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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your securities in Shandong Hi-Speed Holdings Group Limited, you should at once hand this circular with the enclosed form of proxy 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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**MAJOR AND CONNECTED TRANSACTION RELATING TO  
(1) THE SALE AND PURCHASE OF THE SALE SHARES IN  
SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED; AND  
(2) THE OFFERS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

Financial Adviser to the Company



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Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 8 to 25 of this circular.

A notice convening the SGM to be held at Conference Room, 38/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Tuesday, 24 December 2024 at 11:00 a.m. or any adjournment thereof is set out from pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is also enclosed herewith. Shareholders who wish to vote are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting and/or any adjournment thereof (as the case may be). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians, or the Hong Kong Securities Clearing Company Limited), you should consult your banks or brokers or custodians (as the case may be) directly to assist you in the appointment of proxy. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting should you so wish.

9 December 2024

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the meanings as set out below:*

“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendors pursuant to the terms of the Sale and Purchase Agreement
“acting in concert”	the meaning ascribed to it under the Takeovers Code and “concert parties” shall be construed accordingly
“associate”	has the meanings ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CITIC Securities”	CITIC Securities Company Limited, a company incorporated in the PRC with limited liabilities and shares of which are listed on the Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange (Stock Code: 600030)
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive in accordance with the Takeovers Code
“Company” or “Offeror”	Shandong Hi-Speed Holdings Group Limited, 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)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	the fifth Business Day after the day on which the last of the Conditions is fulfilled (or, otherwise waived) or such other date as the parties to the Sale and Purchase Agreement may agree

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## DEFINITIONS

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“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and SHNE to the SHNE Independent Shareholders and SHNE Offer Optionholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the forms of acceptance and transfer) and the respective letters of advice from the SHNE Independent Board Committee and the SHNE Independent Financial Adviser
“Conditions”	the conditions precedent to the Completion under the Sale and Purchase Agreement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	HK\$540,759,493.04, being the aggregate consideration to be paid by the Offeror to the Vendors for the acquisition of the Sale Shares under the Sale and Purchase Agreement
“controlling shareholder(s)”	the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Encumbrances”	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Enlarged Group”	the Group upon completion of the Offers
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Existing Shares”	976,080,784 SHNE Shares, representing approximately 43.45% of the total issued share capital of SHNE, owned by the Offeror as at the date of the Joint Announcement

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## DEFINITIONS

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“Fast Top”	Fast Top Investment Limited, a company established under the laws of the BVI with limited liability which is a direct wholly-owned subsidiary of Beijing Enterprises Water Group Limited (the shares of which are listed on the Stock Exchange (Stock Code: 371)) and owns 405,063,291 SHNE Shares (equivalent to 18.03% of the total issued SHNE Shares) as at the Latest Practicable Date
“Fast Top Irrevocable Undertaking”	the irrevocable undertaking given by Fast Top in favor of the Offeror, pursuant to which Fast Top has undertaken that subject to the Offeror acquiring the Sale Shares from the Vendors at a price of not higher than HK\$1.8 per Sale Shares, during the period commencing on the date of the Fast Top Irrevocable Undertaking and ending on the date on the close of the Share Offer, (i) it shall not (and will procure the parties acting in concert with it not to) accept the Share Offer in respect of the SHNE Shares owned by it; or sell any of the SHNE Shares owned by it to the Offeror or parties acting in concert with it; (ii) it shall not acquire or subscribe any SHNE Shares, securities or other interest in SHNE; (iii) it will not (and will procure the parties acting in concert with it not to) take any other action to make the SHNE Shares owned by it available for acceptance of the Share Offer; and (iv) it shall not (and will procure the parties acting in concert with it not to) sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such SHNE Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Huatai Financial”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to the Company in respect of the Offers and a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
“Joint Announcement”	a joint announcement dated 27 November 2024 issued by the Company and SHNE in respect of, among other things, the Acquisition and the Offers
“Last Trading Day”	11 November 2024, being the last trading day of the SHNE Shares before the date of the release of the Joint Announcement (i.e. the last full trading date prior to the halt of trading of the SHNE Shares pending the publication of the Joint Announcement)
“Latest Practicable Date”	6 December 2024, being the latest practical 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
“Long Stop Date”	12 February 2025, being the date falling on the third month after the date of the Sale and Purchase Agreement, or another date as agreed by the parties to the Sale and Purchase Agreement in writing
“Non-acceptance SHNE Shares”	405,063,291 SHNE Shares in aggregate held by Fast Top immediately after the Completion
“Offer Option”	any SHNE Option subject to the SHNE Option Offer
“Offer Shares”	all the issued SHNE Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offers”	collectively, the Share Offer and the SHNE Option Offer
“Parties”	the parties to the Sale and Purchase Agreement and “Party” means any of them

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## DEFINITIONS

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“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 November 2024 entered into by and among the Vendors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	collectively, Sale Shares-A and Sale Shares-B, equivalent to an aggregate of 303,797,468 SHNE Shares
“Sale Shares-A”	151,898,734 SHNE Shares sold by Vendor-A, representing approximately 6.76% of the entire issued share capital of SHNE as at the Latest Practicable Date
“Sale Shares-B”	151,898,734 SHNE Shares sold by Vendor-B, representing approximately 6.76% of the entire issued share capital of SHNE as at the Latest Practicable Date
“SDHS Group”	Shandong Hi-Speed Group Co. Ltd., a company established in the PRC with limited liability and the controlling shareholder of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held on Tuesday, 24 December 2024 at 11:00 a.m. to consider and, if thought fit, approve, among other matters, the Acquisition and the Offers
“Share(s)”	ordinary share(s) of the Company
“Share Offer”	the possible mandatory unconditional cash offer being made by Huatai Financial for and on behalf of the Offeror to acquire all the issued SHNE Shares not already owned and agreed to be acquired by the Offeror and/or parties acting in concert with it in accordance with the Takeovers Code

