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

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

MAJOR TRANSACTIONS IN RELATION TO THE EPC CONTRACT

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular, unless the context requires otherwise. A letter from the Board is set out on pages 4 to 14 of this circular.

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

24 August 2026

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	15
APPENDIX II – GENERAL INFORMATION	19

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“China Energy Engineering Anhui Electric Power Construction”	China Energy Engineering Group Anhui No. 2 Electric Power Construction Engineering Co., Ltd. * (中國能源建設集團安徽電力建設第二工程有限公司), a company incorporated in the PRC with limited liability;
“Company”	Shandong Hi-Speed New Energy Group Limited (山高新能源集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1250);
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EPC”	engineering, procurement and construction;
“EPC Contract”	the EPC general contracting contract in relation to the 212.5MW centralised wind power project dated 10 August 2026 entered into by HZHS Clean Energy and China Energy Engineering Anhui Electric Power Construction for the Project;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HZHS Clean Energy”	Heze Shandong Hi-Speed Clean Energy Co., Ltd. * (菏澤山高清潔能源有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date;

DEFINITIONS

“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of any member of the Group, the Directors, the chief executives, the controlling shareholders, the substantial shareholders of each of the Company or its subsidiaries, and their associates;
“Latest Practicable Date”	21 August 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Project”	the 212.5MW centralised wind power project located in the southwestern of Mudan District, Heze City, Shandong Province;
“RMB”	Renminbi, the lawful currency of the PRC;
“SDHG”	Shandong Hi-Speed Holdings Group Limited (山高控股集團有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 412) and the controlling shareholder of the Company;
“SDHG Group”	SDHG and its subsidiaries;
“SDHS Group”	Shandong Hi-Speed Group Co. Ltd. * (山東高速集團有限公司), a company incorporated in the PRC with limited liability and an indirect controlling shareholder of the Company;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time;
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);

DEFINITIONS

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

* *for identification purposes only*

LETTER FROM THE BOARD



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

Executive Directors:

Mr. Kang Jian (*Chairman*)
Mr. Liu Zhijie (*Vice Chairman*)
Mr. Zhu Jianbiao
Ms. Liao Jianrong
Mr. Liu Yao
Ms. Wang Zhupin
Mr. Wang Meng

Independent Non-executive Directors:

Professor Qin Si Zhao
Mr. Victor Huang
Mr. Yang Xiangliang
Mr. Chiu Kung Chik

Registered Office in the Cayman Islands:

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Cayman Islands

Principal Place of Business in Hong Kong:

38th Floor, The Center
99 Queen's Road Central
Central, Hong Kong

24 August 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS IN RELATION TO THE EPC CONTRACT

I. INTRODUCTION

The Board of the Company announces that on 10 August 2026 (after trading hours), HZHS Clean Energy (a direct wholly-owned subsidiary of the Company, as the principal), entered into the EPC Contract with China Energy Engineering Anhui Electric Power Construction (as the contractor). Pursuant to the EPC Contract, HZHS Clean Energy agreed to engage China Energy Engineering Anhui Electric Power Construction to provide EPC services in relation to the Project at an aggregate contracting fee of RMB1,233,777,047.26 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

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

LETTER FROM THE BOARD

II. THE EPC CONTRACT

1. Details of the EPC Contract

The major terms of the EPC Contract are as follows:

Date:	10 August 2026 (after trading hours)
Parties:	(i) HZHS Clean Energy; and (ii) China Energy Engineering Anhui Electric Power Construction
Project:	the 212.5MW centralized wind power project located in the south-west of Mudan District, Heze City, Shandong Province
Scope of service:	The contractor shall complete all the construction works of the Project, including the projects of wind farms, substations, power collection lines and transmission lines, survey and design, procurement, transportation and storage of all equipment and materials, preparation and construction of the project, equipment installation and commissioning, and final acceptance of the project, in accordance with the EPC Contract.
Construction period:	Not exceed 518 calendar days. The actual time of commencement shall be subject to the written formal notice of the principal.
Consideration:	RMB1,233,777,047.26 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies), which is comprised of (i) construction and engineering installation fee of RMB300,758,942.17 (tax inclusive), (ii) equipment procurement fee of RMB526,992,895.50 (tax inclusive), (iii) survey and design fee of RMB4,462,500.00 (tax inclusive), (iv) safety measure fees of RMB14,822,005.00 (tax inclusive), (v) other fees of RMB71,489,134.67 (tax inclusive), (vi) provisional estimated amount (preliminary works and comprehensive supporting coordination fee for the project site) of RMB306,751,569.92 (tax inclusive), and (vii) provisional amount of RMB8,500,000.00 (tax inclusive). Based on the calculation of the total fee of the EPC Contract and the approved installed capacity of 212.5MW, the fixed single watt price shall be RMB5.806 per watt. If the actual installed capacity is higher than the approved installed capacity, the settlement will be based on the approved installed capacity; if it is lower than the approved capacity, the settlement will be based on the actual installed capacity.

