004.17 sq.m. Details are as follows:

No.	Lessor	Land Location	Rent (RMB0'000)	Land Use	Land Area (m^2)	Lease Term	Building
1	New Energy Dongying	South of Fujin Street, East of Dongliu Road, Dongying District	60	Commercial finance land	14,004.17	5 years	Smart Operation Center

Regarding the right to use sea areas for the Site G wind farm actually operated by Bohai No. 3, with a total area of 422.6805 hectares, the right holder recorded on the certificate is New Energy Dongying, and Bohai No. 3 leases it from New Energy Dongying for use. Details are as follows:

No.	Lessor	Location of Sea Area	Rent (RMB0'000/year)	Planned Use of Sea Area	Sea Area Use Area (hectares)	Sea Area Use Right Real Estate Unit No.	Lease Term
1	New Energy Dongying	Eastern sea area of Hekou District, Dongying City	550	Power industry sea use	422.6805	370503200238GH87219W00000000	until 2049.09.18
	Total				422.6805	-	

(14) Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd. ("Shenglu Power Sales")

As of 31 January 2026, Shenglu Power Sales had leased 1 property with an area of 181.20 sq.m. Details are as follows:

No.	Lessor	Property Location	Leased Area (m^2)	Lease Term	Rent (RMB0'000/ year)
1	Zou Meili	8-2-20, Longchen Yihe Yuan Residential Area, Shanghai Miao Town, Etuoke Front Banner	181.20	2025.10.01-2027.09.30	2.88
Total			**181.20**	**–**	

(15) Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd. ("Pingchuan Shenglu")

As of 31 January 2026, Pingchuan Shenglu had leased a total of 4 parcels of land use rights covering a total area of 8,972,720 sq.m. Details are as follows:

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	People's Government of Pingchuan District, Baiyin City	Yema Village, Shuiquan Town	State-owned land (other grassland, bare rock gravel land)	RMB185/mu	Arranging PV panels without damaging land surface characteristics	5,176,300	2024.7-2044.7
2	Heishui Village Committee, Baoji Town, Pingchuan District, Baiyin City	Heishui Village, Baoji Town, Pingchuan District	Collective land (other grassland, bare land)	RMB185/mu	PV array for construction and operation of PV project	1,358,810	2024.7-2044.7
3	Xiaochuan Village Committee, Baoji Town, Pingchuan District, Baiyin City	Xiaochuan Village, Baoji Town, Pingchuan District	Collective land (other grassland, bare land)	RMB185/mu	PV array for construction and operation of PV project	128,832	2024.7-2044.7
4	People's Government of Pingchuan District, Baiyin City	Heishui Village, Xiaochuan Village, Baoji Town	State-owned land (other grassland, bare land)	RMB185/mu	PV array for construction and operation of PV project	2,308,778	2024.7-2044.7
Total					**8,972,720**	**–**	

As of 31 January 2026, Pingchuan Shenglu had leased 1 property with a total area of 460 sq.m. Details are as follows:

No.	Lessor	Property Location	Leased Area (m^2)	Lease Term	Rent
1	Duoduo Apartment Management Center	2nd Floor, Zhang Chuanhai Commercial Building, North Side of Shiyan Middle School, Changzheng West Road, Pingchuan District, Baiyin City	460	2025.03.15-2026.03.14	RMB180,000
Total			**460**	**–**	

(16) Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd. ("Jingtai Shenglu")

Jingtai Shenglu had leased a total of 5 parcels of land use rights covering a total area of 7,787,347.61 sq.m. Details are as follows:

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area per Agreement (m^2)	Actual Leased Area (m^2)	Lease Term
1	Jingtai Shoulu Industrial Investment Development Group Co., Ltd. ("Jingtai Industrial")	Shangshawo Township (Town), Jingtai County	Collectively-owned (other grassland)	RMB406/mu	Shangshawo Fumin 200MW PV Project	4,800,000	4,197,220.99	20 years in total
2	Jingtai Industrial	Shangshawo (Town), Jingtai County	Collectively-owned (other grassland)	RMB406/mu	Sitan East 150MW PV Power Generation Project	3,333,333.50	3,393,112.30	20 years in total
3	Gansu Jingobi New Energy Development Co., Ltd. ("Jingebi New Energy")	Xiyuan Village, Wufo Township, Jingtai County	Collectively-owned (other grassland)	RMB1,960/mu	Gangdongliang West 200MW Wind Farm Project	40,000	197,014.32	20 years in total
4	Jingobi New Energy	Liangjiacun Village, Shangshawo Town and Dongqing Village, Wufo Township, Jingtai County	Collectively-owned (other grassland)	RMB1,960/mu		157,013.33		20 years in total
5	Jingobi New Energy	Liangjiacun Village, Shangshawo Town and Dongqing Village, Wufo Township, Jingtai County	Collectively-owned (other grassland)	RMB1,960/mu		24,953.33		20 years in total
Total						**8,355,300.16**	**7,787,347.61**	**–**

Note: The actual leased area of the above leased land is determined based on the actual delivery, use and area for which rent is calculated. Differences from the area stipulated in the lease agreements are within a reasonable range of error.

As of 31 January 2026, Jingtai Shenglu had leased 2 properties with a total area of 3,618.2 sq.m. Details are as follows:

No.	Lessor	Property Location	Leased Area (m^2)	Lease Term	Rent (RMB0'000)
1	Lanzhou Donghang Real Estate Development Co., Ltd.	No. 3788, West Section of Zhongchuan Street, Lanzhou New District, Lanzhou City	2,518.2	2025.03.01-2030.02.28	90.66
2	Jingtai County Xinghai Business Co., Ltd.	Building 1, Jingtai County Auto Parts Logistics Industrial Park	1,100	2025.03.01-2026.02.28	23.99
Total			**3,618.2**	**–**	

(17) Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd. ("Jingyuan Shenglu")

As of 31 January 2026, Jingyuan Shenglu had leased a total of 2 parcels of land use rights covering a total area of 920,000 sq.m.

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	People's Government of Santan Town, Jingyuan County	Santan Town, Jingyuan County (actually located in Dahonggou Village)	Collective land (other grassland)	RMB100/mu	Construction of PV project	253,333.3	2025.08.19-2050.08.18
2	Xiaohonggou Village Committee, Jingyuan County	Xiaohonggou Village	Collective land (other grassland)	RMB100/mu	Construction of PV project	666,666.7	2025.03.25-2045.03.24
Total						**920,000**	**–**

(18) Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. ("Lingtai Thermal Power")

As of 31 January 2026, Lingtai Thermal Power had leased 1 parcel of land use rights with a total area of 19,173.43 sq.m. Details are as follows:

No.	Lessor	Location	Annual Rent	Use	Leased Area (m^2)	Lease Term
1	Anjiazhuang Village Shareholding Economic Cooperative, Zhongtai Town, Lingtai County	Gaobiangou Society, Anjiazhuang Village, Zhongtai Town	Total of RMB194,640 for land lease fees and compensation for ground attachments	Ash transport road for thermal power project	19,173.43	2025.09.10-2030.09.09

(19) Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. ("Lingtai New Energy")

As of 31 January 2026, Lingtai New Energy had leased a total of 20 parcels of land use rights covering a total area of 2,917.98 mu. Details are as follows:

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (mu)	Lease Term
1	Lingtai County Lvyuan Poverty Alleviation Planting Co., Ltd.	Shizi Town, Lingtai County	Village collective land (arable land)	Total lease of 25 years, paid every 5 years: Years 1-5: RMB600/mu/year; Years 6-10: RMB650/mu/year; Years 11-15: RMB700/mu/year; Years 16-20: RMB750/mu/year; Years 21-25: RMB800/mu/year; max not exceeding RMB800/mu/year	Land for PV power generation units	409.42	2022.04.01-2047.03.31
2	Qianjin Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	138.91	2021.10.01-2046.09.30
3	Qianjin Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	108.03	2022.03.16-2047.03.15

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (mu)	Lease Term
4	Liangjiazui Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	113.63	2022.01.01-2046.12.31
5	Caomai Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	110.98	2022.02.01-2047.01.31
6	Yaojiagou Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	99.01	2022.10.15-2047.10.14
7	Zhongyong Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	338.09	2022.01.08-2047.01.07
8	Zhongyong Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	203.19	2022.01.10-2047.01.09
9	Zhongyong Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	40.47	2022.12.01-2047.11.30
10	Wanlitao Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	454.96	2021.10.01-2046.09.30
11	Qinggangpu Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	113.89	2021.10.01-2046.09.30

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (mu)	Lease Term
12	Qinggangpu Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	18.18	2022.01.08-2047.01.07
13	Qinggangpu Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	194.93	2022.10.15-2047.10.14
14	Qinggangpu Village Committee, Shizi Town, Lingtai County, Pingliang City, Gansu Province	Shizi Town, Lingtai County	Village collective land (arable land)	One-time payment for 25 years, total RMB451,500	Land for PV power generation units	25.80	2022.10.15-2047.10.14
15	Nantou Village Committee, Xitun Town, Lingtai County, Pingliang City, Gansu Province	Xitun Town, Lingtai County	Village collective land (arable land)	Total lease of 25 years, paid every 5 years: Years 1-5: RMB600/mu/year; Years 6-10: RMB650/mu/year; Years 11-15: RMB700/mu/year; Years 16-20: RMB750/mu/year; Years 21-25: RMB800/mu/year; max not exceeding RMB800/mu/year	Land for PV power generation units	59.15	2021.10.01-2046.09.30
16	Nantou Village Committee, Xitun Town, Lingtai County, Pingliang City, Gansu Province	Xitun Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	64.23	2022.10.15-2047.10.14
17	Dashe Village Committee, Xitun Town, Lingtai County, Pingliang City, Gansu Province	Xitun Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	99.07	2021.10.01-2046.09.30
18	Dashe Village Committee, Xitun Town, Lingtai County, Pingliang City, Gansu Province	Xitun Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	4.61	2022.05.01-2047.04.30
19	Beizhuang Village Committee, Xitun Town, Lingtai County, Pingliang City, Gansu Province	Xitun Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	124.06	2021.10.01-2046.09.30

No.	Lessor	Location	Land Nature	Annual Rent	Use	Leased Area (mu)	Lease Term
20	Beizhuang Village Committee, Xitun Town, Lingtai County, Pingliang City, Gansu Province	Xitun Town, Lingtai County	Village collective land (arable land)		Land for PV power generation units	197.37	2022.10.15-2047.10.14
Total						2,917.98	-

(VIII) Note regarding earnings forecasts

1. The validity of this valuation conclusion is based on the premise that the management and operational plans and related earnings forecasts provided by the appraised entity's management, particularly plans such as project operations formulated based on its current market environment and competitive relationships, are consistent with the trend of changes in the internal and external environment relevant to the appraised entity's future operations, and can be effectively implemented. If the future operating condition of the appraised entity deviates significantly from the aforementioned management and operational plans, and the principal, the appraised entity and its then management fail to take effective remedial measures, this will have a material impact on the valuation conclusion. Users of this report are requested to pay attention to this.

2. The earnings forecast for the appraised entity obtained by the appraisers is the foundation of the income approach in this asset valuation report. The appraisers conducted necessary investigation, analysis and judgment of the earnings forecast provided by the appraised entity, held multiple discussions with the appraised entity's management, and after adjustments and improvements by the appraised entity, the valuation firm relied on the relevant data and main assumptions of the appraised entity's earnings forecast. The appraisers' prudent reliance on the appraised entity's earnings forecast should not be regarded as a guarantee of the appraised entity's future profitability.

(IX) Unpaid registered capital of long-term equity investment entities and valuation calculation method

1. Details of long-term equity investment entities with registered capital not yet fully paid in are as follows:

No.	Company Name	Shareholding Ratio (%)	Form of Enjoying Rights Stipulated in Articles	Registered Capital (RMB)	Paid-in Capital (RMB)	Unpaid Amount (RMB)
1	Shanneng New Energy (Dongying) Co., Ltd.	95.24	Not explicitly stipulated	4,200,000,000.00	4,192,167,700.00	7,832,300.00

No.	Company Name	Shareholding Ratio (%)	Form of Enjoying Rights Stipulated in Articles	Registered Capital (RMB)	Paid-in Capital (RMB)	Unpaid Amount (RMB)
2	Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd.	100	Not explicitly stipulated	1,000,000,000.00	140,000,000.00	860,000,000.00
3	Shanneng Huixin Smart Energy (Dongying) Co., Ltd.	80	Proportion of paid-in capital	1,000,000,000.00	–	1,000,000,000.00
4	Shanneng New Energy (Yishui) Co., Ltd.	100	Not explicitly stipulated	400,000,000.00	100,000,000.00	300,000,000.00
5	Shanneng New Energy Development (Tancheng) Co., Ltd.	56.67	Proportion of paid-in capital	300,000,000.00	30,000,000.00	270,000,000.00
6	Shanneng New Energy (Zoucheng) Co., Ltd.	100	Not explicitly stipulated	400,000,000.00	40,000,000.00	360,000,000.00
7	Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd.	100	Not explicitly stipulated	200,000,000.00	140,000,000.00	60,000,000.00
8	Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd.	100	Not explicitly stipulated	50,000,000.00	20,000,000.00	30,000,000.00
9	Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.	100	Not explicitly stipulated	1,600,000,000.00	1,300,000,000.00	300,000,000.00
10	Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd.	100	Not explicitly stipulated	380,000,000.00	263,100,000.00	116,900,000.00
11	Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd.	100	Not explicitly stipulated	510,000,000.00	480,200,000.00	29,800,000.00
12	Shandong Energy Power Group Xintai Power Generation Co., Ltd.	63.33	Proportion of paid-in capital	1,500,000,000.00	1,050,000,000.00	450,000,000.00

No.	Company Name	Shareholding Ratio (%)	Form of Enjoying Rights Stipulated in Articles	Registered Capital (RMB)	Paid-in Capital (RMB)	Unpaid Amount (RMB)
13	Shandong Energy Power Group Qingyang New Energy Co., Ltd.	100	Not explicitly stipulated	550,000,000.00	–	550,000,000.00
14	Shanneng (Guanxian) Wind Power Co., Ltd.	60	Not explicitly stipulated	660,000,000.00	525,042,133.60	134,957,866.40
15	Shanneng New Energy (Binzhou) Co., Ltd.	67	Not explicitly stipulated	480,000,000.00	131,000,000.00	349,000,000.00
16	Shanneng (Zoucheng) Wind Power Co., Ltd.	51	Proportion of paid-in capital	210,000,000.00	39,820,000.00	170,180,000.00

2. Valuation calculation method

For investee companies where the registered capital has not been fully paid in and the articles of association do not explicitly stipulate whether rights are enjoyed based on the subscribed proportion or paid-in proportion, the value of the shareholders' equity held by New Energy Group = (appraised value of the entire shareholders' equity of the investee company as of the Valuation Benchmark Date + the amount of registered capital yet to be paid by the investee company) × the subscribed proportion of New Energy Group – the amount of registered capital yet to be paid by New Energy Group.

For investee companies where the registered capital has not been fully paid in and the articles of association explicitly stipulate that rights are enjoyed based on the paid-in proportion, the value of the shareholders' equity held by New Energy Group = appraised value of the entire shareholders' equity of the investee company as of the Valuation Benchmark Date × the paid-in registered capital of New Energy Group ÷ the paid-in capital of the investee company.

Among them, the appraised value of Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. was less than zero. New Energy Group has fulfilled all its capital contribution obligations. However, according to the *Official Reply on Relevant Circumstances of the Shandong Energy Lingtai County Phase I 100,000kW Photovoltaic Agricultural Complementary Power Generation Project* issued by the People's Government of Lingtai County, Shandong Energy Group Lingtai Thermal Power Co., Ltd. will absorb and merge Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd., and the debts and liabilities of Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. will be assumed by Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. in the future. Therefore, for this valuation, the value of this long-term equity investment was determined as the appraised negative number.

(X) Tax benefits enjoyed by the enterprise

1. According to the *Announcement of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on Adjusting the Value-added Tax Policy for Wind Power Generation* (《財政部海關總署稅務總局關於調整風力發電等增值稅政策的公告》) (Announcement No. 10 [2025] of the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation), from 1 November 2025 to 31 December 2027, a 50% immediate refund policy applies to the value-added tax on electricity products generated by taxpayers using offshore wind power and sold by them.

   This valuation assumes that companies including Shandong Bohai No. 1 Wind Power Co., Ltd. will normally enjoy the above tax benefits during this period.

2. According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Tax Policies* (《財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) (Announcement No. 12 [2023] of the Ministry of Finance and the State Administration of Taxation), from 1 January 2023 to 31 December 2027, a 50% reduction applies to resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp duty (excluding stamp duty on securities trading), cultivated land occupation tax, education surcharge and local education surcharge for small-scale VAT taxpayers, small and micro enterprises and individual industrial and commercial households; and a policy of calculating taxable income at 25% and paying corporate income tax at a rate of 20% applies to small and micro enterprises, extended until 31 December 2027.

   This valuation assumes that companies including Shanneng New Energy (Chengwu) Co., Ltd. will normally enjoy the above tax benefits during this period.

3. According to the relevant provisions of the *Corporate Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得稅法》), the *Implementing Regulations of the Corporate Income Tax Law of the People's Republic of China* (《中華人民共和國企業所得稅法實施條例》), and the *Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Corporate Income Tax Preferential Policies for Public Infrastructure Projects and Environmental Protection, Energy Conservation and Water Conservation Projects* (《財政部國家稅務總局關於公共基礎設施項目和環境保護節能節水項目企業所得稅優惠政策問題的通知》) (Cai Shui [2012] No. 10), from 1 January 2013, resident enterprises engaged in new construction projects of power grids (power transmission and transformation facilities) that meet the conditions and standards set out in the Catalogue of Corporate

Income Tax Preferential Policies for Public Infrastructure Projects (《公共基礎設施項目企業所得税優惠目錄》) may enjoy a "three-year exemption and three-year half-reduction" corporate income tax preferential policy.

This valuation assumes that companies including Shandong Bohai No. 1 Wind Power Co., Ltd. will normally enjoy the above tax benefits during this period.

4. According to the *Announcement of the Ministry of Finance, the State Administration of Taxation and the National Development and Reform Commission on Extending the Corporate Income Tax Policy for the Western Development Program* (《財政部税務總局國家發展改革委關於延續西部大開發企業所得税政策的公告》) (Announcement No. 23 [2020] of the Ministry of Finance), from 1 January 2021 to 31 December 2030, a reduced corporate income tax rate of 15% applies to enterprises in encouraged industries located in the western region.

   This valuation assumes that companies including Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. will normally enjoy the above tax benefits during this period.

5. Subsidiary Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. is recognised as a National High-tech Enterprise and enjoys the preferential tax policy of enterprise income tax at a rate of 15%. For this valuation, it is assumed that the ratio of R&D expenditure to revenue of Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. during the forecast period will not be less than 3%, and that it can meet other conditions for recognition as a High-tech Enterprise. It is assumed that it will continue to obtain High-tech Enterprise certification during the earnings period and will be able to enjoy the income tax preference.

   According to the *Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Policy of Pre-tax Super Deduction of R&D Expenses* (《財政部税務總局關於進一步完善研發費用税前加計扣除政策的公告》) (Announcement No. 7 [2023] of the Ministry of Finance and the State Administration of Taxation): "For R&D expenses actually incurred by enterprises in R&D activities that are not forming intangible assets and are charged to current profit or loss, on the basis of actual deduction according to regulations, from 1 January 2023, an additional 100% of the actual amount incurred may be deducted before tax; for those forming intangible assets, from 1 January 2023, a 200% pre-tax amortisation of the cost of the intangible assets shall be allowed".

   For this valuation, it is assumed that Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. can normally enjoy the above-mentioned tax incentives during the earnings period.

(XI) Special notes on the Appraised Entity and its subsidiaries

1. Subsidiary – Shanneng New Energy (Dongying) Co., Ltd. ("New Energy Dongying")

(1) Incomplete title documents

As of 31 January 2026, the energy storage center of New Energy Dongying had not yet obtained a property ownership certificate. For such unregistered properties, New Energy Dongying provided planning and construction documents, declared the area based on architectural drawings, and issued a statement confirming that the ownership of the unregistered properties belongs to it. This valuation did not consider the impact of the above matters on the valuation conclusion, nor the potential impact of certificate application fees on the valuation conclusion.

(2) As of 31 January 2026, New Energy Dongying had 7 patents within the valuation scope, including 1 patent solely owned by New Energy Dongying and 6 patents jointly owned with other parties; New Energy Dongying had 6 software copyrights within the valuation scope, all of which were jointly owned with other parties. In respect of the above intangible assets, New Energy Dongying has issued a statement confirming that the above patents are solely owned by it or jointly owned with others, and that there are no existing or potential ownership disputes. For jointly owned intangible assets, each party has the right to apply them to its own production and operation, and the resulting benefits and costs are enjoyed and borne by each party.

The above intangible assets were valued in this valuation. For jointly owned patents, the value attributable to the Appraised Entity was allocated equally based on the number of registered owners recorded on the patent certificates.

2. Sub-subsidiary – Shandong Bohai No. 1 Wind Power Co., Ltd. ("Bohai No. 1")

(1) Incomplete title documents

As of 31 January 2026, Bohai No. 1 had not yet obtained property ownership certificates for its properties. For such unregistered properties, Bohai No. 1 provided planning and construction documents, declared the area based on architectural drawings, and issued a statement confirming that the ownership of the unregistered properties belongs to it. This valuation did not consider the impact of the above matters on the valuation conclusion, nor the potential impact of certificate application fees on the valuation conclusion.

(2) As of 31 January 2026, Bohai No. 1 had 1 patent within the valuation scope, which is jointly owned with other parties. In respect of the above intangible asset, Bohai No. 1 has issued a statement confirming that the above patent is jointly owned with others, and that there are no existing or potential ownership disputes. For jointly owned intangible assets, each party has the right to apply them to its own production and operation, and the resulting benefits and costs are enjoyed and borne by each party.

The above intangible asset was valued in this valuation. For the jointly owned patent, the value attributable to the Appraised Entity was allocated equally based on the number of registered owners recorded on the patent certificate.

(3) As of 31 January 2026, the power business license for Site A Project, which is actually operated by Bohai No. 1, is registered in the name of New Energy Dongying. There is an inconsistency between the registered owner and the actual operator. This valuation did not consider the potential risks and impacts that the above matter may have on the settlement of electricity charges.

(4) Due to the rough sea conditions in the area where the Appraised Entity's offshore wind turbines are located and the safety risks associated with offshore operations, this valuation did not include on-site inspections of the offshore wind turbines. Only a visit to the onshore control center was conducted to verify the actual number and current operating status of the offshore wind turbines by reviewing monitoring screens and the operating system.

3. Sub-subsidiary – Shandong Bohai No. 2 Wind Power Co., Ltd. ("Bohai No. 2")

(1) Incomplete title documents

As of 31 January 2026, Bohai No. 2 had not yet obtained property ownership certificates for its properties. For such unregistered properties, Bohai No. 2 provided planning and construction documents, declared the area based on architectural drawings, and issued a statement confirming that the ownership of the unregistered properties belongs to it. This valuation did not consider the impact of the above matters on the valuation conclusion, nor the potential impact of certificate application fees on the valuation conclusion.

(2) As of 31 January 2026, Bohai No. 2 had 1 software copyright within the valuation scope, which is jointly owned by Bohai No. 2 and Shenzhen Guoneng Chentai Technology Co., Ltd. (the software developer). According to the contractual terms, the development results are jointly owned by both parties. Bohai No. 2 has issued a statement confirming that the above software copyright is jointly owned with others, and that there are no existing or potential ownership disputes. For jointly owned intangible assets, each party has the right to apply them to its own production and operation, and the resulting benefits and costs are enjoyed and borne by each party.

The above intangible asset was valued in this valuation. For the jointly owned intangible asset, the value attributable to the Appraised Entity was allocated equally based on the number of registered owners recorded on the certificate.

(3) Due to the rough sea conditions in the area where the Appraised Entity's offshore wind turbines are located and the safety risks associated with offshore operations, this valuation did not include on-site inspections of the offshore wind turbines. Only a visit to the onshore control center was conducted to verify the actual number and current operating status of the offshore wind turbines by reviewing monitoring screens and the operating system.

4. Sub-subsidiary – Shandong Bohai No. 3 Wind Power Co., Ltd. ("Bohai No. 3")

Due to the rough sea conditions in the area where the Appraised Entity's offshore wind turbines are located and the safety risks associated with offshore operations, this valuation did not include on-site inspections of the offshore wind turbines. Only a visit to the onshore control center was conducted to verify the actual number and current operating status of the offshore wind turbines by reviewing monitoring screens and the operating system.

5. Subsidiary – Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd.

Due to the rough sea conditions in the area where the Appraised Entity's offshore wind turbines are located and the safety risks associated with offshore operations, this valuation did not include on-site inspections of the offshore wind turbines. Only a visit to the onshore control center was conducted to verify the actual number and current operating status of the offshore wind turbines by reviewing monitoring screens and the operating system.

6. Subsidiary – Shanneng New Energy (Yishui) Co., Ltd. ("New Energy Yishui")

(1) Guarantee matters

As of 31 January 2026, New Energy Yishui had one guarantee contract being performed to secure its own debts. Details are as follows:

No.	Creditor	Debtor	Debt Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Period	Guarantee Method
1	Linyi Branch of Postal Savings Bank of China Co., Ltd. (中國郵政儲蓄銀行股份有限公司臨沂市分行)	New Energy Yishui	Fixed Assets Loan Contract PSBC37-YYT2021112601	3,128.75	2021.12.19-2036.12.18	19 December 2021 – 18 December 2036	Pledge of electricity fee collection rights

This valuation did not consider the impact of the above matters on the valuation conclusion.

(2) As of 31 January 2026, the South and North Menlou Village Distributed Photovoltaic Power Stations of New Energy Yishui were in normal operation, but remained under the construction in progress account and had not been transferred to fixed assets, and no depreciation had been provided. This valuation assessed these assets as fixed assets and did not consider the potential risks and impacts that the above matters may have on the asset valuation.

7. Subsidiary – Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd. ("Jingyuan Shenglu")

(1) In this valuation, the state-owned construction land use rights for the "Jingyuan Beitan Wind Power Project Permanent Land" within the valuation scope correspond to 81 real estate title certificates including Gan (2025) Jingyuan County Real Estate Title No. 0002920, etc., registered in the name of Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd., with the use designated as industrial land. The total area registered on the certificates is 32,788.00 m^2. The land transfer area stipulated in the State-Owned Construction Land Use Right Grant Contract (《國有建設用地使用權出讓合同》) is 34,955 m^2, with a difference of 2,167 m^2. The difference represents land for the project access road. According to relevant provincial policies and the information provided by the enterprise, the 2,167 m^2 access road land is collective road land. The enterprise may only use it for passage upon payment of a fee, cannot apply for real estate title registration, and

does not enjoy state-owned construction land use rights. This valuation only takes the 32,788.00 m^2 of land with title certificates as the valuation object. The difference is not included in the valuation scope.

(2) According to the construction land approval document and explanation provided by Jingyuan Shenglu, as of 31 January 2026, Jingyuan Shenglu had one parcel of land use rights with an area of 38,123 sq.m. located in Woniucun Village, Yongxin Township, Jingyuan County for which the ownership certificate has not yet been obtained. According to the work-in-progress ledger provided by the company, the payment for this land use right is recorded under the construction in progress account and has been included in the valuation scope.

8. Subsidiary – Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd. ("Shenglu Power Sales")

Upon verification and communication with the management of the appraised entity, it was confirmed that the company's business layout has undergone significant adjustments. The original power construction business has been completely terminated, and the marketing business of supporting power sources for the "External Power to Shandong" project has been transferred in its entirety to the related party Shandong Energy Power Sales Co., Ltd. for undertaking. At present, only power trading agency and power technology services remain. There are no plans to restart terminated businesses in the future. The income forecast for this valuation is based on the company's existing stable core business, taking into account its operating plans and the 2026 operating budget preparation, with the operating scale expected to remain stable in subsequent years.

Regarding personnel management and salary payment, after the implementation of the business adjustment in 2026, the salaries of personnel of Shandong Energy Inner Mongolia Shenglu Power Sales Co., Ltd. will be uniformly paid by Shandong Energy Power Sales Co., Ltd. on its behalf. The employment relationships of the on-the-job employees will remain with Shenglu Power Sales, and they will continue to engage in relevant operational work such as power trading agency and power technology services for Shenglu Power Sales.

9. Subsidiary – Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. ("Shenglu Power")

(1) Guarantee matters

According to the information provided by Shenglu Power, as of 31 January 2026, Shenglu Power had one guarantee contract being performed providing guarantee for its own debt, with an outstanding guarantee balance of RMB1,866,469,900. Details are as follows:

No.	Creditor	Guarantor	Debt Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Period	Guarantee Method
1	China Development Bank	Shenglu Power	China Development Bank Pledge Contract (《國家開發銀行質押合同》) (1510201801100000857)	186,646.99	2018.08.31-2031.10.20	2018.08.31-2031.10.20	Pledge guarantee

(2) As of 31 January 2026, Shenglu Power had a total of 31 patent rights included in the valuation scope, of which 11 are patents co-owned with China Energy Engineering Group Northwest Electric Power Test and Research Institute Co., Ltd., Yunding Technology Co., Ltd., Beijing Xinye Technology Co., Ltd. and other entities. With respect to the above intangible assets, Shenglu Power has issued a statement of explanation, undertaking that the above patents are owned by it or are co-owned with others, and that there is no property rights dispute or potential dispute. For intangible assets with co-owned property rights, each party has the right to apply them to its own production and operations, and the resulting income and costs are enjoyed and borne by each party respectively.

For this valuation, the income approach was used to appraise the above intangible assets, considering only their contribution to the income of Shenglu Power Plant.

10. Subsidiary – Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd. ("Shenglu Alxa")

(1) Guarantee matters

As of 31 January 2026, Shenglu Alxa had one guarantee contract being performed where another party provided a guarantee for its debts. Details are as follows:

No.	Creditor	Guarantor	Debt Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Period	Guarantee Method
1	Inner Mongolia Branch of China Development Bank (國家開發銀行內蒙古自治區分行)	Shanneng Group	Guarantee Contract of China Development Bank 1510202201100001283	120,200	2022.03.25-2040.03.25	2022.03.25-2040.03.25	Joint and several liability guarantee

This valuation did not consider the impact of the above matters on the valuation conclusion.

(2) Other intangible assets included in the valuation scope are 3 computer software copyrights, namely Wind Farm Intelligent Control Debugging Assistance System V1.0, Wind Farm Intelligent Control Integrated Integration System V1.0, and Wind Turbine Operational Fault Localisation Integrated System V1.0. The copyright holders are Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd., Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd. and Yunding Technology Co., Ltd. as co-owners. With respect to the above intangible assets, Shenglu Alxa has issued a statement of explanation, undertaking that the above patents are co-owned with others, and that there is no property rights dispute or potential dispute. For intangible assets with co-owned property rights, each party has the right to apply them to its own production and operations, and the resulting income and costs are enjoyed and borne by each party respectively.

(3) There is a dispute between Shenglu Alxa (the employer) and Power China (the general contractor) regarding the settlement amount of EPC project costs for the "Shandong Energy Shanghai Temple to Shandong UHV Transmission Channel Alxa Base 400MW Wind Power Project". Power China claims that Shenglu Alxa should pay it project costs of RMB1,955.2347 million (including tax), while Shenglu Alxa has reviewed and confirmed that it should pay Power China project costs of RMB1,860.6971 million (including tax), with the disputed amount being RMB94.5376 million. The "Audit Report" confirms the amount of this project cost as RMB1,860.6971 million (including tax). For this valuation, the project cost was confirmed based on the amount after verification, without considering the potential impact of any difference in the final actual settlement amount.

11. Subsidiary – Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd. ("Shenglu Ordos")

(1) Guarantee matters

As of 31 January 2026, Shenglu Ordos had one guarantee contract being performed where another entity provides guarantee for its debt. Details are as follows:

No.	Creditor	Guarantor	Debt Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Period	Guarantee Method
1	China Development Bank Inner Mongolia Autonomous Region Branch	Shanneng Group	China Development Bank Guarantee Contract (《國家開發銀行保證合同》) 1510202101100001216	27,322	2021.11.11-2039.11.11	2021.11.11-2039.11.11	Joint liability guarantee

This valuation did not consider the impact of the above matters on the valuation conclusion.

(2) As of 31 January 2026, Shenglu Ordos had one patent right included in the valuation scope, co-owned with another entity. With respect to the above intangible asset, Shenglu Ordos has issued a statement of explanation, undertaking that the above patent is co-owned with others, and that there is no property rights dispute or potential dispute. For intangible assets with co-owned property rights, each party has the right to apply them to its own production and operations, and the resulting income and costs are enjoyed and borne by each party respectively.

For this valuation, the above intangible asset was appraised. For the co-owned patent right, the value of the patent right enjoyed by the appraised entity was considered based on an equal allocation among the number of right holders recorded on the certificate.

(3) There is a dispute between Shenglu Ordos (the employer) and Power China Engineering Company (the general contractor) regarding the settlement amount of EPC project costs for the "Shandong Energy Inner Mongolia Hangjin Banner Yihewusu Wind Farm 100MW Project". Power China Engineering Company claims that Shenglu Ordos should pay it project costs of RMB510,956,600 (including tax), while Shenglu Ordos has reviewed and confirmed that it should pay Power China Engineering Company project costs of RMB487,109,100 (including tax), with the disputed amount being RMB23,847,500. The "Audit Report" confirms the amount of this project cost as RMB487,109,100 (including tax). For this valuation, the project cost was confirmed based on the amount after verification, without considering the potential impact of any difference in the final actual settlement amount.

12. Subsidiary – Shandong Luxi Power Generation Co., Ltd. ("Luxi Power Generation")

(1) Incomplete title documents

① Luxi Power Generation owns a parcel of land use right with certificate number Zou Guo Yong (2015) No. 088300088. The registered owner on the certificate is Shandong Province Luxi Prison, located north of Liyan Power Plant, Taiping Town, covering an area of 196,411 square meters, with the use right type being allocated land. According to Luxi Power Generation's explanation, although the registered owner is Shandong Province Luxi Prison, Luxi Power Generation has recorded it as an intangible asset. As of 31 January 2026, this parcel of land is being occupied free of charge by a subsidiary of Yankuang Energy. According to Luxi Power Generation's explanation, the Shandong Provincial Prison Administration Bureau has transferred this parcel of land to Luxi Power Generation free of charge, but the procedure for changing the registered owner on the certificate has not yet been completed.

Since neither the registered owner nor the actual user is Shandong Luxi Power Generation Co., Ltd., the ownership cannot be determined. This valuation reflects the asset at its carrying amount.

② As of 31 January 2026, Luxi Power Generation had not yet obtained title certificates for its properties. For such unregistered properties, Luxi Power Generation provided planning documents, construction documents and settlement documents, declared the area based on architectural drawings and measurement results, and issued a statement confirming that the ownership of the unregistered properties belongs to it. This valuation did not

consider the impact of the above matters on the valuation conclusion, nor the potential impact of certificate application fees on the valuation conclusion.