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## DEFINITIONS

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“Share Offer Price”	the cash amount of HK\$1.78 payable by the Offeror for each Offer Share
“Share Option Scheme”	share option scheme adopted by SHNE on 11 June 2013, as amended from time to time
“Shareholder(s)”	holder(s) of the Shares
“SHNE”	Shandong Hi-Speed New Energy Group Limited, 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)
“SHNE Board”	the board of directors of SHNE
“SHNE Directors”	the directors of SHNE
“SHNE Group”	SHNE and its subsidiaries
“SHNE Independent Board Committee”	the independent board committee of the SHNE Board, comprising Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik, being all the independent non-executive SHNE Directors, which has been established for the purpose of advising the SHNE Independent Shareholders and SHNE Offer Optionholders in respect of the Offers
“SHNE Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed by the SHNE Independent Board Committee for the purpose of advising the SHNE Independent Board Committee in connection with the Offers and in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers
“SHNE Independent Shareholder(s)”	holder(s) of SHNE Share(s), other than the Offeror and parties acting in concert with it
“SHNE Offer Optionholder(s)”	holder(s) of any SHNE Option
“SHNE Option(s)”	outstanding share options granted by SHNE pursuant to the Share Option Scheme

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## DEFINITIONS

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“SHNE Option Offer”	possible mandatory unconditional cash offer to be made by Huatai Financial for and on behalf of the Offeror to cancel all the Offer Options in accordance with the Takeovers Code after the Completion takes place, the terms of which will be set out in the Composite Document as mentioned in the Joint Announcement
“SHNE Option Offer Price”	price at which the SHNE Option Offer is made, being HK\$0.0001 per Offer Option
“SHNE Optionholder(s)”	holder(s) of the SHNE Option(s)
“SHNE Share(s)”	ordinary share(s) of SHNE
“SHNE Shareholder(s)”	holder(s) of the SHNE Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surviving Provisions”	provisions in the Sale and Purchase Agreement relating to the definition and interpretation, indemnity relating Conditions not being satisfied or waived on or before the Long Stop Date, representations, warranties and undertakings of Vendors, representations, warranties and undertakings of the Offeror, confidentiality, fees, termination, notice and other communication, governing laws and jurisdiction and general provisions
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“Vendor-A”	CTSL Green Power Investment Limited, a limited company incorporated under the laws of the BVI
“Vendor-B”	CTSL New Energy Investment Ltd a limited company incorporated under the laws of the BVI
“Vendors”	collectively, Vendor-A and Vendor-B
“%”	per cent

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## LETTER FROM THE BOARD

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*Executive Directors*

Mr. Li Tianzhang (*Chairman*)  
Mr. Zhu Jianbiao (*Vice Chairman*)  
Ms. Liao Jianrong  
Mr. Liu Zhijie  
Mr. Liu Yao

*Registered Office*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Non-Executive Directors*

Mr. Liang Zhanhai  
Mr. Chen Di  
Mr. Wang Wenbo

*Head Office and Principal Place of*

*Business in Hong Kong*  
38/F, The Center  
99 Queen's Road Central  
Central, Hong Kong

*Independent Non-Executive Directors*

Mr. Guan Huanfei  
Mr. Chan Wai Hei  
Mr. Jonathan Jun Yan  
Mr. Fang Ying

9 December 2024

*To the Shareholders*

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION RELATING TO  
(1) THE SALE AND PURCHASE OF THE SALE SHARES IN  
SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED; AND  
(2) THE OFFERS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Acquisition and the Offers. On 13 November 2024 (after trading hours), the Vendors (as vendors) and the Company as the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agrees to acquire from the Vendors and the Vendors conditionally agree to sell to the Offeror the Sale Shares, representing approximately 13.52% of the total issued share capital of SHNE as at the date of the Sale and Purchase Agreement at the Consideration, which is to be fully settled upon

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## LETTER FROM THE BOARD

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Completion. In particular, each of Vendor-A and Vendor-B will sell to the Offeror 151,898,734 SHNE Shares representing approximately 6.76% of the total issued share capital of SHNE as at the date of Sale and Purchase Agreement respectively. The Completion is conditional upon the Conditions to be fulfilled or waived (as the case may be) as set out in the Sale and Purchase Agreement. The Completion is to take place on the Completion Date. Upon the completion of the Company's subscription of SHNE Shares on and the change of composition of the SHNE Board with effect from 19 May 2022, SHNE had since then become the Company's non-wholly owned subsidiary. Even though the Offeror owns less than 50% of the voting rights of SHNE, SHNE became a subsidiary of the Offeror as (i) the Offeror is the single largest SHNE Shareholder with a 43.45% equity interest; (ii) the Offeror controls the SHNE Board and holds relatively larger voting rights than other dispersed public SHNE Shareholders; and (iii) there has been no history and no expectation that the other SHNE Shareholders collaborating to exercise their votes collectively or to outvote the Group or the Offeror. Upon Completion, SHNE will remain as a non-wholly owned subsidiary of the Offeror, whose shareholding will increase from 43.45% to 56.97% assuming there is no other changes to the issued share capital of SHNE from the Latest Practicable Date to the Completion Date.

The purpose of this circular is to provide you with (i) further details of the Acquisition and the transactions contemplated thereunder; (ii) the financial information of the Group; (iii) the financial information of the SHNE; (iv) the unaudited pro forma financial information of the Enlarged Group; (v) other information as required by the Listing Rules; and (vi) a notice of the SGM and a form of proxy.

### THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized as follows:

#### **Date**

13 November 2024 (after trading hours)

#### **Parties**

- (i) The Offeror (as purchaser)
- (ii) Vendor-A and Vendor-B (as vendors)

#### **Subject matter**

The Sale Shares, being an aggregate of 303,797,468 SHNE Shares, representing approximately 13.52% issued share capital of SHNE, will be sold free from any Encumbrances and together with all rights as at or after the date of the Sale and Purchase Agreement attaching to them, including but not limited to all dividends declared in respect thereof, on and subject to the terms and conditions of the Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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The Sale Shares sold by each of the Vendors are set out below:

<b>Vendors</b>	<b>Sale Shares</b>	<b>Shareholding</b> <i>(Approximate %)</i>
Vendor-A	Sale Shares-A, being 151,898,734 SHNE Shares	6.76%
Vendor-B	Sale Shares-B, being 151,898,734 SHNE Shares	6.76%

### **Consideration**

The Consideration is HK\$540,759,493.04 in aggregate (equivalent to HK\$1.78 per Sale Share), which shall be payable by cash by the Offeror to the Vendors on the Completion Date.

The amount of consideration to be paid to each of the Vendors is set out below:

<b>Vendors</b>	<b>Sale Shares</b>	<b>Considerations</b> <b>to be paid</b> <i>(HK\$)</i>
Vendor-A	Sale Shares-A, being 151,898,734 SHNE Shares	270,379,746.52
Vendor-B	Sale Shares-B, being 151,898,734 SHNE Shares	270,379,746.52

The Consideration was determined after arm's length negotiations between the Offeror and the Vendors on normal commercial terms taking into account of, among other things, the recent and historic price of the SHNE Shares and the net asset value of the SHNE Group.