LETTER FROM THE BOARD

The total fee of the EPC Contract includes a provisional estimated amount (preliminary works and comprehensive supporting coordination fee for the project site) of RMB306,751,569.92 (tax inclusive). Payment of this portion shall be made in accordance with the principal's written notice; if the principal does not give such notice, the contractor shall not make any payment. If such fee is subsequently paid directly by the principal, the corresponding amount shall be deducted from the total fee of the EPC Contract, and the single watt price shall be adjusted and deducted accordingly, i.e., $\text{single watt price} = (\text{total fee of the EPC Contract} - \text{preliminary works and comprehensive supporting coordination fee for the project site}) / \text{project capacity}$. If the preliminary works and comprehensive supporting coordination fee for the project site is directly paid by the principal, the principal shall issue a notice of cost deduction to the contractor, and the preliminary works and comprehensive supporting coordination fee for the project site under the total fee of the EPC Contract shall be deducted in accordance with such notice. If the preliminary works and comprehensive supporting coordination fee for the project site is directly paid by the contractor, the contractor shall submit payment vouchers and payment explanations to the principal for review, and measurement and payment shall be made based on the amount confirmed upon such review.

The consideration under the EPC Contract was determined through a tendering selection process. In particular, the bid evaluation committee was composed of the company representative of HZHS Clean Energy and the external experts randomly selected from the expert pool of the bidding agency. The contractor obtained the highest overall score among the twelve candidates of contractor after two rounds of evaluation, and was therefore awarded the EPC Contract. The bid evaluation committee has considered the following factors during the selection: the overall corporate strength, qualifications, track record, project management organization staffing of the candidates of contractor, comprehensive evaluation of the design and construction plans in the technical section, and the bid amount quoted by the candidates of contractor.

LETTER FROM THE BOARD

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

- (i) Advance payment: The advance payment shall be 10% of the payment for the main equipment (wind turbines, towers and transformer substation) and 20% of remaining amount of the total contract price after deducting the provisional amount and the payment for the main equipment (wind turbines, towers and transformer substation), including 50% of the safety measures fees. The advance payment shall be made within one month after contract signing or no later than 7 days prior to the agreed commencement date, provided that the contractor has submitted complete advance payment documentation. The advance payment shall subsequently be deducted from the progress payment.
- (ii) Progress payments
 - (a) Survey and design fee: 1) the advance payment has been included in the above provisions regarding the advance payment; 2) 70% of the survey and design fee shall be paid within 28 days after the contractor delivers the survey and design deliverables which shall have been reviewed and approved by the principal and the principal receives the financial receipt; 3) up to 97% of the survey and design fee shall be paid within 28 days after the contractor delivers the as-built drawings and bill of quantities which shall have been reviewed and approved by the principal, and the principal completes the project completion acceptance, archives the design documents, and receives the financial receipt; and 4) after one year of the completion and acceptance, a design follow-up visit shall be carried out, provided that no engineering quality issues arising from design causes, the remaining 3% of the survey and design fee shall be paid within 28 days after the principal receives the financial receipt.

LETTER FROM THE BOARD

- (b) Payment for main equipment (wind turbines, towers and transformer substation): 1) 10% of the advance payment has been included in the above provisions regarding the advance payment; 2) pre-delivery payment: within 30 days after the contractor submits the invoices and the principal verifies that they are correct, the principal shall pay the contractor 20% of the payment for the main equipment (wind turbines, towers and transformer substations), and the contractor shall complete the shipment of the first batch of equipment within 90 days after receiving the pre-delivery payment; 3) arrival payment: after the contractor completes the delivery of equipment in each batch or monthly, the contractor shall deliver the goods at the agreed delivery location, and after both parties have counted and accepted the goods and signed the goods acceptance certificate, the principal shall pay the contractor 50% of the price of the batch of goods within 30 days after the contractor submits the valid invoices and the principal has verified that they are correct; 4) performance acceptance payment: upon completion of supply of all main equipment (wind turbines, towers and transformer substations) in the wind farm and receipt of the performance acceptance certificate signed by the principal, the principal shall make cumulative payments up to 100% of the equipment output value within 30 days after the contractor submits the invoices and the principal has verified that they are correct; and 5) return of the quality guarantee letter: 60 days after the expiration of the main equipment quality warranty period, the principal shall return the quality guarantee letter to the contractor within 30 days after receiving the invoices provided by the contractor and verifying that they are correct.