(2) Guarantee matters

As of 31 January 2026, Luxi Power Generation had one guarantee contract being performed to secure its own debts, with a total outstanding guarantee balance of RMB1,329 million. Details are as follows:

No.	Creditor	Guarantor	Debt Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Period	Guarantee Method
1	Shandong Branch of China Development Bank (國家開發銀行山東省分行)	Luxi Power Generation	Loan Contract (No. 371020230110000137 9)	132,900	2023.09.19-2041.09.18	–	Pledge: all electricity fee and heat fee collection rights formed after completion of the 2×600,000 kW coal underground gasification power generation project and all proceeds thereunder

As of 31 January 2026, Luxi Power Generation had 5 guarantee contracts being performed where other parties provided guarantees for the company's debts, with a total outstanding guarantee balance of RMB313,919,000. Details are as follows:

No.	Creditor	Guarantor	Debt Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Period	Guarantee Method
1	Ping An International Financial Leasing Co., Ltd. (平安國際融資租賃有限公司)	Shanneng Group	Financial Lease Contract (Contract No.: 2021PAZL0102317-ZL-01)	1,595.90	2021.11.24-2026.11.24	2021.11.05-2028.11.05	Irrevocable joint and several liability guarantee
2	Ping An International Financial Leasing Co., Ltd. (平安國際融資租賃有限公司)	Shanneng Group	Financial Lease Contract (Contract No.: 2021PAZL0102326-ZL-01)	1,590.23	2021.11.24-2026.11.24	2021.11.24-2028.11.24	Irrevocable joint and several liability guarantee

No.	Creditor	Guarantor	Debt Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Period	Guarantee Method
3	China Foreign Trade Financial Leasing Co., Ltd. (中國外貿金融租賃有限公司)	Shanneng Group	Financial Lease Contract (Contract No.: ZMZ-2022-0007)	8,702.91	2022.03.07-2027.03.07	2022.02.28-2030.02.10	Irrevocable joint and several liability guarantee
4	China Foreign Trade Financial Leasing Co., Ltd. (中國外貿金融租賃有限公司)	Shanneng Group	Financial Lease Contract (Contract No.: ZMZ-2022-0035)	16,018.69	2022.11.15-2027.11.15	2022.02.28-2030.09.23	Irrevocable joint and several liability guarantee
5	China Foreign Trade Financial Leasing Co., Ltd. (中國外貿金融租賃有限公司)	Shanneng Group	Financial Lease Contract (Contract No.: ZMZ-2022-0034)	3,484.17	2022.11.15-2027.11.15	2022.08.12-2030.09.23	Irrevocable joint and several liability guarantee

This valuation did not consider the impact of the above guarantee matters on the valuation conclusion.

13. Subsidiary – Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. ("Lingtai Thermal Power")

(1) Incomplete title documents

As of 31 January 2026, some buildings of Lingtai Thermal Power's production facilities (such as workshops) had been constructed but had not yet completed the completion acceptance procedures, and property ownership certificates had not yet been obtained. For such unregistered properties, Lingtai Thermal Power provided planning and construction documents, declared the area based on architectural drawings, and issued a statement confirming that the ownership of the unregistered properties belongs to it. This valuation did not consider the impact of the above matters on the valuation conclusion, nor the potential impact of certificate application fees on the valuation conclusion.

(2) Guarantee matters

As of 31 January 2026, Lingtai Thermal Power had 2 guarantee contracts being performed to secure its own debts. Details are as follows:

No.	Creditor	Guarantor	Guarantee Contract Name and No.	Outstanding Guarantee Balance (RMB0'000)	Loan Period	Guarantee Method
1	Gansu Branch of China Development Bank (國家開發銀行甘肅省分行), Gansu Branch of China Construction Bank Corporation (中國建設銀行股份有限公司甘肅省分行), Pingliang Branch of Bank of Gansu Co., Ltd. (甘肅銀行股份有限公司平涼分行)	Lingtai Thermal Power	Syndicated Loan Mortgage Contract (《銀團貸款抵押合同》) No. 6212202201100000395 and "Amendment No. 1 to the RMB Fund Syndicated Loan Contract for the Longdong to Shandong UHV DC Transmission Project Supporting Expansion and Upgrade of Shandong Energy Lingtai 2×1000 MW Peak-shaving Coal Power Project" No. 6212202201100000395001	411,000	2022.10.20-2045.10.19	Mortgage of land, construction works and equipment; pledge of electricity fee collection rights formed after project construction and all proceeds thereunder (accounts receivable)

This valuation did not consider the impact of the above matters on the valuation conclusion.

14. Subsidiary – Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. ("Lingtai New Energy")

According to the information and explanation provided by Lingtai New Energy, as of 31 January 2026, Lingtai New Energy had no employees on its payroll; the actual management and operation-related work is undertaken by Lingtai Thermal Power.

For this valuation, it is assumed that Lingtai New Energy will maintain its existing management and operation model unchanged.

(XII) In this appraisal, the appraisers did not conduct technical testing of concealed works and internal structures (parts not visible to the naked eye). The valuation conclusion is reached through inspection and judgment made without the aid of any testing instruments, based on the assumption that the relevant engineering information provided by the entity holding the title is true and valid.

(XIII) This appraisal did not consider the impact on asset valuation of taxes payable in arrears on the valuation object and the assets involved, nor on transaction taxes and fees that may be payable at the time of transaction.

(XIV) The valuation conclusion of this valuation report does not consider the impact on the valuation of related costs, taxes and levies that may arise during the process of title registration or title transfer of the entrusted assets, nor does it consider the possible change in tax obligations arising from valuation increases or decreases.

Users of this report are requested to pay attention to the impact of the above special notes on the valuation conclusion.

XII. RESTRICTIONS ON USE OF THE ASSET VALUATION REPORT

(I) Scope of use

1. The user of this asset valuation report is the principal.

2. This asset valuation report may only be used for the valuation purpose and use described in the report.

3. This valuation report may only be used by the intended users of the valuation report stated in the report.

4. The validity period of the valuation conclusion is one year from the Valuation Benchmark Date. If material changes occur in asset conditions or market conditions relative to the asset condition as at the Valuation Benchmark Date during the validity period, the principal should instruct the appraisal firm to carry out an updated valuation or a fresh valuation.

5. Without the written permission of the principal, the appraisal firm and appraisal professionals shall not disclose the content of the asset valuation report to any third party or make it public, except as otherwise provided by laws and administrative regulations.

6. Without the consent of the appraisal firm, the content of the asset valuation report shall not be extracted, quoted or disclosed in public media, except as otherwise provided by laws, administrative regulations or agreed by the relevant parties.

(II) If the principal or other users of the asset valuation report fail to use the asset valuation report in accordance with laws, administrative regulations and the scope of use set out in the report, the appraisal firm and its appraisal professionals assume no liability.

(III) No other organization or individual shall be deemed a user of the asset valuation report except for the principal, other intended users stipulated in the appraisal engagement contract, and those mandated by laws and administrative regulations.

(IV) Users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation object, nor should it be considered a guarantee of such realizable price.

(V) This valuation report may only be used after being signed by the appraisers and stamped with the official seal of the valuation firm.

(VI) This valuation report is subject to review by the state-owned assets supervisory and administrative department and may be formally used only after filing.

XIII. DATE OF ASSET VALUATION REPORT

The date of the asset valuation report is 16 May 2026.

Appraiser: Fuyu WU

Appraiser: Yanbin FU

Valuation firm: Beijing Huaya Zhengxin Asset Appraisal Co., Ltd.

16 May 2026

This report is prepared under the PRC Asset Appraisal Standards

ASSET VALUATION REPORT ON THE PROPOSED ACQUISITION OF ENTIRE EQUITY INTEREST IN SHANDONG ENERGY ELECTRICITY SALES CO., LTD.（山東能源電力銷售有限公司）BY YANKUANG ENERGY GROUP COMPANY LIMITED

Hua Ya Zheng Xin Ping Bao Zi [2026] No. A16-0016
(Volume 1 of 1)

BEIJING HUAYA ZHENGXIN ASSET APPRAISAL CO., LTD.

16 May 2026

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DISCLAIMER

I. This Asset Valuation Report is prepared in accordance with the Basic Appraisal Standards issued by the Ministry of Finance and the Appraisal Practicing Standards and the Code of Ethics for Appraisal issued by the China Appraisal Society.

II. The principal or other intended users of this Asset Valuation Report shall use the report in compliance with laws, administrative regulations and the scope of use set out herein. If the principal or other intended users use the report in violation of the foregoing requirements, the Appraisal Firm and the appraisers assume no liability.

This Asset Valuation Report is intended solely for the principal, other users stipulated in the asset valuation engagement contract, and users mandated by laws and administrative regulations. No other organization or individual shall be considered a user of this report.

The appraisal firm and the appraisers hereby remind users that the valuation conclusion should be properly interpreted and used; it is neither equivalent to the realizable price of the valuation object nor should it be considered a guarantee of such realizable price.

III. The appraisal firm and the appraisers comply with laws, administrative regulations and appraisal standards, adhere to the principles of independence, objectivity and fairness, and assume legal responsibility for the report issued.

IV. The assets and liabilities under valuation are declared by the principal and the Appraised Entity and confirmed by them via signature, seal, or other legally permissible means. The principal and other relevant parties are responsible for the authenticity, completeness and legality of the information they provide.

V. The appraisal firm and the appraisers have no existing or anticipated interest in the valuation object, nor any existing or anticipated interest in or prejudice against the relevant parties.

VI. The appraisers have conducted field investigation of the valuation object and the assets involved, paid due attention to the legal ownership status of the valuation object and its assets, examined related title documents, truthfully disclosed issues identified, and urged the principal and other relevant parties to perfect the title as necessary to satisfy the requirements for issuing this report.

VII. The analyses, judgments and conclusions in this report are subject to the assumptions and limitations set out herein. Users shall pay attention to and fully consider such assumptions, limitations, special notes and their impact on the valuation conclusion.

SUMMARY OF ASSET VALUATION REPORT ON THE PROPOSED ACQUISITION OF ENTIRE EQUITY INTEREST IN SHANDONG ENERGY ELECTRICITY SALES CO., LTD.（山東能源電力銷售有限公司）BY YANKUANG ENERGY GROUP COMPANY LIMITED

Hua Ya Zheng Xin Ping Bao Zi [2026] No. A16-0016

Yankuang Energy Group Company Limited and Shandong Energy Group New Energy Group Co., Ltd.:

Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. accepts your engagement and, in compliance with applicable laws, administrative regulations and asset appraisal standards, following necessary appraisal procedures, and based on the assumptions of going concern and an open market, adopts the income approach and the asset-based approach to appraise the market value of the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date for the purpose of the proposed equity acquisition.

Purpose of appraisal: Yankuang Energy Group Company Limited intends to acquire the equity interest in Shandong Energy Electricity Sales Co., Ltd. Accordingly, it is necessary to appraise the market value of the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date, so as to provide a value reference for the aforesaid economic activity.

Valuation object: The entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date.

Valuation scope: All assets and liabilities of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date set out in its audited financial statements, including current assets, long-term equity investments, fixed assets, right-of-use assets, long-term prepaid expenses, deferred tax assets, current liabilities and non-current liabilities.

Valuation Benchmark Date: 31 January 2026.

Type of value: Market value.

Valuation conclusion:

This appraisal adopts the result of the income approach as the final valuation conclusion for the market value of the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date. The specific conclusion is as follows:

The book value of the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date was RMB830.0150 million (retaining two decimal places, the same below). Subject to the valuation assumptions, the value using the income approach is RMB845.2454 million, an appreciation of RMB15.2304 million and an appreciation rate of 1.83%.

This valuation conclusion does not reflect any premium arising from control, any discount arising from lack of control, or the impact of equity liquidity.

This valuation report serves solely as a value reference for the economic activity described herein. The validity period of the valuation conclusion is one year from the Valuation Benchmark Date. If material changes occur in the asset condition or market conditions relative to the Valuation Benchmark Date during the validity period, the principal should instruct the appraisal firm to carry out an updated valuation or a new valuation.

Users of this report should fully consider the assumptions, limiting conditions, special notes and their impact on the valuation conclusion as set out in the report.

The special matters that may affect the valuation conclusion are detailed in "Section XI SPECIAL NOTES" of the main body of this valuation report. Users of the report are advised to pay attention to their impact on the valuation conclusion.

The above is an extract from the body of the Asset Valuation Report. For full details and proper understanding of the valuation conclusion, please read the body of the Asset Valuation Report.

FULL ASSET VALUATION REPORT ON THE PROPOSED ACQUISITION OF ENTIRE EQUITY INTEREST IN SHANDONG ENERGY ELECTRICITY SALES CO., LTD.（山東能源電力銷售有限公司）BY YANKUANG ENERGY GROUP COMPANY LIMITED

Hua Ya Zheng Xin Ping Bao Zi [2026] No. A16-0016

Yankuang Energy Group Company Limited and Shandong Energy Group New Energy Group Co., Ltd.:

Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. accepts your engagement and, in compliance with laws, administrative regulations and asset appraisal standards, adhering to the principles of independence, objectivity and fairness, applying the income approach and the asset-based approach, and following necessary appraisal procedures, appraises the market value of the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at 31 January 2026 for the purpose of the proposed equity acquisition by Yankuang Energy Group Company Limited. We hereby present the appraisal as follows.

I. OVERVIEW OF THE PRINCIPAL, THE APPRAISED ENTITY AND OTHER INTENDED USERS OF THE ASSET VALUATION REPORT

The principals of this appraisal are Yankuang Energy Group Company Limited and Shandong Energy Group New Energy Group Co., Ltd. The Appraised Entity is Shandong Energy Electricity Sales Co., Ltd.

(I) Principal Profile

1. Principal A

Company name:	Yankuang Energy Group Company Limited (hereinafter, "Yankuang Energy")
Unified social credit code:	91370000166122374N
Registered address:	No. 949, Fushan South Road, Zoucheng City, Jining City, Shandong Province
Business premises:	No. 949, Fushan South Road, Zoucheng City, Jining City, Shandong Province
Legal representative:	Li Wei
Registered capital:	RMB10,039,860,402
Type:	Joint stock company with limited liability (Hong Kong/Macau/Taiwan investment, listed)

Date of establishment: 25 September 1997

Operating period: 25 September 1997 to indefinite term

Principal business scope: Permitted items: coal mining; public railway transport; road freight transport (excluding hazardous materials); port operation; installation, alteration and repair of special equipment; catering services; accommodation services; sewage treatment and recycling; heat production and supply; inspection and testing services; work safety inspection and testing; construction projects; Class I value-added telecom services; Class II value-added telecom services. General items: import and export of goods and technology; project cost consulting; investment activities with own funds; enterprise management; social and economic consulting; market survey (excluding foreign-related survey); mining machinery manufacturing and sales; machinery and equipment leasing; general equipment repair; general mechanical equipment installation services; metal material sales; mechanical and electrical equipment sales; building material sales; timber sales; manufacturing and sales of specialty chemical products (excluding hazardous chemicals); daily chemical products manufacturing; coal and coal products sales; coating manufacturing and sales (excluding hazardous chemicals); lubricating oil sales; petroleum product sales (excluding hazardous chemicals); chemical product sales (excluding licensed ones); technology services, development, consulting, exchange, transfer and promotion; non-residential real estate leasing; metal ore sales; general warehousing services (excluding hazardous chemicals etc.); landscaping; scenic area management; safety technical training for special operators; measurement technology services; corporate image planning; textile sales; plastic product sales; instrument sales; cement product sales; refractory material production and sales; labor protection product sales; office supplies sales; stationery retail; railway transport auxiliary activities; fireproof sealing material production and sales; special electronic equipment manufacturing and sales; software development; network technology services; network equipment sales; internet data services; broadcast and television transmission equipment sales; communication equipment sales; motor vehicle repair and maintenance; property management; human resources services (excluding job placement, labor dispatch); system integration services; system operation and maintenance services; industrial automatic control system device sales; digital video surveillance system sales; internet equipment sales. (Except for items subject to approvals required by the laws, business activities shall be conducted independently with the business license and in accordance with the laws)

2. Principal B

Company name:	Shandong Energy Group New Energy Group Co., Ltd. (hereinafter, "New Energy Group")
Unified social credit code:	91370100MA3WLDTG7A
Registered address:	19th Floor, J3 Tower, High-tech Wanda Plaza, No. 57-1 Gongye South Road, Jinan High-tech Zone, Jinan City, Shandong Province
Legal representative:	Li Wei
Registered capital:	RMB9,810 million
Paid-in capital:	RMB6,588.195 million
Type:	Other limited liability company
Date of establishment:	12 April 2021
Operating period:	12 April 2021 to 11 April 2081

Principal business scope: Permitted items: power generation, transmission, supply and distribution business; heat production and supply; biomass gas production and supply. General items: power facility equipment manufacturing; new energy motive equipment manufacturing; power transmission, distribution and control equipment manufacturing; emerging energy technology development; wind power generation technology services; wind farm related system development; wind farm related equipment sales; offshore wind turbine generator sales; onshore wind turbine generator sales; solar power technology services; solar thermal power product sales; solar thermal utilization product sales; photovoltaic equipment and component sales; photovoltaic equipment leasing; biomass energy technology services; biofuel processing; power generation technology services; contract energy management; engineering and technology research and development; technology services, development, consulting, exchange, transfer and promotion. (Except for items subject to approvals required by the laws, business activities shall be conducted independently with the business license and in accordance with the laws)

(II) PROFILE OF THE APPRAISED ENTITY

1. Basic information

Company name:	Shandong Energy Electricity Sales Co., Ltd. (hereinafter, "Shandong Energy Electricity Sales")
Unified social credit code:	91370100MA3C5B8J7A
Registered address:	19th Floor, Shandong Energy Tower, No. 10777 Jingshi Road, Lixia District, Jinan City, Shandong Province
Legal representative:	Tang Yong
Registered capital:	RMB792,514,200
Paid-in capital:	RMB792,514,100
Type:	Limited liability company (solely owned by a non-natural person legal entity)
Date of establishment:	8 January 2016
Operating period:	8 January 2016 to indefinite term

Principal business scope: Production and supply of electricity and heat, technical consulting and services; electricity sales; technology development, consulting and services for energy conservation and environmental protection projects; construction and operation management of power distribution networks; power engineering design and construction; sales, operation, maintenance and leasing of electrical equipment; database services; development, operation, technical consulting and services for new energy projects; contract energy management. (Items which are subject to approvals required by the laws shall be approved by the relevant authorities)

2. History and equity structure of the company

Shandong Energy Electricity Sales was established on 8 January 2016 with a registered capital of RMB200 million, which was fully subscribed by Shandong Energy Group Company Limited (hereinafter "Shandong Energy") in cash. The shareholding structure of Shandong Energy Electricity Sales at the time of its establishment was as follows:

Shareholder Name, Capital Contribution and Contribution Ratio

	Contribution		
Shareholder name	**Capital contribution** *(RMB0'000)*	**Form of contribution**	**Percentage of total registered capital**
Shandong Energy	20,000	Cash	100%
Total	**20,000**	**–**	**100%**

On 2 March 2020, Shandong Energy Group issued the Approval on Shandong Energy Electricity Sales Co., Ltd.'s Acquisition of 51% Equity Interest in Liaocheng Xiangguang Power Generation Co., Ltd. for the Development of the Liaocheng Xiangguang 2×660MW Cogeneration Project (《關於山東能源電銷售有限公司收購聊城祥光發電有限公司51%股權建設聊城祥光2×66萬千瓦熱電聯產項目的批覆》), approving an increase in the registered capital of Shandong Energy Electricity Sales by RMB592.5142 million for the acquisition of a 51% equity interest in Liaocheng Xiangguang Power Generation Co., Ltd. (聊城祥光發電有限公司) and the capital injection into Liaocheng Xiangguang Power Generation Co., Ltd.

In April 2020, Shandong Energy Group, the shareholder of Shandong Energy Electricity Sales, made a shareholder resolution to increase the registered capital from RMB200 million to RMB792.5142 million. The increased portion of the registered capital was subscribed by Shandong Energy Group in cash, with the contribution deadline being 30 June 2021.

As of the Valuation Benchmark Date, Shandong Energy Electricity Sales Co., Ltd. had a paid-in capital of RMB792.5141 million. The shareholder's name, capital contribution and contribution ratio were as follows:

Shareholder name, capital contribution and contribution ratio

Amount unit: RMB0'000

No.	**Shareholder name**	**Subscribed capital**	**Percentage of subscribed capital (%)**	**Paid-in Capital**	**Percentage of paid-in capital (%)**
1	Shandong Energy	79,251.42	100%	79,251.41	100%
Total		**79,251.42**	**100%**	**79,251.41**	**100%**

3. Management structure of the company

As at the Valuation Benchmark Date, the composition of the shareholders' meeting, board of directors, supervisory committee and executive management was as follows:

(1) Shareholders' meeting: Shandong Energy Electricity Sales has Shandong Energy Group as its sole shareholder, does not have a shareholders' meeting, and the shareholder exercises the corresponding powers.

(2) Board of directors: Shandong Energy Electricity Sales does not have a board of directors; it has one director appointed by Shandong Energy Group.

(3) Supervisory committee: Shandong Energy Electricity Sales does not have a supervisory committee or supervisor; relevant powers are exercised by internal audit and other bodies.

(4) Executive management: Shandong Energy Electricity Sales has one general manager, several deputy general managers, and one chief financial officer, all appointed by the shareholder.

4. Equity investment status

The company has two external investee units, as follows:

No.	Investee name	Abbreviation	Date of establishment	Percentage of subscribed capital (%)	Carrying amount	Business classification
1	Liaocheng Xiangguang Power Generation Co., Ltd.	Xiangguang Power Plant	2017-11-10	51	592,512,900.00	Thermal power, under construction
2	Shandong Sinengda Energy Development Co., Ltd. (山東思能達能源發展有限公司)	Sinengda	2016-12-22	51	6,120,000.00	Distributed photovoltaic
Total					**598,632,900.00**	

5. Financial position of the appraised entity for the past three years

The Valuation Benchmark Date of this project is 31 January 2026. The balance sheets of the appraised entity as at the Valuation Benchmark Date and the preceding three years are as follows:

Balance sheet for the past three years and current period (on a consolidated basis)

Amount unit: RMB

No.	Item	31 January 2026	31 December 2025	31 December 2024	31 December 2023
1	Current assets	726,457,922.11	734,713,548.02	312,854,431.65	386,123,290.61
2	Non-current assets	2,502,300,477.20	2,439,522,856.50	1,078,083,763.20	982,566,141.98
3	Including: fixed assets	22,673,933.02	22,785,337.22	23,684,470.04	24,697,885.15
4	Construction in progress	2,189,924,471.19	2,180,707,138.02	812,990,523.68	776,404,530.39
5	Right-of-use assets	3,735,603.61	3,776,208.00	4,263,460.64	4,750,713.28
6	Intangible assets	85,509,611.53	85,742,359.45	88,535,334.53	91,328,309.60
7	Goodwill	36,467,914.35	36,467,914.35	36,467,914.35	36,467,914.35
8	Long-term prepaid expenses	107,957,877.27	54,032,055.00	2,353,612.72	309,845.44
9	Deferred tax assets	55,986,066.23	55,966,844.46	45,713,047.24	48,606,943.77
10	Other non-current assets	45,000.00	45,000.00	64,075,400.00	
11	Total assets	3,228,758,399.31	3,174,236,404.52	1,390,938,194.85	1,368,689,432.59
12	Current liabilities	384,241,271.28	613,440,754.21	138,078,632.92	129,626,920.45
13	Non-current liabilities	1,616,582,897.03	1,332,932,346.54	12,492,919.27	16,836,848.64
14	Total liabilities	2,000,824,168.31	1,946,373,100.75	150,571,552.19	146,463,769.09
15	Total equity	1,227,934,231.00	1,227,863,303.77	1,240,366,642.66	1,222,225,663.50
16	Including: Equity attributable to owners of the parent	757,492,978.74	757,431,011.08	758,219,054.08	744,391,380.09

Balance sheet for the past three years and current period (on a parent company basis)

Amount unit: RMB

No.	Item	31 January 2026	31 December 2025	31 December 2024	31 December 2023
1	Current assets	240,115,930.89	241,461,405.60	228,543,546.51	219,176,646.59
2	Non-current assets	60,525.48	60,487.46	60,439.56	60,431.70
3	Including: long-term equity investments	598,632,900.00	598,632,900.00	598,632,900.00	598,632,900.00
4	Fixed assets	882,176.89	902,335.16	672,405.20	355,202.64
5	Right-of-use assets	3,735,603.61	3,776,208.00	4,263,460.64	4,750,713.28
6	Long-term prepaid expenses	88,527.27	97,380.00	203,612.72	309,845.44
7	Deferred tax assets	977,768.10	986,763.53	1,102,197.95	1,206,222.53
8	Total assets	844,432,906.76	845,856,992.29	833,418,123.02	824,431,530.48
9	Current liabilities	7,994,636.19	9,423,690.61	7,518,246.04	7,206,039.67
10	Non-current liabilities	6,423,242.21	6,470,915.72	7,342,919.27	8,006,848.64
11	Total liabilities	14,417,878.40	15,894,606.33	14,861,165.31	15,212,888.31
12	Total equity	830,015,028.36	829,962,385.96	818,556,957.71	809,218,642.17

Income statement of the appraised entity for the past three years and current period (on a consolidated basis)

Amount unit: RMB

No.	Item	January 2026	2025	2024	2023
1	Revenue	1,388,960.00	48,015,849.35	32,663,551.62	27,497,149.95
	Less: Cost of sales	353,647.41	9,100,159.66	8,467,781.49	11,669,858.95
	Taxes and surcharges	145,026.34	2,270,663.43	2,131,883.89	1,970,908.37
	Selling expenses				
	Administrative expenses	904,066.55	61,047,147.77	10,451,238.28	13,031,693.40
	Research and development expenses	17,556.55	5,570,860.94	2,064,908.17	
	Financial expenses	-78,780.88	-2,173,378.85	-1,737,487.72	-2,161,121.75
	Add: Other income		1,961.39	2,236.82	4,264.28
	Investment income			143,081.76	3,637,185.46
	Credit impairment losses		10,559,322.46	12,525,227.64	27,392.33
	Asset impairment losses				
2	Operating profit	47,444.03	-17,238,319.75	23,955,773.73	6,654,653.05
	Add: Non-operating income		0.10		
	Less: Non-operating expenses				
3	Profit before tax	47,444.03	-17,238,319.65	23,770,684.90	6,654,653.05
	Less: Income tax expenses	-10,110.45	-4,692,652.32	5,753,380.14	1,701,594.16
4	Net profit	57,554.48	-12,545,667.33	18,017,304.76	4,953,058.89
	Including: Net profit attributable to owners of the parent	55,147.56	-809,630.50	13,764,600.05	7,438,351.47

Income statement of the appraised entity for the past three years and current period (on a parent company basis)

Amount unit: RMB

No.	Item	January 2026	2025	2024	2023
1	Revenue	1,111,431.64	36,343,062.06	30,252,602.35	23,374,667.86
	Less: Cost of sales	204,038.78	7,654,053.74	7,326,909.16	10,352,889.72
	Taxes and surcharges		571,080.75	443,309.63	281,651.01
	Selling expenses				
	Administrative expenses	904,066.55	10,353,449.82	10,451,238.28	6,056,262.71
	Research and development expenses	17,556.55	5,570,860.94	2,064,908.17	
	Financial expenses	-78,800.88	-2,349,962.30	-2,128,410.33	-3,086,607.67
	Add: Other income		1,961.39	2,236.82	4,264.28
	Investment income			143,081.76	3,637,185.46
	Credit impairment losses		39,621.49	11,314.15	27,392.33
	Asset impairment losses				
2	Operating profit	64,570.64	14,585,161.99	12,251,280.17	13,439,314.16
	Add: Non-operating income		0.10		
	Less: Non-operating expenses				
3	Profit before tax	64,570.64	14,585,162.09	12,251,217.09	13,439,314.16
	Less: Income tax expenses	11,928.24	3,179,733.84	2,912,901.55	3,414,229.61
4	Net profit	52,642.40	11,405,428.25	9,338,315.54	10,025,084.55

The above financial statements have been audited by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership), which issued an unqualified audit report. The audit report number is Zhong Tian Heng Shen Zi[2026] No. 1309.

6. Overall Operating Situation of the Appraised Entity

Shandong Energy Electricity Sales is a specialized electricity sales company under New Energy Group. Its principal business is focused on electricity volume retail agency trading within Shandong Province, i.e., acting as an agent for electricity users in Shandong Province to participate in the Shandong provincial electricity spot market. The subject matter of the business is electric energy (wholesale/retail), with trading taking place 24 hours a day. The main agency users are entities owned by Shandong Energy Group.

Since the official launch of the Shandong provincial electricity spot market, Shandong Energy Electricity Sales has demonstrated outstanding performance in the electricity sales business sector within Shandong Province. The number of customers served annually (including related enterprises within Shandong Energy Group and retail electricity users in Shandong Province) and the scale of electricity volume transacted have consistently ranked among the top in the electricity sales industry in Shandong Province. In the latest credit assessment of electricity sales companies conducted by the Shandong Power Trading Center, it was rated as an A-grade credit unit.

In March 2023, Shandong Energy Electricity Sales entered into the *Market Entry Agreement for Market Participants* (《市場主體入市協議》) (Agreement No. SDR2022008659) with Shandong Electric Power Trading Center Co., Ltd. to join the Shandong Electric Power Trading Center platform and engage in agency trading of spot electricity. As of the date of this report, the company has completed the public notification of business continuity on the trading platform for 2026.

7. Principal Accounting Policies Adopted

(1) Accounting period

The accounting year runs from 1 January to 31 December on the Gregorian calendar.

(2) Functional currency

The functional currency is Renminbi (RMB).

(3) Basis of accounting and measurement principles

The accounting records are prepared on an accrual basis. Except for certain financial instruments and investment properties, the financial statements are measured at historical cost. If an asset is impaired, a corresponding impairment provision is recognized in accordance with relevant provisions.

(4) Receivables

The Group assesses credit risk individually for receivables with significantly different credit risk profiles, such as receivables in dispute or involved in litigation or arbitration; receivables where there is clear evidence that the debtor is likely unable to fulfil its repayment obligations, etc.

Apart from receivables whose credit risk is assessed individually, the Group classifies receivables into different groups based on shared credit risk characteristics and assesses credit risk on a portfolio basis.

① Accounts receivable

For accounts receivable that do not contain a significant financing component, the Group measures loss allowances at an amount equal to the expected credit losses over the entire lifetime of the asset.

For accounts receivable and lease receivables that contain a significant financing component, the Group chooses to always measure loss allowances at an amount equal to the expected credit losses over the entire lifetime. It does not adopt the simplified approach; rather, depending on whether the credit risk has increased significantly since initial recognition, it measures loss allowances at an amount equal to 12-month expected credit losses or expected credit losses over the entire lifetime.

Apart from accounts receivable whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into the following portfolios:

Item	Basis for determining the portfolio
accounts receivable:	
Portfolio 1	Amounts due from internal related entities, low-risk entities.
Portfolio 2	Aging of accounts receivable as a credit risk characteristic

② *Receivables financing*

Notes receivable measured at fair value through other comprehensive income with a maturity of one year or less (including one year) from initial recognition are presented as receivables financing. The Group measures impairment losses using expected credit losses over the entire lifetime.

Apart from receivables financing whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into the following portfolios:

Item	Basis for determining the portfolio
Portfolio 1	Bank acceptance bills

③ *Other receivables*

Based on whether the credit risk of other receivables has increased significantly since initial recognition, the Group measures impairment losses at an amount equal to 12-month expected credit losses or expected credit losses over the entire lifetime. Apart from other receivables whose credit risk is assessed individually, based on their credit risk characteristics, they are divided into the following portfolios:

Item	Basis for determining the portfolio
Portfolio 1	Amounts due from related parties, deposits, petty cash, mortgage deposits, etc.
Portfolio 2	Aging of the receivables as a credit risk characteristic

(5) Inventories

Inventories mainly comprise low-value consumable supplies, etc.

Inventories are measured at actual cost when acquired, where cost includes purchase cost, processing cost and other costs. When issued or consumed, they are priced using the weighted average method.

(6) Long-term equity investments

Long-term equity investments refer to investments in investees over which the Group has control, joint control or significant influence. Investments in investees under which the Group has no control, joint control or significant influence are accounted for as financial assets at fair value through profit or loss.

However, for those that are non-trading, such investments may, upon initial recognition, be designated as financial assets at fair value through other comprehensive income.

Joint control means the contractually agreed sharing of control over an arrangement by the Group, where decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence means the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

1) Determination of investment cost

For long-term equity investments acquired through a business combination under common control, at the combination date, the initial investment cost is the share of the carrying amount of the acquiree's equity in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of the long-term equity investment and the sum of the cash paid, the carrying amount of the non-cash assets transferred and the carrying amount of the liabilities assumed is adjusted to capital reserves; if capital reserves are insufficient to absorb the reduction, retained earnings are adjusted. Where equity securities are issued as consideration for the combination, at the combination date, the initial investment cost of the long-term equity investment is the share of the carrying amount of the acquiree's equity in the consolidated financial statements of the ultimate controlling party, and the total par value of the shares issued is recorded as share capital; the difference between the initial investment cost of the long-term equity investment and the total par value of the shares issued is adjusted to capital reserves; if capital reserves are insufficient to absorb the reduction, retained earnings are adjusted. Where the equity interest in the acquiree under common control is obtained in stages through multiple transactions, ultimately resulting in a business combination under common control, it should be determined whether the transactions constitute a "package transaction" and accounted for accordingly: if they constitute a "package transaction", the transactions are accounted for as a single transaction in which control is obtained. If they do not constitute a "package transaction", at the combination date, the initial investment cost of the long-term equity investment is the share of the carrying amount of the acquiree's equity in the consolidated financial statements of the ultimate controlling party; the difference between the initial investment cost of the long-term equity investment and the sum of the carrying amount of the long-term equity investment held before the combination and the carrying amount of the new consideration paid for the further acquisition of shares at the combination date is adjusted to capital reserves; if capital reserves are insufficient to absorb the reduction, retained earnings are adjusted. Other comprehensive income recognized in respect of

equity investments held before the combination date that were accounted for using the equity method or as financial assets at fair value through other comprehensive income is not accounted for temporarily.

For long-term equity investments acquired through a business combination not under common control, at the acquisition date, the initial investment cost is the combination cost, which is the sum of the fair values of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. Where the equity interest in the acquiree is obtained in stages through multiple transactions, ultimately resulting in a business combination not under common control, it should be determined whether the transactions constitute a "package transaction" and accounted for accordingly: if they constitute a "package transaction", the transactions are accounted for as a single transaction in which control is obtained. If they do not constitute a "package transaction", the initial investment cost of the long-term equity investment accounted for using the cost method is the sum of the carrying amount of the original equity investment in the acquiree and the cost of the additional investment. Where the original equity investment was accounted for using the equity method, the other comprehensive related income is not accounted for temporarily.

Incidental expenses such as audit, legal services, valuation and consultancy, and other related administrative expenses incurred by the combining party or the acquirer for the business combination are recognized in profit or loss for the period when incurred.

For equity investments other than those arising from a business combination, the initial measurement is at cost. Such cost is determined based on, as the case may be, the cash purchase price actually paid by the Group, the fair value of the equity securities issued by the Group, the value stipulated in the investment contract or agreement, the fair value or the original carrying amount of the assets given up in a non-monetary asset exchange transaction, or the fair value of the long-term equity investment itself, depending on the method of acquisition. Costs, taxes and other necessary expenses directly attributable to the acquisition of the long-term equity investment are also included in the investment cost. Where additional investment enables the Group to have significant influence over or joint control of the investee without constituting control, the cost of the long-term equity investment is the sum of the fair value of the original equity investment determined in accordance with ASBE 22 – Recognition and Measurement of Financial Instruments (《企業會計準則第22號—金融工具確認和計量》) and the additional investment cost.