In particular, it was considered that, despite that the consideration per Sale Share of HK\$1.78 represents premiums over the recent closing prices (for the three months preceding the Last Trading Day), it also represents a comparable price level as the average closing price of approximately HK\$1.7696 per SHNE Share as quoted on the Stock Exchange during the trading days for the year 2024 up to and including the Last Trading Day; and discounts of (a) approximately 72.22% to the audited net asset of the SHNE Group attributable to the equity holders of SHNE per SHNE Shares as at 31 December 2023; (b) approximately 71.88% to the unaudited net asset of the SHNE Group attributable to the equity holders of SHNE per SHNE Shares as at 30 June 2024; (c) approximately 18.55% to the average closing price of approximately HK\$2.1855 per SHNE Share as quoted on the Stock Exchange during the 360 consecutive trading days immediately prior to and including the Last Trading Day; and (d) approximately 26.57% to the average daily closing price of approximately HK\$2.4240 per SHNE Share as quoted on the Stock Exchange during the period from 11 November 2022 (being the date two years prior to the Last Trading Day) and up to and including the Last Trading Day.

In addition to the above, SHNE Group has a sound financial track record in the recent years as discussed in the sections headed "Information of the Parties Involved — SHNE and the SHNE Group" and "Reasons for and Benefits of the Acquisition" in the letter from the Board in this Circular.

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## LETTER FROM THE BOARD

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In light of the above, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable, on normal commercial terms and are in the interests of the Shareholders as a whole.

The Consideration will be financed by a loan facility.

### Conditions precedent

The Completion is conditional upon the fulfilment of the following Conditions on or before the Long Stop Date:

- (A) the SFC (and, where applicable, the Stock Exchange) having confirmed that it has no further comments on the joint announcement of SHNE and the Offeror in relation to the sale and purchase of the Sale Shares and the Offers under Rule 3.5 of the Takeovers Code, and such joint announcement having been issued by SHNE and the Offeror;
- (B) the representations, warranties and/or undertakings provided by the Vendors set out in the Sale and Purchase Agreement remaining true, complete, accurate and not misleading in all material respects at all times between the date of the Sale and Purchase Agreement and the Completion Date and there having been no material breaches by the Vendors under the Sale and Purchase Agreement;
- (C) the representations, warranties and/or undertakings provided by the Offeror set out in the Sale and Purchase Agreement remaining true, complete, accurate and not misleading in all material respects at all times between the date of the Sale and Purchase Agreement and the Completion Date and there having been no material breaches by the Offeror under the Sale and Purchase Agreement;
- (D) the Offeror having obtained the approval of the relevant resolutions (the “**Resolutions**”) by the Shareholders at a special general meeting convened by the Company for (i) the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) the Offers;
- (E) the Offeror having obtained all approvals required to proceed the Sale and Purchase Agreement and the transactions proposed under it, including but not limited to all approvals, consents, authorisation, registrations and filings of relevant governmental authorities (including but not limited to the Stock Exchange, the SFC and approvals required under applicable laws of other countries), institutions, organizations or any other third parties (including but not limited to banks or creditors); and
- (F) the Vendors having obtained all resolutions and approvals required to proceed the Sale and Purchase Agreement and the transactions proposed under it, including but not limited to all approvals, consents, authorisation, registrations and filings of the relevant government departments (including but not limited to the Stock Exchange, the SFC and approvals required under applicable laws of other countries), institutions or organizations or any other third parties (including but not limited to banks or creditors).

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## LETTER FROM THE BOARD

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Except for Condition (B) which can be waived by the Offeror and Condition (C) which can be waived by the Vendors in writing at all times, none of the other Conditions is waivable.

If the conditions set out above are not satisfied or waived (if applicable) on or before the Long Stop Date, the Sale and Purchase Agreement shall automatically lapse, save for any antecedent rights and obligations and the Surviving Provisions.

If Conditions (B) and/or (F) are not satisfied or waived (as the case may be) on or before the Long Stop Date, as damages for indemnifying all losses suffered by the Company, (i) Vendor-A shall pay to the Company HK\$15,000,000 within five Business Days from the Long Stop Date or another date as agreed by the Parties in writing (whichever is later); and (ii) Vendor-B shall pay to the Company HK\$15,000,000 within 5 Business Days from the date of completion of the outbound direct investment filing procedure which shall be completed by Vendor-B within three months after Conditions (B) and/or (F) is not satisfied or waived (as the case may be) on or before the Long Stop Date.

If Conditions (A), (C), (D) and (E) are not satisfied or waived (as the case may be) on or before the Long Stop Date, within five Business Days from the Long Stop Date or another date as agreed by the Parties in writing (whichever is later), the Offeror shall pay to Vendor-A and Vendor-B HK\$15,000,000 and HK\$15,000,000, respectively, as damages for indemnifying all losses suffered by the Vendors.

Regarding Condition (E), only approvals from the Board, shareholders' meeting of the Company, the Stock Exchange and the SFC are required to proceed with the Sale and Purchase Agreement and the transactions proposed under it. Regarding Condition (F), only approvals from the board of directors and shareholders' meeting of each of the Vendors are required to proceed with the Sale and Purchase Agreement and the transactions proposed under it.

For the avoidance of doubt, in the event the Resolutions (as referred to under Condition (D), which is not waivable) are not passed at the SGM, the Company will not be able to proceed with the Acquisition unless and until the Resolutions are approved by the Shareholders at another special general meeting of the Company on or before the Long Stop Date.

As at the date Latest Practicable Date, except for Condition (A) which has been satisfied on the date of the Joint Announcement, none of the other Conditions has been satisfied.

### **Completion**

Completion shall take place on the Completion Date after all the Conditions are fulfilled and/or waived (if applicable).

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## LETTER FROM THE BOARD

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Upon the completion of the Company's subscription of SHNE Shares on and the change of composition of the SHNE Board with effect from 19 May 2022, SHNE had since then become the Company's non-wholly owned subsidiary and its financial results had been consolidated into the financial statements of the Group. Even though the Offeror owns less than 50% of the voting rights of SHNE, SHNE became a subsidiary of the Offeror as (i) the Offeror is the single largest SHNE Shareholder with a 43.45% equity interest; (ii) the Offeror controls the SHNE Board and holds relatively larger voting rights than other dispersed public SHNE Shareholders; and (iii) there has been no history and no expectation that the other SHNE Shareholders collaborating to exercise their votes collectively or to outvote the Group or the Offeror. Upon Completion, the Company will be interested in approximately 56.97% of the issued share capital of SHNE, assuming there is no other changes to the issued share capital of SHNE from the Latest Practicable Date to the Completion Date. SHNE will remain as a direct non-wholly owned subsidiary of the Company and the financial results of which will continue to be consolidated into the financial statements of the Group.