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

(d) Payment for other fees: 1) progress payments for other fees: within 28 days after the contractor submits the invoices and the principal verifies that they are correct, up to 70% of the actual completed output value (including advance payment) shall be paid by the principal; 2) payment for other fees upon full-capacity grid connection: upon the successful full-capacity grid connection, within 28 days after the contractor submits the documents to the principal and the principal verifies that they are correct, the principal shall pay up to 85% of the total completed project value (including advance payment); 3) two months after full-capacity grid connection: upon full-capacity grid connection of the Project, within 28 days after the contractor submits the invoices, the principal shall pay the contractor up to 95% of the completed project value (including advance payment); and 4) settlement payments: after the project passes the final acceptance inspection, within 28 days after the contractor submits the documents to the principal and the principal verifies that they are correct, payment shall be made up to 97% of the settlement amount.

(iii) Quality warranty: No quality warranty will be withheld against payment for main equipment (wind turbines, towers and transformer substation). A bank guarantee for quality assurance, payable on demand, shall be provided for 10% of the final settlement amount of the main equipment. The guarantee shall be valid until 60 days after the expiration of the equipment quality warranty period. The issuance of the guarantee for the main equipment shall serve as a prerequisite for the principal to pay the performance acceptance payment for main equipment to the contractor. Except for main equipment, other output value (including construction and installation engineering projects and other projects) shall be subject to a quality guarantee deposit of 3% of the final settlement amount.

LETTER FROM THE BOARD

Performance
guarantee and
advance payment
guarantee:

Under the EPC Contract, the contractor shall provide the principal with a bank performance guarantee, payable on demand, for the amount equal to 10% of the total fee under the EPC Contract within 28 days after the contract is signed and becomes effective. The performance guarantee letter shall be returned to the contractor after the satisfactory completion and inspection of the Project.

Under the EPC Contract, the contractor shall provide the principal with a bank advance payment guarantee for the amount equal to the advance payment 7 days prior to the principal's payment of the advance payment. Once the advance payment has been fully deducted, the principal shall return the advance payment guarantee to the contractor.

Conditions precedent:

The performance of the EPC Contract is subject to: (i) the Company completing all applicable requirements under the Listing Rules in relation to this transaction, including reporting to the Stock Exchange, making an announcement, issuing a circular, and obtaining approval from the shareholders' meeting or written approval from shareholders of the Company (if required); and (ii) SDHG completing all applicable requirements under the Listing Rules in relation to this transaction, including reporting to the Stock Exchange, making an announcement, issuing a circular, and obtaining approval from the shareholders' meeting of SDHG (if required).

None of the above conditions may be waived. As of the Latest Practicable Date, the above conditions have not yet been satisfied.

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

LETTER FROM THE BOARD

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

The Group has consistently and deeply integrated itself into national strategic planning layout and the diversified development ecosystem established by the SDHS Group. The Group continues to be optimistic about the positive development of China's economy. It actively integrates its business into the new development pattern in the clean energy field and actively promotes projects in this field which is strongly supported by the Chinese government under the 14th Five-Year Plan to achieve carbon dioxide emissions peak in 2030 and carbon neutrality in 2060. Through continuously expanding the clean energy market nationwide, the investment, construction and operation of the Project will further enhance the strategic layout, business coverage and footprint of the Group and the SDHG Group in the Shandong market. This will not only help the Group and the SDHG Group to achieve sustainable development of a diversified business portfolio in the field of new energy, but will also broaden the revenue base of the Group and the SDHG Group in the future, strengthen the long-term competitiveness of the Group and the SDHG Group and enhance their earning capabilities.

III. INFORMATION ON THE PARTIES

1. The Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (Stock Code: 1250). The principal activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

2. HZHS Clean Energy

As at the Latest Practicable Date, HZHS Clean Energy is a direct wholly-owned subsidiary of the Company, principally engaged in power generation business, power transmission business, power supply (distribution) business; construction engineering design; construction works; emerging energy technology research and development; investment activities with its own funds; photovoltaic power technology services; wind power technology services; renewable resources technology research and development; technology services, technology development, technology consulting, technology exchanges, technology transfer and technology promotion.