2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in investees over which the Group has joint control (other than those constituting joint operations) or significant influence are accounted for using the equity method. In addition, in the Group's financial statements, long-term equity investments in investees over which the Group has control are accounted for using the cost method.

① Long-term equity investments accounted for using the cost method

Under the cost method, long-term equity investments are measured at initial investment cost. The cost is adjusted for additional investment or recoveries of investment. Investment income is recognized when the investee declares cash dividends or profit distributions, except for cash dividends or profits that are already included in the price actually paid or the consideration given at the time of investment.

② Long-term equity investments accounted for using the equity method

Under the equity method, if the initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of investment, no adjustment is made; if the initial investment cost is less than that share, the difference is recognized in profit or loss and the carrying amount of the investment is increased.

Under the equity method, the Group's share of the investee's net profit or loss and other comprehensive income is recognized as investment income and other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. Distributions of profit or cash dividends declared by the investee reduce the carrying amount. Changes in the investee's other equity (other than those arising from net profit or loss, other comprehensive income and profit distributions) are recognized in capital reserves with a corresponding adjustment to the carrying amount of the investment. When recognizing the Group's share of the investee's net profit or loss, adjustments are made based on the fair values of the investee's identifiable assets at the acquisition date. If the accounting policies and accounting period of the investee differ from those of the Group, adjustments are made to the investee's financial statements accordingly. For transactions between the Group and its associates or joint ventures, where the assets contributed or sold do not constitute a business, the unrealized internal transaction profit or loss is eliminated to the extent of the Group's proportionate interest, and the investment profit or loss is recognized on that basis. However, unrealized internal transaction losses arising from asset impairment losses are not eliminated. If the assets contributed by the Group to a joint venture or associate constitute a business, and the Group obtains long-term equity

investment without obtaining control, the fair value of the business contributed is used as the initial investment cost of the additional long-term equity investment, and the difference between the initial investment cost and the carrying amount of the business contributed is fully recognized in profit or loss for the period. If the assets sold by the Group to a joint venture or associate constitute a business, the difference between the consideration received and the carrying amount of the business is fully recognized in profit or loss for the period. If the assets purchased by the Group from a joint venture or associate constitute a business, they are accounted for in accordance with ASBE 20 – Business Combinations (《企業會計準則第20號—企業合併》), and the gains or losses related to the transaction are fully recognized.

In recognizing the Group's share of the investee's net losses, the carrying amount of the long-term equity investment is reduced to zero, together with any other long-term interests that in substance form part of the Group's net investment in the investee. Furthermore, if the Group has an obligation to bear additional losses, it recognizes a provision for the estimated obligation and charges it to investment loss for the period. If the investee subsequently generates net profit, the Group resumes recognizing its share of the profit only after its share of the profit compensates for its share of losses not previously recognized.

③ Acquisition of minority interests

In the preparation of the consolidated financial statements, the difference between the carrying amount of the additional long-term equity investment arising from the acquisition of minority interests and the share of the subsidiary's net assets determined on a going-concern basis from the acquisition date (or combination date) attributable to the additional interest acquired is adjusted to capital reserves; if capital reserves are insufficient to absorb the reduction, retained earnings are adjusted.

(7) Fixed assets

1) Recognition criteria

Fixed assets are tangible assets held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, with useful lives of more than one accounting year. Fixed assets are recognized only when it is probable that future economic benefits associated with the assets will flow to the Group and the cost of the assets can be measured reliably. Fixed assets are initially measured at cost, taking into account the effect of any expected decommissioning obligations.

2) Depreciation methods for major categories of fixed assets

Depreciation is provided monthly from the month following the date when the asset is ready for its intended use over its useful life. The useful lives, estimated residual value rates and annual depreciation rates for each category of fixed assets are as follows:

Category	Depreciation method	Useful life (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	5.00-40.00	0.00	2.50-20.00
Machinery and equipment	Straight-line method	5.00-30.00	0.00	4.85-20.00
Transportation vehicles	Straight-line method	4.00-10.00	0.00	10.00-25.00
Electronic equipment	Straight-line method	3.00-5.00	0.00	20.00-33.33
Office equipment	Straight-line method	5.00-8.00	0.00	10.00-33.33
Others	Straight-line method	3.00-8.00	0.00	12.50-33.33

The estimated residual value is the estimated amount currently obtainable from disposal of the asset after deducting estimated disposal costs, assuming the asset is already of the age and in the condition expected at the end of its useful life.

(8) Taxation

Principal taxes and tax rates

Tax	Specific rate/arrangement
Value-added tax (VAT)	13, 6
Urban maintenance and construction tax	7, 5
Education surcharge	3
Local education surcharge	2
Corporate income tax	25, 20

(III) RELATIONSHIP BETWEEN THE PRINCIPALS AND THE APPRAISED ENTITY

As at the Valuation Benchmark Date, principal A – Yankuang Energy Group Company Limited – has no equity relationship or administrative subordination relationship with the appraised entity; the principal intends to acquire an equity interest in the appraised entity, i.e., they are in an acquiring/acquired relationship. Principal B is the managing party of the appraised entity.

(IV) INTENDED USERS OF THE ASSET VALUATION REPORT AS STIPULATED IN THE APPRAISAL ENGAGEMENT CONTRACT

The intended user of this report is the principal. No other intended users are specified in the appraisal engagement contract.

II. VALUATION PURPOSE

Yankuang Energy Group Company Limited intends to acquire the equity interest in Shandong Energy Electricity Sales Co., Ltd. Accordingly, it is necessary to appraise the market value of the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date, so as to provide a value reference for the aforesaid economic activity.

This economic act has been approved by the General Manager's Office Meeting of Shandong Energy Group Co., Ltd., and the *Minutes of the General Manager's Office Meeting of Shandong Energy Group Co., Ltd.* (《山東能源集團有限公司總經理辦公會會議紀要》) ([2025] No. 24) was issued.

III. VALUATION OBJECT AND SCOPE

(I) Valuation object

Based on the purpose of this appraisal, the valuation object is the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date.

(II) Valuation scope

1. The valuation scope comprises all assets and related liabilities of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date, specifically including: current assets, long-term equity investments, fixed assets, right-of-use assets, long-term prepaid expenses, deferred tax assets, current liabilities and non-current liabilities. The total assets carry an amount of RMB844,432,906.76, total liabilities amount to RMB14,417,878.40, and total equity amounts to RMB830,015,028.36. The carrying amounts of each category of assets and liabilities are as follows:

Amount unit: RMB

No.	Item	Carrying amount
1	Current assets	240,115,930.89
2	Non-current assets	604,316,975.87
3	Including: Long-term equity investments	598,632,900.00
4	Fixed assets	882,176.89
5	Right-of-use assets	3,735,603.61
6	Long-term prepaid expenses	88,527.27
7	Deferred tax assets	977,768.10
8	Total assets	844,432,906.76
9	Current liabilities	7,994,636.19
10	Non-current liabilities	6,423,242.21
11	Total liabilities	14,417,878.40
12	Net assets (total equity)	830,015,028.36

The above carrying amounts of assets and liabilities as at the Valuation Benchmark Date have been audited by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership), which issued an unqualified audit report. The audit report number is Zhong Tian Heng Shen Zi[2026] No. 1309.

The entrusted valuation object and scope are consistent with those involved in this economic activity.

2. Types and quantities of off-balance sheet assets declared by the enterprise

The off-balance sheet assets declared by the enterprise comprise 5 patents and 10 software copyrights. The specific information is as follows:

Authorization announcement number/ Registration number	Name and description of the intangible asset	Type	Ownership status	Application/ obtainment date
CN120689049A	A data security protection method for electricity trading	Invention patent (under substantive examination)	Under examination	23 September 2025
CN120013146B	A machine learning-based optimal dispatching method for virtual power plants	Granted invention patent	Published	17 January 2025
CN119787320B	A big data-based load forecasting system for virtual power plants	Granted invention patent	Published	18 December 2024
CN219321233U	An anti-false connection structure for electrical switches	Utility model	Valid granted	5 January 2023
CN219285248U	An electrical test wire connector	Utility model	Valid granted	9 February 2023
2025SR2166558	Big data intelligent analysis and strategy generation system for electricity trading	Software copyright		6 November 2025
2025SR1469587	Electricity trading cost analysis and management system	Software copyright		6 August 2025
2025SR1457392	Electricity trading market trend analysis system	Software copyright		5 August 2025
2025SR0562212	Virtual power plant demand response regulation platform system	Software copyright		2 April 2025
2025SR0562192	Smart power remote control application platform system software	Software copyright		2 April 2025
2025SR0560353	Distributed resource control system for virtual power plant access	Software copyright		2 April 2025
2025SR0256361	Electricity trading market quotation analysis and decision-making system	Software copyright		14 February 2025

Authorization announcement number/ Registration number	Name and description of the intangible asset	Type	Ownership status	Application/ obtainment date
2025SR0259057	Electricity price forecasting super dataset engine system	Software copyright		14 February 2025
2025SR0258849	Electricity trading settlement data management tool system	Software copyright		14 February 2025
2024SR2214270	Shandong Energy virtual power plant smart regulation and control platform	Software copyright		27 December 2024

3. Reference to conclusions of reports issued by other institutions

The carrying amounts of assets and liabilities as at the Valuation Benchmark Date used in this report are sourced from the audit report issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership). Apart from this, no other institutional reports have been referenced.

IV. TYPE OF VALUE

In accordance with the purpose of this appraisal, the type of value of the valuation object is determined to be market value.

Market value refers to the estimated amount for which the valuation object could be exchanged on the Valuation Benchmark Date between a willing buyer and a willing seller in an arm's length transaction, wherein both parties had each acted knowledgeably, and without compulsion.

V. VALUATION BENCHMARK DATE

The Valuation Benchmark Date is 31 January 2026.

The Valuation Benchmark Date was determined by the principal. The determination of the Valuation Benchmark Date primarily took into account the following factors:

1. The selected Valuation Benchmark Date should be as close as possible to the date on which the valuation purpose is to be realized, so that the valuation conclusion can more reasonably serve the valuation purpose;

2. The Valuation Benchmark Date is chosen to be at the end of an accounting period and consistent with the audit cut-off date, which enables a more comprehensive and complete reflection of the carrying amounts of the assets and liabilities subject to valuation, and facilitates the verification of assets and other work.

VI. VALUATION BASIS

The specific economic conduct bases, legal bases, standard bases, title bases and pricing bases followed in this appraisal are as follows:

(I) Bases of economic conduct

1. the *Minutes of the General Manager's Office Meeting of Shandong Energy Group Co., Ltd.*《山東能源集團有限公司總經理辦公會會議紀要》([2025] No. 24)

(II) Legal bases

1. Company Law of the People's Republic of China (revised for the second time at the 7th Session of the Standing Committee of the 14th National People's Congress on 29 December 2023);

2. Asset Valuation Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);

3. Civil Code of the People's Republic of China (adopted at the 3rd Session of the 13th National People's Congress on 28 May 2020);

4. Enterprise State-owned Assets Law of the People's Republic of China (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);

5. Securities Law of the People's Republic of China (revised for the second time at the 15th Session of the Standing Committee of the 13th National People's Congress on 28 December 2019);

6. Urban Real Estate Administration Law of the People's Republic of China (revised for the third time on 26 August 2019 in accordance with the Decision of the Standing Committee of the 13th National People's Congress at its 12th Session on Amending the Land Administration Law of the People's Republic of China and the Urban Real Estate Administration Law of the People's Republic of China (《關於修改〈中華人民共和國土地管理法〉、〈中華人民共和國城市房地產管理法〉的決定》);

7. Land Administration Law of the People's Republic of China (revised for the third time on 26 August 2019 in accordance with the Decision of the Standing Committee of the 13th National People's Congress at its 12th Session on Amending the Land Administration Law of the People's Republic of China and the Urban Real Estate Administration Law of the People's Republic of China (《關於修改〈中華人民共和國土地管理法〉、〈中華人民共和國城市房地產管理法〉的決定》);

8. Vehicle Purchase Tax Law of the People's Republic of China (adopted at the 7th Session of the Standing Committee of the 13th National People's Congress on 29 December 2018);

9. Enterprise Income Tax Law of the People's Republic of China (second revision at the 7th Session of the Standing Committee of the 13th National People's Congress on 29 December 2018);

10. Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China (promulgated by State Council Order No. 512 on 6 December 2007, revised for the second time on 6 December 2024 in accordance with the Decision of the State Council on Amending and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》);

11. Financial Supervision and Administration Measures for the Asset Valuation Industry (Ministry of Finance Order No. 86, amended by Ministry of Finance Order No. 97 on 2 January 2019);

12. Administrative Measures for the Appraisal of State-owned Assets (State Council Order No. 91 of 1991), (revised on 29 November 2020 in accordance with the Decision of the State Council on Amending and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》);

13. Provisions on Certain Issues Concerning the Administration of State-owned Assets Appraisal (Ministry of Finance Order No. 14 in 2001);

14. Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (promulgated by State Council Order No. 378 on 27 May 2003, amended in accordance with the Decision of the State Council on Amending Certain Administrative Regulations (《國務院關於修改部分行政法規的決定》) promulgated by State Council Order No. 709 on 2 March 2019);

15. Interim Measures for the Administration of Appraisal of State-owned Assets of Enterprises (SASAC Order No. 12, 25 August 2005);

16. Notice on Strengthening the Administration of Appraisal of State-owned Assets of Enterprises (SASAC Asset Rights [2006] No. 274);

17. Notice on Matters Concerning the Review of State-owned Enterprise Asset Appraisal Reports (SASAC Asset Rights [2009] No. 941);

18. Guidelines for the Filing of State-owned Enterprise Asset Appraisal Projects (SASAC Asset Rights [2013] No. 64);

19. Measures for the Supervision and Administration of State-owned Enterprise Asset Transactions (SASAC & MOF Order No. 32, 24 June 2016);

20. Supplementary Notice on the Administrative Measures for the Filing of State-owned Asset Appraisal Projects (MOF Assets [2017] No. 70);

21. Circular of Shandong Provincial SASAC on Issuing the Interim Measures for the Administration of Appraisal of State-owned Assets of Provincial Enterprises (Lu Guo Zi Chan Quan [2023] No. 4);

22. Circular of Shandong Provincial SASAC on Issuing the Key Points for the Review of Appraisal Reports of State-owned Assets of Provincial Enterprises (Lu Guo Zi Chan Quan [2023] No. 5);

23. Copyright Law of the People's Republic of China (third revision on 11 November 2020 in accordance with the Decision of the 23rd Session of the Standing Committee of the 13th National People's Congress on Amending the Copyright Law of the People's Republic of China (《關於修改〈中華人民共和國著作權法〉的決定》);

24. Trademark Law of the People's Republic of China (fourth revision on 23 April 2019 in accordance with the Decision of the Standing Committee of the 10th Session of the Standing Committee of the 13th National People's Congress on Amending Eight Laws including the Construction Law of the People's Republic of China (《關於修改〈中華人民共和國建築法〉等八部法律的決定》);

25. Patent Law of the People's Republic of China (fourth revision on 17 October 2020 in accordance with the Decision of the Standing Committee of the 22nd Session of the Standing Committee of the 13th National People's Congress on Amending the Patent Law of the People's Republic of China (《關於修改〈中華人民共和國專利法〉的決定》);

26. Notice on Several Issues Concerning the Strengthening of the Administration of Intellectual Property Asset Appraisal (MOF Enterprise [2006] No. 109);

27. Notice MOF, the National Financial Regulatory Administration, the China National Intellectual Property Administration and the National Copyright Administration on Further Regulating Certain Issues Concerning Intellectual Property Asset Appraisal (MOF Assets [2025] No. 128);

28. Deed Tax Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 13th National People's Congress on 11 August 2020);

29. Urban Maintenance and Construction Tax Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 13th National People's Congress on 11 August 2020);

30. Stamp Duty Law of the People's Republic of China (adopted at the 29th Session of the Standing Committee of the 13th National People's Congress on 10 June 2021);

31. Value-added Tax Law of the People's Republic of China (adopted at the 13th Session of the Standing Committee of the 14th National People's Congress on 25 December 2024, effective from 1 January 2026);

32. Implementing Regulations of the Value-added Tax Law of the People's Republic of China (State Council Order of PRC No. 826);

33. Notice on Several Issues Concerning the Implementation of the Value-added Tax Transformation Reform Nationwide (Cai Shui [2008] No. 170);

34. Notice of the Ministry of Finance and the State Administration of Taxation on Comprehensively Promoting the Pilot Program of Replacing Business Tax with Value-added Tax (Cai Shui [2016] No. 36);

35. Announcement on Policies for Deepening Value-added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs);

36. Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policy of Pre-tax Additional Deduction of Research and Development Expenses (Cai Shui [2015] No. 119);

37. Announcement of the Ministry of Finance and the State Administration of Taxation on Further Improving the Pre-tax Additional Deduction Policy for Research and Development Expenses (Announcement No. 7 [2023] of the Ministry of Finance and the State Administration of Taxation);

38. Announcement No. 15 [2019] of the People's Bank of China (25 August 2019);

39. Other relevant laws, regulations, and notices.

(III) Appraisal Standard Bases

1. Basic Standards for Asset Valuation (Cai Zi [2017] No. 43);

2. Code of Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);

3. Asset Valuation Practice Standards – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);

4. Asset Valuation Practice Standards – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);

5. Asset Valuation Practice Standards – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);

6. Asset Valuation Practice Standards – Asset Valuation Engagement Contracts (Zhong Ping Xie [2017] No. 33);

7. Asset Valuation Practice Standards – Utilizing the Work of Experts and Related Reports (Zhong Ping Xie [2017] No. 35);

8. Asset Valuation Practice Standards – Business Valuation (Zhong Ping Xie [2018] No. 38);

9. Asset Valuation Practice Standards – Intangible Assets (Zhong Ping Xie [2017] No. 37);

10. Asset Valuation Practice Standards – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);

11. Asset Valuation Practice Standards – Asset Valuation Methods (Zhong Ping Xie [2019] No. 35);

12. Asset Valuation Practice Standards – Intellectual Property (Zhong Ping Xie [2023] No. 14);

13. Guidelines for the Valuation Report on State-owned Enterprise Assets (Zhong Ping Xie [2017] No. 42);

14. Guidelines for Quality Control of Asset Valuation Firms (Zhong Ping Xie [2017] No. 46);

15. Guidance on the Types of Value in Asset Valuation (Zhong Ping Xie [2017] No. 47);

16. Guidance on the Legal Title of the Asset Valuation Object (Zhong Ping Xie [2017] No. 48);

17. Guidance on Patent Asset Valuation (Zhong Ping Xie [2017] No. 49);

18. Guidance on Copyright Asset Valuation (Zhong Ping Xie [2017] No. 50);

19. Application Guidance on Regulatory Rules – Valuation Category No. 1;

20. Application Guidance on Regulatory Rules – Valuation Category No. 2.

(IV) Title Bases

1. State-owned land use certificates or real estate title certificates (or land use right grant contracts and payment vouchers);

2. State-owned construction land approval certificates;

3. Land use planning permits;

4. Construction project planning permits;

5. Construction project commencement permits;

6. Construction project construction permits;

7. Patent certificates;

8. Computer software registration certificates;

9. Motor vehicle driving permits and motor vehicle registration certificates;

10. Equipment purchase contracts and payment vouchers;

11. Explanatory letters provided by the principal (or relevant parties);

12. Other relevant title documents.

(V) Pricing Bases

1. Relevant project budget and final account information provided by the enterprise;

2. Statistical information on the payment progress of construction in progress and relevant payment vouchers provided by the enterprise;

3. Updated benchmark land price results for the city where the land is located;

4. Mandatory Standards for Vehicle Retirement (Order No. 12 [2012] of the Ministry of Commerce, NDRC, Ministry of Public Security and Ministry of Environmental Protection);

5. Common Methods and Parameter Manual for Asset Valuation (Machinery Industry Press);

6. RMB benchmark exchange rate as at 31 January 2026 published by the State Administration of Foreign Exchange;

7. Loan Prime Rate (LPR) (20 January 2026) published by the People's Bank of China;

8. Audit reports and financial statements for prior years and as at the Valuation Benchmark Date provided by the enterprise;

9. Profit forecast statements approved by the Company's management;

10. Future business development plans and measures provided by the enterprise;

11. Feasibility study reports, project investment estimates and design estimates provided by the appraised entity;

12. Current and future market forecast information for the main products provided by the enterprise;

13. Project contracting agreements entered into between the enterprise and relevant parties;

14. Information collected by appraisers through due diligence and on-site investigation;

15. Relevant valuation information collected by appraisers from various government departments, professional websites, and publications;

16. Other information related to this asset valuation.

(VI) Other Reference Bases

1. Appraisal engagement contract;

2. Asset valuation declaration schedules provided by the enterprise;

3. Income approach valuation forecast schedules provided by the enterprise;

4. Explanatory Notes on Matters Concerning the Asset Valuation provided by the enterprise;

5. Audit report issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership);

6. Tonghuashun iFinD (同花顺iFinD) database.

VII. VALUATION METHODS

(I) Selection of valuation methods

The main methods for enterprise valuation are the asset-based approach, the income approach and the market approach.

The asset-based approach in enterprise valuation refers to a valuation method that determines the value of the valuation object by reasonably assessing the value of all assets and liabilities (both on-balance sheet and off-balance sheet) of the appraised entity based on its balance sheet as at the Valuation Benchmark Date.

The income approach in enterprise valuation refers to a valuation method that determines the value of the valuation object by capitalizing or discounting the expected future income of the appraised entity. The commonly used specific methods under the income approach include the dividend discount model and the discounted cash flow model.

The market approach in enterprise valuation refers to a valuation method that determines the value of the valuation object by comparing it to comparable listed companies or comparable arm's length transactions. The two commonly used specific methods under the market approach are the listed company comparison method and the transaction case comparison method.

In accordance with the Asset Valuation Practice Standards – Business Valuation, in performing a business valuation engagement, the appraisers should, based on the valuation purpose, valuation object, type of value, data availability, and other circumstances, analyze the applicability of the three basic methods (income approach, market approach and asset-based approach) and select the valuation method(s).

Based on the valuation purpose, valuation object, type of value, data availability, and the applicable conditions of the three basic valuation methods, this appraisal adopts the income approach and the asset-based approach.

It is difficult to find three or more comparable enterprises listed on domestic stock exchanges that are similar to the valuation object in terms of business structure, scale, market position, asset allocation and usage, growth potential and risk. Therefore, the listed company comparison method is not suitable for this appraisal. In recent years, domestic corporate acquisition activities have become increasingly frequent. However, the specific terms and conditions affecting transaction prices associated with the acquisition cases are subject to data availability constraints, and the acquisition cases differ from the valuation object in terms of business structure. Furthermore, it is considered that the transaction case comparison method may not be able to fully

account for the impact of various adjustment factors on the overall value. Therefore, this project is not suitable for the transaction case comparison method. Accordingly, this appraisal did not select the market approach.

Based on Shandong Energy Electricity Sales's historical operating records and forecast information for future operations, it is expected that the entity will continue to operate and develop stably, and the expected future earnings arising from its overall profit-generating capacity can be objectively estimated. Therefore, the income approach is adopted for this appraisal.

Based on the audited financial statements as at the Valuation Benchmark Date, the assets and liabilities entrusted for valuation by Shandong Energy Electricity Sales are clearly defined and can be verified and assessed item by item using financial information, construction/ acquisition records and on-site inspection. Therefore, the asset-based approach is adopted for this appraisal.

(II) Asset-based approach

The asset-based approach refers to a valuation method that determines the value of the valuation object by reasonably assessing the value of all assets and liabilities (both on-balance sheet and off-balance sheet) of the appraised entity based on its balance sheet as at the Valuation Benchmark Date.

The valuation methods for the various assets and liabilities are as follows:

1. Current assets

The current assets within the valuation scope include monetary funds, accounts receivable, prepayments, other receivables, and other current assets.

(1) Monetary funds

Monetary funds consist of bank deposits.

The assessed value of monetary funds is determined based on verified amounts through verification of bank statements, bank confirmations and other procedures.

(2) Accounts receivable

Various accounts receivable is verified by comparing ledgers and account statements, sending confirmations, and sampling vouchers to ascertain the time, economic matter and cause of each amount, the basic situation of the debtor, etc. Based on the verified amount, the valuation is determined according to the amount likely to be recovered for each amount. For amounts with sufficient justification that they can be fully recovered, the valuation is calculated at the full amount. For amounts where partial non-recovery is likely, where it is difficult to determine the amount of the

non-recoverable portion, historical data and information obtained from on-site investigation are used to analyze the age and reason of the debt, the collection status, the debtor's funds, creditworthiness and current management, etc., to estimate the portion likely to be unrecoverable as a risk loss using the individual assessment method or the aging analysis method. The valuation is the verified carrying amount less the risk loss. For amounts with conclusive evidence that they are irrecoverable, the valuation is zero. The "provision for bad debts" account is valued at zero.

(3) Prepayments

Prepayments are valued based on the value of the corresponding assets or rights that can be recovered. For prepayments for which the corresponding assets or rights can be recovered, the valuation is the verified amount. For prepayments where there is conclusive evidence that the corresponding goods or rights cannot be received or realized, the valuation method for other receivables is used by reference. For prepayments that are expenses in nature where no invoice has been obtained, the realization of the corresponding rights is verified. Where the corresponding rights have been realized, the valuation is zero.

(4) Other receivables

Various other receivables are verified by comparing ledgers and account statements, sending confirmations, and sampling vouchers to ascertain the time, economic matter and cause of each amount, the basic situation of the debtor, etc. Based on the verified amount, the valuation is determined according to the amount likely to be recovered for each amount. For amounts with sufficient justification that they can be fully recovered, the valuation is calculated at the full amount. For amounts where partial non-recovery is likely, where it is difficult to determine the amount of the non-recoverable portion, historical data and information obtained from on-site investigation are used to analyze the age and reason of the debt, the collection status, the debtor's funds, creditworthiness and current management, etc., to estimate the portion likely to be unrecoverable as a risk loss using the individual assessment method or the aging analysis method. The valuation is the verified carrying amount less the risk loss. For amounts with conclusive evidence that they are irrecoverable, the valuation is zero. The "provision for bad debts" account is valued at zero.

(5) Other current assets

Other current assets consist of input value-added tax to be deducted and prepaid corporate income tax. The appraisers verified that the subsidiary ledgers, general ledger and reported balances are consistent, and examined some source vouchers, contracts and related information to verify the authenticity, substance and amount of the transactions. The valuation is determined as the verified carrying amount.

2. Non-current assets

(1) Long-term equity investments

As at the Valuation Benchmark Date, the long-term equity investments of the appraised entity are investments in Liaocheng Xiangguang Power Generation Co., Ltd. and Shandong Sinengda Energy Development Co., Ltd. The appraisers, based on verifying the cause of the long-term equity investments, their carrying amounts, the financial statements of the investee companies, and reviewing investment agreements, shareholder resolutions, articles of association and relevant accounting records, adopt appropriate valuation methods for each long-term equity investment depending on the appraised entity's actual control over the investment and the degree of influence on the value of the valuation object.

For wholly-owned and controlling long-term equity investments, the income approach, the asset-based approach or the asset-based approach is used for an overall valuation to obtain the entire shareholders' equity value of the investee unit, which is then multiplied by the shareholding ratio to derive the valuation of the long-term equity investment.

Details of the investee units valued on an overall basis are set out in the asset valuation descriptions for each long-term investment unit.

In determining the valuation of long-term equity investments, the appraisers did not consider premiums or discounts arising from factors such as having control or lack of control.

(2) Equipment assets

Based on the valuation purpose and the type of value, following the principles of continuing use, using market prices as the basis, and considering the characteristics of the entrusted equipment and the data collected, the replacement cost method is mainly adopted for the valuation.

The replacement cost method is an asset valuation method that determines the valuation of the asset in question by subtracting the physical depreciation, functional depreciation and economic depreciation already incurred by the asset from the total cost required to replace or reproduce the asset in its new condition under current market conditions.

Under the replacement cost method, the valuation may also be determined by first estimating the percentage of newness of the asset in question relative to its new condition, i.e., the newness rate, and then multiplying the total cost by the newness rate.

Formula: Valuation = Replacement Cost × Newness Rate

1) Determination of replacement cost

The replacement cost is determined based on the price information of the same model of electronic equipment in the local electronic equipment market as at the Valuation Benchmark Date and recent online transaction prices, after deducting the deductible input VAT amount.

That is: Replacement Cost = Purchase price exclusive of VAT

For electronic equipment purchased some time ago where the relevant model is no longer available in the market, but the equipment is still usable, the valuation is determined by reference to the second-hand equipment market price exclusive of VAT.

2) Determination of comprehensive newness rate

For small equipment such as electronic equipment and air conditioning units, the newness rate is mainly determined based on their economic life. Formula:

Age-based newness rate = (Economic life – Age already used) / Economic life × 100%

For large electronic equipment, on the basis of considering the economic life, the comprehensive newness rate is determined by reference to the operating environment and condition of the equipment, combined with on-site inspection.

For electronic equipment valued directly by reference to the second-hand market price, the newness rate is not considered separately.

3) Determination of valuation

Equipment Valuation = Replacement Cost of Equipment × Comprehensive Newness Rate

(3) Right-of-use assets

Right-of-use assets primarily represent assets leased by the appraised entity under long-term lease arrangements.

The appraisers examined relevant lease contracts, agreements, accounting books and vouchers to verify the performance status and depreciation accounting. On-site inspections were conducted for some right-of-use assets with larger amounts or longer lease terms. Based on

verification of the original recorded amount, depreciation period and periodic depreciation amounts of the right-of-use assets, the valuation is determined as the value of the rights to use the assets during the remaining lease term.

(4) Long-term prepaid expenses

Long-term prepaid expenses primarily represent fit-out costs for leased properties.

The appraisers investigated the causes of the long-term prepaid expenses, examined relevant lease contracts and accounting vouchers, verified the amortization period and amount, and confirmed that the amortization calculations are correct. The valuation is determined as the carrying amount after amortization.

(5) Deferred tax assets

The deferred tax assets declared by the enterprise as at the Valuation Benchmark Date are income tax assets arising from deductible temporary differences recognized by the appraised entity.

The appraisers investigated the causes of the deferred tax assets, examined the relevant accounting provisions for recognizing deferred tax assets, and verified the accounting vouchers for recognizing the deferred tax assets as at the Valuation Benchmark Date. The deferred tax assets are valued at their verified carrying amount.

3. Liabilities

As at the Valuation Benchmark Date, the liabilities declared by the enterprise include accounts payables, employee compensation payable, taxes payable, other payables, non-current liabilities due within one year, lease liabilities, long-term employee remuneration payable, and deferred tax liabilities. Based on the detailed schedules provided by the appraised entity, the appraisers verified the actual debtors and amounts of each liability as at the Valuation Benchmark Date. Following review and verification, the valuation is determined as the amount of liability that the appraised entity is actually required to bear as at the Valuation Benchmark Date.

(III) Income Approach

1. Overview

The Discounted Cash Flow (DCF) method under the income approach is used in this appraisal to estimate the value of the valuation object.

The Discounted Cash Flow (DCF) method is a valuation method that determines the value of a business by discounting its expected future cash flow to their present value. That is, by estimating the future expected cash flows of the business and applying an appropriate discount rate, the expected cash flows are discounted to their present value to derive the business value.

The basic conditions for its applicability are: the enterprise has the foundation and conditions for going concern, there is a relatively stable correspondence between asset operations and earnings, and future earnings and risks can be predicted and quantified.

2. Basic appraisal approach

The appraisal is based on the enterprise's audited historical annual financial statements, combined with the enterprise's future development strategy and plans, and after comprehensively analyzing and considering the Appraised Entity's human resources, technical level, capital structure, operating condition, internal strengths and weaknesses, sustainable operating profitability, as well as the current condition and development prospects of its industry, to estimate the value of its entire shareholders' equity.

That is, following the income approach using the Discounted Cash Flow (DCF) method, with the Weighted Average Cost of Capital (WACC) as the discount rate, the projected enterprise free cash flows for each future year are discounted and summed up to obtain the value of the operating assets. The value of surplus assets, non-operating assets and the value of the enterprise's external long-term equity investments are then added to obtain the total enterprise value. After deducting the value of interest-bearing debt, the value of the entire shareholders' equity is derived.

3. Valuation model

(1) Basic model

This appraisal adopts the enterprise free cash flow model under the Discounted Cash Flow (DCF) method.

Basic formula:

Value of entire shareholders' equity = Total enterprise value – Value of interest-bearing debt

Total enterprise value = Value of operating assets + Value of non-operating assets + Value of surplus assets + Value of long-term equity investments – Value of non-operating liabilities

Interest-bearing debt refers to debt that bears interest on the books of the appraised entity as at the Valuation Benchmark Date, including short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable, etc.

The value of interest-bearing debt is taken as its verified carrying amount.

① Value of operating assets

Operating assets refer to assets and liabilities related to the production and operation of the appraised entity that are covered by the forecast of enterprise free cash flows after the Valuation Benchmark Date.

The formula for calculating the value of operating assets is as follows:

$$P = \sum_{i=1}^{n} \frac{F_i}{(1+r)^i} + \frac{F_n \times (1+g)}{(r-g) \times (1+r)^n}$$

Where:

P	=	value of the enterprise's operating assets as at the Valuation Benchmark Date
F_i	=	projected enterprise free cash flow for the i-th year after the Valuation Benchmark Date
F_n	=	projected enterprise free cash flow for the final year of the detailed forecast period
r	=	discount rate (here, the Weighted Average Cost of Capital, WACC)
n	=	detailed forecast period
i	=	i-th year of the detailed forecast period
g	=	perpetual growth rate

Where: Enterprise free cash flow = Net profit after tax + Depreciation and amortization + Interest on interest-bearing debt after tax – Capital expenditure – Changes in net working capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity capital (ke) is determined using the Capital Asset Pricing Model (CAPM).

② Value of non-operating assets and liabilities

Non-operating assets and liabilities refer to assets and liabilities not directly related to the production and operation of the appraised entity that are not covered by the forecast of enterprise free cash flows after the Valuation Benchmark Date. For this appraisal, the cost method is primarily used for separate analysis and valuation of non-operating assets and liabilities.

③ Value of surplus assets

Surplus assets refer to assets that exceed the requirements for the production and operation of the enterprise as at the Valuation Benchmark Date and are not covered by the forecast of enterprise free cash flows after the Valuation Benchmark Date. For this appraisal, the cost method is primarily used for separate analysis and valuation of surplus assets.

④ Value of long-term equity investments

The value of long-term equity investments is primarily determined by multiplying the appraised value of the investee company's net assets as at the Valuation Benchmark Date by the shareholding ratio held, to calculate the value of the long-term equity investment.

(2) Determination of key parameters

1) Determination of the projection period and forecast horizon

After analysis and investigation by the appraisers, the Appraised Entity was operating normally as at the Valuation Benchmark Date. Based on the enterprise's development plans and industry characteristics, its business type and operating methods are relatively stable. Through analyzing the enterprise's operating condition and communicating with its management, there are no factors that limit the useful life of core assets essential to the enterprise's going concern or that limit its operating term, and the enterprise may continue indefinitely through renewal. Therefore, the projection period is determined as perpetual.