### INFORMATION OF THE PARTIES INVOLVED

#### The Company and the Group

The Company as the Offeror, is an investment holding company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (Stock Code: 412). The principal activity of the Company is investment holding. The Group is principally engaged in industrial investment, standard investment business, non-standard investment business and licensed financial services in the PRC and Hong Kong.

#### The Vendors

Vendor-A is a company incorporated in the BVI with limited liability and owned as to approximately 86.3% by CPEChina Fund II, L.P. and approximately 13.7% by CPEChina Fund IIA, L.P.. CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. are two exempted limited partnerships registered under the laws of the Cayman Islands, and principally engage in private equity investments in various sectors, including but not limited to healthcare, consumer, technology and industrial sectors. As at the Latest Practicable Date, CPEChina Fund II, L.P. has 20 limited partners with no limited partner holding more than 20% interest. CPEChina Fund II, L.P.'s limited partners include sovereign wealth funds, pension funds, insurance and financial institutions, fund of funds, and other global institutional investors across Asia, the Middle East, North America and Europe. As at the Latest Practicable Date, CPEChina Fund IIA, L.P. has three limited partners, including Maxi Joy Investments Ltd. (holding 56.3% interest and ultimately owned by Bank of China Limited, a company listed on both the Stock Exchange (stock code: 3988) and the Shanghai Stock Exchange (stock code: 601988)), The Norinchukin Bank (holding 16.9% interest and a Japanese cooperative bank headquartered in Tokyo, Japan) and Citron PE Limited (holding 26.8% interest and wholly owned by Citron PE Holdings Limited). The general partner of CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. is Citron PE Associates II, L.P. (formerly known as CITIC PE Associates II, L.P.), an exempted limited partnership registered under the laws of the Cayman Islands, whose general partner is Citron PE

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## LETTER FROM THE BOARD

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Funds II Limited (formerly known as CITIC PE Funds II Limited). Citron PE Funds II Limited is wholly-owned by Citron PE Holdings Limited (formerly known as CITICPE Holdings Limited), which is owned as to 35% by CLSA Global Investments Management Limited and less than 20% by each of the remaining shareholders. CLSA Global Investments Management Limited is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities. Vendor-A is principally engaged in the business of investment holding.

Vendor-B is a company incorporated in the BVI with limited liability and wholly-owned by Beijing Xinyu Investment Centre (Limited Partnership)\* (北京信聿投資中心(有限合夥)) (formerly known as 北京中信投資中心(有限合夥)) (“**RMB Fund II**”). RMB Fund II is a limited partnership registered under the laws of the PRC, and principally engages in private equity investments in various sectors, including but not limited to healthcare, consumer, technology and industrial sectors. As at the Latest Practicable Date, RMB Fund II has more than 45 limited partners with no limited partner holding more than 20% interest. RMB Fund II’s limited partners include insurance institutions, pension funds and other institutional investors mainly in China. The general partner of RMB Fund II is Beijing Youde Investment Management Centre (Limited Partnership)\* (北京宥德投資管理中心(有限合夥)), a limited partnership registered under the laws of the PRC whose general partner is Shanghai Pannuo Enterprise Management Service Company Limited\* (上海磐諾企業管理服務有限公司) (“**Shanghai Pannuo**”), a limited liability company incorporated in the PRC. Shanghai Pannuo is wholly-owned by CITIC Private Equity Funds Management Co., Ltd. (中信產業投資基金管理有限公司), which is in turn owned as to 35% by CITIC Securities and less than 20% by each of the remaining shareholders. Vendor-B is principally engaged in the business of investment holding.

CITIC Securities is a company incorporated in the PRC with limited liabilities and shares of which are listed on the Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange (Stock Code: 600030). Based on publicly available information, the total issued shares of CITIC Securities (including A shares and H shares) are owned as to approximately 19.84% by its largest shareholder, CITIC Group Corporation (中國中信集團有限公司), through its controlled corporation (namely China CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司)) and approximately 8.94% by Guangzhou Yue Xiu Holdings Limited through its controlled corporations (namely Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) and Guangzhou Yuexiu Capital Holdings Co., Ltd. (廣州越秀資本控股集團有限公司)). Save for the abovementioned, no other shareholder holds more than 5% of the total issued shares of CITIC Securities.

The Vendors are parties acting in concert with each other with respect to their shareholdings in SHNE.

The original acquisition cost of 303,797,468 SHNE Shares, i.e. the Sale Shares, paid by the Vendors was approximately HK\$1,199,999,998.60.

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## LETTER FROM THE BOARD

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### SHNE and the SHNE Group

SHNE 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 SHNE is investment holding. The SHNE 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.

Set out below are certain audited consolidated financial information of SHNE for the two years ended 31 December 2022 and 2023 respectively as extracted from the audited financial statements of SHNE and unaudited consolidated financial information of SHNE for the six months ended 30 June 2024 as extracted from the unaudited financial statements of SHNE.

	<b>For the year ended 31 December 2022 <i>(audited)</i> HK\$'000</b>	<b>For the year ended 31 December 2023 <i>(audited)</i> HK\$'000</b>	<b>For the six months ended 30 June 2024 <i>(unaudited)</i> HK\$'000</b>
Revenue	5,296,197	4,963,431	2,606,014
Profit before tax	283,466	630,297	507,351
Profit for the year/period	225,811	387,465	399,881

As at 31 December 2023, the audited net asset value of the SHNE Group based on its audited accounts was approximately HK\$19,291,012,000. As at 30 June 2024, the unaudited net asset value of the SHNE Group was approximately HK\$21,135,401,000.

Please refer to Appendix II to this circular for further information on the SHNE Group with reference to the published reports of SHNE.

### *Shareholding structure of SHNE*

As at the Latest Practicable Date, the authorised share capital of SHNE consists of (i) HK\$466,637,115.1 divided into 9,332,742,302 SHNE Shares; and (ii) HK\$33,362,884.9 divided into 667,257,698 convertible preference shares of SHNE, and there are 2,246,588,726 SHNE Shares in issue. As at the Latest Practicable Date, there are 19,010,000 outstanding SHNE Options granted under the Share Option Scheme, entitling the SHNE Optionholders to subscribe for an aggregate of 19,010,000 SHNE Shares at an exercise price of HK\$4.00.