LETTER FROM THE BOARD

3. China Energy Engineering Anhui Electric Power Construction

China Energy Engineering Anhui Electric Power Construction is a company incorporated in the PRC with limited liability. As at the Latest Practicable Date, it is owned as to (i) 74.6813% by China Energy Engineering Group Eastern Construction and Investment Co., Ltd.* (中國能源建設集團華東建設投資有限公司) (a wholly-owned subsidiary of China Energy Engineering Corporation Limited* (中國能源建設股份有限公司)), whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 601868) and H shares are listed on the Main Board of the Stock Exchange (Stock Code: 3996); and (ii) 25.3187% by CCB Financial Asset Investment Co., Ltd. (a wholly-owned subsidiary of China Construction Bank Corporation, whose A shares are listed on the Shanghai Stock Exchange (Stock Code: 601939) and H shares are listed on the Main Board of the Stock Exchange (Stock Code: 939)). China Energy Engineering Anhui Electric Power Construction is principally engaged in general contracting for power, construction, municipal utilities, highways, and water conservancy and hydropower projects.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, China Energy Engineering Anhui Electric Power Construction and its ultimate beneficial owners are Independent Third Parties.

IV. LISTING RULES IMPLICATIONS

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

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

As at 10 August 2026, SDHG, which directly holds 1,279,878,252 shares of the Company, representing approximately 56.97% of the total issued share capital of the Company, has approved the transactions contemplated under the EPC Contract by a written shareholders' approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. As such, pursuant to Rule 14.44 of the Listing Rules, the Company will not hold a shareholders' meeting to approve the transactions contemplated under the EPC Contract.

LETTER FROM THE BOARD

V. RECOMMENDATIONS

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

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

VI. OTHER INFORMATION

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

By order of the Board
Shandong Hi-Speed New Energy Group Limited
Kang Jian
Chairman

* for identification purposes only

1. FINANCIAL INFORMATION OF THE GROUP

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

- the annual report of the Company for the year ended 31 December 2025 published on 24 April 2026 (pages 88 to 196), which can be accessed at the following website:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0423/2026042302466.pdf>

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

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

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

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

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

As at 5 July 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding (i) secured and guaranteed bank loans of approximately RMB5,563 million, secured and unguaranteed bank loans of approximately RMB5,999 million, (ii) unsecured and guaranteed bank loans of approximately RMB814 million, unsecured and unguaranteed bank loans of approximately RMB7,336 million, (iii) unsecured and unguaranteed corporate bonds with an aggregate principal amount of RMB3,000 million, (iv) secured and guaranteed lease liabilities of approximately RMB378 million, secured and unguaranteed lease liabilities of approximately RMB93 million, (v) unsecured and unguaranteed lease liabilities of approximately RMB834 million, (vi) secured and guaranteed other loans of approximately RMB1,907 million, and secured and unguaranteed other loans of approximately RMB1,782 million.

The secured/guaranteed bank and other borrowings, and lease liabilities under finance lease arrangements of the Group as at 5 July 2026 are secured/guaranteed by:

- (i) pledges over certain of the Group's property, plant and equipment;
- (ii) pledges over certain of the Group's trade receivables and contract assets;

(iii) pledges over the Group's equity interests in certain subsidiaries and an associate;

(iv) guarantees given by the Company and/or its subsidiaries.

Guarantees issued

As at 5 July 2026, the Group provided the total guarantees of approximately RMB4 million to an associate.

Contingent liabilities

As at 5 July 2026, the Group had no material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 5 July 2026, have any outstanding debt securities, whether issued and outstanding, authorised or otherwise created but unissued, term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured borrowings or debt, mortgages, charges, guarantees or other material contingent liabilities.

The Directors confirm that, save as disclosed above, there are no material changes in the indebtedness and contingent liabilities of the Group since 5 July 2026.

3. WORKING CAPITAL STATEMENT OF THE GROUP

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

4. MATERIAL ADVERSE CHANGE

Save as disclosed in the profit warning announcement of the Company dated 17 August 2026, the Directors confirmed that, as at the Latest Practicable Date, there had not been any material adverse change in the financial or operational position or outlook of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

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

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

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

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

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

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

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

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

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

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations

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

(i) Interest in the Shares and/or underlying Shares of the Company

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

Note:

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

(ii) *Interests in the shares and/or underlying shares of the Company's associated corporation*

Name of associated corporation	Name of director	Capacity in which interests are held	Number of shares held	Approximate percentage of the total issued share capital of Shandong Hi-speed Company Limited as at the Latest Practicable Date
Shandong Hi-speed Company Limited <i>(note)</i>	Kang Jian	Beneficial owner	590,000	0.01%

Note:

- (1) Shandong Hi-speed Company Limited is a company listed on the Shanghai Stock Exchange (stock code: 600350).