2) Determination of the discount rate

In accordance with the principles of consistency between the income stream and the discount rate, the income stream for this appraisal is enterprise free cash flow, and the discount rate is therefore determined using the Weighted Average Cost of Capital (WACC) model.

$$WACC = K_e \times \frac{E}{D+E} + K_d \times \frac{D}{D+E} \times (1-T)$$

Where:

K_e	=	cost of equity capital
E	=	market value of equity
K_d	=	cost of debt capital
D	=	market value of interest-bearing debt
T	=	income tax rate

In calculating the cost of equity capital, the Capital Asset Pricing Model (CAPM) is used.

$$WACC = K_e + \beta \times ERP + R_c$$

Where:

R_f	=	risk-free rate of return
ERP	=	equity risk premium
R_c	=	entity-specific risk adjustment factor
β	=	expected market risk coefficient for the valuation object's equity capital

(IV) Method for Determining the Valuation Conclusion

After comprehensively considering the reasonableness of the different valuation methods and preliminary valuation conclusions, as well as the quality and quantity of the data used, the result of the income approach is determined as the final valuation conclusion of this appraisal report.

VIII. IMPLEMENTATION PROCEDURES AND PROCESS OF THE VALUATION

Upon accepting the engagement, the appraisers of Beijing Huaya Zhengxin Asset Appraisal Co., Ltd. performed the appraisal on the assets and liabilities involved in the valuation object. The main implementation procedures and process are as follows:

(I) Engagement acceptance and appraisal preparation stage

Negotiate with the principal to clarify the basic matters of appraisal engagement, comprehensively analyze and assess professional competence, independence and business risk, accept the engagement, and sign the asset appraisal engagement contract. Determine the project leader, form the project team, and formulate the valuation work plan. Guide the Appraised Entity in completing the asset appraisal declaration forms and providing appraisal information and providing training to the project team members.

(II) On-site investigation and data collection stage

The appraisers conducted necessary verification of the assets and liabilities within the valuation scope and carried out necessary verification and investigation of the management and operational condition of the appraised entity.

1. The appraisers verified the appraisal declaration forms provided by the appraised entity, compared them with the enterprise's relevant financial record data, checked for omissions, errors or unclear entries, understood the identified issues, and promptly provided feedback to the Appraised Entity to improve the "Asset Valuation Declaration Forms".

2. Based on the type, quantity, distribution, nature and characteristics of the assets within the valuation scope, with the assistance of the relevant personnel of the Appraised Entity and in accordance with the relevant provisions of the asset valuation standards, the appraisers conducted inventory counts and on-site inspections of the quantity, quality and condition as at the Valuation Benchmark Date of each asset, and conducted a comprehensive understanding and verification of the valuation object and the assets and liabilities involved. Necessary due diligence was carried out on the enterprise's operations and asset conditions.

3. The appraisers paid attention to the legal ownership of the valuation object, verified and examined the original copies of important legal documents relating to the ownership interests of the valuation object, collected relevant title documents, and verified whether the assets within the valuation scope were involved in mortgages, guarantees, litigation, etc. Where title documents were incomplete or unclear, the appraisers requested the enterprise to verify the matter or issue relevant title explanation documents.

4. Based on the specific circumstances of the valuation project, the appraisers collected the required valuation information through various possible channels, and performed necessary analysis, collation and organization of the collected information to form the basis for the valuation estimation and the compilation of the asset valuation report.

5. The principal and the appraised entity, through appropriate means, confirmed the valuation declaration schedules and relevant important information provided. The appraisers verified and validated the important information used in the valuation to ensure that the information used was reasonable and reliable.

(III) Valuation estimation and preparation of preliminary report stage

The appraisers, based on the specific circumstances of each type of asset and the valuation method adopted, selected the corresponding calculation formulas and parameters for analysis, calculation and judgment, and formed calculation results. After comprehensive analysis of the calculation results, preliminary valuation conclusions were formed, and a preliminary asset valuation report was prepared.

(IV) Internal review and report issuance stage

In accordance with the firm's internal quality control system, after completing the preliminary asset valuation report, the project leader submits it for internal review. After revision based on the feedback from internal reviews at various levels, the formal asset valuation report is issued and submitted.

(V) Collation and filing of valuation documents

The working papers, asset valuation report and other relevant information are organized to form the asset valuation file.

IX. VALUATION ASSUMPTIONS

(I) General assumptions

1. Transaction assumption: it is assumed that all assets to be appraised are already in a transaction process, and the appraiser estimates the value by simulating the market based on the transaction conditions of the assets to be appraised;

2. Open market assumption: it means that assets can be freely bought and sold in a fully competitive market, and their price level depends on the value judgment of independent buyers and sellers under the supply conditions of a particular market. An open market is a fully competitive market with many buyers and sellers. In this market, buyers and sellers have equal status, each

has the opportunity and time to obtain sufficient market information, and their transactions are conducted voluntarily and rationally, not under duress or unconstrained conditions;

3. It is assumed that there are no material changes in the current relevant laws, regulations and policies of the state, nor in the national macroeconomic situation, and that there are no material changes in the political, economic and social environment of the region where each party to this transaction is located;

4. Based on the actual condition of the assets as at the Valuation Benchmark Date, it is assumed that the enterprise will continue as a going concern;

5. It is assumed that there are no material changes after the Valuation Benchmark Date in the tax bases and tax rates, as well as policy-related levies, applicable to the Appraised Entity;

6. It is assumed that the management of the appraised entity is responsible, stable and capable of performing its duties after the Valuation Benchmark Date;

7. It is assumed that the appraised entity fully complies with all relevant laws and regulations;

8. It is assumed that there are no force majeure events or unforeseen factors that would materially and adversely affect the appraised entity after the Valuation Benchmark Date.

(II) Special assumptions

1. It is assumed that, after the Valuation Benchmark Date, the accounting policies adopted by the appraised entity are consistent in material respects with the accounting policies adopted in the preparation of this valuation report;

2. It is assumed that, after the Valuation Benchmark Date, the scope and manner of operations of the appraised entity remain consistent with the current scope and manner, based on the existing management model and level;

3. It is assumed that, after the Valuation Benchmark Date, the appraised entity receives net cash flows evenly throughout each year;

4. It is assumed that all information provided by the principal and the appraised entity in connection with this valuation is true, complete, lawful and valid;

5. The financial reports, transaction data, etc. of the benchmark companies relied upon by the appraisers are true and reliable;

6. The office and production/business premises originally leased by the parent company and its subsidiaries can be sustainably leased during the operating period.

The valuation conclusion of this asset valuation report is established as at the Valuation Benchmark Date under the above assumptions. If significant changes occur in the above assumptions, the signing appraisers, other valuation professionals and this valuation firm assume no responsibility for deriving different valuation conclusions arising from changes in the assumptions.

X. VALUATION CONCLUSION

(I) Asset-based approach valuation results

As at the Valuation Benchmark Date, under the established valuation assumptions, using the asset-based approach, the total asset carrying amount of Shandong Energy Electricity Sales Co., Ltd. was RMB844.4329 million, the appraised value was RMB759.1017 million, the depreciation was RMB85.3312 million, and the depreciation rate was 10.11%; the total liability carrying amount was RMB14.4179 million, the appraised value was RMB14.4179 million, with no appreciation or depreciation; the carrying amount of equity was RMB830.0150 million, the appraised value of the entire shareholders' equity was RMB744.6838 million, the depreciation was RMB85.3312 million, and the depreciation rate was 10.28%. The valuation results are shown in the following summary table of valuation results:

Summary Table of Asset Valuation Results
Valuation Benchmark Date: 31 January 2026

Amount Unit: RMB0'000

Item			Carrying amount	Appraised value	Appreciation/ Depreciation	Appreciation/ Depreciation rate %
			A	B	C=B-A	D=C/A×100
Current assets		1	24,011.59	24,011.59	–	–
Non-current assets		2	60,431.70	51,898.58	-8,533.12	-14.12
Including:	Long-term equity investments	3	59,863.29	51,304.69	-8,558.60	-14.30
	Fixed assets	4	88.22	110.58	22.36	25.35
	Right-of-use assets	5	373.56	373.56	–	–
	Intangible assets	6	3.11	3.11		–
	Long-term deferred expenses	7	8.85	8.85	–	–
	Deferred tax assets	8	97.78	97.78	–	–

Item		Carrying amount	Appraised value	Appreciation/ Depreciation	Appreciation/ Depreciation rate %
Total assets	9	84,443.29	75,910.17	-8,533.12	-10.11
Current liabilities	10	799.46	799.46	–	–
Non-current liabilities	11	642.32	642.32	–	–
Total liabilities	12	1,441.79	1,441.79	–	–
Owners' equity (or shareholders' equity)	13	83,001.50	74,468.38	-8,533.12	-10.28

Detailed results of the asset-based approach valuation are shown in the valuation schedules.

(II) Income approach valuation results

As at the Valuation Benchmark Date, the total asset carrying amount of Shandong Energy Electricity Sales Co., Ltd. was RMB844.4329 million (retaining two decimal places, the same below), the total liability carrying amount was RMB14.4179 million, and the carrying amount of equity was RMB830.0150 million. Under the established valuation assumptions, the value of the entire shareholders' equity using the income approach was RMB845.2454 million, representing an appreciation of RMB15.2304 million and an appreciation rate of 1.83%.

(III) Analysis of the differences between the valuation results of the two methods and selection of the final result

1. Analysis of differences

The value of the entire shareholders' equity derived from the income approach was RMB845.2454 million, while the value derived from the asset-based approach was RMB744.6838 million, a difference of RMB100.5565 million. The main reason for the difference between the two valuation methods is:

The two methods consider valuation from different perspectives. The asset-based approach is a valuation approach that determines the value of the valuation object on the basis of reasonably valuing each individual asset and liability of the enterprise, i.e., by summing the appraised values of the various component assets of the enterprise and subtracting the appraised value of liabilities to derive the value of the enterprise's shareholders' equity. It does not reflect the overall profit-generating capacity of the enterprise. Shandong Energy Electricity Sales Co., Ltd. has relatively strong overall profit-generating capacity. Its core strengths contributing to future profit-generating capacity, such as management team, service capability and group resource advantages, can be objectively and fully reflected in the income approach. The income approach takes overall profit-generating capacity as the direct object of valuation in assessing enterprise value and uses it to measure the level of value, fully reflecting the various benefits brought by the enterprise's profit-generating capacities.

2. Selection of valuation results

The income approach valuation is based on the future earnings capacity of the appraised entity as the foundation for value measurement, placing greater emphasis on the operational capacity and potential of the enterprise's overall assets. Moreover, the income approach incorporates the value of intangible assets such as operational network, market share, service capability, management technology, and talent team.

The valuation object under the asset-based approach in this project reflects asset value from the perspective of asset replacement cost. It is a valuation method that determines the value of the valuation object on the basis of reasonably valuing each individual asset (both on-balance sheet and off-balance sheet) and liability of the enterprise from its balance sheet as at the Valuation Benchmark Date. The asset-based approach valuation uses the replacement cost of assets as the value standard, reflecting the socially necessary labor expended on asset input (construction/acquisition cost). Such construction/acquisition costs will generally change with changes in the national economy.

The income approach for the valuation object in this project is a valuation method that determines the value of the valuation object from the perspective of future earnings, i.e., taking the future earnings that can be generated by the appraised entity's existing assets, discounted for risk to their present value. The income approach valuation uses the expected future earnings of assets as the value standard, reflecting the magnitude of the asset's operational capacity (profit-generating capacity).

The appraised entity's principal business is electricity sales agency, and it is an asset-light enterprise. The asset-based approach valuation result, which is tied to the replacement cost of physical assets, cannot accurately reflect the overall future comprehensive profit-generating capacity of the appraised entity's various assets and liabilities as a whole enterprise. Therefore, the asset-based approach valuation result is not adopted for this appraisal.

Based on the above analysis, the valuer is of the opinion that the appraised entity has relatively stable income. Although affected by policies, the income at the current stage in 2026 has experienced some fluctuations, but the customer relationships and channel networks accumulated by the enterprise over a long period of operation can still guarantee its profitability. The risks can be reasonably predicted, and the valuation results under the income approach can more objectively and reasonably reflect the shareholders' equity value of the appraised entity. Hence, the income approach result is selected as the final valuation conclusion for this appraisal.

Using the income approach result, the value of the entire shareholders' equity of Shandong Energy Electricity Sales Co., Ltd. as at the Valuation Benchmark Date is RMB845.2454 million.

The valuation object of this appraisal is the entire shareholders' equity. No premium arising from control, discount arising from lack of control, or special transaction impacts such as equity liquidity have been considered.

XI. SPECIAL NOTES

This valuation project has the following special notes:

(I) In accordance with the Guidance on the Legal Title of the Asset Valuation Object, the appraised entity and relevant parties shall provide information on the legal title of the valuation object in accordance with the law and guarantee its authenticity, completeness and legality. The appraiser's responsibility is to conduct necessary verification and disclosure of such information and its source and does not represent any guarantee of the title of the valuation object. Confirming or expressing an opinion on the legal title of the valuation object is beyond the scope of practice of the appraiser.

(II) Reference to conclusions of reports issued by other institutions

The carrying amounts of assets and liabilities as at the Valuation Benchmark Date used in this report are sourced from the audit report issued by Beijing Zhongtianheng Certified Public Accountants (Special General Partnership). Apart from this, no other institutional reports have been referenced.

(III) This asset valuation report is prepared on the basis of information provided by the principal and relevant parties in connection with the valuation. Providing necessary information and guaranteeing the truthfulness, legality and completeness of the information provided is the responsibility of the principal and relevant parties. The responsibility of the valuation professionals is to analyze, estimate and express a professional opinion on the value of the valuation object for the specific purpose as at the Valuation Benchmark Date. The valuation professionals' verification, validation and disclosure of such information and its source do not represent any guarantee of the truthfulness, legality or completeness of the said information. Confirming or expressing an opinion on such information and its source is beyond the scope of practice of the valuation professionals.

(IV) In this asset valuation report, where any table or textual representation expressed in RMB0'000 shows a rounding difference between the total and the sum of the sub-items, it is caused by rounding.

(V) As of the Valuation Benchmark Date, the paid-in capital of the assessed entity amounted to RMB792.5141 million, with RMB100 of registered capital remaining unpaid.

(VI) Note regarding earnings forecasts

1. The validity of this valuation conclusion is based on the premise that the management and operational plans and related earnings forecasts provided by the appraised entity's management, particularly plans such as project operations formulated based on its current market environment and competitive relationships, are consistent with the trend of changes in the internal and external environment relevant to the appraised entity's future operations, and can be effectively implemented. If the future operating condition of the appraised entity deviates significantly from the aforementioned management and operational plans, and the principal, the appraised entity and its then management fail to take effective remedial measures, this will have a material impact on the valuation conclusion. Users of this report are requested to pay attention to this.

2. The earnings forecast for the appraised entity obtained by the appraisers is the foundation of the income approach in this asset valuation report. The appraisers conducted necessary investigation, analysis and judgment of the earnings forecast provided by the appraised entity, held multiple discussions with the appraised entity's management, and after adjustments and improvements by the appraised entity, the valuation firm relied on the relevant data and main assumptions of the appraised entity's earnings forecast. The appraisers' prudent reliance on the appraised entity's earnings forecast should not be regarded as a guarantee of the appraised entity's future profitability.

(VII) Unresolved legal, economic and other matters existing as at the Valuation Benchmark Date

The enterprise did not declare any such matters for this valuation.

(VIII) Mortgage, guarantee and lease matters

1. Mortgage and guarantee matters

The enterprise did not declare any such matters for this valuation.

2. Lease matters

As of 31 January 2026, Shandong Energy Electricity Sales had leased three operating properties, details of which are as follows:

No.	Lessee:	Lessor	Location	Use	Leased area (m^2)	Lease term
1	Shandong Energy Electricity Sales Co., Ltd. (山東能源電力銷售公司)	Shandong Yiyang Health Group Huaxin Real Estate Co., Ltd. (山東頤養健康集團華新地產有限公司)	Aoyuan Times Building, east of Changcheng Road, north of Dongtianmen Street, Tai'an City	Office	1,146	2023.09.28-2033.09.27

No.	Lessee:	Lessor	Location	Use	Leased area (m^2)	Lease term
2	Shandong Energy Electricity Sales Co., Ltd.（山東能源電力銷售公司）	Tai'an Debai Decoration Engineering Co., Ltd.（泰安德柏裝飾工程有限公司）	No. 139, Caiyuan Xincun, Taishan District, Tai'an City	Industrial	75	2025.07.08-2026.07.07
3	Shandong Energy Electricity Sales Co., Ltd.（山東能源電力銷售公司）	Shaanxi Yibaijia Space Commercial Operation Management Co., Ltd.（陝西益百家空間商業運營管理有限公司）	Unit 1, Building 3, No. 22, West Second Ring South Section, Lianhu District, Xi'an City	Office	59.5	2025.12.01-2027.11.30

Long-term equity investment enterprise, Shandong Sinengda Energy Development Co., Ltd., leased 1 property. The details are as follows:

No.	Lessee	Lessor	Property Location	Lease Area (m^2)	Lease Term	Rent	Remarks
1	Shandong Sinengda Energy Development Co., Ltd.	Shandong Energy Equipment Group High-end Support Manufacturing Co., Ltd.	Inside Xinwen Industrial Park, Dongdu Town, Xintai, Shandong	103,522	2017.12.01-2042.11.30	RMB41,700/month	Lease of building rooftop usage rights only

Long-term equity investment enterprise, Liaocheng Xiangguang Power Generation Co., Ltd., leased in total 3 parcels of land use rights with an aggregate area of 95,900 m^2, details as follows:

No.	Lessee	Lessor	Location	Land Nature	Annual Rent	Use	Lease Area (m^2)	Lease Term
1	Liaocheng Xiangguang Power Generation Co., Ltd.	Villagers' Committee of Lizhuang Village, Qiaorun Subdistrict, Yanggu County	West side of Liaocheng Xiangguang Power Generation Co., Ltd. plant area	Collectively-owned	Annual rent settled at market price of 800 jin of corn and 800 jin of wheat per mu per year	Agricultural land	52,200	2023.11.01-2027.10.31

No.	Lessee	Lessor	Location	Land Nature	Annual Rent	Use	Lease Area (m^2)	Lease Term
2	Liaocheng Xiangguang Power Generation Co., Ltd.	Villagers' Committee of Lizhuang Village, Qiaorun Subdistrict, Yanggu County	Southwest side of Liaocheng Xiangguang Power Generation Co., Ltd. plant area	Collectively-owned	Annual rent settled at market price of 800 jin of corn and 800 jin of wheat per mu per year	Agricultural land	15,170	2024.01.01-2027.12.31
3	Liaocheng Xiangguang Power Generation Co., Ltd.	Shandong Xiangguang Group Co., Ltd.	West side of Liaocheng Xiangguang Power Generation Co., Ltd. plant area	Collectively-owned	Annual rent settled at market price of 800 jin of corn and 800 jin of wheat per mu per year	Agricultural land	28,530	2023.12.14-2027.12.13

Liaocheng Xiangguang Power Generation Co., Ltd. leased 41 buildings with an aggregate area of 4,936.66 m^2.

(IX) In this appraisal, the appraisers did not conduct technical testing of concealed works and internal structures (parts not visible to the naked eye). The valuation conclusion is reached through inspection and judgment made without the aid of any testing instruments, based on the assumption that the relevant engineering information provided by the entity holding the title is true and valid.

(X) This appraisal did not consider the impact on asset valuation of taxes payable in arrears on the valuation object and the assets involved, nor on transaction taxes and fees that may be payable at the time of transaction.

(XI) The valuation conclusion of this valuation report does not consider the impact on the valuation of related costs, taxes and levies that may arise during the process of title registration or title transfer of the entrusted assets, nor does it consider the possible change in tax obligations arising from valuation increases or decreases.

Users of this report are requested to pay attention to the impact of the above special notes on the valuation conclusion.

XII. RESTRICTIONS ON USE OF THE ASSET VALUATION REPORT

(I) Scope of use

1. The user of this asset valuation report is the principal.

2. This asset valuation report may only be used for the valuation purpose and use described in the report.

3. This valuation report may only be used by the intended users of the valuation report stated in the report.

4. The validity period of the valuation conclusion is one year from the Valuation Benchmark Date. If material changes occur in asset conditions or market conditions relative to the asset condition as at the Valuation Benchmark Date during the validity period, the principal should instruct the appraisal firm to carry out an updated valuation or a fresh valuation.

5. Without the written permission of the principal, the appraisal firm and appraisal professionals shall not disclose the content of the asset valuation report to any third party or make it public, except as otherwise provided by laws and administrative regulations.

6. Without the consent of the appraisal firm, the content of the asset valuation report shall not be extracted, quoted or disclosed in public media, except as otherwise provided by laws, administrative regulations or agreed by the relevant parties.

(II) If the principal or other users of the asset valuation report fail to use the asset valuation report in accordance with laws, administrative regulations and the scope of use set out in the report, the appraisal firm and its appraisal professionals assume no liability.

(III) No other organization or individual shall be deemed a user of the asset valuation report except for the principal, other intended users stipulated in the appraisal engagement contract, and those mandated by laws and administrative regulations.

(IV) Users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation object, nor should it be considered a guarantee of such realizable price.

(V) This valuation report may only be used after being signed by the appraisers and stamped with the official seal of the valuation firm.

(VI) This valuation report is subject to review by the state-owned assets supervisory and administrative department and may be formally used only after filing.

XIII. DATE OF ASSET VALUATION REPORT

The date of the asset valuation report is 16 May 2026.

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Appraiser: Fangjun ZHU

Appraiser: Fuyu WU

Valuation firm: Beijing Huaya Zhengxin Asset Appraisal Co., Ltd.

16 May 2026

I. ANALYSIS OF NEW ENERGY GROUP VALUATION

The valuation methods, valuation assumptions and valuation conclusions of the New Energy Group are set out in the section "Appendix V – Asset Valuation Reports" of this circular.

II. ANALYSIS OF LONG-TERM EQUITY INVESTMENT VALUATION

(I) Scope of Valuation

The carrying value of long-term equity investments as at the Valuation Benchmark Date was RMB12,026,716,858.42, comprising 19 wholly-owned subsidiaries, 8 majority-controlled subsidiaries and 1 investee company.

(II) Valuation Methods and Pricing Methods

As Datang Yuncheng Power Generation Co., Ltd. does not meet the conditions for an overall valuation, the appraisers, based on the actual circumstances of the investee, obtained the financial statements of the investee as at the Valuation Benchmark Date, and determined the valuation of this non-controlling long-term equity investment by multiplying the owners' equity of the investee by the shareholding ratio. With the exception of Datang Yuncheng Power Generation Co., Ltd., the long-term equity investments were subject to an overall valuation, whereby the entire shareholders' equity value of each investee was first determined, and then multiplied by the shareholding percentage to arrive at the partial equity interest value.

A summary of whether each investee was subject to an overall valuation, the valuation methods adopted and the pricing methods selected for the final conclusion is as follows:

No.	Company name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
1	New Energy Dongying	Asset-based approach, income approach	Income approach	It is possible to reasonably assess the value of an enterprise's on– and off-balance-sheet assets and liabilities, so the asset-based approach can be used; it is also possible to reasonably forecast and discount the future income the enterprise can generate, so the income approach can be used.	The core assets are power generation assets. In recent years, with the development of new technologies, the replacement cost of new energy projects has been continuously decreasing. The asset-based valuation approach, which relies on the replacement value of such physical assets, struggles to accurately reflect the future comprehensive profitability of the appraised entity when its assets and liabilities are considered as an integrated, going-concern enterprise. The income approach evaluates a company from the perspective of its future development. The assessed value considers not only whether all assets and liabilities are reasonably and fully utilized in the company's future operations, but also whether the combination of assets and liabilities fulfills its proper role. This provides a more comprehensive and reasonable reflection of the total equity value of the shareholders of the entity being evaluated.
2	Huixin Lijin	Asset-based approach, income approach	Income approach		
3	Huixin Dongying	No accounts established, with no assets or liabilities as well as valuation implementation	No accounts established, with no valuation implementation		
4	New Energy Yishui	Asset-based approach, income approach	Income approach		
5	New Energy Tancheng	Asset-based approach, income approach	Income approach		
6	New Energy Zoucheng	Asset-based approach, income approach	Income approach		
7	New Energy Chengwu	Asset-based approach, income approach	Income approach		
8	New Energy Zibo	Asset-based approach, income approach	Income approach		
9	New Energy Zaozhuang	Asset-based approach, income approach	Income approach		
10	New Energy Yiyuan	Asset-based approach, income approach	Income approach		
11	New Energy Rizhao	Asset-based approach, income approach	Income approach		

No.	Company name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
12	New Energy Heze	Asset-based approach	Asset-based approach	It is possible to reasonably assess the value of all assets and liabilities, both on and off the balance sheet; therefore, the asset-based approach can be adopted. As there are no ongoing or planned construction projects, the income approach is not suitable.	The asset-based approach can objectively reflect the market value of the appraised unit.
13	Shenglu Electric Power	Asset-based approach, income approach	Income approach	It is possible to reasonably assess the value of an enterprise's on– and off-balance-sheet assets and liabilities, so the asset-based approach can be used; it is also possible to reasonably forecast and discount the future income the enterprise can generate, so the income approach can be used.	The income method takes into account the portfolio of assets and liabilities, grid dispatch access, long-term coal and power agreement channels, coordinated operation of generating units, and the role of the management team in the future operations of the enterprise. This provides a more comprehensive and reasonable reflection of the total equity value of the entity being assessed.

No.	Company name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
14	Shenglu Alxa	Asset-based approach, income approach	Income approach	It is possible to reasonably assess the value of an enterprise's on– and off-balance-sheet assets and liabilities, so the asset-based approach can be used; it is also possible to reasonably forecast and discount the future income the enterprise can generate, so the income approach can be used.	The core assets are power generation assets. In recent years, with the development of new technologies, the replacement cost of new energy projects has been continuously decreasing. The asset-based valuation approach, which relies on the replacement value of such physical assets, struggles to accurately reflect the future comprehensive profitability of the appraised entity when its assets and liabilities are considered as an integrated, going-concern enterprise. The income method, from the perspective of an enterprise's future development, considers not only whether all assets and liabilities are reasonably and fully utilized in its future operations, but also whether the combination of assets and liabilities plays its due role. This provides a more comprehensive and reasonable reflection of the total equity value of the shareholders of the entity being evaluated.
15	Shenglu Ordos	Asset-based approach, income approach	Income approach		

No.	Company name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
16	Shenglu Power Sales	Asset-based approach, income approach	Income approach	It is possible to reasonably assess the value of an enterprise's on– and off-balance-sheet assets and liabilities, so the asset-based approach can be used; it is also possible to reasonably forecast and discount the future income the enterprise can generate, so the income approach can be used.	The income method incorporates intangible assets, such as enterprise qualifications and human resources, which cannot be quantified. The results of an income method valuation can therefore more objectively reflect the market value of the entity being appraised.
17	Lingtai Thermal Power	Asset-based approach, income approach	Income approach		The income method takes into account the portfolio of assets and liabilities, grid dispatch access, long-term coal and power agreement channels, coordinated operation of generating units, and the role of the management team in the future operations of the enterprise. This provides a more comprehensive and reasonable reflection of the total equity value of the entity being assessed.
18	Lingtai New Energy	Asset-based approach, income approach	Income approach		The core assets are power generation assets. In recent years, with the development of new technologies, the replacement cost of new energy projects has been continuously decreasing. The asset-based valuation approach, which relies on the replacement value of such physical assets, struggles to accurately reflect the future comprehensive profitability of the appraised entity when its assets and liabilities are considered as an integrated, going-concern enterprise. The income method, from the perspective of an enterprise's future development, considers not only whether all assets and liabilities are reasonably and fully utilized in its future operations, but also whether the combination of assets and liabilities plays its due role. This provides a more comprehensive and reasonable reflection of the total equity value of the shareholders of the entity being evaluated.

No.	Company name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
19	Pingchuan Shenglu	Asset-based approach	Asset-based approach	It is possible to reasonably assess the value of all assets and liabilities, both on and off the balance sheet; therefore, the asset-based approach can be adopted. As the project has not yet commenced commercial operation, the income approach is not suitable.	The asset-based approach can objectively reflect the market value of the appraised unit.
20	Jingyuan Shenglu	Asset-based approach	Asset-based approach		
21	Jingtai Shenglu	Asset-based approach	Asset-based approach		
22	Luxi Power Generation	Asset-based approach, income approach	Income approach	It is possible to reasonably assess the value of an enterprise's on– and off-balance-sheet assets and liabilities, so the asset-based approach can be used; it is also possible to reasonably forecast and discount the future income the enterprise can generate, so the income approach can be used.	The income method takes into account the portfolio of assets and liabilities, grid dispatch access, long-term coal and power agreement channels, coordinated operation of generating units, and the role of the management team in the future operations of the enterprise. Therefore, this provides a more comprehensive and reasonable reflection of the total equity value of the entity being assessed.
23	Xintai Power Generation	Asset-based approach	Asset-based approach	The asset-based approach can be used because it allows for a reasonable assessment of the value of all assets and liabilities, both on and off the balance sheet. Since the project is still under construction and not yet operational, the income method is not suitable.	The asset-based approach can objectively reflect the market value of the appraised unit.

No.	Company name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
24	Qingyang New Energy	No accounts established, with no assets or liabilities as well as valuation implementation	No accounts established, with no valuation implementation	No accounts established, with no assets or liabilities as well as valuation implementation	No accounts established, with no assets or liabilities as well as valuation implementation.
25	Guanxian Wind Power	Asset-based approach	Asset-based approach	The asset-based approach can be used because it allows for a reasonable assessment of the value of all assets and liabilities, both on and off the balance sheet. Since the project is still under construction and not yet operational, the income method is not suitable.	The asset-based approach can objectively reflect the market value of the appraised unit.
26	New Energy Binzhou	Asset-based approach	Asset-based approach		
27	Zoucheng Wind Power	Asset-based approach	Asset-based approach		
28	Yuncheng Power Generation	Report analysis	Report analysis	As it does not meet the conditions for an overall valuation, and based on the actual circumstances of the investee, the appraisers obtained the financial statements of the investee as at the Valuation Benchmark Date and determined the valuation of this non-controlling long-term equity investment by multiplying the owners' equity of the investee by the shareholding ratio.	

Valuation methods refer primarily to the approaches and means of estimating asset value. Enterprise value valuation methods generally include the asset-based approach, the income approach and the market approach. For this exercise, appropriate valuation methods were selected for each company subject to long-term equity investment based on the applicability of different valuation methods.

Pricing methods refer to the valuation method corresponding to the valuation conclusion used for pricing purposes among the conclusions derived from different valuation methods.

(III) Analysis of Long-term Equity Investment Valuation

1. Shanneng New Energy (Dongying) Co., Ltd.

The table below illustrates the valuation model of Shanneng New Energy (Dongying) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050/ 5/11	2050/ 5/11
I. OPERATING REVENUE	3,264.44	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	3,561.21	2,661.21	2,142.34	754.92	-
Revenue from principal operations	1,911.93	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	2,085.74	734.61	-
Other business income	1,352.52	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	1,475.47	575.47	56.60	20.32	-
Less: (I) Cost of sales	2,285.49	2,421.37	2,422.49	2,424.57	2,426.69	2,428.86	2,431.07	2,433.32	2,435.62	2,437.96	3,065.27	2,562.32	2,206.38	2,208.92	2,211.51	2,214.15	2,216.84	2,219.58	2,222.38	2,225.24	2,853.07	2,856.04	1,809.24	1,447.75	464.97	-
Cost of principal operations	1,431.36	1,561.24	1,562.36	1,564.45	1,566.57	1,568.73	1,570.94	1,573.19	1,575.49	1,577.83	2,205.14	1,702.19	1,346.26	1,348.79	1,351.38	1,354.02	1,356.71	1,359.46	1,362.26	1,365.11	1,992.94	1,995.91	1,374.03	1,377.12	439.62	-
Other business costs	854.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	860.13	435.21	70.63	25.35	-
(II) Taxes and surcharges	144.30	157.23	157.24	157.24	157.24	157.24	157.24	157.24	157.24	120.24	117.99	118.75	157.24	157.24	157.24	157.24	157.24	157.24	157.24	120.24	117.99	118.75	150.76	147.03	127.76	-
(III) Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Administrative expenses	231.09	256.74	261.44	266.23	271.11	276.10	281.18	286.36	291.65	297.05	302.55	308.16	313.88	319.72	325.68	331.75	337.95	344.27	350.72	357.29	364.00	370.84	377.82	384.94	140.76	-
(V) Research and development expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Financial expenses	148.63	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	162.14	58.19	-
II. OPERATING PROFIT	454.94	563.74	557.90	551.03	544.02	536.88	529.58	522.15	514.56	543.82	-86.74	409.84	721.56	713.19	704.64	695.93	687.04	677.98	668.73	696.29	64.01	53.44	161.25	0.49	-36.76	-
Add: Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050/ 5/11	2050/ 5/11
Less: Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. TOTAL PROFIT	454.94	563.74	557.90	551.03	544.02	536.88	529.58	522.15	514.56	543.82	-86.74	409.84	721.56	713.19	704.64	695.93	687.04	677.98	668.73	696.29	64.01	53.44	161.25	0.49	-36.76	-
Less: Income tax expense	83.14	140.93	139.48	137.76	136.01	134.22	132.40	130.54	128.64	135.96	-	102.46	180.39	178.30	176.16	173.98	171.76	169.49	167.18	174.07	16.00	13.36	40.31	0.12	-	-
IV. NET PROFIT	371.79	422.80	418.43	413.27	408.02	402.66	397.19	391.61	385.92	407.87	-86.74	307.38	541.17	534.89	528.48	521.95	515.28	508.48	501.55	522.22	48.01	40.08	120.94	0.37	-36.76	-
Add: Depreciation and amortization	1,118.17	1,221.95	1,221.95	1,221.95	1,221.95	1,221.95	1,221.95	1,221.95	1,221.95	1,221.95	1,846.87	1,341.48	983.06	983.06	983.06	983.06	983.06	983.06	983.06	983.06	1,607.98	1,607.98	983.06	983.06	297.06	-
Add: Amortization of intangible assets and long-term deferred expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest on borrowings (after tax)	111.47	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	121.61	43.65	-
Less: Capital expenditures (excluding tax)	-	-	-	-	-	-	-	-	-	7,498.98	-	-	-	-	-	-	-	-	-	7,498.98	-	-	-	-	-	-
Add: Impact of VAT on cash flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in working capital	97.45	-42.59	0.42	0.45	0.46	0.47	0.48	0.49	0.50	-0.39	0.46	0.54	1.47	0.55	0.56	0.57	0.58	0.59	0.60	-0.28	0.57	0.66	-303.63	-178.18	-419.06	-
Add: Recovery of working capital at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	343.05
Add: Residual value of fixed assets at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,376.54
VI. FREE CASH FLOW OF ENTERPRISES	1,503.99	1,808.95	1,761.57	1,756.39	1,751.12	1,745.75	1,740.27	1,734.68	1,728.98	-5,747.16	1,881.28	1,769.93	1,644.37	1,639.01	1,632.59	1,626.05	1,619.37	1,612.56	1,605.62	-5,871.80	1,777.02	1,769.00	1,529.24	1,283.22	723.01	4,719.59

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050/ 5/11	2050/ 5/11
Discount rate	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Discount factor	0.9770	0.9307	0.8846	0.8409	0.7993	0.7598	0.7222	0.6865	0.6526	0.6203	0.5896	0.5604	0.5327	0.5064	0.4813	0.4575	0.4349	0.4134	0.3930	0.3735	0.3551	0.3375	0.3208	0.3049	0.2946	0.2919
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	1,469.40	1,683.54	1,558.37	1,476.95	1,399.70	1,326.40	1,256.85	1,190.86	1,128.25	-3,564.86	1,109.22	991.96	876.01	829.98	785.84	743.99	704.29	666.65	630.95	-2,193.31	630.95	597.04	490.60	391.31	213.01	1,377.88
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	17,771.83																									
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	7,703.37																									
VIII minus IX	10,068.46																									
Add: Surplus assets	-																									
Add: Non-operating assets	13,963.92																									
Less: Non-operating liabilities	9,492.76																									
Add: Long-term investments	567,632.22																									
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	582,171.84																									

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term payables, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

4) Long-term Equity Investment Value

The long-term equity investment value is calculated primarily based on the carrying value or appraised value of the net assets of the investee as at the benchmark date multiplied by the equity interest percentage held.