## LETTER FROM THE BOARD

The following table sets out the shareholding structure of SHNE (i) as at the Latest Practicable Date; and (ii) immediately upon the Completion and before the Offers (assuming no other changes to the issued share capital of SHNE from the Latest Practicable Date):

	As of the Latest Practicable Date and immediately before Completion		Immediately after Completion and before the Offers	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Offeror and its concert parties</b>	976,080,784	43.45	1,279,878,252	56.97
<b>Vendors and its concert parties</b>				
– Vendor-A	151,898,734	6.76	–	–
– Vendor-B	151,898,734	6.76	–	–
<b>Subtotal</b>	303,797,468	13.52	–	–
SHNE Independent Shareholders	966,710,474	43.04	966,710,474	43.04
<b>Total</b>	<b>2,246,588,726</b>	<b>100.00</b>	<b>2,246,588,726</b>	<b>100.00</b>

As at the Latest Practicable Date, save for the 200,000 SHNE Options held by Mr. Chiu Kung Chik, an independent non-executive SHNE Director, none of the SHNE Directors holds any SHNE Shares and any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of SHNE.

### REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board believes that the Acquisition will bring commercial benefits to the Group for the following reasons:

Given the SHNE Group has a sound financial track record with net profit after tax recorded for the four out of five financial years ended 31 December 2023, the Acquisition will enable the Group to further benefit from the share of earnings in the SHNE Group. Further, the SHNE Group has been expanding its business operations and developing its customer base in the PRC. It is expected that the Acquisition would further strengthen the ability of the Company to control SHNE Group's pace of development in the existing business and further integrate it with the Group's ecosystem and development as a whole, positioning it favourably to seize market opportunities and strengthen its market presence in the integrated clean energy service industry in the PRC, thereby generating favourable returns to the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECTS OF THE ACQUISITION

#### Earnings

After completion of the Acquisition, SHNE remains as a subsidiary of the Group and their financial results, assets and liabilities will continue to be consolidated into the Company's consolidated financial statements. As such, there will not be any profit or loss effect to the Group.

#### Assets and liabilities

Based on the unaudited pro forma financial information of the Group following the Acquisition and the Offers as set out in Appendix IV to this circular, had the Completion and close of the Offers taken place on 30 June 2024 (with the assumption that all the outstanding SHNE Options are exercised in full prior to the Closing Date and there will be no outstanding SHNE Options remaining for acceptance of the SHNE Option Offer), the total assets of the Enlarged Group would increase from approximately HK\$78,842.17 million to approximately HK\$78,918.21 million on a pro forma basis, and the total liabilities of the Enlarged Group would increase from approximately HK\$51,851.54 million to approximately HK\$53,431.93 million on a pro forma basis.

The attention of the Shareholders is drawn to the unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to this circular.

### POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the Latest Practicable Date, the Offeror and parties acting in concert with it own 976,080,784 SHNE Shares, representing approximately 43.45% of the total issued share capital of SHNE. Assuming there are no other changes to the issued share capital of SHNE from the Latest Practicable Date to the Completion Date, immediately following the Completion, the Offeror and parties acting in concert with it will be interested in a total of 1,279,878,252 SHNE Shares, representing approximately 56.97% of the total issued share capital of SHNE as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, immediately after the Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued SHNE Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). In addition, the Offeror is also obliged to make an appropriate cash offer to the SHNE Offer Optionholders to cancel all the Offer Options under Rule 13 of the Takeovers Code.

Subject to Completion, Huatai Financial, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers on terms to be set out in the Composite Document on the following basis:

#### The Share Offer

**For each Offer Share ..... HK\$1.78 in cash**

The Share Offer Price of HK\$1.78 per Offer Share under the Share Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase

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## LETTER FROM THE BOARD

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Agreement. Neither the Offeror nor any parties acting in concert with it had dealt for value in SHNE Shares in the six months prior to and including the date of the Joint Announcement.

The Share Offer will be extended to all SHNE Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

SHNE confirms that as at the Latest Practicable Date, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offers. If, after the date of the Joint Announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Share Offer Price by an amount equal to the gross amount of such dividend or other distribution received or receivable by the SHNE Shareholders pursuant to Note 3 to Rule 26.3 of the Takeovers Code.

The Share Offer Price of the Share Offer of HK\$1.78 per Offer Share represents:

- a premium of approximately 2.30% over the closing price of HK\$1.740 per SHNE Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- a premium of approximately 7.23% over the closing price of HK\$1.6600 per SHNE Share as quoted on the Stock Exchange on 11 November 2024, being the Last Trading Day;
- a premium of approximately 7.49% over the average closing price of approximately HK\$1.6560 per SHNE Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 11.32% over the average closing price of approximately HK\$1.5990 per SHNE Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 11.23% over the average closing price of approximately HK\$1.6003 per SHNE Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 0.59% over the average closing price of approximately HK\$1.7696 per SHNE Share as quoted on the Stock Exchange during the Trading Days for the year 2024 up to and including the Last Trading Day;
- a discount of approximately 18.57% to the average closing price of approximately HK\$2.186 per SHNE Share as quoted on the Stock Exchange during the 360 consecutive trading days immediately prior to and including the Last Trading Day;

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## LETTER FROM THE BOARD

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- a discount of approximately 26.48% to the average daily closing price of approximately HK\$2.421 per SHNE Share as quoted on the Stock Exchange during the period from 11 November 2022 (being the date two years prior to the Last Trading Day) and up to and including the Last Trading Day;
- a discount of approximately HK\$4.6270 (being approximately 72.22%) to the audited consolidated net asset value of the SHNE Group of approximately HK\$6.4070 per SHNE Share as at 31 December 2023 calculated based on the audited net asset of the SHNE Group attributable to the equity holders of SHNE as at 31 December 2023 of approximately HK\$14,394,006,000 and 2,246,588,726 SHNE Shares in issue as at the date of the Joint Announcement.
- a discount of approximately HK\$4.5495 (being approximately 71.88%) to the unaudited consolidated net asset value of the SHNE Group of approximately HK\$6.3295 per SHNE Share as at 30 June 2024 calculated based on the unaudited net asset of the SHNE Group attributable to the equity holders of SHNE as at 30 June 2024 of approximately HK\$14,219,700,000 and 2,246,588,726 SHNE Shares in issue as at the date of the Joint Announcement.