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

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

Name of Director	Names of companies which had such disclosable interest or short position	Positions within such companies
Mr. Zhu Jianbiao	SDHG	vice chairman, executive director and chief executive officer
Mr. Liu Zhijie	SDHG	executive director and chief financial officer
Ms. Liao Jianrong	SDHG	executive director
Mr. Liu Yao	SDHG	executive director
Ms. Wang Zhupin	Beijing Enterprises Water Group Limited (“BEWG”)	chief executive officer

Substantial shareholders' interests

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

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

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

Notes:

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

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

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

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

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

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

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

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

3. COMPETING INTERESTS OF DIRECTORS

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

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up).

5. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

6. MATERIAL CONTRACTS

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

- (a) the engineering, procurement and construction contract dated 25 October 2024 entered into by Heze Shandong Hi-Speed Clean Energy Co., Ltd.* (荷澤山高清潔能源有限公司) (“**HZHS Clean Energy**”) (a wholly-owned subsidiary of the Company, as the principal) and PowerChina Beijing Engineering Corporation Limited* (中國電建集團北京勘測設計研究院有限公司) (“**PowerChina Beijing**”) (as the contractor), pursuant to which, HZHS Clean Energy agreed to engage PowerChina Beijing to provide relevant engineering, procurement and construction services in relation to the 93.75MW wind power project in Mudan District, Heze City, Shandong Province at a consideration of RMB183,490,463.74;

- (b) (i) the equipment purchase contracts dated 9 December 2024 entered into by Haiyang Shandong Hi-Speed New Energy Investment Co., Ltd.* (海陽山高新能源投資有限公司)(“**HYHS Investment**”) (an indirect wholly-owned subsidiary of the Company) and Shanghai Electric Wind Power Group Co., Ltd.* (上海電氣風電集團股份有限公司)(“**Shanghai Electric**”), pursuant to which, HYHS Investment agreed to purchase and Shanghai Electric agreed to sell five sets of wind power generation units, towers and ancillary equipment which will be used for the construction and development of the 93.75MW wind power project in Mudan District, Heze City, Shandong Province (“**6.25MW Equipment**”) at a consideration of RMB71,261,250 (tax inclusive); (ii) the equipment purchase contracts dated 9 December 2024 entered into by Laiyang Beiqing New Energy Development Co., Ltd.* (萊陽市北清新能源開發有限公司)(“**Laiyang Beiqing**”) (an indirect wholly-owned subsidiary of the Company) and Shanghai Electric, pursuant to which, Laiyang Beiqing agreed to purchase and Shanghai Electric agreed to sell 10 sets of 6.25MW Equipment at a consideration of RMB116,707,500 (tax inclusive);
- (c) the finance lease agreement dated 25 July 2025 entered into by Wenshui Shangao Heat Supply Company Limited* (文水山高供熱有限公司)(“**Wenshui Shangao Heat Supply**”) (an indirect wholly-owned subsidiary of the Company) and China Resources Financial Leasing Co., Ltd.* (華潤融資租賃有限公司)(“**CR Leasing**”), pursuant to which, CR Leasing shall purchase the heating equipment and ancillary facilities at Wenshui County, Shanxi Province, the PRC, which are owned and operated by Wenshui Shangao Heat Supply (“**Leased Assets**”) from Wenshui Shangao Heat Supply for a total consideration of RMB250,000,000. The Leased Assets would then be leased to Wenshui Shangao Heat Supply for a term of 96 months. The ownership of the Leased Assets under the finance lease agreement will be vested in CR Leasing throughout the lease period. At the end of the lease period and subject to payments by Wenshui Shangao Heat Supply of (i) all amounts due under the finance lease agreement; and (ii) a nominal consideration of RMB100 for the Leased Assets, the ownership of the Leased Assets shall be returned to Wenshui Shangao Heat Supply; and

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

7. MATERIAL LITIGATION

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

8. SERVICE CONTRACTS

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

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

9. GENERAL

- (a) The registered address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at 38th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong.
- (c) The Hong Kong share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (d) The company secretary of the Company is Mr. Cheung Chin Wa, who is a full-time employee of the Company and is familiar with the Company's daily affairs. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales and he currently holds the Hong Kong Institute of Certified Public Accountants Practising Certificate.
- (e) In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

10. DOCUMENTS ON DISPLAY

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

- (a) the EPC Contract.

* *For identification only*