The summary of whether each investee company was subject to a comprehensive valuation, the valuation approaches adopted, and the pricing method selected for the final conclusion is as follows:

No.	Company Name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
1	Bohai No.1	Asset-based approach, income approach	Income approach	It is possible to reasonably assess the value of an enterprise's on- and off-balance-sheet assets and liabilities, so the asset-based approach can be used; it is also possible to reasonably forecast and discount the future income the enterprise can generate, so the income approach can be used.	The core assets are power generation assets. In recent years, with the development of new technologies, the replacement cost of new energy projects has been continuously decreasing. The asset-based valuation approach, which relies on the replacement value of such physical assets, struggles to accurately reflect the future comprehensive profitability of the appraised entity when its assets and liabilities are considered as an integrated, going-concern enterprise. The income approach evaluates a company from the perspective of its future development. The assessed value considers not only whether all assets and liabilities are reasonably and fully utilized in the company's future operations, but also whether the combination of assets and liabilities fulfills its proper role. This provides a more comprehensive and reasonable reflection of the total equity value of the shareholders of the entity being evaluated.
2	Bohai No.2	Asset-based approach, income approach	Income approach		

No.	Company Name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
3	Bohai No.3	Asset-based approach	Asset-based approach	It is possible to reasonably assess the value of all assets and liabilities, both on and off the balance sheet; therefore, the asset-based approach can be adopted. As the project has not yet commenced commercial operation, the income approach is not suitable.	The asset-based approach can objectively reflect the market value of the appraised unit.
4	Bohai No.5	Asset-based approach	Asset-based approach	The asset-based approach can be used because it allows for a reasonable assessment of the value of all assets and liabilities, both on and off the balance sheet. Since the project is still under construction and not yet operational, the income method is not suitable.	The asset-based approach can objectively reflect the market value of the appraised unit.

The overall valuation increases (decreases) and the reasons for each investee company are as follows:

No.	Company name	Pricing method	Appraised value *(RMB0'000)*	Valuation increase/ decrease *(RMB0'000)*	Reasons for increase/decrease
1	Bohai No.1	Income Approach	245,698.48	5,503.06	The overall expected profitability of the wind power projects currently in operation is relatively good
2	Bohai No.2	Income Approach	257,525.57	52,815.20	The overall expected profitability of the wind power projects currently in operation is relatively good
3	Bohai No.3	Asset-based Approach	108,515.26	-100.38	Differences between the accounting depreciation policy and the calculation of the appraised percentage of newness
4	Bohai No.5	Asset-based Approach	41,040.76	40.50	Differences between the book cost allocation method and the valuation treatment

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB5,821.7184 million, with a value appreciation of RMB1,602.6614 million and a value appreciation rate of 37.99%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate, non-operating assets and long-term equity investment, among which, operating revenue primarily comprises energy storage revenue and leasing revenue; energy storage revenue is calculated based on feasibility study report data, while leasing revenue is calculated based on existing lease contract terms; operating costs are primarily calculated based on depreciation and amortisation policies and feasibility study data. Taxes and surcharges as well as income tax payable are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Long-term equity investments, non-operating assets and liabilities are assessed separately. The discount rate is determined by calculating the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10.00%	509,550.43	-72,621.41	-12.47%
-5.00%	545,866.30	-36,305.54	-6.24%
-3.00%	560,390.23	-21,781.61	-3.74%
0.00%	582,171.84	–	0.00%
3.00%	603,949.93	21,778.09	3.74%
5.00%	618,468.79	36,296.95	6.23%
10.00%	654,755.01	72,583.17	12.47%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	616,012.35	33,840.51	5.81%
-0.25%	598,796.78	16,624.94	2.86%
0.00%	582,171.84	–	0.00%
0.25%	566,102.64	-16,069.20	-2.76%
0.50%	550,576.53	-31,595.31	-5.43%

2. Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd.

The table below illustrates the valuation model of Shanneng Huixin Smart Wind Power (Lijin) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050/6/29	2050/6/29
I. OPERATING REVENUE	5,422.20	6,329.17	6,873.21	6,873.80	6,873.87	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	3,395.61	–
Revenue from principal operations	5,422.20	6,329.17	6,873.21	6,873.80	6,873.87	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	6,873.88	3,395.61	–
Other business income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Less: (I) Cost of sales	2,713.96	2,972.61	2,979.75	2,987.91	2,987.92	3,792.99	3,792.99	3,792.99	3,792.99	3,792.99	3,864.60	3,864.60	3,864.60	3,864.60	3,864.60	3,943.36	3,943.36	3,943.36	3,943.36	3,943.36	4,030.00	4,030.00	4,030.00	4,030.00	1,951.70	–
Cost of principal operations	2,713.96	2,972.61	2,979.75	2,987.91	2,987.92	3,792.99	3,792.99	3,792.99	3,792.99	3,792.99	3,864.60	3,864.60	3,864.60	3,864.60	3,864.60	3,943.36	3,943.36	3,943.36	3,943.36	3,943.36	4,030.00	4,030.00	4,030.00	4,030.00	1,951.70	–
Other business costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(II) Taxes and surcharges	15.72	96.30	104.80	104.68	104.68	98.89	98.89	98.89	98.89	98.89	98.37	98.37	98.37	98.37	98.37	97.80	97.80	97.80	97.80	97.80	97.18	97.18	97.18	97.18	47.97	–
(III) Selling expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(IV) Administrative expenses	316.52	352.20	359.25	366.43	373.76	381.23	388.86	396.64	404.57	412.66	420.91	429.33	437.92	446.68	455.61	464.72	474.02	483.50	493.17	503.03	513.09	523.35	533.82	544.50	273.89	–
(V) Research and development expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(VI) Financial expenses	846.73	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	923.70	455.52	–
Add: (7) Other income (losses are to be entered with a "-"; the same applies to items 7 through 11)	50.10	393.32	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050/ 6/29	2050/ 6/29
II. OPERATING PROFIT	1,579.36	2,377.67	2,505.72	2,491.08	2,483.82	1,677.07	1,669.44	1,661.66	1,653.73	1,645.64	1,566.30	1,557.88	1,549.29	1,540.54	1,531.60	1,444.29	1,435.00	1,425.52	1,415.85	1,405.99	1,309.91	1,299.65	1,289.18	1,278.50	666.54	-
Add: Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. TOTAL PROFIT	1,579.36	2,377.67	2,505.72	2,491.08	2,483.82	1,677.07	1,669.44	1,661.66	1,653.73	1,645.64	1,566.30	1,557.88	1,549.29	1,540.54	1,531.60	1,444.29	1,435.00	1,425.52	1,415.85	1,405.99	1,309.91	1,299.65	1,289.18	1,278.50	666.54	-
Less: Income tax expense	-	-	313.21	311.39	310.48	419.27	417.36	415.42	413.43	411.41	391.57	389.47	387.32	385.13	382.90	361.07	358.75	356.38	353.96	351.50	327.48	324.91	322.29	319.63	166.63	-
IV. NET PROFIT	1,579.36	2,377.67	2,192.50	2,179.70	2,173.34	1,257.80	1,252.08	1,246.25	1,240.30	1,234.23	1,174.72	1,168.41	1,161.97	1,155.40	1,148.70	1,083.22	1,076.25	1,069.14	1,061.89	1,054.49	982.43	974.73	966.88	958.88	499.90	-
Add: Depreciation and amortization	2,381.80	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	2,598.33	1,281.37	-
Add: Amortization of intangible assets and long-term deferred expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest on borrowings (after tax)	846.73	923.70	808.24	808.24	808.24	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	692.78	341.64	-
Less: Capital expenditures (excluding tax)	6,878.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Impact of VAT on cash flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in working capital	334.21	59.26	72.06	-0.36	0.62	-102.62	0.64	0.65	0.66	0.67	-8.49	0.70	0.72	0.73	0.74	-9.34	0.77	0.79	0.81	0.82	-10.27	0.86	0.87	0.89	-306.07	-

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050/ 6/29	2050/ 6/29
Add: Recovery of working capital at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	547.33
Add: Residual value of fixed assets at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,247.91
VI. FREE CASH FLOW OF ENTERPRISES	-2,404.31	5,840.45	5,527.01	5,586.63	5,579.29	4,651.53	4,542.55	4,536.71	4,530.75	4,524.67	4,474.32	4,458.82	4,452.36	4,445.78	4,439.07	4,383.67	4,366.59	4,359.46	4,352.18	4,344.78	4,283.81	4,264.98	4,257.12	4,249.09	2,428.99	3,795.24
Discount rate	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Discount factor	0.97	0.92	0.87	0.82	0.78	0.74	0.70	0.67	0.64	0.60	0.57	0.55	0.52	0.49	0.47	0.45	0.42	0.40	0.38	0.36	0.35	0.33	0.31	0.30	0.29	0.28
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	-2,340.84	5,376.12	4,807.93	4,601.54	4,351.29	3,441.63	3,194.79	3,032.90	2,879.13	2,733.08	2,569.01	2,433.51	2,309.82	2,192.35	2,080.79	1,953.20	1,849.38	1,755.05	1,665.48	1,580.42	1,481.19	1,401.75	1,329.98	1,261.82	694.52	1,071.68
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	59,707.52																									
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	41,114.14																									

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050/ 6/29	2050/ 6/29
VIII minus IX	18,593.38																									
Add: Surplus assets	967.53																									
Add: Non-operating assets	13,542.68																									
Less: Non-operating liabilities	13,735.84																									
Add: Long-term investments	-																									
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	19,367.75																									

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term payables, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

4) Long-term Equity Investment Value

The long-term equity investment value is calculated primarily based on the carrying value or appraised value of the net assets of the investee as at the benchmark date multiplied by the equity interest percentage held. Not applicable to this valuation.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB193.6775 million, with a value appreciation of RMB11.0959 million and a value appreciation rate of 6.08%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate, non-operating assets and long-term equity investment. Among which, operating revenue is primarily determined by grid-connected electricity volume multiplied by the comprehensive settlement electricity tariff; operating costs are primarily calculated based on depreciation and amortisation policies and similar project operation and maintenance costs. Taxes and surcharges as well as income tax payable are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is determined by calculating the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity price change range	Valuation	Change amount	Rate of change
-10.00%	12,180.94	-7,186.81	-37%
-5.00%	15,774.16	-3,593.59	-19%
-3.00%	17,211.56	-2,156.19	-11%
0.00%	19,367.75	–	0%
3.00%	21,523.89	2,156.14	11%
5.00%	22,961.43	3,593.68	19%
10.00%	26,555.39	7,187.64	37%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	22,431.54	3,063.79	16%
-0.25%	20,871.07	1,503.32	8%
0.00%	19,367.75	–	0%
0.25%	17,919.51	-1,448.24	-7%
0.50%	16,523.47	-2,844.28	-15%

3. *Shanneng New Energy (Yishui) Co., Ltd.*

The table below illustrates the valuation model of Shanneng New Energy (Yishui) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2049/5/28
I. OPERATING REVENUE	588.59	631.57	628.11	624.65	621.22	617.79	614.39	611.01	607.65	604.32	600.99	597.68	594.40	591.12	587.88	584.64	581.43	578.24	575.06	571.89	568.39	267.06	69.92	12.84	
Revenue from principal operations	588.59	631.57	628.11	624.65	621.22	617.79	614.39	611.01	607.65	604.32	600.99	597.68	594.40	591.12	587.88	584.64	581.43	578.24	575.06	571.89	568.39	267.06	69.92	12.84	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: (I) Cost of sales	467.08	503.04	502.86	502.67	502.49	502.30	502.12	501.93	501.75	501.57	501.39	501.22	501.04	500.86	500.69	500.51	500.34	500.17	500.00	499.83	499.14	276.10	76.31	36.63	
Cost of principal operations	467.08	503.04	502.86	502.67	502.49	502.30	502.12	501.93	501.75	501.57	501.39	501.22	501.04	500.86	500.69	500.51	500.34	500.17	500.00	499.83	499.14	276.10	76.31	36.63	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(II) Taxes and surcharges	6.95	7.44	7.40	7.36	7.31	7.27	7.23	7.19	7.14	7.10	7.06	7.02	6.98	6.94	6.89	6.85	6.81	6.77	2.98	2.96	2.94	1.19	0.30	0.14	
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(IV) Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(VI) Financial expenses	124.43	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	129.70	54.04	
II. OPERATING PROFIT	-9.87	-8.62	-11.85	-15.07	-18.28	-21.48	-24.65	-27.80	-30.94	-34.05	-37.16	-40.25	-43.31	-46.37	-49.40	-52.42	-55.42	-58.40	-57.62	-60.59	-63.39	-139.93	-136.38	-77.97	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2049/ 5/28
Less: Non-operating expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
III. TOTAL PROFIT	-9.87	-8.62	-11.85	-15.07	-18.28	-21.48	-24.65	-27.80	-30.94	-34.05	-37.16	-40.25	-43.31	-46.37	-49.40	-52.42	-55.42	-58.40	-57.62	-60.59	-63.39	-139.93	-136.38	-77.97	
Less: Income tax expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
IV. NET PROFIT	-9.87	-8.62	-11.85	-15.07	-18.28	-21.48	-24.65	-27.80	-30.94	-34.05	-37.16	-40.25	-43.31	-46.37	-49.40	-52.42	-55.42	-58.40	-57.62	-60.59	-63.39	-139.93	-136.38	-77.97	
Add: Depreciation and amortization	280.58	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.65	306.28	172.45	40.77	22.65	
Add: Amortization of intangible assets and long-term deferred expenses																									
Add: Interest on borrowings (after tax)	108.88	113.48	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	97.27	40.53	
Less: Capital expenditures (excluding tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Add: Impact of VAT on cash flow																									
Less: Increase in working capital	-18.88	2.60	-0.84	-0.84	-0.83	-0.83	-0.82	-0.82	-0.81	-0.81	-0.81	-0.80	-0.79	-0.79	-0.78	-0.78	-0.78	-0.77	0.13	-0.77	-0.82	-55.90	-34.29	-7.86	
Add: Recovery of working capital at period end																									12.37
Add: Residual value of fixed assets at period end																									288.40
VI. FREE CASH FLOW OF ENTERPRISES	398.47	408.91	392.91	389.68	386.47	383.27	380.09	376.93	373.79	370.68	367.57	364.47	361.40	358.34	355.30	352.28	349.28	346.29	346.17	344.10	340.98	185.69	35.95	-6.92	300.77

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2049/ 5/28
Discount rate	5.61%	5.61%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9753	0.9256	0.8781	0.8347	0.7934	0.7541	0.7169	0.6814	0.6477	0.6157	0.5852	0.5563	0.5288	0.5026	0.4778	0.4541	0.4317	0.4103	0.3900	0.3708	0.3524	0.3350	0.3184	0.3072	0.3041
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	388.63	378.47	345.01	325.25	306.62	289.04	272.47	256.84	242.11	228.22	215.11	202.75	191.10	180.11	169.75	159.99	150.78	142.10	135.02	127.58	120.17	62.21	11.45	-2.13	91.46
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	4,990.11																								
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	3,138.70																								
VIII minus IX	1,851.41																								
Add: Surplus assets	-																								
Add: Non-operating assets	8,288.49																								
Less: Non-operating liabilities	1,379.04																								
Add: Long-term investments																									
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	8,760.86																								

(1) Valuation Method

The income approach was adopted, specifically the discounted cash flow method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The overall enterprise value refers to the sum of the entire shareholders' equity value and the interest-bearing debt value. The calculation model is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

① Overall Enterprise Value

The overall enterprise value comprises operating asset value generated from normal operating activities and non-operating asset value unrelated to normal operating activities. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. Based on the asset allocation and utilisation of the entity under valuation, the formula for calculating the overall enterprise value is as follows:

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

A. Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. The formula for calculating the operating assets value is as follows:

$$\sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;

-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

B. Non-operating Assets and Non-operating Liabilities Value

Non-operating assets and non-operating liabilities are assets and liabilities unrelated to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets are separately analysed and valued.

C. Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

② Interest-bearing Debt Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable, etc.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB87.6086 million, with a value appreciation of RMB2.0538 million and a value appreciation rate of 2.40%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by settlement electricity volume multiplied by the price stipulated in existing contracts; operating costs are primarily calculated based on depreciation and amortisation policies, relevant contract stipulations and historical unit costs. Taxes and surcharges and income tax payable are primarily calculated based on the tax policies implemented by the enterprise. Finance costs are primarily estimated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity price change range	Valuation	Change amount	Rate of change
-10.00%	8,032.39	-728.47	-8.32%
-5.00%	8,396.63	-364.23	-4.16%
-3.00%	8,542.31	-218.55	-2.49%
0.00%	8,760.86	–	0.00%
3.00%	8,975.65	214.79	2.45%
5.00%	9,109.23	348.37	3.98%
10.00%	9,416.82	655.96	7.49%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	8,975.70	214.84	2.45%
-0.25%	8,866.43	105.57	1.21%
0.00%	8,760.86	–	0.00%
0.25%	8,658.77	-102.09	-1.17%
0.50%	8,560.06	-200.80	-2.29%

4. Shanneng New Energy Development (Tancheng) Co., Ltd.

The table below illustrates the valuation model of Shanneng New Energy Development (Tancheng) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2048/4/7
I. OPERATING REVENUE	80.97	84.96	84.49	84.02	83.55	83.10	82.65	82.18	81.74	81.29	80.85	80.40	79.96	79.52	79.08	78.65	78.21	77.78	77.35	76.92	76.50	73.78	8.59	
Revenue from principal operations	80.97	84.96	84.49	84.02	83.55	83.10	82.65	82.18	81.74	81.29	80.85	80.40	79.96	79.52	79.08	78.65	78.21	77.78	77.35	76.92	76.50	73.78	8.59	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: (I) Cost of sales	35.26	38.37	38.35	38.33	38.31	38.29	38.27	38.25	38.24	38.22	38.20	38.18	38.16	38.15	38.13	38.11	38.09	38.08	38.06	38.04	38.02	37.31	1.35	
Cost of principal operations	35.26	38.37	38.35	38.33	38.31	38.29	38.27	38.25	38.24	38.22	38.20	38.18	38.16	38.15	38.13	38.11	38.09	38.08	38.06	38.04	38.02	37.31	1.35	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(II) Taxes and surcharges	0.49	0.51	1.01	1.01	1.00	1.00	0.99	0.98	0.98	0.97	0.97	0.96	0.96	0.95	0.94	0.94	0.93	0.93	0.92	0.92	0.91	0.88	0.10	
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(IV) Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(VI) Financial expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
II. OPERATING PROFIT	45.23	46.09	45.13	44.69	44.24	43.82	43.39	42.95	42.53	42.10	41.68	41.25	40.84	40.42	40.01	39.60	39.19	38.78	38.37	37.97	37.57	35.60	7.13	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2048/4/7
Less: Non-operating expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
III. TOTAL PROFIT	45.23	46.09	45.13	44.69	44.24	43.82	43.39	42.95	42.53	42.10	41.68	41.25	40.84	40.42	40.01	39.60	39.19	38.78	38.37	37.97	37.57	35.60	7.13	
Less: Income tax expense	2.24	2.30	11.28	11.17	11.06	10.95	10.85	10.74	10.63	10.52	10.42	10.31	10.21	10.11	10.00	9.90	9.80	9.69	9.59	9.49	9.39	8.90	1.78	
IV. NET PROFIT	42.98	43.78	33.85	33.51	33.18	32.86	32.54	32.21	31.89	31.57	31.26	30.94	30.63	30.32	30.01	29.70	29.39	29.08	28.78	28.48	28.18	26.70	5.35	
Add: Depreciation and amortization	23.27	25.43	25.43	25.43	25.43	25.43	25.45	25.43	25.43	25.43	25.43	25.43	25.43	25.43	25.43	25.43	25.43	25.43	25.43	25.43	25.43	24.82	0.24	
Add: Amortization of intangible assets and long-term deferred expenses																								
Add: Interest on borrowings (after tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: Capital expenditures (excluding tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Add: Impact of VAT on cash flow																								
Less: Increase in working capital	24.89	1.31	-0.89	-0.47	-0.47	-0.45	-0.45	-0.46	-0.44	-0.45	-0.44	-0.45	-0.44	-0.44	-0.44	-0.43	-0.43	-0.43	-0.43	-0.42	-0.42	-2.71	-57.50	
Add: Recovery of working capital at period end																								8.23
Add: Residual value of fixed assets at period end																								23.39
VI. FREE CASH FLOW OF ENTERPRISES	41.36	67.90	60.16	59.41	59.08	58.74	58.42	58.10	57.76	57.45	57.13	56.82	56.49	56.18	55.87	55.55	55.25	54.94	54.63	54.32	54.02	54.23	63.09	31.62

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2048/4/7
Discount rate	5.86%	5.86%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9742	0.9225	0.8742	0.8309	0.7899	0.7508	0.7137	0.6784	0.6448	0.6129	0.5826	0.5538	0.5264	0.5004	0.4757	0.4521	0.4298	0.4085	0.3883	0.3691	0.3509	0.3335	0.3229	0.3207
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	40.30	62.64	52.59	49.37	46.66	44.10	41.69	39.41	37.25	35.21	33.28	31.47	29.74	28.11	26.58	25.12	23.7400	22.44	21.21	20.05	18.95	18.09	20.37	10.14
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	778.51																							
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	-																							
VIII minus IX	778.51																							
Add: Surplus assets	-																							
Add: Non-operating assets	2,756.30																							
Less: Non-operating liabilities	204.23																							
Add: Long-term investments																								
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	3,330.58																							

(1) Valuation Method

The income approach was adopted, specifically the discounted cash flow method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The overall enterprise value refers to the sum of the entire shareholders' equity value and the interest-bearing debt value. The calculation model is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

① Overall Enterprise Value

The overall enterprise value comprises operating asset value generated from normal operating activities and non-operating asset value unrelated to normal operating activities. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. Based on the asset allocation and utilisation of the entity under valuation, the formula for calculating the overall enterprise value is as follows:

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

A. Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;

-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

B. Non-operating Assets and Non-operating Liabilities Value

Non-operating assets and non-operating liabilities are assets and liabilities unrelated to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets are separately analysed and valued.

C. Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

② Interest-bearing Debt Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable, etc.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB33.3058 million, with a value appreciation of RMB1.6422 million and a value appreciation rate of 5.19%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by settlement electricity volume multiplied by the price stipulated in existing contracts; operating costs are primarily calculated based on depreciation and amortisation policies, relevant contract stipulations and historical unit costs. Taxes and surcharges and income tax payable are primarily calculated based on the tax policies implemented by the enterprise. Finance costs are primarily estimated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity price change range	Valuation	Change amount	Rate of change
-10.00%	3,256.74	-73.84	-2.22%
-5.00%	3,293.65	-36.93	-1.11%
-3.00%	3,308.44	-22.14	-0.66%
0.00%	3,330.58	–	0.00%
3.00%	3,352.74	22.16	0.67%
5.00%	3,367.53	36.95	1.11%
10.00%	3,404.44	73.86	2.22%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	3,366.41	35.83	1.08%
-0.25%	3,348.21	17.63	0.53%
0.00%	3,330.58	–	0.00%
0.25%	3,313.62	-16.96	-0.51%
0.50%	3,297.21	-33.37	-1.00%

5. Shanneng New Energy (Zoucheng) Co., Ltd.

The table below illustrates the valuation model of Shanneng New Energy (Zoucheng) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	-
I. OPERATING REVENUE	2,424.60	2,520.59	2,506.72	2,492.67	2,478.99	2,465.36	2,451.83	2,438.39	2,424.97	2,411.57	2,398.35	2,385.15	2,372.00	2,359.00	2,346.02	2,333.08	2,320.27	2,307.52	2,294.78	2,282.20	2,135.36	-
Revenue from principal operations	2,424.60	2,520.59	2,506.72	2,492.67	2,478.99	2,465.36	2,451.83	2,438.39	2,424.97	2,411.57	2,398.35	2,385.15	2,372.00	2,359.00	2,346.02	2,333.08	2,320.27	2,307.52	2,294.78	2,282.20	2,135.36	-
Other business income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: (I) Cost of sales	1,076.05	1,169.69	1,169.50	1,169.30	1,169.09	1,168.88	1,168.68	1,168.47	1,168.27	1,168.07	1,167.87	1,167.67	1,167.47	1,167.28	1,167.08	1,166.89	1,166.69	1,166.50	1,166.31	1,166.12	1,158.27	-
Cost of principal operations	1,076.05	1,169.69	1,169.50	1,169.30	1,169.09	1,168.88	1,168.68	1,168.47	1,168.27	1,168.07	1,167.87	1,167.67	1,167.47	1,167.28	1,167.08	1,166.89	1,166.69	1,166.50	1,166.31	1,166.12	1,158.27	-
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
(II) Taxes and surcharges	34.28	35.49	35.20	35.05	34.83	34.62	34.41	34.12	33.99	33.78	33.57	33.36	33.08	32.95	32.75	32.55	32.35	32.07	31.95	31.75	29.49	-
(III) Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Administrative expenses	5.45	5.45	5.45	7.04	7.04	7.04	5.45	5.45	7.04	7.04	7.04	5.45	5.45	7.04	7.04	6.67	5.45	5.45	7.04	7.04	7.04	-
(V) Research and development expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Financial expenses	237.14	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	258.70	-
II. OPERATING PROFIT	1,071.68	1,051.26	1,037.87	1,022.59	1,009.34	996.12	984.59	971.64	956.97	943.99	931.17	919.97	907.29	893.03	880.45	868.28	857.08	844.79	830.79	818.59	681.85	-
Add: Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	-
Less: Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. TOTAL PROFIT	1,071.68	1,051.26	1,037.87	1,022.59	1,009.34	996.12	984.59	971.64	956.97	943.99	931.17	919.97	907.29	893.03	880.45	868.28	857.08	844.79	830.79	818.59	681.85	-
Less: Income tax expense	147.57	131.41	259.47	255.65	252.33	249.03	246.15	242.91	239.24	236.00	232.79	229.99	226.82	223.26	220.11	217.07	214.27	211.20	207.70	204.65	170.46	-
IV. NET PROFIT	924.11	919.85	778.40	766.94	757.00	747.09	738.44	728.73	717.73	707.99	698.38	689.97	680.47	669.77	660.34	651.21	642.81	633.59	623.09	613.95	511.39	-
Add: Depreciation and amortization	660.85	722.19	722.19	723.77	723.77	723.77	722.19	722.19	723.77	723.77	723.77	722.19	722.19	723.77	723.77	723.40	722.19	722.19	723.77	723.77	723.77	-
Add: Amortization of intangible assets and long-term deferred expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest on borrowings (after tax)	207.50	226.37	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	194.03	-
Less: Capital expenditures (excluding tax)	-	-	4.75	-	-	-	-	4.75	-	-	-	-	4.75	-	-	-	-	4.75	-	-	-	-
Add: Impact of VAT on cash flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in working capital	-449.79	-36.05	-27.89	-15.70	-15.07	-15.08	-14.94	-14.72	-14.97	-14.81	-14.60	-14.59	-14.41	-14.50	-14.35	-14.30	-14.15	-13.96	-14.22	-13.89	-167.31	-
Add: Recovery of working capital at period end																						1,612.42
Add: Residual value of fixed assets at period end																						579.08
VI. FREE CASH FLOW OF ENTERPRISES	2,242.25	1,904.46	1,717.76	1,700.44	1,689.87	1,679.97	1,669.60	1,654.91	1,650.50	1,640.60	1,630.78	1,620.78	1,606.34	1,602.07	1,592.49	1,582.94	1,573.18	1,559.02	1,555.11	1,545.64	1,596.50	2,191.50

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	-
Discount rate	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Discount factor	0.98	0.93	0.88	0.83	0.79	0.75	0.72	0.68	0.65	0.62	0.59	0.56	0.53	0.50	0.48	0.45	0.43	0.41	0.39	0.37	0.35	0.3436
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	2,186.87	1,762.69	1,508.33	1,419.29	1,340.72	1,266.95	1,196.86	1,127.67	1,069.04	1,010.08	954.38	901.62	849.40	805.25	760.85	718.89	679.12	639.73	606.57	573.06	562.65	733.00
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	22,693.02																					
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	8,978.68																					
VIII minus IX	13,714.34																					
Add: Surplus assets	357.41																					
Add: Non-operating assets	1,181.60																					
Less: Non-operating liabilities	2,977.15																					
Add: Long-term investments																						
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	12,276.21																					

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term payables, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

4) Long-term Equity Investment Value

The long-term equity investment value is calculated primarily based on the carrying value or appraised value of the net assets of the investee as at the benchmark date multiplied by the equity interest percentage held. Not applicable to this valuation.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB122.7621 million, with a value appreciation of RMB48.2824 million and a value appreciation rate of 64.83%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by PV electricity sales volume multiplied by electricity tariff prices; operating costs are primarily calculated based on historical average costs and executed contracts. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity price change range	Valuation	Change amount	Rate of change
-10.00%	10,126.38	-2,149.83	-17.51%
-5.00%	11,201.30	-1,074.91	-8.76%
-3.00%	11,631.26	-644.95	-5.25%
0.00%	12,276.21	–	0.00%
3.00%	12,921.15	644.94	5.25%
5.00%	13,351.07	1,074.86	8.76%
10.00%	14,426.00	2,149.79	17.51%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	13,233.16	956.95	7.80%
-0.25%	12,746.48	470.27	3.83%
0.00%	12,276.21	–	0.00%
0.25%	11,821.22	-454.99	-3.71%
0.50%	11,381.40	-894.81	-7.29%

6. *Shanneng New Energy (Chengwu) Co., Ltd.*

The table below illustrates the valuation model of Shanneng New Energy (Chengwu) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	-
I. OPERATING REVENUE	71.14	73.42	73.02	72.62	72.22	71.82	71.42	71.04	70.65	70.26	69.87	69.49	69.11	68.73	68.35	67.96	67.59	67.22	66.85	66.49	62.13	-
Revenue from principal operations	71.14	73.42	73.02	72.62	72.22	71.82	71.42	71.04	70.65	70.26	69.87	69.49	69.11	68.73	68.35	67.96	67.59	67.22	66.85	66.49	62.13	-
Other business income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: (I) Cost of sales	51.80	56.69	56.68	56.67	56.65	56.64	56.63	56.62	56.61	56.60	56.58	56.57	56.56	56.55	56.54	56.53	56.52	56.50	56.49	56.48	56.47	-
Cost of principal operations	51.80	56.69	56.68	56.67	56.65	56.64	56.63	56.62	56.61	56.60	56.58	56.57	56.56	56.55	56.54	56.53	56.52	56.50	56.49	56.48	56.47	-
Other business costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(II) Taxes and surcharges	0.52	0.54	1.07	1.06	1.06	1.05	1.05	1.04	1.03	1.03	1.02	1.02	1.01	1.00	1.00	0.99	0.99	0.98	0.98	0.97	0.90	-
(III) Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Administrative expenses	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	-
(V) Research and development expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Financial expenses	14.80	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	16.14	-
II. OPERATING PROFIT	3.62	-0.35	-1.27	-1.65	-2.03	-2.41	-2.79	-3.17	-3.54	-3.91	-4.28	-4.64	-5.01	-5.37	-5.73	-6.10	-6.45	-6.81	-7.16	-7.51	-11.78	-
Add: Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	-
Less: Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. TOTAL PROFIT	3.62	-0.35	-1.27	-1.65	-2.03	-2.41	-2.79	-3.17	-3.54	-3.91	-4.28	-4.64	-5.01	-5.37	-5.73	-6.10	-6.45	-6.81	-7.16	-7.51	-11.78	-
Less: Income tax expense	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. NET PROFIT	3.51	-0.35	-1.27	-1.65	-2.03	-2.41	-2.79	-3.17	-3.54	-3.91	-4.28	-4.64	-5.01	-5.37	-5.73	-6.10	-6.45	-6.81	-7.16	-7.51	-11.78	-
Add: Depreciation and amortization	42.77	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	46.74	-
Add: Amortization of intangible assets and long-term deferred expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Interest on borrowings (after tax)	14.06	15.33	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	12.11	-
Less: Capital expenditures (excluding tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Impact of VAT on cash flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in working capital	-29.06	-1.24	-1.19	-1.17	-1.17	-1.17	-1.17	-1.15	-1.15	-1.15	-1.15	-1.12	-1.12	-1.12	-1.12	-1.12	-1.10	-1.10	-1.10	-1.07	-12.84	-
Add: Recovery of working capital at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	184.83
Add: Residual value of fixed assets at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27.46
VI. FREE CASH FLOW OF ENTERPRISES	89.40	62.97	58.76	58.36	57.98	57.60	57.22	56.83	56.46	56.09	55.72	55.32	54.96	54.60	54.23	53.87	53.50	53.14	52.79	52.41	59.91	212.28

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	-
Discount rate	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Discount factor	0.9742	0.9225	0.8742	0.8309	0.7899	0.7508	0.7137	0.6784	0.6448	0.6129	0.5826	0.5538	0.5264	0.5004	0.4757	0.4521	0.4298	0.4085	0.3883	0.3691	0.3509	0.3421
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	87.09	58.09	51.37	48.30	45.80	43.25	40.84	38.55	36.41	34.38	32.46	30.64	28.93	27.32	25.80	24.36	22.99	21.71	20.50	19.35	21.02	72.62
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	831.98																					
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	622.70																					
VIII minus IX	209.28																					
Add: Surplus assets	-																					
Add: Non-operating assets	222.80																					
Less: Non-operating liabilities	296.91																					
Add: Long-term investments																						
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	135.18																					

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term payables, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

4) Long-term Equity Investment Value

The long-term equity investment value is calculated primarily based on the carrying value or appraised value of the net assets of the investee as at the benchmark date multiplied by the equity interest percentage held. Not applicable to this valuation.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB1.3518 million, with a value appreciation of RMB0.3573 million and a value appreciation rate of 35.93%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by PV electricity sales volume multiplied by electricity tariff prices; operating costs are primarily calculated based on historical average costs and executed contracts. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10.00%	61.98	-73.20	-54.15%
-5.00%	98.66	-36.52	-27.02%
-3.00%	113.27	–21.91	–16.21%
0.00%	135.18	–	0.00%
3.00%	156.69	21.51	15.91%
5.00%	170.01	34.83	25.77%
10.00%	200.24	65.06	48.13%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	172.79	37.61	27.82%
-0.25%	153.65	18.47	13.66%
0.00%	135.18	–	0.00%
0.25%	117.32	-17.86	-13.21%
0.50%	100.12	-35.06	-25.94%

7. Shanneng New Energy (Zibo Zichuan District) Co., Ltd.

The table below illustrates the valuation model of Shanneng New Energy (Zibo Zichuan District) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2046/12/30
I. OPERATING REVENUE	207.90	215.37	214.18	213.01	211.84	210.67	209.51	208.36	207.21	206.07	204.94	203.81	202.69	201.58	200.47	199.37	198.27	197.18	196.10	195.02	193.94	
Revenue from principal operations	207.90	215.37	214.18	213.01	211.84	210.67	209.51	208.36	207.21	206.07	204.94	203.81	202.69	201.58	200.47	199.37	198.27	197.18	196.10	195.02	193.94	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: (I) Cost of sales	114.33	124.55	124.51	124.48	124.44	124.41	124.37	124.34	124.30	124.27	124.23	124.20	124.17	124.13	124.10	124.07	124.03	124.00	123.97	123.94	123.90	
Cost of principal operations	114.33	124.55	124.51	124.48	124.44	124.41	124.37	124.34	124.30	124.27	124.23	124.20	124.17	124.13	124.10	124.07	124.03	124.00	123.97	123.94	123.90	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(II) Taxes and surcharges	1.53	1.58	3.15	3.13	3.11	3.10	3.08	3.06	3.04	3.03	3.01	2.99	2.97	2.96	2.94	2.92	2.91	2.89	2.87	2.86	2.84	
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(IV) Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(VI) Financial expenses	36.42	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	39.31	
II. OPERATING PROFIT	55.62	49.93	47.21	46.09	44.97	43.85	42.75	41.65	40.56	39.47	38.39	37.31	36.24	35.18	34.12	33.07	32.02	30.98	29.95	28.92	27.89	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2046/12/30
Less: Non-operating expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
III. TOTAL PROFIT	55.62	49.93	47.21	46.09	44.97	43.85	42.75	41.65	40.56	39.47	38.39	37.31	36.24	35.18	34.12	33.07	32.02	30.98	29.95	28.92	27.89	
Less: Income tax expense	2.36	2.50	11.80	11.52	11.24	10.96	10.69	10.41	10.14	9.87	9.60	9.33	9.06	8.79	8.53	8.27	8.01	7.75	7.49	7.23	6.97	
IV. NET PROFIT	53.26	47.44	35.41	34.57	33.73	32.89	32.06	31.24	30.42	29.60	28.79	27.98	27.18	26.38	25.59	24.80	24.02	23.24	22.46	21.69	20.92	
Add: Depreciation and amortization	87.58	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	95.71	
Add: Amortization of intangible assets and long-term deferred expenses																						
Add: Interest on borrowings (after tax)	34.60	37.34	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	29.48	
Less: Capital expenditures (excluding tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Add: Impact of VAT on cash flow																						
Less: Increase in working capital	55.75	2.35	-1.08	-0.83	-0.84	-0.83	-0.82	-0.82	-0.82	-0.81	-0.80	-0.81	-0.80	-0.79	-0.79	-0.78	-0.78	-0.77	-0.77	-0.77	-0.77	
Add: Recovery of working capital at period end																						138.27
Add: Residual value of fixed assets at period end																						79.42
VI. FREE CASH FLOW OF ENTERPRISES	119.69	178.14	161.68	160.59	159.76	158.91	158.07	157.25	156.43	155.60	154.78	153.98	153.17	152.36	151.57	150.77	149.99	149.20	148.42	147.65	146.88	217.69

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2046/12/30
Discount rate	5.86%	5.86%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9742	0.9225	0.8742	0.8309	0.7899	0.7508	0.7137	0.6784	0.6448	0.6129	0.5826	0.5538	0.5264	0.5004	0.4757	0.4521	0.4298	0.4085	0.3883	0.3691	0.3509	0.3421
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	116.60	164.34	141.33	133.44	126.19	119.31	112.81	106.67	100.87	95.3700	90.1800	85.2800	80.6300	76.2400	72.0900	68.1700	64.4600	60.9500	57.6300	54.5000	51.5300	74.4700
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	2,053.06																					
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	993.97																					
VIII minus IX	1,059.09																					
Add: Surplus assets	-																					
Add: Non-operating assets	424.15																					
Less: Non-operating liabilities	418.19																					
Add: Long-term investments																						
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	1,065.05																					

(1) Valuation Method

The income approach was adopted, specifically the discounted cash flow method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The overall enterprise value refers to the sum of the entire shareholders' equity value and the interest-bearing debt value. The calculation model is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

① Overall Enterprise Value

The overall enterprise value comprises operating asset value generated from normal operating activities and non-operating asset value unrelated to normal operating activities. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. Based on the asset allocation and utilisation of the entity under valuation, the formula for calculating the overall enterprise value is as follows:

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

A. Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;

-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

B. Non-operating Assets and Non-operating Liabilities Value

Non-operating assets and non-operating liabilities are assets and liabilities unrelated to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets are separately analysed and valued.

C. Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

② Interest-bearing Debt Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable, etc.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB10.6505 million, with a value appreciation of RMB1.0474 million and a value appreciation rate of 10.91%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by settlement electricity volume multiplied by the price stipulated in existing contracts; operating costs are primarily calculated based on depreciation and amortisation policies, relevant contract stipulations and historical unit costs. Taxes and surcharges and income tax payable are primarily calculated based on the tax policies implemented by the enterprise. Finance costs are primarily estimated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Revenue change range	Valuation	Change amount	Rate of change
-10.00%	1,017.42	-47.63	-4.47%
-5.00%	1,041.26	-23.79	-2.23%
-3.00%	1,050.79	-14.26	-1.34%
0.00%	1,065.05	–	0.00%
3.00%	1,079.39	14.34	1.35%
5.00%	1,088.94	23.89	2.24%
10.00%	1,112.79	47.74	4.48%

② Sensitivity Analysis of Discount Rate

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	1,155.55	90.50	8.50%
-0.25%	1,109.54	44.49	4.18%
0.00%	1,065.05	–	0.00%
0.25%	1,022.07	-42.98	-4.04%
0.50%	980.47	-84.58	-7.94%

8. Shanneng New Energy (Zaozhuang) Co., Ltd.

The table below illustrates the valuation model of Shanneng New Energy (Zaozhuang) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2046
I. OPERATING REVENUE	319.35	331.74	329.92	328.11	326.30	324.51	322.72	320.95	319.18	317.43	315.68	313.95	312.22	310.50	308.79	307.10	305.40	303.72	302.06	300.40	286.47	0.00
Revenue from principal operations	319.35	331.74	329.92	328.11	326.30	324.51	322.72	320.95	319.18	317.43	315.68	313.95	312.22	310.50	308.79	307.10	305.40	303.72	302.06	300.40	286.47	0.00
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: (I) Cost of sales	185.12	199.87	199.64	199.40	199.17	198.93	198.70	198.47	198.24	198.01	197.79	197.56	197.34	197.11	196.89	196.67	196.45	196.23	196.01	195.80	194.35	8.59
Cost of principal operations	185.12	199.87	199.64	199.40	199.17	198.93	198.70	198.47	198.24	198.01	197.79	197.56	197.34	197.11	196.89	196.67	196.45	196.23	196.01	195.80	194.35	8.59
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(II) Taxes and surcharges	2.18	2.26	4.49	4.46	4.43	4.41	4.38	4.36	4.33	4.31	4.28	4.26	4.23	4.21	4.18	4.16	4.13	4.11	4.09	4.06	3.86	0.00
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(VI) Financial expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. OPERATING PROFIT	132.05	129.62	125.80	124.25	122.70	121.17	119.64	118.12	116.61	115.11	113.61	112.13	110.65	109.18	107.72	106.27	104.82	103.39	101.96	100.54	88.26	–8.59
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2046
Less: Non-operating expenses																						
III. TOTAL PROFIT	132.05	129.62	125.80	124.25	122.70	121.17	119.64	118.12	116.61	115.11	113.61	112.13	110.65	109.18	107.72	106.27	104.82	103.39	101.96	100.54	88.26	-8.59
Less: Income tax expense	7.25	6.48	31.45	31.06	30.67	30.29	29.91	29.53	29.15	28.78	28.40	28.03	27.66	27.29	26.93	26.57	26.21	25.85	25.49	25.14	22.06	0.00
IV. NET PROFIT	124.80	123.14	94.35	93.19	92.02	90.88	89.73	88.59	87.46	86.33	85.21	84.10	82.99	81.88	80.79	79.70	78.62	77.54	76.47	75.41	66.19	-8.59
Add: Depreciation and amortization	113.17	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	123.67	0.00
Add: Amortization of intangible assets and long-term deferred expenses																						
Add: Interest on borrowings (after tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Capital expenditures (excluding tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Add: Impact of VAT on cash flow																						
Less: Increase in working capital	0.65	-2.14	-0.29	-0.33	-0.33	-0.32	-0.32	-0.32	-0.32	-0.32	-0.32	-0.31	-0.31	-0.31	-0.31	-0.31	-0.31	-0.30	-0.30	-0.30	-2.77	
Add: Recovery of working capital at period end																						51.97
Add: Residual value of fixed assets at period end																						95.89
VI. FREE CASH FLOW OF ENTERPRISES	237.32	248.95	218.32	217.19	216.03	214.87	213.73	212.59	211.45	210.32	209.20	208.09	206.98	205.87	204.77	203.68	202.60	201.52	200.45	199.38	192.63	139.27

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2046
Discount rate	5.86%	5.86%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9742	0.9225	0.8742	0.8309	0.7899	0.7508	0.7137	0.6784	0.6448	0.6129	0.5826	0.5538	0.5264	0.5004	0.4757	0.4521	0.4298	0.4085	0.3883	0.3691	0.3509	0.3252
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	231.20	229.66	190.85	180.47	170.63	161.33	152.53	144.21	136.35	128.92	121.89	115.24	108.96	103.02	97.40	92.09	87.07	82.32	77.84	73.59	67.59	45.28
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	2,798.44																					
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	-																					
VIII minus IX	2,798.44																					
Add: Surplus assets	1,030.81																					
Add: Non-operating assets	19.93																					
Less: Non-operating liabilities	461.67																					
Add: Long-term investments																						
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	3,387.50																					

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term payables, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

4) Long-term Equity Investment Value

The long-term equity investment value is calculated primarily based on the carrying value or appraised value of the net assets of the investee as at the benchmark date multiplied by the equity interest percentage held.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB33.8750 million, with a value appreciation of RMB1.2658 million and a value appreciation rate of 3.88%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by PV electricity sales volume multiplied by electricity tariff prices; operating costs are primarily calculated based on historical average costs and executed contracts. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Long-term equity investments and non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10.00%	3,086.62	-300.88	-8.88%
-5.00%	3,237.05	-150.45	-4.44%
-3.00%	3,297.24	-90.26	-2.66%
0.00%	3,387.50	–	0.00%
3.00%	3,477.76	90.26	2.66%
5.00%	3,537.95	150.45	4.44%
10.00%	3,688.38	300.88	8.88%

② Sensitivity Analysis of Discount Rate

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	3,504.24	116.74	3.45%
-0.25%	3,444.89	57.39	1.69%
0.00%	3,387.50	0.00	0.00%
0.25%	3,331.96	-55.54	-1.64%
0.50%	3,278.18	-109.32	-3.23%

9. Shanneng New Energy (Yiyuan) Co., Ltd.

The table below illustrates the valuation model of Shanneng New Energy (Yiyuan) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2047/5/5
I. OPERATING REVENUE	193.74	235.42	234.13	232.84	231.56	230.29	229.02	227.76	226.51	225.26	224.02	222.79	221.57	220.35	219.13	217.93	216.73	215.54	214.35	213.18	212.00	22.05	
Revenue from principal operations	193.74	235.42	234.13	232.84	231.56	230.29	229.02	227.76	226.51	225.26	224.02	222.79	221.57	220.35	219.13	217.93	216.73	215.54	214.35	213.18	212.00	22.05	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: (I) Cost of sales	156.00	168.46	168.42	168.39	168.35	168.31	168.27	168.23	168.20	168.16	168.12	168.08	168.05	168.01	167.97	167.94	167.90	167.87	167.83	167.80	167.76	34.99	
Cost of principal operations	156.00	168.46	168.42	168.39	168.35	168.31	168.27	168.23	168.20	168.16	168.12	168.08	168.05	168.01	167.97	167.94	167.90	167.87	167.83	167.80	167.76	34.99	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(II) Taxes and surcharges	1.16	1.43	2.85	2.83	2.81	2.80	2.78	2.76	2.75	2.73	2.72	2.70	2.68	2.67	2.65	2.64	2.62	2.61	2.59	2.58	2.56	0.27	
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(IV) Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(VI) Financial expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
II. OPERATING PROFIT	36.58	65.53	62.86	61.63	60.40	59.18	57.97	56.76	55.57	54.37	53.18	52.01	50.84	49.67	48.51	47.36	46.21	45.06	43.93	42.80	41.68	-13.21	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2047/5/5
Less: Non-operating expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
III. TOTAL PROFIT	36.58	65.53	62.86	61.63	60.40	59.18	57.97	56.76	55.57	54.37	53.18	52.01	50.84	49.67	48.51	47.36	46.21	45.06	43.93	42.80	41.68	-13.21	
Less: Income tax expense	3.18	3.28	15.71	15.41	15.10	14.80	14.49	14.19	13.89	13.59	13.30	13.00	12.71	12.42	12.13	11.84	11.55	11.27	10.98	10.70	10.42	0.00	
IV. NET PROFIT	33.39	62.25	47.14	46.22	45.30	44.39	43.48	42.57	41.67	40.78	39.89	39.01	38.13	37.25	36.38	35.52	34.66	33.80	32.95	32.10	31.26	-13.21	
Add: Depreciation and amortization	120.83	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	132.04	31.26	
Add: Amortization of intangible assets and long-term deferred expenses																							
Add: Interest on borrowings (after tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: Capital expenditures (excluding tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Add: Impact of VAT on cash flow																							
Less: Increase in working capital	-97.26	-2.20	-2.69	-1.95	-1.93	-1.93	-1.91	-1.91	-1.89	-1.89	-1.87	-1.86	-1.85	-1.85	-1.83	-1.82	-1.81	-1.81	-1.80	-1.78	-1.78	-273.38	
Add: Recovery of working capital at period end																							32.47
Add: Residual value of fixed assets at period end																							107.14
VI. FREE CASH FLOW OF ENTERPRISES	251.49	196.50	181.88	180.21	179.28	178.36	177.43	176.52	175.61	174.71	173.80	172.91	172.02	171.14	170.26	169.38	168.51	167.65	166.78	165.92	165.08	291.43	139.61

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2047 5/5
Discount rate	5.86%	5.86%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9742	0.9225	0.8742	0.8309	0.7899	0.7508	0.7137	0.6784	0.6448	0.6129	0.5826	0.5538	0.5264	0.5004	0.4757	0.4521	0.4298	0.4085	0.3883	0.3691	0.3509	0.3391	0.3361
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	245.00	181.27	158.99	149.75	141.60	133.91	126.63	119.75	113.24	107.09	101.26	95.76	90.56	85.64	80.98	76.58	72.42	68.49	64.76	61.24	57.92	98.84	46.92
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	2,478.60																						
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	2,125.00																						
VIII minus IX	353.60																						
Add: Surplus assets	-																						
Add: Non-operating assets	1,219.55																						
Less: Non-operating liabilities	919.02																						
Add: Long-term investments																							
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	654.13																						

(1) Valuation Method

The income approach was adopted, specifically the discounted cash flow method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The overall enterprise value refers to the sum of the entire shareholders' equity value and the interest-bearing debt value. The calculation model is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

① Overall Enterprise Value

The overall enterprise value comprises operating asset value generated from normal operating activities and non-operating asset value unrelated to normal operating activities. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. Based on the asset allocation and utilisation of the entity under valuation, the formula for calculating the overall enterprise value is as follows:

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

A. Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;

-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

B. Non-operating Assets and Non-operating Liabilities Value

Non-operating assets and non-operating liabilities are assets and liabilities unrelated to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets are separately analysed and valued.

C. Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

② Interest-bearing Debt Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable, etc.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB6.5413 million, with a value appreciation of RMB1.5447 million and a value appreciation rate of 30.92%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by grid-connected electricity volume multiplied by the price stipulated in existing contracts; operating costs are primarily calculated based on depreciation and amortisation policies, relevant contract stipulations and historical unit costs. Taxes and surcharges and income tax payable are primarily calculated based on the tax policies implemented by the enterprise. Finance costs are primarily estimated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Revenue change range	Valuation	Change amount	Rate of change
-10.00%	461.35	-192.78	-29.47%
-5.00%	557.72	-96.41	-14.74%
-3.00%	596.29	-57.84	-8.84%
0.00%	654.13	–	0.00%
3.00%	711.97	57.84	8.84%
5.00%	750.51	96.38	14.73%
10.00%	846.92	192.79	29.47%

② Sensitivity Analysis of Discount Rate

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	762.71	108.58	16.60%
-0.25%	707.45	53.32	8.15%
0.00%	654.13	–	0.00%
0.25%	602.65	-51.48	-7.87%
0.50%	552.90	-101.23	-15.48%

10. Shanneng New Energy (Rizhao) Co., Ltd.

The table below illustrates the valuation model of Shanneng New Energy (Rizhao) Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2047/3/31
I. OPERATING REVENUE	240.05	253.77	252.38	251.00	249.61	248.24	246.87	245.52	244.16	242.82	241.49	240.16	238.84	237.53	236.22	234.92	233.63	232.35	231.07	229.80	228.53	/6.82	
Revenue from principal operations	240.05	253.77	252.38	251.00	249.61	248.24	246.87	245.52	244.16	242.82	241.49	240.16	238.84	237.53	236.22	234.92	233.63	232.35	231.07	229.80	228.53	56.82	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: (I) Cost of sales	142.47	152.38	152.20	152.02	151.84	151.66	151.49	151.31	151.13	150.96	150.79	150.61	150.44	150.27	150.10	149.93	149.76	149.60	149.43	149.27	149.10	45.73	
Cost of principal operations	142.47	152.38	152.20	152.02	151.84	151.66	151.49	151.31	151.13	150.96	150.79	150.61	150.44	150.27	150.10	149.93	149.76	149.60	149.43	149.27	149.10	45.73	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(II) Taxes and surcharges	1.64	1.74	3.46	3.44	3.42	3.40	3.38	3.36	3.34	3.33	3.31	3.29	3.27	3.25	3.23	3.21	3.19	3.17	3.16	3.14	3.12	0.78	
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(IV) Administrative expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(VI) Financial expenses	45.88	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	49.63	12.41	
II. OPERATING PROFIT	50.07	50.02	47.08	45.90	44.71	43.54	42.37	41.21	40.05	38.91	37.76	36.62	35.50	34.37	33.26	32.14	31.04	29.94	28.85	27.76	26.67	-2.09	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2047/3/31
Less: Non-operating expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
III. TOTAL PROFIT	50.07	50.02	47.08	45.90	44.71	43.54	42.37	41.21	40.05	38.91	37.76	36.62	35.50	34.37	33.26	32.14	31.04	29.94	28.85	27.76	26.67	-2.09	
Less: Income tax expense	2.24	2.50	11.77	11.47	11.18	10.88	10.59	10.30	10.01	9.73	9.44	9.16	8.87	8.59	8.31	8.04	7.76	7.49	7.21	6.94	6.67	0.00	
IV. NET PROFIT	47.82	47.52	35.31	34.42	33.53	32.65	31.78	30.91	30.04	29.18	28.32	27.47	26.62	25.78	24.94	24.11	23.28	22.46	21.64	20.82	20.00	-2.09	
Add: Depreciation and amortization	87.61	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	95.74	32.07	
Add: Amortization of intangible assets and long-term deferred expenses																							
Add: Interest on borrowings (after tax)	43.58	47.15	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	9.31	
Less: Capital expenditures (excluding tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Add: Impact of VAT on cash flow																							
Less: Increase in working capital	41.41	1.01	-0.66	-0.16	-0.16	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.14	-0.14	-0.14	-0.14	-1.75	
Add: Recovery of working capital at period end																							12.34
Add: Residual value of fixed assets at period end																							80.23
VI. FREE CASH FLOW OF ENTERPRISES	137.61	189.40	168.94	167.55	166.66	165.77	164.90	164.03	163.16	162.30	161.44	160.59	159.74	158.90	158.06	157.22	156.40	155.56	154.74	153.93	153.11	50.03	92.57

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2047/3/31
Discount rate	5.86%	5.86%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9742	0.9225	0.8742	0.8309	0.7899	0.7508	0.7137	0.6784	0.6448	0.6129	0.5826	0.5538	0.5264	0.5004	0.4757	0.4521	0.4298	0.4085	0.3883	0.3691	0.3509	0.3399	0.3378
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	134.06	174.73	147.68	139.23	131.64	124.46	117.68	111.27	105.21	99.48	94.06	88.94	84.09	79.51	75.18	71.09	67.22	63.55	60.09	56.82	53.72	17.01	31.27
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	2,127.99																						
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	1,284.98																						
VIII minus IX	843.01																						
Add: Surplus assets	-																						
Add: Non-operating assets	420.22																						
Less: Non-operating liabilities	496.78																						
Add: Long-term investments																							
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	766.45																						

(1) Valuation Method

The income approach was adopted, specifically the discounted cash flow method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The overall enterprise value refers to the sum of the entire shareholders' equity value and the interest-bearing debt value. The calculation model is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

① Overall Enterprise Value

The overall enterprise value comprises operating asset value generated from normal operating activities and non-operating asset value unrelated to normal operating activities. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. Based on the asset allocation and utilisation of the entity under valuation, the formula for calculating the overall enterprise value is as follows:

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

A. Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;

-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

B. Non-operating Assets and Non-operating Liabilities Value

Non-operating assets and non-operating liabilities are assets and liabilities unrelated to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets are separately analysed and valued.

C. Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

② Interest-bearing Debt Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term borrowings, bonds payable, etc.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB7.6645 million, with a value appreciation of RMB1.0893 million and a value appreciation rate of 16.57%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by grid-connected electricity volume multiplied by the price stipulated in existing contracts; operating costs are primarily calculated based on depreciation and amortisation policies, relevant contract stipulations and historical unit costs. Taxes and surcharges and income tax payable are primarily calculated based on the tax policies implemented by the enterprise. Finance costs are primarily estimated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Revenue change range	Valuation	Change amount	Rate of change
-10.00%	558.21	-208.24	-27.17%
-5.00%	662.32	-104.13	-13.59%
-3.00%	703.96	-62.49	-8.15%
0.00%	766.45	–	0.00%
3.00%	828.92	62.47	8.15%
5.00%	870.53	104.08	13.58%
10.00%	974.46	208.01	27.14%

② Sensitivity Analysis of Discount Rate

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	857.85	91.40	11.93%
-0.25%	811.37	44.92	5.86%
0.00%	766.45	–	0.00%
0.25%	722.95	-43.50	-5.68%
0.50%	680.88	-85.57	-11.16%

11. Shanneng New Energy (Heze) Co., Ltd.

As of the Valuation Benchmark Date, Shanneng New Energy (Heze) Co., Ltd. did not commence operations and had no plans to operate in the foreseeable future. Accordingly, the asset-based approach was adopted for this appraisal. Under the going concern assumption as at the Valuation Benchmark Date, Shanneng New Energy (Heze) Co., Ltd. had a carrying value of total assets of RMB5.1006 million and an assessed value of RMB5.1006 million as at the Valuation Benchmark Date, with value appreciation of RMB0.00 million; its total liabilities recorded a book value of RMB0.00 million and an assessed value of RMB0.00 million, with value appreciation of RMB0.00 million; and net assets had a book value of RMB5.1006 million and an assessed value of RMB5.1006 million, with value appreciation of RMB0.00 million.

12. Shandong Energy Inner Mongolia Shenglu Power Co., Ltd.

The table below illustrates the valuation model of Shandong Energy Inner Mongolia Shenglu Power Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
I. OPERATING REVENUE	237,129.17	268,728.39	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57
Revenue from principal operations	237,129.17	268,728.39	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: (I) Cost of sales	196,092.23	215,195.25	205,178.92	205,181.04	205,369.09	205,745.25	206,128.55	206,424.25	206,710.99	207,052.15	207,194.92	207,496.69	207,879.08
Cost of principal operations	196,092.23	215,195.25	205,178.92	205,181.04	205,369.09	205,745.25	206,128.55	206,424.25	206,710.99	207,052.15	207,194.92	207,496.69	207,879.08
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(II) Taxes and surcharges	1,718.18	2,381.70	2,308.29	2,310.30	2,225.02	2,295.34	2,303.39	2,302.19	2,294.48	2,286.60	2,274.01	2,290.70	2,290.41
(III) Selling expenses	550.94	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04
(IV) Administrative expenses	5,421.40	5,967.07	5,969.45	6,001.89	6,030.40	6,072.38	6,149.99	6,211.24	6,267.05	6,305.16	6,392.14	6,459.63	6,523.84
(V) Research and development expenses	8,199.62	8,351.32	8,020.44	8,038.15	8,056.22	8,074.65	8,093.44	8,112.61	8,132.17	8,152.12	8,172.46	8,193.21	8,214.38
(VI) Financial expenses	8,447.79	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77
II. OPERATING PROFIT	16,699.01	27,051.25	23,933.65	23,879.37	23,730.03	23,223.15	22,735.39	22,360.46	22,006.06	21,614.74	21,377.23	20,970.52	20,503.05
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Non-operating expenses													
III. TOTAL PROFIT	16,699.01	27,051.25	23,933.65	23,879.37	23,730.03	23,223.15	22,735.39	22,360.46	22,006.06	21,614.74	21,377.23	20,970.52	20,503.05
Less: Income tax expense	1,300.95	2,771.10	2,352.99	2,342.41	2,317.14	2,238.70	2,162.12	2,107.38	2,047.84	1,985.64	1,946.58	1,882.46	1,809.17
IV. NET PROFIT	15,398.06	24,280.15	21,580.66	21,536.96	21,412.89	20,984.45	20,573.27	20,253.08	19,958.22	19,629.09	19,430.65	19,088.06	18,693.89
Add: Depreciation and amortization	21,678.91	23,764.60	23,734.10	23,608.41	23,492.60	23,545.60	23,625.98	23,626.30	23,550.51	23,521.32	23,333.42	23,277.33	23,288.06
Add: Amortization of intangible assets and long-term deferred expenses	491.09	536.67	536.67	455.11	428.77	426.38	430.36	401.17	424.17	427.56	430.12	430.12	430.12

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Add: Interest on borrowings (after tax)	7,180.62	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41
Less: Capital expenditures (excluding tax)	524.22	37.87	370.84	179.74	6,738.01	1,046.10	186.41	1,446.94	1,231.43	1,240.59	1,732.82	211.97	22.73
Add: Impact of VAT on cash flow													
Less: Increase in working capital	11,889.30	-164.23	-1,569.95	11.24	12.18	17.03	15.57	15.66	15.84	16.21	16.46	17.70	17.61
Add: Recovery of working capital at period end													
Add: Residual value of fixed assets at period end													
VI. FREE CASH FLOW OF ENTERPRISES	32,335.16	56,541.20	54,883.95	53,242.90	46,417.47	51,726.71	52,261.03	50,651.35	50,519.05	50,154.57	49,278.31	50,399.25	50,205.14
Discount rate	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%
Discount factor	0.9756	0.9266	0.8780	0.8320	0.7884	0.7471	0.7079	0.6708	0.6357	0.6024	0.5708	0.5409	0.5125
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	31,546.18	52,389.89	48,189.32	44,298.61	36,595.93	38,644.62	36,997.74	33,979.05	32,114.28	30,211.80	28,128.38	27,260.63	25,732.56
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	670,493.00												
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	302,973.13												
VIII minus IX	367,519.87												
Add: Surplus assets	-												
Add: Non-operating assets	121,743.04												
Less: Non-operating liabilities	61,614.20												
Add: Long-term investments													

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	427,649.00												

Year	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	End of forecast period
I. OPERATING REVENUE	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	248,364.34	
Revenue from principal operations	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	255,192.57	248,364.34	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–	–	–	–	
Less: (I) Cost of sales	208,131.96	206,737.27	200,281.56	200,716.89	201,131.91	201,569.57	200,646.46	194,003.46	194,533.87	195,011.44	195,386.08	190,109.42	
Cost of principal operations	208,131.96	206,737.27	200,281.56	200,716.89	201,131.91	201,569.57	200,646.46	194,003.46	194,533.87	195,011.44	195,386.08	190,109.42	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–	–	–	–	
(II) Taxes and surcharges	2,285.79	1,785.28	2,268.82	2,275.28	2,274.32	2,261.15	2,261.75	2,247.19	2,261.37	2,257.40	2,254.52	2,219.07	
(III) Selling expenses	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	566.04	
(IV) Administrative expenses	6,579.81	6,623.05	6,688.63	6,778.24	6,839.11	6,904.97	6,958.84	6,987.70	7,064.39	7,144.63	7,218.99	7,129.01	
(V) Research and development expenses	8,235.97	8,257.99	8,280.46	8,303.37	8,326.74	8,350.58	8,374.89	8,399.69	8,424.99	8,450.79	8,477.11	8,287.02	
(VI) Financial expenses	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	9,215.77	8,938.04	
II. OPERATING PROFIT	20,177.23	22,007.16	27,891.30	27,336.99	26,838.67	26,324.49	27,168.82	33,772.72	33,126.13	32,546.48	32,074.05	31,115.73	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–	–	–	–	–	
Less: Non-operating expenses													
III. TOTAL PROFIT	20,177.23	22,007.16	27,891.30	27,336.99	26,838.67	26,324.49	27,168.82	33,772.72	33,126.13	32,546.48	32,074.05	31,115.73	
Less: Income tax expense	1,757.05	2,028.24	2,907.49	2,820.91	2,742.66	2,661.95	2,784.95	3,771.82	3,671.04	3,580.22	3,505.41	3,390.40	
IV. NET PROFIT	18,420.17	19,978.92	24,983.81	24,516.08	24,096.02	23,662.54	24,383.86	30,000.90	29,455.09	28,966.27	28,568.65	27,725.34	
Add: Depreciation and amortization	23,150.26	21,341.08	14,481.85	14,526.05	14,509.25	14,507.81	13,121.05	5,976.46	6,039.90	6,040.45	5,918.25	5,778.44	

Year	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	End of forecast period
Add: Amortization of intangible assets and long-term deferred expenses	430.12	430.12	430.12	430.12	430.12	430.12	430.12	430.12	430.12	430.12	430.12	428.29	
Add: Interest on borrowings (after tax)	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,833.41	7,597.33	
Less: Capital expenditures (excluding tax)	186.27	39,381.87	1,093.92	298.22	1,476.44	1,626.30	894.68	1,479.24	85.13	111.79	44.57	-	
Add: Impact of VAT on cash flow													
Less: Increase in working capital	17.90	3.94	32.91	19.52	19.76	19.87	20.74	20.79	22.13	22.11	22.67	117.61	
Add: Recovery of working capital at period end													31,325.69
Add: Residual value of fixed assets at period end													50,886.42
VI. FREE CASH FLOW OF ENTERPRISES	49,629.79	10,197.71	46,602.35	46,987.91	45,372.59	44,787.71	44,853.02	42,740.86	43,651.26	43,136.34	42,683.18	41,411.78	82,212.11
Discount rate	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%
Discount factor	0.4857	0.4602	0.4361	0.4133	0.3916	0.3711	0.3516	0.3332	0.3157	0.2992	0.2835	0.2689	0.2620
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	24,104.61	4,693.36	20,324.11	19,418.37	17,768.19	16,620.01	15,772.01	14,241.69	13,782.82	12,906.47	12,101.63	11,134.90	21,535.84
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES													
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES													
VIII minus IX													
Add: Surplus assets													
Add: Non-operating assets													

Year	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	End of forecast period
Year	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	End of forecast period
Less: Non-operating liabilities													
Add: Long-term investments													
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY													

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including non-current liabilities due within one year and long-term borrowings.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB4,276.4900 million, with a value appreciation of RMB2,193.1416 million and a value appreciation rate of 105.27%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue primarily comprises revenue from thermal power generation, which is calculated based on an analysis of grid-connected electricity volume and electricity tariffs; operating costs are primarily calculated based on depreciation and amortisation policies, historical data, various billing standards and cost-related contracts. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Long-term equity investments

and non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10.00%	193,594.00	-234,055.00	-54.73%
-5.00%	313,882.00	-113,767.00	-26.60%
-3.00%	359,388.00	-68,261.00	-15.96%
0.00%	427,649.00	0.00	0.00%
3.00%	495,909.00	68,260.00	15.96%
5.00%	541,416.00	113,767.00	26.60%
10.00%	655,183.00	227,534.00	53.21%

② Sensitivity Analysis of Discount Rate

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	460,181.00	32,532.00	7.61%
-0.25%	443,603.00	15,954.00	3.73%
0.00%	427,649.00	0.00	0.00%
0.25%	412,292.00	-15,357.00	-3.59%
0.50%	397,500.00	-30,149.00	-7.05%

13. Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd.