### **The SHNE Option Offer**

**For the cancellation of each of Offer Options . . . . . HK\$0.0001 in cash**

The Offeror will make an appropriate offer to the SHNE Optionholders to cancel every SHNE Option they hold in accordance with Rule 13 of the Takeovers Code.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding SHNE Options would normally represent the difference between the exercise price of the SHNE Options and the Share Offer Price. Under the SHNE Option Offer, since the exercise price of the outstanding SHNE Options are above the Share Offer Price, the outstanding SHNE Options are out-of-money and the offer price for each outstanding SHNE Option is at a nominal value of HK\$0.0001.

The Offers will be unconditional in all aspects when they are made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares.

### **Highest and lowest closing prices**

During the six-month period immediately preceding and including the Last Trading Day: (a) the highest closing price of the SHNE Shares quoted on the Stock Exchange was HK\$1.94 per SHNE Share on 17 May 2024; and (b) the lowest closing price of the SHNE Shares quoted on the Stock Exchange was HK\$1.46 per SHNE Share on 5 August, 19, 20 and 23 September 2024.

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## LETTER FROM THE BOARD

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### **No Increase Statement**

The Share Offer Price will not be increased and the Offeror does not reserve the right to do so.

SHNE Shareholders and potential investors of SHNE should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Share Offer Price save in wholly exceptional circumstances, as provided in Rule 18.3 of the Takeovers Code.

### **Fast Top Irrevocable Undertaking**

As at the Latest Practicable Date, Fast Top beneficially owns 405,063,291 SHNE Shares, representing in aggregate approximately 18.03% of the issued share capital of SHNE. Fast Top has given the Fast Top Irrevocable Undertaking in favour of the Offeror and SHNE, pursuant to which Fast Top has undertaken that, subject to the Offeror acquiring the Sale Shares from the Vendors at a price of not higher than HK\$1.8 per Sale Shares, during the period commencing on the date of the Fast Top Irrevocable Undertaking and ending on the date on the close of the Offers, (i) it shall not (and will procure the parties acting in concert with it not to) accept the Share Offer in respect of the SHNE Shares owned by it; or sell any of the SHNE Shares owned by it to the Offeror or parties acting in concert with it; (ii) it shall not acquire or subscribe any SHNE Shares, securities or other interest in SHNE; (iii) it will not (and will procure the parties acting in concert with it not to) take any other action to make the SHNE Shares owned by it available for acceptance of the Share Offer; and (iv) it shall not (and will procure the parties acting in concert with it not to) sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such SHNE Shares.

### **Total value of the Offers**

As at the Latest Practicable Date, there are 2,246,588,726 SHNE Shares in issue and 19,010,000 outstanding SHNE Options granted under the Share Option Scheme, entitling the SHNE Optionholders to subscribe for an aggregate of 19,010,000 SHNE Shares at an exercise price of HK\$4.00. Particularly, 7,604,000 of the outstanding SHNE Options have been vested. Pursuant to the terms of the Share Option Scheme, in the event a general offer is made to the SHNE Shareholders (and such offer becomes or is declared unconditional), all the SHNE Optionholders (holding vested or unvested SHNE Options) shall be entitled to exercise the SHNE Options in full.

Assuming that there is no change in the issued share capital of SHNE and none of the outstanding SHNE Options is exercised prior to the Closing Date, and on the basis of the Share Offer Price of HK\$1.78 per SHNE Share, the entire issued ordinary share capital of SHNE would be valued at HK\$3,998,927,932.28.

Assuming the Offers are accepted in full on the basis that (i) none of the SHNE Options is exercised prior to the Closing Date and there will be 19,010,000 outstanding SHNE Options remaining for acceptance of the SHNE Option Offer; and (ii) there is no change in the issued share capital of the SHNE prior to the Closing Date and accordingly

## LETTER FROM THE BOARD

a total of 561,647,183 issued SHNE Shares (representing the total number of issued SHNE Shares excluding (a) 1,279,878,252 SHNE Shares already held or to be acquired by the Offeror and the parties acting in concert with it; and (b) an aggregate of 405,063,291 SHNE Shares held by Fast Top (Fast Top has undertaken not to accept the Share Offer pursuant to the Fast Top Irrevocable Undertaking) will be subject to the Share Offer (“**Scenario-A**”), the total consideration payable by the Offeror under the Offers would be HK\$999,733,886.74 (inclusive of HK\$999,731,985.74 for the Share Offer and HK\$1,901 for the SHNE Option Offer).

Assuming the Offers are accepted in full on the basis that (i) all of the 19,010,000 outstanding SHNE Options are exercised in full prior to the Closing Date and there will be no outstanding SHNE Options remaining for acceptance of the SHNE Option Offer; and (ii) there is no other change in the issued share capital of SHNE prior to the Closing Date and accordingly a total of 580,657,183 issued SHNE Shares (representing the total number of issued SHNE Shares excluding (a) 1,279,878,252 SHNE Shares already held or to be acquired by the Offeror and the parties acting in concert with it; and (b) an aggregate of 405,063,291 SHNE Shares held by Fast Top (Fast Top has undertaken not to accept the Share Offer pursuant to the Fast Top Irrevocable Undertaking)) will be subject to the Share Offer (“**Scenario-B**”), the total consideration payable by the Offeror under the Share Offer would amount to approximately HK\$1,033,569,785.74.

The following table sets out the shareholding structure of SHNE under (i) Scenario-A; and (ii) Scenario-B, after the Completion and immediately after the Closing Date:

	After the Completion and immediately after the Closing Date			
	Scenario-A		Scenario-B	
	<i>Number of SHNE Shares</i>	<i>Approximate %</i>	<i>Number of SHNE Shares</i>	<i>Approximate %</i>
Offeror and its concert parties	1,841,525,435	81.97	1,860,535,435	82.12
Vendors and its concert parties				
- Vendor-A	-	-	-	-
- Vendor-B	-	-	-	-
Subtotal of Vendors	-	-	-	-
Fast Top	405,063,291	18.03	405,063,291	17.88
Other SHNE Independent Shareholders	-	-	-	-
<b>Total</b>	<b>2,246,588,726</b>	<b>100.00</b>	<b>2,265,598,726</b>	<b>100.00</b>

The figures above are for illustrative purposes only, and in the event the public float of the SHNE Shares fall below 25% of the total issued SHNE Shares (being the minimum

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## LETTER FROM THE BOARD

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prescribed percentage under the Listing Rules), the Offeror will take appropriate steps as soon as possible to ensure that a sufficient public float exists for the SHNE Shares. For further details, please refer to the paragraph headed “Public Float and Maintaining the Listing Status of SHNE” in the letter from the Board in this Circular.