The table below illustrates the valuation model of Shandong Energy Shenglu Energy Chemical Alxa League New Energy Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2044
I. OPERATING REVENUE	19,072.44	21,738.88	22,775.30	22,779.82	22,780.80	22,781.02	22,781.07	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	5,426.75	
Revenue from principal operations	19,072.44	21,738.88	22,775.30	22,779.82	22,780.80	22,781.02	22,781.07	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	22,781.08	5,426.75	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: (I) Cost of sales	9,577.98	10,466.93	10,465.60	10,491.16	11,134.58	11,778.20	11,790.67	11,803.39	11,816.36	11,829.59	12,474.47	12,488.24	12,502.28	12,516.60	12,531.21	13,177.49	13,192.69	12,448.26	1,151.47	
Cost of principal operations	9,577.98	10,466.93	10,465.60	10,491.16	11,134.58	11,778.20	11,790.67	11,803.39	11,816.36	11,829.59	12,474.47	12,488.24	12,502.28	12,516.60	12,531.21	13,177.49	13,192.69	12,448.26	1,151.47	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(II) Taxes and surcharges	288.35	327.61	341.55	341.34	335.74	329.75	330.10	330.14	330.14	329.27	323.36	323.86	324.35	324.46	324.46	318.35	318.22	318.77	75.85	
(III) Selling expenses	68.13	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	16.30	
(IV) Administrative expenses	54.53	59.89	54.31	50.14	46.10	44.87	44.29	44.87	43.96	41.68	49.34	56.60	62.50	64.20	64.20	63.62	63.29	61.58	37.09	
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(VI) Financial expenses	3,205.91	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	3,497.36	814.45	
II. OPERATING PROFIT	5,877.55	7,317.10	8,346.48	8,329.82	7,697.02	7,060.84	7,048.64	7,035.32	7,023.26	7,013.18	6,366.55	6,345.02	6,324.60	6,308.47	6,293.86	5,654.26	5,639.52	6,385.11	3,331.58	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2044
Less: Non-operating expenses																				
III. TOTAL PROFIT	5,877.55	7,317.10	8,346.48	8,329.82	7,697.02	7,060.84	7,048.64	7,035.32	7,023.26	7,013.18	6,366.55	6,345.02	6,324.60	6,308.47	6,293.86	5,654.26	5,639.52	6,385.11	3,331.58	
Less: Income tax expense	0.00	914.64	1,043.31	1,041.23	1,924.26	1,765.21	1,762.16	1,758.83	1,755.81	1,753.30	1,591.64	1,586.26	1,581.15	1,577.12	1,573.47	1,413.56	1,409.88	1,596.28	832.89	
IV. NET PROFIT	5,877.55	6,402.46	7,303.17	7,288.59	5,772.77	5,295.63	5,286.48	5,276.49	5,267.44	5,259.89	4,774.91	4,758.77	4,743.45	4,731.35	4,720.40	4,240.69	4,229.64	4,788.83	2,498.68	
Add: Depreciation and amortization	8,496.20	9,278.19	9,272.57	9,268.40	9,264.35	9,263.13	9,262.55	9,263.13	9,262.22	9,259.94	9,267.60	9,274.86	9,280.76	9,282.46	9,282.46	9,281.88	9,281.55	8,519.91	243.91	
Add: Amortization of intangible assets																				
Add: Interest on borrowings (after tax)	3,205.91	3,060.19	3,060.19	3,060.19	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	2,623.02	610.84	
Less: Capital Expenditures	33.41	0.00	4.53	11.42	5.63	30.54	2.87	0.00	0.00	68.57	85.94	46.63	8.50	0.00	0.00	33.41	43.14	0.00	0.00	
Add: Impact of VAT on cash flow																				
Less: Increase in working capital	227.26	-123.64	83.08	-6.21	-165.54	-165.55	-3.33	-3.31	-3.37	-3.21	-165.92	-3.70	-3.77	-3.75	-3.79	-166.23	-3.91	-4.17	41.22	
Add: Recovery of working capital at period end																				1,129.70
Add: Residual value of fixed assets at period end																				8,882.75
VI. FREE CASH FLOW OF ENTERPRISES	17,319.00	18,864.48	19,548.32	19,611.97	17,820.05	17,316.79	17,172.51	17,165.95	17,156.05	17,077.48	16,745.51	16,613.71	16,642.49	16,640.58	16,629.66	16,278.42	16,094.98	15,935.93	3,312.21	10,012.45
Discount rate	6.02%	5.61%	5.61%	5.61%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9736	0.9223	0.8733	0.8269	0.7844	0.7457	0.7088	0.6737	0.6404	0.6087	0.5786	0.5500	0.5228	0.4970	0.4724	0.4490	0.4268	0.4057	0.3932	0.3909

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2044
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	16,861.77	17,398.36	17,070.99	16,216.47	13,978.93	12,912.38	12,171.58	11,565.24	10,986.98	10,395.82	9,689.63	9,137.97	8,701.13	8,269.89	7,855.77	7,309.56	6,869.79	6,465.54	1,302.47	3,914.04
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	209,074.31																			
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	120,598.52																			
VIII minus IX	88,475.79																			
Add: Surplus assets	–																			
Add: Non-operating assets	33,614.25																			
Less: Non-operating liabilities	14,251.80																			
Add: Long-term investments																				
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	107,838.24																			

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including non-current liabilities due within one year and long-term borrowings.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB1,078.3824 million, with a value appreciation of RMB349.6629 million and a value appreciation rate of 47.98%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by grid-connected electricity volume multiplied by the comprehensive settlement electricity tariff; operating costs are primarily calculated based on depreciation and amortisation policies and similar project operation and maintenance costs. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10%	87,987.28	-19,850.96	-18.41%
-5%	97,912.79	-9,925.45	-9.20%
-3%	101,882.96	-5,955.28	-5.52%
0%	107,838.24	–	0.00%
3%	113,793.51	5,955.27	5.52%
5%	117,763.72	9,925.48	9.20%
10%	127,689.17	19,850.93	18.41%

② Sensitivity Analysis of Discount Rate

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	115,578.86	7,740.62	7.18%
-0.25%	111,651.20	3,812.96	3.54%
0.00%	107,838.24	0.00	0.00%
0.25%	104,132.53	-3,705.71	-3.44%
0.50%	100,533.67	-7,304.57	-6.77%

14. Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd.

The table below illustrates the valuation model of Shandong Energy Shenglu Energy Chemical Ordos New Energy Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	End of forecast period
I. OPERATING REVENUE	5,037.01	5,719.12	5,820.13	5,819.57	5,819.44	5,819.42	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	2,449.69	
Revenue from principal operations	5,037.01	5,719.12	5,820.13	5,819.57	5,819.44	5,819.42	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	5,819.41	2,449.69	
Other business income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: (I) Cost of sales	3,093.64	3,356.62	3,362.61	3,518.92	3,673.60	3,685.13	3,696.90	3,708.90	3,721.13	3,877.00	3,889.74	3,902.72	3,915.97	3,929.49	4,086.65	4,100.71	4,119.96	1,941.51	
Cost of principal operations	3,093.64	3,356.62	3,362.61	3,518.92	3,673.60	3,685.13	3,696.90	3,708.90	3,721.13	3,877.00	3,889.74	3,902.72	3,915.97	3,929.49	4,086.65	4,100.71	4,119.96	1,941.51	
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(II) Taxes and surcharges	76.70	86.85	88.20	86.79	85.53	85.54	85.61	85.61	85.61	84.31	83.60	84.21	84.24	84.31	83.02	82.64	83.02	42.01	
(III) Selling expenses	29.38	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	12.50	
(IV) Administrative expenses	52.00	52.07	52.06	49.99	47.41	48.54	48.54	48.54	48.54	46.83	45.70	52.06	53.77	54.90	54.90	54.90	54.90	36.86	
(V) Research and development expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(VI) Financial expenses	728.79	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	795.04	331.27	
II. OPERATING PROFIT	1,056.50	1,398.53	1,492.23	1,338.82	1,187.85	1,175.16	1,163.33	1,151.33	1,139.09	986.22	975.33	955.37	940.38	925.67	769.79	756.11	736.48	85.55	
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	End of forecast period
Less: Non-operating expenses																			
III. TOTAL PROFIT	1,056.50	1,398.53	1,492.23	1,338.82	1,187.85	1,175.16	1,163.33	1,151.33	1,139.09	986.22	975.33	955.37	940.38	925.67	769.79	756.11	736.48	85.55	
Less: Income tax expense	209.28	175.07	186.78	335.21	297.46	294.29	291.33	288.33	285.27	247.05	244.33	239.34	235.59	231.92	192.95	189.53	184.62	21.60	
IV. NET PROFIT	847.22	1,223.47	1,305.45	1,003.62	890.39	880.87	871.99	862.99	853.81	739.16	730.99	716.03	704.78	693.75	576.84	566.58	551.86	63.95	
Add: Depreciation and amortization	2,348.56	2,560.03	2,560.02	2,557.95	2,555.37	2,556.50	2,556.50	2,556.50	2,556.50	2,554.79	2,553.66	2,560.02	2,561.73	2,562.86	2,562.86	2,562.86	2,567.76	1,302.30	
Add: Amortization of intangible assets and long-term deferred expenses																			
Add: Interest on borrowings (after tax)	637.69	695.66	695.66	596.28	596.28	596.28	596.28	596.28	596.28	596.28	596.28	596.28	596.28	596.28	596.28	596.28	596.28	248.45	
Less: Capital expenditures (excluding tax)	5.32	0.00	0.00	8.55	5.63	5.32	0.00	0.00	0.00	0.00	56.19	8.55	5.63	0.00	0.00	29.85	0.00	0.00	
Add: Impact of VAT on cash flow																			
Less: Increase in working capital	65.81	-30.44	6.70	-36.33	-35.95	-2.70	-2.77	-2.81	-2.87	-36.21	-2.82	-3.18	-3.11	-3.18	-36.51	-3.20	-3.45	-2.81	
Add: Recovery of working capital at period end																			163.90
Add: Residual value of fixed assets at period end																			2,490.60
VI. FREE CASH FLOW OF ENTERPRISES	3,762.34	4,509.60	4,554.43	4,185.63	4,072.36	4,031.03	4,027.55	4,018.58	4,009.47	3,926.44	3,827.57	3,866.96	3,860.28	3,856.07	3,772.49	3,699.07	3,719.36	1,617.51	2,654.50

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	End of forecast period
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	End of forecast period
Discount rate	5.61%	5.61%	5.61%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9753	0.9256	0.8764	0.8314	0.7903	0.7512	0.7141	0.6788	0.6452	0.6133	0.5830	0.5541	0.5267	0.5007	0.4759	0.4524	0.4300	0.4148	0.4105
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	3,669.41	4,173.91	3,991.40	3,480.02	3,218.41	3,028.20	2,875.96	2,727.66	2,586.89	2,408.04	2,231.32	2,142.81	2,033.32	1,930.66	1,795.41	1,673.41	1,599.38	671.01	1,089.62
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	47,,326.81																		
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	27,415.23																		
VIII minus IX	19,911.58																		
Add: Surplus assets	-																		
Add: Non-operating assets	9,113.38																		
Less: Non-operating liabilities	5,755.57																		
Add: Long-term investments																			
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	23,269.39																		

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including non-current liabilities due within one year and long-term borrowings.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB232.6939 million, with a value appreciation of RMB17.4410 million and a value appreciation rate of 8.1%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily determined by grid-connected electricity volume multiplied by the comprehensive settlement electricity tariff; operating costs are primarily calculated based on depreciation and amortisation policies and similar project operation and maintenance costs. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10%	18,425.32	-4,844.07	-20.82%
-5%	20,851.83	-2,417.56	-10.39%
-3%	21,820.56	-1,448.83	-6.23%
0%	23,269.39	–	0.00%
3%	24,718.21	1,448.82	6.23%
5%	25,684.09	2,414.70	10.38%
10%	28,098.80	4,829.41	20.75%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	24,978.65	1,709.26	7.35%
-0.25%	24,111.73	842.34	3.62%
0.00%	23,269.39	0.00	0.00%
0.25%	22,450.04	-819.35	-3.52%
0.50%	21,653.63	-1,615.76	-6.94%

15. Shandong Energy Inner Mongolia Shenglu Electricity Sales Co., Ltd.

The table below illustrates the valuation model of Shandong Energy Inner Mongolia Shenglu Electricity Sales Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	Perpetual period
	February-December 2026	December 2027	December 2028	December 2029	December 2030	December 2031	Perpetual period
I. OPERATING REVENUE	478.65	490.00	490.00	490.00	490.00	490.00	490.00
Revenue from principal operations	478.65	490.00	490.00	490.00	490.00	490.00	490.00
Other business income	–	–	–	–	–	–	–
Less: (I) Cost of sales	86.00	90.00	90.00	90.00	90.00	90.00	90.00
Cost of principal operations	86.00	90.00	90.00	90.00	90.00	90.00	90.00
Other business costs	–	–	–	–	–	–	–
(II) Taxes and surcharges	2.95	3.19	3.19	2.57	3.14	3.00	3.00
(III) Selling expenses	–	–	–	–	–	–	–
(IV) Administrative expenses	66.87	66.63	61.76	53.74	60.30	58.20	62.46
(V) Research and development expenses	–	–	–	–	–	–	–
(VI) Financial expenses	0.70	0.71	0.71	0.71	0.71	0.71	0.71
II. OPERATING PROFIT	322.14	329.46	334.33	342.98	335.85	338.09	333.82
Add: Non-operating income	–	–	–	–	–	–	–
Less: Non-operating expenses	–	–	–	–	–	–	–
III. TOTAL PROFIT	322.14	329.46	334.33	342.98	335.85	338.09	333.82
Less: Income tax expense	80.53	82.37	83.58	85.74	83.96	84.52	83.46
IV. NET PROFIT	241.60	247.10	250.75	257.23	251.89	253.56	250.37
Add: Depreciation of fixed assets	23.37	22.50	17.63	9.60	16.16	14.09	18.28
Add: Amortization of intangible assets and long-term deferred expenses	3.90	4.26	4.26	4.26	4.26	4.23	4.30
Add: Depreciation of right-of-use assets							
Add: Interest on borrowings (after tax)							
Less: Capital expenditures (excluding tax)	14.97	2.87	2.73	43.57	6.32	15.41	24.76
Add: Impact of VAT on cash flow							
Less: Increase in working capital	–325.54	–3.35	–0.00	0.50	–0.46	0.11	0.36
VI. FREE CASH FLOW OF ENTERPRISES	579.44	274.33	269.90	227.02	266.44	256.37	247.84
Discount rate	9.90%	9.90%	9.90%	9.90%	9.90%	9.90%	9.90%
Discount factor	0.9577	0.8748	0.7960	0.7243	0.6590	0.5997	6.0568
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	554.93	239.98	214.84	164.43	175.60	153.74	1,501.10
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	3,004.63						
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	–						
VIII minus IX	3,004.63						
Add: Surplus assets	269.20						
Add: Non-operating assets	4,306.03						
Less: Non-operating liabilities	471.78						
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	7,108.00						

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including non-current liabilities due within one year and long-term borrowings.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$\sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB71.0800 million, with a value appreciation of RMB24.2159 million and a value appreciation rate of 51.76%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue is primarily projected based on the ongoing business of the entity being assessed, in conjunction with its business plan and future budgets; operating costs are primarily projected based on the current cost level of ongoing business, in conjunction with the entity's business plan and future budgets. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast revenue for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of revenue changes on the income approach appraised value is as follows (assuming the rate of change in revenue is consistent across all periods)

Amount Unit: RMB0'000

Revenue change range	Valuation	Change amount	Rate of change
-10.00%	6,739.00	-369.00	-5.19%
-5.00%	6,924.00	-184.00	-2.59%
-3.00%	6,997.00	-111.00	-1.56%
0.00%	7,108.00	–	0.00%
3.00%	7,219.00	111.00	1.56%
5.00%	7,292.00	184.00	2.59%
10.00%	7,477.00	369.00	5.19%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	7,243.00	135.00	1.90%
-0.25%	7,174.00	66.00	0.93%
0.00%	7,108.00	0.00	0.00%
0.25%	7,046.00	-62.00	-0.87%
0.50%	6,986.00	-122.00	-1.72%

16. Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd.

The table below illustrates the valuation model of Shandong Energy Group Lingtai Thermal Power Generation Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	January-July 2045	January-July 2045
I. OPERATING REVENUE	243,518.76	271,735.12	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	151,421.27	–
Revenue from principal operations	243,518.76	271,735.12	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	259,579.33	151,421.27	–
Other business income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Less: (I) Cost of sales	198,876.04	213,009.58	204,422.76	204,733.03	205,114.95	205,572.90	206,059.99	206,577.49	207,127.62	207,706.22	208,334.93	209,002.08	209,707.84	210,459.88	211,261.53	212,112.17	213,024.33	213,998.00	215,037.75	126,173.72	–
Cost of principal operations	198,876.04	213,009.58	204,422.76	204,733.03	205,114.95	205,572.90	206,059.99	206,577.49	207,127.62	207,706.22	208,334.93	209,002.08	209,707.84	210,459.88	211,261.53	212,112.17	213,024.33	213,998.00	215,037.75	126,173.72	–
Other business costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(II) Taxes and surcharges	1,502.53	1,856.92	1,792.09	1,789.74	1,786.47	1,782.46	1,778.72	1,774.16	1,762.85	1,761.73	1,757.60	1,752.30	1,745.65	1,738.75	1,728.13	1,701.29	1,707.98	1,704.82	1,694.30	1,135.33	–
(III) Selling expenses	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	543.62	317.11	–
(IV) Administrative expenses	5,186.06	5,680.90	5,682.03	5,717.71	5,758.75	5,804.03	5,856.26	5,902.63	5,953.95	5,994.48	6,002.82	6,059.00	6,122.07	6,184.36	6,247.79	6,331.67	6,426.84	6,490.32	6,555.48	3,862.13	–
(V) Research and development expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(VI) Financial expenses	12,811.60	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	13,976.29	8,152.83	–
II. OPERATING PROFIT	24,598.91	36,667.81	33,162.55	32,818.94	32,399.26	31,900.03	31,364.45	30,805.14	30,215.00	29,596.99	28,964.08	28,246.04	27,483.86	26,676.44	25,821.97	24,914.30	23,900.27	22,866.28	21,771.89	11,780.16	–
Add: Non-operating income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	January-July 2045	January-July 2045
Less: Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. TOTAL PROFIT	24,598.91	36,667.81	33,162.55	32,818.94	32,399.26	31,900.03	31,364.45	30,805.14	30,215.00	29,596.99	28,964.08	28,246.04	27,483.86	26,676.44	25,821.97	24,914.30	23,900.27	22,866.28	21,771.89	11,780.16	-
Less: Income tax expense	4,650.11	5,500.17	4,974.38	4,922.84	4,859.89	7,975.01	7,841.11	7,701.28	7,553.75	7,399.25	7,241.02	7,061.51	6,870.96	6,669.11	6,455.49	6,228.57	5,975.07	5,716.57	5,442.97	2,945.04	-
IV. NET PROFIT	19,948.80	31,167.64	28,188.16	27,896.10	27,539.37	23,925.02	23,523.34	23,103.85	22,661.25	22,197.74	21,723.06	21,184.53	20,612.89	20,007.33	19,366.48	18,685.72	17,925.20	17,149.71	16,328.92	8,835.12	-
Add: Depreciation of fixed assets	16,854.76	18,683.75	18,677.03	18,669.30	18,615.25	18,613.62	18,618.31	18,615.69	18,616.60	18,598.74	18,559.78	18,365.34	18,571.63	18,575.47	18,578.65	18,596.18	18,627.43	18,625.08	18,622.47	10,944.99	-
Add: Amortization of intangible assets and long-term deferred expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Depreciation of right-of-use assets																					
Add: Interest on borrowings (after tax)	10,889.86	11,879.84	11,879.84	11,879.84	11,879.84	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	10,482.21	6,114.63	-
Less: Capital expenditures (excluding tax)	12,954.17	5.76	10.86	38.41	18.52	34.42	5.76	15.26	528.32	209.19	94.21	36.01	46.43	35.67	272.69	1,739.50	514.35	8.47	22.12	-	-
Add: Impact of VAT on cash flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Increase in working capital	31,755.62	82.61	-1,587.30	-9.51	-14.57	-15.56	-16.66	-17.81	-18.79	-20.59	-21.93	-23.46	-25.10	-26.92	-28.74	-30.17	-33.89	-35.93	-38.27	-6,983.59	-
Add: Recovery of working capital at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,089.29
Add: Residual value of fixed assets at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123,904.71

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	January-July 2045	January-July 2045
VI. FREE CASH FLOW OF ENTERPRISES	2,996.97	61,660.95	60,336.93	58,425.41	58,036.71	53,007.00	52,643.74	52,210.72	51,257.90	51,087.87	50,653.82	50,185.24	49,616.28	49,029.79	48,159.25	46,048.58	46,572.41	46,297.95	45,461.22	32,872.20	151,981.18
Discount rate	5.53%	5.53%	5.53%	5.53%	5.53%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9756	0.9266	0.8780	0.8320	0.7884	0.7483	0.7113	0.6761	0.6426	0.6109	0.5807	0.5519	0.5246	0.4987	0.4740	0.4506	0.4283	0.4071	0.3870	0.3718	0.3663
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	2,910.83	57,116.98	52,963.59	48,602.96	45,751.75	39,659.03	37,436.61	35,294.27	32,935.96	31,209.20	29,435.13	27,718.30	26,046.36	24,464.51	22,840.91	20,752.23	19,939.98	18,844.01	17,589.10	12,223.19	55,677.17
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	659,412.07																				-
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	412,161.53																				-
VIII minus IX	247,250.54																				-
Add: Surplus assets	-																				-
Add: Non-operating assets	91,165.80																				-
Add: Long-term equity investment	87,023.03																				-
Less: Non-operating liabilities	-																				-
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	251,393.30																				-

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term payables, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB2,513.9330 million with a value appreciation of RMB1,095.7089 million and a value appreciation rate of 77.26%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate, non-operating assets and liabilities. Among which, operating revenue mainly comprises thermal power generation revenue, calculated based on an analysis of grid-connected electricity volume and electricity tariffs; operating costs are mainly calculated based on the depreciation and amortisation policy, historical data, various billing standards and cost-related contracts. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10.00%	39,709.79	-211,683.51	-84.20%
-5.00%	145,614.32	-105,778.98	-42.08%
-3.00%	187,925.88	-63,467.42	-25.25%
0.00%	251,393.30	–	0.00%
3.00%	314,860.65	63,467.35	25.25%
5.00%	357,172.34	105,779.04	42.08%
10.00%	462,951.31	211,558.01	84.15%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	281,285.71	29,892.41	11.89%
-0.25%	266,089.02	14,695.72	5.85%
0.00%	251,393.30	0.00	0.00%
0.25%	237,178.89	-14,214.41	-5.65%
0.50%	223,426.14	-27,967.16	-11.12%

17. Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd.

The table below illustrates the valuation model of Shandong Energy Group Lingtai Shenglu New Energy Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
I. OPERATING REVENUE	2,410.70	2,671.88	2,724.36	2,808.78	2,794.03	2,779.08	2,764.05	2,748.99	2,733.96	2,718.98	2,704.06	2,689.21	2,674.43
Revenue from principal operations	2,389.35	2,648.88	2,700.17	2,783.56	2,768.25	2,753.03	2,737.88	2,722.82	2,707.85	2,692.96	2,678.14	2,663.42	2,648.77
Other business income	21.36	23.00	24.19	25.22	25.78	26.05	26.16	26.17	26.11	26.02	25.91	25.79	25.66
Less: (I) Cost of sales	1,988.17	2,152.42	2,156.26	2,158.56	2,158.18	2,157.77	2,157.36	2,156.94	2,156.54	2,156.13	2,155.72	2,155.32	2,112.59
Cost of principal operations	1,988.17	2,152.42	2,156.26	2,158.56	2,158.18	2,157.77	2,157.36	2,156.94	2,156.54	2,156.13	2,155.72	2,155.32	2,112.59
Other business costs	–	–	–	–	–	–	–	–	–	–	–	–	–
(II) Taxes and surcharges	32.14	27.68	36.44	37.56	37.35	37.17	36.68	36.74	36.59	36.38	36.20	35.46	19.97
(III) Selling expenses	–	–	–	–	–	–	–	–	–	–	–	–	–
(IV) Administrative expenses	27.42	24.46	27.91	28.45	25.89	23.54	23.51	23.46	23.82	23.80	23.84	23.42	25.88
(V) Research and development expenses	–	–	–	–	–	–	–	–	–	–	–	–	–
(VI) Financial expenses	764.44	833.93	833.93	833.93	833.93	833.93	833.93	833.93	833.93	833.93	833.93	833.93	833.93
II. OPERATING PROFIT	-401.47	-366.61	-330.19	-249.73	-261.34	-273.34	-287.44	-302.08	-316.92	-331.26	-345.64	-358.93	-317.95
Add: Non-operating income	–	–	–	–	–	–	–	–	–	–	–	–	–
Less: Non-operating expenses													
III. TOTAL PROFIT	-401.47	-366.61	-330.19	-249.73	-261.34	-273.34	-287.44	-302.08	-316.92	-331.26	-345.64	-358.93	-317.95

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Less: Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. NET PROFIT	-401.47	-366.61	-330.19	-249.73	-261.34	-273.34	-287.44	-302.08	-316.92	-331.26	-345.64	-358.93	-317.95
Add: Depreciation and amortization	1,688.44	1,840.08	1,843.45	1,843.84	1,841.31	1,838.98	1,838.98	1,838.95	1,839.34	1,839.34	1,839.41	1,839.02	1,799.18
Add: Amortization of intangible assets and long-term deferred expenses													
Add: Interest on borrowings (after tax)	668.88	729.69	729.69	708.84	708.84	625.45	625.45	625.45	625.45	625.45	625.45	625.45	625.45
Less: Capital expenditures (excluding tax)	-	23.30	3.15	-	1.33	-	23.30	3.15	-	1.01	-	43.19	1,247.65
Add: Impact of VAT on cash flow													
Less: Increase in working capital	510.39	19.71	7.93	11.20	-1.96	-1.98	-2.02	-1.97	-1.99	-1.99	-1.98	-2.02	-3.37
Add: Recovery of working capital at period end													
Add: Residual value of fixed assets at period end													
VI. FREE CASH FLOW OF ENTERPRISES	1,445.47	2,160.15	2,231.88	2,291.75	2,289.44	2,193.08	2,155.72	2,161.14	2,149.87	2,134.51	2,121.20	2,064.37	862.39
Discount rate	5.61%	5.61%	5.61%	5.53%	5.53%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.98	0.93	0.88	0.83	0.79	0.75	0.71	0.67	0.64	0.61	0.58	0.55	0.52

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	1,409.77	1,999.35	1,955.96	1,902.45	1,800.94	1,637.27	1,529.79	1,457.80	1,378.48	1,300.95	1,228.90	1,136.83	451.43
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	27,620.05												
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	34,020.78												
VIII minus IX	-6,400.73												
Add: Surplus assets	-												
Add: Non-operating assets	4,932.24												
Less: Non-operating liabilities	1,835.48												
Add: Long-term investments													
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	-3,283.97												

Unit: RMB0'000

Year	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	22-year forecast
Year	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**June 2048**	**June 2048**
I. OPERATING REVENUE	2,659.72	2,645.10	2,630.55	2,616.09	2,601.70	2,587.39	2,573.16	2,559.01	2,544.93	1,272.79	0.00
Revenue from principal operations	2,634.19	2,619.71	2,605.30	2,590.97	2,576.73	2,562.55	2,548.45	2,534.44	2,520.50	1,253.32	0.00
Other business income	25.53	25.39	25.25	25.12	24.98	24.84	24.71	24.57	24.43	19.47	0.00
Less: (I) Cost of sales	2,153.03	2,153.24	2,151.27	2,135.64	2,135.03	2,155.10	2,155.02	2,154.65	2,154.27	1,078.99	0.00
Cost of principal operations	2,153.03	2,153.24	2,151.27	2,135.64	2,135.03	2,155.10	2,155.02	2,154.65	2,154.27	1,078.99	0.00
Other business costs	–	–	–	–	–	–	–	–	–	–	0.00
(II) Taxes and surcharges	35.63	35.43	34.92	34.77	30.39	34.70	34.50	34.33	33.85	18.66	0.00
(III) Selling expenses	–	–	–	–	–	–	–	–	–	–	0.00
(IV) Administrative expenses	26.29	26.23	26.14	25.79	25.76	26.13	26.11	23.60	23.21	15.79	0.00
(V) Research and development expenses	–	–	–	–	–	–	–	–	–	–	0.00
(VI) Financial expenses	833.93	833.93	833.93	833.93	833.93	833.93	833.93	833.93	833.93	416.97	0.00
II. OPERATING PROFIT	-389.16	-403.73	-415.71	-414.04	-423.41	-462.48	-476.41	-487.49	-500.33	-257.61	–
Add: Non-operating income	–	–	–	–	–	–	–	–	–	–	0.00
Less: Non-operating expenses											
III. TOTAL PROFIT	-389.16	-403.73	-415.71	-414.04	-423.41	-462.48	-476.41	-487.49	-500.33	-257.61	0.00
Less: Income tax expense	–	–	–	–	–	–	–	–	–	–	0.00
IV. NET PROFIT	-389.16	-403.73	-415.71	-414.04	-423.41	-462.48	-476.41	-487.49	-500.33	-257.61	0.00
Add: Depreciation and amortization	1,841.07	1,841.03	1,839.38	1,840.64	1,840.64	1,861.51	1,861.51	1,859.02	1,858.66	933.74	0.00
Add: Amortization of intangible assets and long-term deferred expenses											

Year	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	22-year forecast
Year	2039	2040	2041	2042	2043	2044	2045	2046	2047	June 2048	June 2048
Add: Interest on borrowings (after tax)	625.45	625.45	625.45	625.45	625.45	625.45	625.45	625.45	625.45	312.73	0.00
Less: Capital expenditures (excluding tax)	-	1.01	26.01	23.30	514.87	-	1.01	0.32	23.30	3.15	0.00
Add: Impact of VAT on cash flow											
Less: Increase in working capital	-0.55	-1.88	-1.96	-3.32	-2.31	-1.49	-1.86	-1.87	-1.89	-164.88	
Add: Recovery of working capital at period end											264.99
Add: Residual value of fixed assets at period end											2,221.77
VI. FREE CASH FLOW OF ENTERPRISES	2,077.91	2,063.63	2,025.07	2,032.07	1,530.13	2,025.96	2,011.40	1,998.53	1,962.37	1,150.59	2,486.76
Discount rate	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.50	0.47	0.45	0.43	0.41	0.39	0.37	0.35	0.33	0.32	0.3152
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	1,033.92	976.03	910.43	868.40	621.56	782.28	738.25	697.25	650.78	367.33	783.9000
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES											
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES											

Year	13-year forecast	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	22-year forecast
Year	2039	2040	2041	2042	2043	2044	2045	2046	2047	June 2048	June 2048
VIII minus IX											
Add: Surplus assets											
Add: Non-operating assets											
Less: Non-operating liabilities											
Add: Long-term investments											
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY											

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, non-current liabilities due within one year, long-term payables, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB-32.8397 million, with a value appreciation of RMB24.3566 million and a value appreciation rate of 42.58%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate, non-operating assets and liabilities. Among which, operating revenue mainly comprises photovoltaic power generation revenue, calculated based on an analysis of grid-connected electricity volume and electricity tariffs; operating costs are mainly calculated based on the depreciation and amortisation policy, historical data, various billing standards and cost-related contracts. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10.00%	-6,631.51	-3,347.54	101.94%
-5.00%	-4,957.75	-1,673.78	50.97%
-3.00%	-4,288.26	-1,004.29	30.58%
0.00%	-3,283.97	–	0.00%
3.00%	-2,279.73	1,004.24	-30.58%
5.00%	-1,610.20	1,673.77	-50.97%
10.00%	61.01	3,344.98	-101.86%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	-2,019.78	1,264.19	38.50%
-0.25%	-2,663.22	620.75	18.90%
0.00%	-3,283.97	–	0.00%
0.25%	-3,883.40	-599.43	-18.25%
0.50%	-4,462.06	-1,178.09	-35.87%

18. Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd.

The main business of Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd. is power generation. It mainly operates the "Gansu Power to Shandong" Supporting Baiyin New Energy Base Pingchuan Shuiquan 250MW Photovoltaic Power Generation Project and the "Gansu Power to Shandong" Supporting Baiyin New Energy Base Pingchuan Baoji 200MW Photovoltaic Power Generation Project of Shandong Energy. As of the Valuation Benchmark Date, each project had not yet been completed, and the future income and corresponding operating risks were difficult to predict. Therefore, the asset-based approach was selected for this valuation. Under the going concern assumption as at the Valuation Benchmark Date, Shandong Energy Group Pingchuan Shenglu New Energy Co., Ltd. had total assets with a book value of RMB1,030.8340 million and an assessed value of RMB1,030.8262 million, representing a value depreciation of RMB7,800; its total liabilities recorded a book value of RMB762.5501 million and an assessed value of RMB762.5501 million, with value appreciation or depreciation of RMB0 million; and net assets with a book value of RMB267.1840 million and an assessed value of RMB267.1761 million, representing a value depreciation of RMB7,800.

The key quantitative input data for the impairment is intangible assets. The reasons for the impairment in the intangible assets – land use rights are: reduction in the remaining usable life of the land use rights, changes in relevant planning conditions, and continued decline in land market prices in the region, with multiple factors collectively contributing to the impairment in the appraised value.

19. Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd.

The main business of Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd. is power generation. It mainly operates the Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Jingyuan Beitan 100MW Photovoltaic Power Generation Project, the Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Beitan 300MW Wind Farm Project, and the Shandong Energy "Gansu Power to Shandong" Supporting Baiyin New Energy Base Jingyuan Yongxin 150MW/600MWh Independent Shared Energy Storage Project. As of the Valuation Benchmark Date, each project had not yet been completed, and the future income and corresponding operating risks were difficult to predict. Therefore, the asset-based approach was selected for this valuation. Under the going concern assumption as at the Valuation Benchmark Date, Shandong Energy Group Jingyuan Shenglu New Energy Co., Ltd. had total assets with a book value of RMB1,491.7028 million and an assessed value of RMB1,491.6011 million, representing a value depreciation of RMB101,700 and a value depreciation rate of 0.01%; its total liabilities recorded a book value of RMB1,008.8530 million and an assessed value of RMB1,008.8530 million, with value appreciation or depreciation of

RMB0 million; and net assets with a book value of RMB482.8497 million and an assessed value of RMB482.7480 million, representing a value depreciation of RMB101,700 and a value depreciation rate of 0.02%.

The key quantitative input data for the impairment is intangible assets. The reasons for the impairment in the intangible assets – land use rights are: reduction in the remaining usable life of the land use rights, changes in relevant planning conditions, and continued decline in land market prices in the region, with multiple factors collectively contributing to the impairment in the appraised value.

20. Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd.

The main business of Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd. is power generation. It mainly operates the Jingtai Sitan East 150MW Photovoltaic Power Generation Project, the Jingtai Shangshawo Fumin 200MW Photovoltaic Power Generation Project, the Jingtai Gangdongliangxi 200MW Wind Farm Project, and the Jingtai Hongshan 100MW Wind Farm Project. As of the Valuation Benchmark Date, each project had not yet been completed, and the future income and corresponding operating risks were difficult to predict. Therefore, the asset-based approach was selected for this valuation. Under the going concern assumption as at the Valuation Benchmark Date, Shandong Energy Group Jingtai Shenglu New Energy Co., Ltd. had total assets with a book value of RMB1,970.5058 million and an assessed value of RMB1,970.7261 million, representing a value appreciation of RMB220,300 and a value appreciation rate of 0.01%; its total liabilities recorded a book value of RMB1,385.2991 million and an assessed value of RMB1,385.2991 million, with value appreciation or depreciation of RMB0 million; and net assets with a book value of RMB585.2067 million and an assessed value of RMB585.4271 million, representing a value appreciation of RMB220,300 and a value appreciation rate of 0.04%.

The key quantitative input data for the value appreciation is intangible assets. The reasons for the value appreciation in the intangible assets – land use rights are: the enterprise amortises using the straight-line method over the useful life, while the actual valuation applies a term correction factor in the calculation, resulting in an appraisal value appreciation.

21. Shandong Luxi Power Generation Co., Ltd.

The table below illustrates the valuation model of Shandong Luxi Power Generation Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
I. OPERATING REVENUE	176,632.83	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55
Revenue from principal operations	176,384.50	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95
Other business income	248.33	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60
Less: (I) Cost of sales	138,133.47	155,034.52	155,012.64	155,186.62	155,452.79	155,709.40	155,929.62	152,503.12	148,949.97	148,835.71	148,991.88	149,312.35	149,504.66	150,211.50
Cost of principal operations	138,133.47	155,034.52	155,012.64	155,186.62	155,452.79	155,709.40	155,929.62	152,503.12	148,949.97	148,835.71	148,991.88	149,312.35	149,504.66	150,211.50
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(II) Taxes and surcharges	2,218.42	2,626.32	2,623.89	2,622.69	2,621.26	2,618.25	2,701.29	2,695.92	2,697.38	2,696.26	2,694.08	2,692.56	2,611.28	2,687.41
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Administrative expenses	10,280.96	11,486.35	11,553.23	11,614.31	11,750.22	11,888.93	12,053.49	12,197.82	12,411.59	12,567.33	12,720.49	12,820.02	12,965.87	13,149.53
(V) Research and development expenses	4,508.04	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74
(VI) Financial expenses	4,385.57	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36
II. OPERATING PROFIT	17,106.38	29,376.27	29,333.70	29,099.84	28,699.19	28,306.87	27,839.07	31,126.60	34,464.52	34,424.16	34,117.00	33,698.52	33,441.64	32,475.01
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Non-operating expenses														
III. TOTAL PROFIT	17,106.38	29,376.27	29,333.70	29,099.84	28,699.19	28,306.87	27,839.07	31,126.60	34,464.52	34,424.16	34,117.00	33,698.52	33,441.64	32,475.01

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Less: Income tax expense	5,938.62	7,347.78	7,337.14	7,278.67	7,178.51	7,080.43	6,963.48	7,785.36	8,619.84	8,609.75	8,532.96	8,428.34	8,364.12	8,122.47
IV. NET PROFIT	11,167.77	22,028.49	21,996.56	21,821.17	21,520.68	21,226.44	20,875.59	23,341.24	25,844.67	25,814.40	25,584.04	25,270.17	25,077.52	24,352.54
Add: Depreciation and amortization	19,104.80	21,122.50	20,705.81	20,548.18	20,547.94	20,531.09	20,493.51	16,778.36	12,995.71	12,582.68	12,426.18	12,368.71	12,217.43	12,606.20
Add: Amortization of intangible assets and long-term deferred expenses														
Add: Interest on borrowings (after tax)	3,288.37	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32
Less: Capital expenditures (excluding tax)	2,137.27	-	11.56	-	-	99.40	-	245.41	40.53	-	23.80	-	5,184.42	75.60
Add: Impact of VAT on cash flow														
Less: Increase in working capital	8,096.33	839.32	3.55	3.70	3.73	3.80	1.35	3.90	3.72	3.81	3.85	3.84	6.14	1.62
Add: Recovery of working capital at period end														
Add: Residual value of fixed assets at period end														
VI. FREE CASH FLOW OF ENTERPRISES	23,327.35	45,898.99	46,274.58	45,952.97	45,632.21	45,241.65	44,955.07	43,457.81	42,383.44	41,900.59	41,569.89	41,222.36	35,691.71	40,468.83
Discount rate	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Discount factor	0.9770	0.9307	0.8846	0.8409	0.7993	0.7598	0.7222	0.6865	0.6526	0.6203	0.5896	0.5604	0.5327	0.5064

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	6-year forecast	7-year forecast	8-year forecast	9-year forecast	10-year forecast	11-year forecast	12-year forecast	13-year forecast
Year	February-December 2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	22,790.82	42,716.90	40,936.72	38,641.87	36,490.55	34,374.08	32,467.24	29,833.80	27,657.38	26,039.78	24,509.90	23,103.07	19,014.21	20,495.00
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	608,317.51													
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	189,550.62													
VIII minus IX	418,766.89													
Add: Surplus assets	23,913.80													
Add: Non-operating assets	18,519.38													
Less: Non-operating liabilities	27,254.69													
Add: Long-term investments														
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	433,945.38													

Unit: RMB0'000

Year	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	25-year forecast	26-year forecast	End of forecast period
Year	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2052
I. OPERATING REVENUE	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	208,632.55	0.00
Revenue from principal operations	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	208,341.95	0.00
Other business income	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	290.60	0.00
Less: (I) Cost of sales	150,560.10	151,023.80	151,453.16	150,948.23	151,037.42	151,584.01	151,990.60	152,413.73	152,657.18	152,555.93	153,016.35	153,489.99	153,919.68	0.00
Cost of principal operations	150,560.10	151,023.80	151,453.16	150,948.23	151,037.42	151,584.01	151,990.60	152,413.73	152,657.18	152,555.93	153,016.35	153,489.99	153,919.68	0.00
Other business costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(II) Taxes and surcharges	2,679.05	2,662.45	2,681.34	2,584.55	2,668.17	2,666.90	2,671.47	2,667.89	2,665.97	2,660.86	2,639.38	2,636.37	2,633.34	0.00
(III) Selling expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(IV) Administrative expenses	13,322.51	13,491.61	13,721.52	13,910.97	14,069.29	14,179.77	14,352.97	14,543.41	14,737.65	14,916.40	15,118.49	15,324.63	15,534.88	0.00
(V) Research and development expenses	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	5,324.74	0.00
(VI) Financial expenses	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	4,784.36	0.00
II. OPERATING PROFIT	31,961.80	31,345.60	30,667.44	31,079.71	30,748.57	30,092.77	29,508.42	28,898.42	28,402.65	28,390.27	27,729.25	27,052.47	26,415.55	-
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Non-operating expenses														
III. TOTAL PROFIT	31,961.80	31,345.60	30,667.44	31,079.71	30,748.57	30,092.77	29,508.42	28,898.42	28,402.65	28,390.27	27,729.25	27,052.47	26,415.55	0.00
Less: Income tax expense	7,994.16	7,840.11	7,670.57	7,773.64	7,690.86	7,526.91	7,380.82	7,228.32	7,119.38	7,101.28	6,936.02	6,766.83	6,607.60	0.00
IV. NET PROFIT	23,967.64	23,505.49	22,996.87	23,306.07	23,057.72	22,565.86	22,127.60	21,670.10	21,343.27	21,288.99	20,793.22	20,285.64	19,807.95	0.00
Add: Depreciation and amortization	12,613.39	12,718.81	12,837.32	11,967.32	11,646.19	11,720.06	11,701.66	11,701.66	11,509.93	10,941.69	10,941.69	10,941.69	10,884.09	0.00

Year	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	25-year forecast	26-year forecast	End of forecast period
Year	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2052
Add: Amortization of intangible assets and long-term deferred expenses														
Add: Interest on borrowings (after tax)	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	3,587.32	0.00
Less: Capital expenditures (excluding tax)	483.54	1,424.82	40.53	6,268.94	583.06	498.45	23.80	75.60	11.56	148.50	40.53	23.80	-	-
Add: Impact of VAT on cash flow														
Less: Increase in working capital	4.05	4.28	3.26	6.57	1.38	3.80	3.62	3.82	3.75	3.81	3.67	3.67	3.62	
Add: Recovery of working capital at period end														19,125.58
Add: Residual value of fixed assets at period end														44,082.37
VI. FREE CASH FLOW OF ENTERPRISES	39,680.76	38,382.51	39,377.72	32,585.20	37,706.78	37,370.98	37,389.16	36,879.65	36,425.21	35,665.69	35,278.04	34,787.18	34,275.74	63,207.95
Discount rate	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Process discount factor	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505	0.9505
Discount factor	0.4813	0.4575	0.4349	0.4134	0.3930	0.3735	0.3551	0.3375	0.3208	0.3049	0.2899	0.2755	0.2619	0.2553
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	19,100.24	17,561.69	17,126.06	13,471.05	14,817.49	13,959.30	13,275.44	12,446.98	11,685.66	10,876.17	10,225.95	9,585.01	8,977.06	16,140.09

Year	14-year forecast	15-year forecast	16-year forecast	17-year forecast	18-year forecast	19-year forecast	20-year forecast	21-year forecast	22-year forecast	23-year forecast	24-year forecast	25-year forecast	26-year forecast	End of forecast period
Year	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2052
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES														
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES														
VIII minus IX														
Add: Surplus assets														
Add: Non-operating assets														
Less: Non-operating liabilities														
Add: Long-term investments														
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY														

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest, including short-term borrowings, long-term borrowings, non-current liabilities due within one year, etc.

Interest-bearing debt is valued at its verified carrying value.

1) Operating Assets Value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{t}^{n} \frac{F_t}{(1+r)^t} + \frac{P_n}{(1+r)^t}$$

where: -P is the operating assets value of the enterprise as at the Valuation Benchmark Date;
-Ft is the expected enterprise free cash flow in year t after the Valuation Benchmark Date;
-Fn is the expected enterprise free cash flow in the final year of the detailed forecast period;
-r is the discount rate (here, the Weighted Average Cost of Capital, WACC);
-t is the income forecast year;
-n is the income forecast period;
-Pn is the terminal value at the end of the period;

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined by using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

4) Long-term Equity Investment Value

The long-term equity investment value is calculated primarily based on the carrying value or appraised value of the net assets of the investee as at the benchmark date multiplied by the equity interest percentage held.

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB4,339.4538 million, with a value appreciation of RMB2,009.6581 million and a value appreciation rate of 86.26%.

(3) Principal Input Data

The principal input data for the income approach include operating revenue, operating costs, taxes and surcharges, administrative expenses, finance costs, income tax expenses, discount rate and non-operating assets. Among which, operating revenue mainly consists of thermal power generation revenue, calculated based on an analysis of grid-connected electricity volume and electricity tariffs; operating costs are mainly calculated based on the depreciation and amortisation policy, historical data,

various billing standards and cost-related contracts. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Finance costs are primarily calculated based on existing loan contracts. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, electricity tariffs and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on electricity tariffs and the discount rate, with the results as follows:

① Sensitivity Analysis of Electricity Tariff Changes

Based on the currently forecast electricity tariffs for each future period, and assuming all other parameters remain unchanged, the sensitivity analysis of electricity tariff changes on the income approach appraised value is as follows (assuming the rate of change in electricity tariffs is consistent across all periods)

Amount Unit: RMB0'000

Electricity tariff change range	Valuation	Change amount	Rate of change
-10.00%	262,442.27	-171,503.11	-39.52%
-5.00%	348,193.90	-85,751.48	-19.76%
-3.00%	382,494.62	-51,450.76	-11.86%
0.00%	433,945.38	0.00	0.00%
3.00%	485,396.38	51,451.00	11.86%
5.00%	519,697.10	85,751.72	19.76%
10.00%	605,448.63	171,503.25	39.52%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	465,693.35	31,747.97	7.32%
-0.25%	449,495.99	15,550.61	3.58%
0.00%	433,945.38	0.00	0.00%
0.25%	419,012.14	-14,933.24	-3.44%
0.50%	404,661.75	-29,283.63	-6.75%

22. Shandong Energy Power Group Xintai Power Generation Co., Ltd.

Shandong Energy Power Group Xintai Power Generation Co., Ltd. is principally engaged in a thermal power project with an installed capacity of 2×600,000kW. As it was still under construction as at the Valuation Benchmark Date, its investment cost, commissioning time, operating hours after commissioning, electricity tariff and costs, etc., were subject to certain uncertainties, and its future income for subsequent years could not be accurately estimated. Therefore, the asset-based approach was selected for this valuation. Under the going concern assumption as at the Valuation Benchmark Date, Shandong Energy Power Group Xintai Power Generation Co., Ltd. had total assets with a book value of RMB3,013.0475 million and an assessed value of RMB3,016.0513 million, representing a value appreciation of RMB3.0038 million and a value appreciation rate of 0.10%; its total liabilities recorded a book value of RMB1,965.2313 million and an assessed value of RMB1,965.2313 million, with value appreciation or depreciation of RMB0 million; and net assets with a book value of RMB1,047.8163 million and an assessed value of RMB1,050.8200 million, representing a value appreciation of RMB3.0038 million and a value appreciation rate of 0.29%.

The key quantitative input data for the value appreciation is intangible assets. The reasons for the value appreciation in the intangible assets – land use rights are: firstly, land market prices have risen since the acquisition of the land (for which property certificates have been obtained); secondly, the carrying value of the land use rights represents the net value amortised over the land use term, while the appraised value reflects the market price.

23. Shanneng (Guanxian) Wind Power Co., Ltd.

Shanneng (Guanxian) Wind Power Co., Ltd. is principally engaged in a wind power generation project. It is currently in the initial construction stage, its future income is unpredictable, and the corresponding operating risks are difficult to measure. For this valuation, the asset-based approach was selected. Under the going concern assumption as at the Valuation Benchmark Date, Shanneng (Guanxian) Wind Power Co., Ltd. had total assets with a book value of

RMB527.2098 million and an assessed value of RMB528.2971 million, representing a value appreciation of RMB1.0873 million and a value appreciation rate of 0.21%; its total liabilities recorded a book value of RMB2.1677 million and an assessed value of RMB2.1677 million, with value or depreciation of RMB0 million and a value depreciation rate of 0; and net assets with a book value of RMB525.0421 million and an assessed value of RMB526.1295 million, representing a value appreciation of RMB1.0873 million and a value appreciation rate of 0.21%.

The key quantitative input data for the value appreciation is construction in progress, of which the reasons for the value appreciation in construction in progress are: land market prices have risen since the acquisition of the land (for which property certificates have been obtained).

24. Shanneng New Energy (Binzhou) Co., Ltd.

Shanneng New Energy (Binzhou) Co., Ltd. is principally engaged in an integrated wind and photovoltaic power generation project. It is currently in the initial construction stage, its future income is unpredictable, and the corresponding operating risks are difficult to measure. Therefore, for this valuation, the asset-based approach was selected. Under the going concern assumption as at the Valuation Benchmark Date, Shanneng New Energy (Binzhou) Co., Ltd. had total assets with a book value of RMB131.0000 million and an assessed value of RMB131.0000 million, with value appreciation of RMB0 million and a value appreciation rate of 0; its total liabilities recorded a book value of RMB0 million and an assessed value of RMB0 million, with value depreciation of RMB0 million and a value depreciation rate of 0; and net assets with a book value of RMB131.0000 million and an assessed value of RMB131.0000 million, with value appreciation of RMB0 million and a value appreciation rate of 0.

25. Shanneng (Zoucheng) Wind Power Co., Ltd.

As of the Valuation Benchmark Date, Shanneng (Zoucheng) Wind Power Co., Ltd. had not yet commenced operations, and there were limited operating data from similar power plants in the surrounding area for reference, making it impossible to reliably forecast future income. Therefore, for this valuation, the asset-based approach was selected. Under the going concern assumption as at the Valuation Benchmark Date, Shanneng (Zoucheng) Wind Power Co., Ltd. had total assets with a book value of RMB39.8207 million and an assessed value of RMB39.8207 million, with value appreciation of RMB0 million; its total liabilities recorded a book value of RMB0.00 and an assessed value of RMB0.00, with value appreciation of RMB0 million; and net assets with a book value of RMB39.8207 million and an assessed value of RMB39.8207 million, with value appreciation of RMB0 million.

III. ANALYSIS OF SHANNENG ELECTRICITY SALES VALUATION

The valuation methods, valuation assumptions and valuation conclusions of Shanneng Electricity Sales are set out in the section "Appendix V – Asset Valuation Reports" of this circular.

(I) Scope of Valuation

As at the Valuation Benchmark Date, the accounts comprised 2 majority-controlled subsidiaries.

(II) Valuation Methods and Pricing Methods

The long-term equity investments were subject to an overall valuation, whereby the entire shareholders' equity value of each investee was first determined, and then multiplied by the shareholding percentage to arrive at the partial equity interest value.

A summary of whether each investee was subject to an overall valuation, the valuation methods adopted and the pricing methods selected for the final conclusion is as follows:

No.	Company Name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
1	Liaocheng Xiangguang Power Generation Co., Ltd.	Asset-based approach	Asset-based approach	The asset-based approach can be used because it allows for a reasonable assessment of the value of all assets and liabilities, both on and off the balance sheet. Since the project is still under construction and not yet operational, the income method is not suitable.	The asset-based approach can objectively reflect the market value of the appraised unit.

No.	Company Name	Assessment method	Pricing method	Basis for evaluation methodology	Basis for pricing method
2	Shandong Sinenda Energy Development Co., Ltd.	Asset-based approach, income approach	Income approach	It is possible to reasonably assess the value of an enterprise's on– and off-balance-sheet assets and liabilities, so the asset-based approach can be used; it is also possible to reasonably forecast and discount the future income the enterprise can generate, so the income approach can be used.	The core assets are power generation assets. In recent years, with the development of new technologies, the replacement cost of new energy projects has been continuously decreasing. The asset-based valuation approach, which relies on the replacement value of such physical assets, struggles to accurately reflect the future comprehensive profitability of the appraised entity when its assets and liabilities are considered as an integrated, going-concern enterprise. The income approach evaluates a company from the perspective of its future development. The assessed value considers not only whether all assets and liabilities are reasonably and fully utilized in the company's future operations, but also whether the combination of assets and liabilities fulfills its proper role. This provides a more comprehensive and reasonable reflection of the total equity value of the shareholders of the entity being evaluated.

Valuation methods refer primarily to the approaches and means of estimating asset value. Enterprise value valuation methods generally include the asset-based approach, the income approach and the market approach. For this transaction, appropriate valuation methods were selected for each company subject to long-term equity investment based on the applicability of different valuation methods.

Pricing methods refer to the valuation method corresponding to the valuation conclusion used for pricing purposes among the conclusions derived from different valuation methods.

IV. ANALYSIS OF SHANNENG ELECTRICITY SALES INCOME APPROACH VALUATION

The table below illustrates the valuation model of Shandong Energy Power Sales Co., Ltd. based on the income approach.

Unit: RMB0'000

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	Perpetual period
Year	February-December 2026	December 2027	December 2028	December 2029	December 2030	December 2031	Perpetual period
I. OPERATING REVENUE	3,001.33	3,111.67	3,211.68	3,316.69	3,404.92	3,496.68	3,496.68
Revenue from principal operations	3,001.33	3,111.67	3,211.68	3,316.69	3,404.92	3,496.68	3,496.68
Other business income	–	–	–	–	–	–	–
Less: (I) Cost of sales	402.95	420.75	439.27	458.66	475.25	492.47	492.47
Cost of principal operations	402.95	420.75	439.27	458.66	475.25	492.47	492.47
Other business costs	–	–	–	–	–	–	–
(II) Taxes and surcharges	33.16	33.90	36.33	37.50	39.12	40.38	40.38
(III) Selling expenses	–	–	–	–	–	–	–
(IV) Administrative expenses	963.39	1,067.92	1,092.39	1,114.02	1,145.16	1,166.04	1,166.04
(V) Research and development expenses	448.67	457.45	471.29	485.66	496.81	505.45	505.45
(VI) Financial expenses	–	–	–	–	–	–	–
II. OPERATING PROFIT	1,153.16	1,131.65	1,172.40	1,220.85	1,248.58	1,292.34	1,292.34
Add: Non-operating income	–	–	–	–	–	–	–
Less: Non-operating expenses	–	–	–	–	–	–	–
III. TOTAL PROFIT	1,153.16	1,131.65	1,172.40	1,220.85	1,248.58	1,292.34	1,292.34
Less: Income tax expense	232.85	225.96	234.43	244.75	250.30	260.16	261.55
IV. NET PROFIT	920.31	905.69	937.97	976.10	998.29	1,032.18	1,030.79
Add: Depreciation of fixed assets	21.71	20.19	24.68	25.88	23.40	17.87	22.96

Year	0-year forecast	1-year forecast	2-year forecast	3-year forecast	4-year forecast	5-year forecast	Perpetual period
Year	February-December 2026	December 2027	December 2028	December 2029	December 2030	December 2031	Perpetual period
Add: Amortization of intangible assets and long-term deferred expenses	8.85	10.62	10.62	10.62	21.25	21.25	10.62
Add: Depreciation of right-of-use assets	–	–	–	–	–	–	–
Add: Interest on borrowings (after tax)	–	–	–	–	–	–	–
Less: Capital expenditures (excluding tax)	33.77	71.11	4.28	34.92	–	2.41	37.22
Add: Impact of VAT on cash flow	–	–	–	–	–	–	–
Less: Increase in working capital	135.22	1.57	10.18	11.55	9.51	10.15	–
VI. FREE CASH FLOW OF ENTERPRISES	781.88	863.82	958.83	966.14	1,033.42	1,058.74	1,027.15
Discount rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Discount factor	0.96	0.87	0.80	0.72	0.66	0.60	6.06
VII. DISCOUNTED FREE CASH FLOW TO ENTERPRISES	748.81	755.68	763.23	699.77	681.07	634.89	6,221.27
VIII. ACCUMULATED DISCOUNTED FREE CASH FLOW TO ENTERPRISES	10,504.72						
IX. LESS: PRESENT VALUE OF INTEREST-BEARING LIABILITIES	202.00						
VIII minus IX	10,302.72						
Add: Surplus assets	–						
Add: Non-operating assets	23,483.08						
Add: Long-term equity investment	51,304.69						
Less: Non-operating liabilities	565.95						
X. APPRAISAL OF SHAREHOLDERS' EQUITY OF THE COMPANY	84,524.54						

(1) Valuation Method

The income approach was adopted, specifically the Discounted Cash Flow (DCF) method, to assess the overall enterprise value and indirectly determine the entire shareholders' equity value. The enterprise free cash flow discount model was selected for determining the value of operating assets, whereby the enterprise free cash flows for a number of future years are discounted at an appropriate discount rate and aggregated. The formula is as follows:

Entire Shareholders' Equity Value = Overall Enterprise Value – Interest-bearing Debt Value

Overall Enterprise Value = Operating Assets Value + Non-operating Assets Value + Surplus Assets Value + Long-term Equity Investment Value – Minority Shareholders' Interests Value – Non-operating Liabilities Value

Interest-bearing debt refers to debt on the books of the entity under valuation as at the Valuation Benchmark Date that bears interest.

Interest-bearing debt is valued at its verified carrying value.

operating assets value

Operating assets are assets and liabilities related to the production and operations of the entity under valuation and involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date.

The formula for calculating the operating assets value is as follows:

$$P = \sum_{i=1}^{n} \frac{F_i}{(1+r)^i} + \frac{F_n \times (1+g)}{(r-g) \times (1+r)^n}$$

where: P: operating assets value of the enterprise as at the Valuation Benchmark Date;
Fi: expected enterprise free cash flow in year i after the Valuation Benchmark Date;
Fn: expected enterprise free cash flow in the final year of the detailed forecast period;
r: discount rate (here, the Weighted Average Cost of Capital, WACC);
n: detailed forecast period;
i: year i of the detailed forecast period;
g: perpetual growth rate.

where Enterprise Free Cash Flow = Net Profit After Tax + Depreciation and Amortisation + Interest on Interest-bearing Debt After Tax – Capital Expenditure – Change in Net Working Capital

The discount rate is determined using the Weighted Average Cost of Capital (WACC) model.

The cost of equity (Ke) is determined using the Capital Asset Pricing Model (CAPM).

2) Non-operating Assets and Liabilities Value

Non-operating assets and liabilities are assets and liabilities not directly related to the production and operations of the entity under valuation and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Non-operating assets and liabilities are separately analysed and valued primarily using the cost approach.

3) Surplus Assets Value

Surplus assets are assets exceeding the requirements of the entity's production and operations as at the Valuation Benchmark Date and not involved in the enterprise free cash flow forecasts after the Valuation Benchmark Date. Surplus assets are separately analysed and valued primarily using the cost approach.

4) Long-term Equity Investment

The long-term equity investment value is calculated based on the entire shareholders' equity value of the investee as determined through an overall valuation as at the benchmark date multiplied by the equity interest percentage held.

The overall valuation increases/decreases and the reasons for each investee company are as follows:

No.	**Company name**	**Pricing method**	**Appraised value** *(RMB0'000)*	**Valuation increase/ decrease** *(RMB0'000)*	**Reasons for increase/decrease**
1	Sinengda	Income Approach	3,441.56	795.27	The overall expected profitability of the photovoltaic project it operates is relatively good
2	Xiangguang Power Generation	Asset-based Approach	97,155.88	2,849.31	Increase in labour, material and machinery costs for structures compared to when the assets were constructed, and fluctuations in land market prices

The corresponding long-term equity investment valuation are as follows:

No.	Company name	Pricing method	Appraised value *(RMB0'000)*	Shareholding ratio	Appraised value of long-term equity investment *(RMB0'000)*
1	Sinengda	Income Approach	3,441.56	51%	1,755.19
2	Xiangguang Power Generation	Asset-based Approach	97,155.88	51%	49,549.50

(2) Valuation Conclusion

The entire shareholders' equity value after income approach valuation was RMB845.2454 million, with a value appreciation of RMB15.2304 million and a value appreciation rate of 1.83%.

(3) Principal Input Data

The principal input data for the income approach includes operating revenue, operating costs, taxes and surcharges, administrative expenses, research and development expenses, income tax expenses, discount rate, non-operating assets, and long-term equity investments. Among which, operating revenue is primarily determined based on electricity marketing service fees and agency electricity spot trading service fees; operating costs are mainly projected based on consultancy fees, depreciation and technical staff remuneration. Taxes and surcharges, as well as income tax payable, are primarily calculated based on the tax policies implemented by the enterprise. Administrative expenses are mainly estimated based on historical average expenses. Administrative expenses are primarily calculated based on historical average expenses. Non-operating assets and liabilities are assessed separately. The discount rate is selected through the calculation of the Weighted Average Cost of Capital (WACC).

(4) Sensitivity Analysis

In the income approach valuation model, operating revenue and the discount rate have a relatively significant impact on the income approach valuation results. Therefore, sensitivity analysis was performed on operating revenue and the discount rate, with the results as follows:

① Sensitivity Analysis of Operating Revenue Changes

Based on the currently forecast operating revenue for each future period, and assuming all other forecast-related parameters remain unchanged, the sensitivity analysis of operating revenue changes on the income approach appraised value is as follows (assuming the rate of change in operating revenue is consistent across all periods)

Amount Unit: RMB0'000

Operating income change range	Valuation	Change amount	Rate of change
-10.00%	82,383.44	-2,141.10	-2.53%
-5.00%	83,453.96	-1,070.58	-1.27%
-3.00%	83,882.22	-642.32	-0.76%
0.00%	84,524.54	–	0.00%
3.00%	85,166.89	642.35	0.76%
5.00%	85,595.10	1,070.56	1.27%
10.00%	86,665.72	2,141.18	2.53%

② Sensitivity Analysis of Discount Rate Changes

Based on the discount rates adopted for each future period, and assuming all other parameters in the income approach valuation model remain unchanged, the sensitivity analysis of discount rate changes on the income approach appraised value is as follows:

Amount Unit: RMB0'000

Discount rate change magnitude	Valuation	Change amount	Rate of change
-0.50%	85,076.01	551.47	0.65%
-0.25%	84,793.11	268.57	0.32%
0.00%	84,524.54	–	0.00%
0.25%	84,269.22	-255.32	-0.30%
0.50%	84,026.22	-498.32	-0.59%

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 INTEREST

As at the Latest Practicable Date, save as disclosed below, none of the Directors, chief executive or had any interests or short positions 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) (i) which are 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 they are taken or deemed to have under such provisions of the SFO); or (ii) which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

Unit: share

Name	Title	Number of Shares	Class of shares	Capacity
Li Wei	Director, Chairman	19,500	A Shares	Beneficial owner
Wang Jiuhong	Director	235,560	A Shares	Beneficial owner
	General Manager			Beneficial owner
Su Li	Employee Director	100,000	H Shares	Beneficial owner
Huang Xiaolong	Director	312,000	A Shares	Beneficial owner
	Secretary to the Board	100,000	H Shares	Beneficial owner

Shareholding of substantial Shareholders

As far as the Directors are aware, save as disclosed below, as at the Latest Practicable Date, other than the Directors, or chief executives of the Company, there were no other persons who were substantial shareholders of the Company or had interests or short positions in the shares or underlying shares of the Company, which should (1) be disclosed pursuant to Divisions 2 and 3 under Part XV of the SFO; (2) be recorded in the register to be kept pursuant to Section 336 of the SFO; or (3) be notified to the Company and the Stock Exchange in other ways.

Name of Substantial Shareholders	Class of Shares	Capacity	Number of Shares Held (shares)	Nature of Interest	Percentage in the H Share Capital of the Company	Percentage in Total Issued Share Capital of the Company
Shandong Energy	A Shares (State-owned legal person shares)	Beneficial owner	4,395,142,871	Long position	–	43.79%
Shandong Energy[(1)]	H Shares	Interest of controlled corporations	908,756,550	Long position	22.30%	9.05%
			302,232,142	Short position	7.42%	3.01%

Notes:

(1) Yankuang Hong Kong holds such H Shares in the capacity of beneficial owner.

(2) The percentage figures above have been rounded off to the nearest second decimal place.

(3) Information disclosed herein is based on the information available on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and information provided by the Shanghai Branch of China Securities Depository and Clearing Corporation Ltd.

As at the Latest Practicable Date, Mr. Li Wei, Mr. Yue Guangsheng, Mr. Zhang Haijun and Mr. Li Shipeng who were directors or employees of Shandong Energy, the controlling Shareholder having an interest in the Shares required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up.

4. CONSENT AND QUALIFICATIONS OF EXPERTS

Each of the following experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or statements and references to its name in the form and context in which it appears:

Name	Qualifications
Rainbow Capital (HK) Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Baker Tilly Hong Kong Limited	Certified Public Accountants
Beijing Huaya Zhengxin Asset Appraisal Co., Ltd.	Independent Valuer in the PRC

Each of the above experts had given and has not withdrawn its respective written consent to the publication of this circular with the inclusion of its respective name, letter, statements and all references to its name (including its qualification) in the form and context in which it respectively appears.

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of the above experts is a third party independent of the Group and its connected person(s). To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, none of the above experts has any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, As at the Latest Practicable Date, each of the above experts did not have any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors had any existing or proposed service contract with any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up), acquired, disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

As at the Latest Practicable Date, none of the Directors had material interest in any contract or arrangement effective as at the Latest Practicable Date which is significant in relation to the business of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates (as defined under the Listing Rules) had any interests in the businesses, other than those being a Director, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if they are controlling shareholders of the Company).

8. LITIGATION

As far as the Directors are aware, save as disclosed above and on pages 145 to 150 of the 2025 annual report of the Company, none of the members of the Group was at present engaged in any other litigation or claim or arbitration of material importance and there was no other litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Enlarged Group as at the Latest Practicable Date.

9. MISCELLANEOUS

(a) As at the Latest Practicable Date, the Directors of the Company are Mr. Li Wei, Mr. Wang Jiuhong, Mr. Yue Guangsheng, Mr. Zhang Haijun and Mr. Li Shipeng, Mr. Su Li and Mr. Huang Xiaolong, and the independent non-executive Directors of the Company are Mr. Li Weian, Mr. Gao Jingxiang, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui.

(b) The registered office of the Company is at 949 Fushan South Road, Zoucheng, Shandong Province, the PRC, Postal Code: 273500.

(c) The H Share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) As at the Latest Practicable Date, Mr. Huang Xiaolong was the company secretary of the Company.

(e) Mr. Huang Xiaolong, is a chief senior economist and master of law and was appointed as the Secretary to the Board in 30 July 2021. Mr. Huang graduated from University of International Business and Economics.

Unless the context otherwise requires, all references to time in this circular refer to Hong Kong time.

The Chinese text of this circular shall prevail over the English text, in case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR DISPLAY

Copies of the following documents are available on the website of the Stock Exchange (http://www.hkexnews.hk) and on the website of the Company (https://www.yanzhoucoal.com.cn/) for a period of 14 days from the date of this circular:

(1) the Transaction Documents;

(2) the Proposed Continuing Connected Transactions Agreements;

(3) letter from the Independent Financial Adviser, the full text of which is set out in this circular;

(4) the written consents of experts referred to in the paragraph headed "Consent and Qualifications of Experts" in this Appendix;

(5) the report from Baker Tilly Hong Kong Limited in relation to the profit forecast in the Asset Valuation Report, the text of which is set out in Appendix III to this circular; and

(6) the Asset Valuation Report, the text of which is set out in Appendix V to this circular.

兗礦能源集團股份有限公司

YANKUANG ENERGY GROUP COMPANY LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01171)

NOTICE OF 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 First Extraordinary General Meeting (the "**EGM**") of Yankuang Energy Group Company Limited* (the "**Company**") will be held at 9:00 a.m. on Wednesday, 29 July 2026 at the headquarters of the Company at 949 South Fushan Road, Zoucheng, Shandong Province 273500, the People's Republic of China (the "**PRC**") for the purpose of considering and, if thought fit, passing the following resolutions of the Company (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 7 July 2026 (the "**Circular**")). The details of the following resolutions are included in the Circular:

Ordinary Resolutions

(1) Ordinary Resolution: "**THAT**, to consider and approve the proposal on the acquisition of equity interests in the Target Companies by agreement".

(2) Ordinary Resolution: "**THAT**, to consider and approve the proposal to enter into the Continuing Connected Transactions Agreements".

(2.01) to consider and approve the Provision of Materials Supply Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.02) to consider and approve the Mutual Provision of Labour and Services Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.03) to consider and approve the Provision of Insurance Fund Administrative Services Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.04) to consider and approve the Provision of Products, Materials and Asset Leasing Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.05) to consider and approve the Bulk Commodities Sale and Purchase Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.06) to consider and approve the Finance Lease and Factoring Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.07) to consider and approve the Entrusted Management Service Framework Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.08) to consider and approve the Shandong Energy Financial Services Agreement and the transaction caps for 2026-2028 as stipulated therein

(2.09) to consider and approve the Yankuang Energy Financial Services Agreement and the transaction caps for 2026-2028 as stipulated therein

By order of the Board
Yankuang Energy Group Company Limited*
Li Wei
Chairman of the Board

Zoucheng, Shandong, the PRC
7 July 2026

As at the date of this announcement, the Directors of the Company are Mr. Li Wei, Mr. Wang Jiuhong, Mr. Yue Guangsheng, Mr. Zhang Haijun and Mr. Li Shipeng, Mr. Su Li and Mr. Huang Xiaolong, and the independent non-executive Directors of the Company are Mr. Li Weian, Mr. Gao Jingxiang, Mr. Woo Kar Tung, Raymond and Ms. Zhu Rui.

* *For identification purpose only*

Notes:

1. Eligibility for attending the EGM

Holders of the Company's overseas listed foreign invested shares (in the form of H shares) whose names appear on the Company's register of members of H shares which is maintained by Computershare Hong Kong Investor Services Limited at the close of business on Tuesday, 21 July 2026 are entitled to attend the EGM. Further details of the requirements of the instrument appointing the proxies are set out in note 2 below.

2. Proxy

Each holder of H Shares who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. The proxies of a Shareholder who has appointed more than one proxy may only vote on a poll. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointer, the power of attorney authorizing that attorney to sign, or other documents of authorization, must be notarized. For holders of H Shares, the power of attorney or other documents of authorization and proxy forms must be delivered to Computershare Hong Kong Investor Services Limited (17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof in order for such documents to be valid.

3. Closure of register of members

The H Share register of members of the Company will be closed, for the purpose of determining Shareholders' entitlement to attend the EGM, from Wednesday, 22 July 2026 to Wednesday, 29 July 2026 (both days inclusive), during which period no transfer of the Company's H Shares will be registered. In order to attend the EGM, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Tuesday, 21 July 2026 for registration. H Shareholders whose names appear on the H Share register of members of the Company maintained by Computershare Hong Kong Investor Services Limited at the close of business on Tuesday, 21 July 2026 will be eligible to attend the EGM.

4. Miscellaneous

(1) The EGM is expected to last a day. Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.

(2) All voting at the EGM will be conducted by onsite or online poll.

(3) Details of the Office of the Secretary to the Board are as follows:

949 South Fushan Road
Zoucheng
Shandong Province 273500 PRC
Tel: 86-537-5933997
Fax: 86-537-5383311