### **Confirmation of financial resources**

The Offeror will finance and satisfy the Consideration and the maximum consideration payable under the Offers by a loan facility. Huatai Financial, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration and the maximum consideration payable upon full acceptance of the Offers.

### **INTENTIONS OF THE OFFEROR REGARDING THE SHNE GROUP**

Following the Completion, the Offeror will continue to be the controlling shareholder of SHNE and be interested in 1,279,878,252 SHNE Shares, representing approximately 56.97% of the total issued share capital of SHNE, assuming there is no other changes to the issued share capital of SHNE from the Latest Practicable Date to the Completion Date.

The Offeror has no intention to terminate the employment of any employees of the SHNE Group or to make significant changes to any employment or to dispose of or re-allocate the SHNE Group’s fixed assets which relate to the ordinary and usual course of business of the SHNE Group as a result of completion of the Offers. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the SHNE Group’s business and operations to optimise the value of the SHNE Group.

As at the Latest Practicable Date, no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the SHNE Group.

### **PROPOSED CHANGE OF COMPOSITION OF THE SHNE BOARD**

The SHNE Board is currently made up of twelve SHNE Directors, comprising eight executive SHNE Directors, namely Mr. Li Tianzhang, Mr. Zhu Jianbiao, Mr. Wang Wenbo, Mr. Sun Qingwei, Ms. Liao Jianrong, Mr. Li Li, Mr. He Yongbing and Mr. Wang Meng, and four independent non-executive SHNE Directors, namely, Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik.

It is intended that Mr. He Yongbing will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offers).

The Offeror intends to nominate new SHNE Director(s) to the SHNE Board with effect after the completion of the Offers. As at the Latest Practicable Date, the Offeror has not reached any final decision as to who will be nominated as new SHNE Director(s) of

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## LETTER FROM THE BOARD

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SHNE. Any changes to the members of the SHNE Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF SHNE**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any SHNE Shares outstanding after the close of the Offers. The Offeror has no intention to privatize SHNE and intends SHNE to remain listed on the Stock Exchange following the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to SHNE, being 25% of the issued SHNE Shares (excluding treasury shares), are held by the public at all times or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the SHNE Shares; or (ii) there are insufficient SHNE Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the SHNE Shares until the prescribed level of public float is restored.

Therefore, it should be noted that upon close of the Offers, there may be insufficient public float of the SHNE Shares and the trading in the SHNE Shares may be suspended until sufficient public float exists for the SHNE Shares. The Offeror, the Directors, SHNE, the SHNE Directors and any new SHNE Director(s) to be proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps after the close of the Offers to ensure that sufficient public float exists in the SHNE Shares, which may include (i) placing down or selling sufficient number of accepted SHNE Shares it acquired from the Offers to selected independent third parties or in the market; and/or (ii) issue of additional SHNE Shares by SHNE for this purpose. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

### **IMPLICATION UNDER THE LISTING RULES**

As at the Latest Practicable Date, the Vendors own an aggregate of approximately 13.52% of the issued share capital of SHNE and hence are substantial shareholders of SHNE. Therefore, pursuant to Chapter 14A of the Listing Rules, each of the Vendors is a connected person of the Company at the subsidiary level, and accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, since (i) the Vendors are connected persons of the Company at the subsidiary level; (ii) the Board has approved the Acquisition; and (iii) the independent non-executive Directors have confirmed that the terms of the Acquisition are fair and reasonable and the Acquisition is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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Furthermore, the Acquisition and the Offers are subject to aggregation pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the transactions are 25% or more but less than 100%, the Acquisition, together with the Offers, constitute a major transaction for the Company and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### SGM

A notice convening the SGM to be held at Conference Room, 38/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Tuesday, 24 December 2024 at 11:00 a.m. or any adjournment thereof is set out from pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is also enclosed herewith. Shareholders who wish to vote are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting and/or any adjournment thereof (as the case may be). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians, or the Hong Kong Securities Clearing Company Limited), you should consult your banks or brokers or custodians (as the case may be) directly to assist you in the appointment of proxy. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting should you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is involved in or interested in the Acquisition and the Offers which requires him/her/it to abstain from voting on the resolution approving (i) the Sale and purchase Agreement and the transactions contemplated thereunder; and (ii) the Offers at the SGM.

### CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed on Tuesday, 24 December 2024, during the day no transfer of Shares will be registered. In order to determine the entitlement to attend and vote at the SGM, all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 December 2024.

### RECOMMENDATION

The Directors consider that the terms of the Sale and Purchase Agreement and the Offers are fair and reasonable and the Acquisition and making of the Offers are in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the ordinary resolution to be proposed at the SGM.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

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

### MISCELLANEOUS

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

### WARNING

Shareholders should take note that the Completion is subject to fulfilment of the Conditions as set out in the Sale and Purchase Agreement including the approval of the Shareholders at the SGM, and therefore may or may not proceed. The Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares in the Company. Each of the Share Offer and SHNE Option Offer is a possible mandatory unconditional cash offer and will only be made if the Completion takes place. If in doubt, the Shareholders and the potential investors of the Company are recommended to consult their professional adviser(s).

Yours faithfully  
By order of the Board  
**Shandong Hi-Speed Holdings Group Limited**  
**Li Tianzhang**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2023, 2022 and 2021 and the six months ended 30 June 2024 is disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<http://www.sdhg.com.hk>) and can be accessed at the website addresses below:

- Interim report of the Company for the six months ended 30 June 2024 (pages 37 to 120)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0920/2024092000013.pdf>

- Annual report of the Company for the year ended 31 December 2023 (pages 158 to 462)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900021.pdf>

- Annual report of the Company for the year ended 31 December 2022 (pages 134 to 447)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800109.pdf>

- Annual report of the Company for the year ended 31 December 2021 (pages 119 to 391)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701579.pdf>

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business of 31 October 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding indebtedness as follows:

### **Borrowings**

The Group had outstanding (i) guaranteed and secured bank borrowings of approximately HK\$12,043 million; (ii) guaranteed and unsecured bank borrowings of approximately HK\$12,384 million; (iii) unguaranteed and secured bank borrowings of approximately HK\$1,591 million; (iv) unguaranteed and unsecured bank borrowings of approximately HK\$8,054 million; (v) guaranteed and unsecured bonds of approximately HK\$4,730 million; (vi) unguaranteed and secured bonds of approximately HK\$800 million; (vii) guaranteed and secured other borrowings of approximately HK\$5,064 million; (viii) unguaranteed and secured other borrowings of approximately HK\$1,966 million; (ix) guaranteed and secured lease liabilities of approximately HK\$1,466 million; and (x) unguaranteed and unsecured lease liabilities of approximately HK\$1,207 million.

The secured bank and other borrowings, bonds and lease liabilities under finance lease arrangements of the Group as at 31 October 2024 are secured by:

- (i) guarantees given by SDHS Group;
- (ii) guarantees given by the Company and/or its certain subsidiaries;
- (iii) pledges over certain of the Group's property, plant and equipment;
- (iv) pledges over certain of the Group's operating concessions;
- (v) pledges over certain of the Group's trade receivables;
- (vi) pledges over certain of the Group's contract assets;
- (vii) pledges over the Group's equity interests in certain subsidiaries;
- (viii) pledges over certain of the Group's bank deposits; and/or
- (ix) pledges over certain of the Group's investment properties.

#### **Guarantees issued**

As at 31 October 2024, the Group provided the total maximum guarantees in relation to the investments in joint ventures and an unlisted equity investment of approximately HK\$465 million.

#### **Contingent liabilities**

As at 31 October 2024, the Group did not have any material contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 October 2024 (a) any guaranteed, unguaranteed, secured or unsecured debt securities issued and outstanding, and authorised or otherwise created but unissued; (b) any guaranteed, unguaranteed, secured or unsecured term loans; (c) any 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; (d) any debentures, mortgages or charges; or (e) any guarantee or other contingent liabilities.

### 3. WORKING CAPITAL STATEMENT OF THE GROUP

The Directors are of opinion that, after due and careful enquiry and taking into account the Sale and Purchase Agreement and the transactions contemplated thereunder, the financial resources available to the Group including the internally generated funds and the available banking facilities, the Group will have sufficient working capital for at least the next 12 months commencing from the date of this circular. The Directors confirm that requirements under Rule 14.66(12) have been complied with.

### 4. 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 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

### 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Looking forward to the second half of the year 2024, the expected winding down of worldwide monetary tightening will benefit China's prudent monetary policy in creating a favorable monetary and financial environment for steady economic growth. As China's macro policies continue to take shape and foster, high-tech manufacturing and infrastructure investments are expected to exert a "longboard effect" in the second half of the year and contribute to moderate domestic growth.

The Third Plenary Session of the 20th Central Committee underscored the significance of and overall requirements on further deepening reform comprehensively and will advance Chinese modernization. Building a beautiful China requires a comprehensive green economic and social development transformation. China's continuous improvement of the ecological environment governance system and the promotion of ecological priority, conservation and intensive, green and low-carbon development will create historic development opportunities for the Group's deep-rooted green industry investment. In addition, the plenary session emphasized that accelerating the development of new and quality production capacity is a key initiative to enhance China's edge and cooperative compatibility at the global level, and China's current promotion of the scientific and technological revolution characterized by digitalization, networking, intelligence and green transformation also underpins the strategic layout of the Group's new infrastructure track.

The Group will maintain strategic focus, firm confidence in development, and continue to promote the integration and coordinated development of its business line of new energy and new infrastructure. The Group will continue to give full play to the resources and brand advantages of Group, expand the development of key markets, give full play to comprehensive advantages, and strive for a larger volume of policy and competition allocation indicators. The Group will make it a top priority to build a “source, network, load and storage integration” model of collaboration between ultra-large-scale data centers and green electricity, coordinate the planning and layout of computing power and power infrastructure, realize local supply of new energy and local consumption, and provide green and efficient computing power support for the development of digital economy.

In addition to strengthening market development, the Group will be committed to building a sound industrial ecology. Through closer ties with quality enterprises in the track, the Group will promote collaborative innovation of the upstream and downstream of the chain, gradually creating a complementary, embedded and mutually beneficial ecosystem of the Company, so as to achieve a comprehensive improvement in the performance, corporate value and market valuation of the investee companies, continue to promote the effective implementation of the Company’s strategy, and build a distinguished industrial holding group.

**FINANCIAL INFORMATION OF THE SHNE GROUP**

Financial information of the SHNE Group for each of the three years ended 31 December 2023, 2022 and 2021 and the six months ended 30 June 2024 is disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and SHNE's website (<https://www.shneg.com.hk/>) and can be accessed at the website addresses below:

- Interim report of SHNE for the six months ended 30 June 2024 (pages 43 to 69)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0919/2024091900043.pdf>
- Annual report of SHNE for the year ended 31 December 2023 (pages 88 to 199)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600009.pdf>
- Annual report of SHNE for the year ended 31 December 2022 (pages 78 to 187)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602542.pdf>
- Annual report of SHNE for the year ended 31 December 2021 (pages 79 to 195)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601896.pdf>

The management discussion and analysis of the SHNE Group's business and performance for each of the three years ended 31 December 2023, 2022 and 2021 and the six months ended 30 June 2024 is disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and SHNE's website (<https://www.shneg.com.hk/>) and can be accessed at the website addresses below:

- Interim report of SHNE for the six months ended 30 June 2024 (pages 4 to 31)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0919/2024091900043.pdf>
- Annual report of SHNE for the year ended 31 December 2023 (pages 9 to 36)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600009.pdf>
- Annual report of SHNE for the year ended 31 December 2022 (pages 10 to 33)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602542.pdf>
- Annual report of SHNE for the year ended 31 December 2021 (pages 10 to 38)  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042601896.pdf>

A. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL  
INFORMATION

**To the Directors of Shandong Hi-Speed Holdings Group Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Shandong Hi-Speed Holdings Group Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma condensed consolidated statement of financial position of the Group as at 30 June 2024 and related notes as set out in pages IV-4 to IV-17 to the investment circular dated 9 December 2024 issued by the Company (the "**Circular**") (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in pages IV-4 to IV-17 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Group's proposed acquisition of the 13.52% of interest in Shandong Hi-Speed New Energy Group Limited (the "**Target Company**") and possible mandatory unconditional cash offer (the "**Acquisition and the Offers**") on the Group's unaudited condensed consolidated statement of financial position as at 30 June 2024 as if the Acquisition and the Offers had taken place on 30 June 2024. As part of this process, information about the Group's unaudited condensed consolidated statement of financial position has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the period ended 30 June 2024, on which no review report has been published.

*Directors' Responsibility for the Unaudited Pro Forma Financial Information*

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

*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 HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, 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.

*Reporting Accountant's Responsibilities*

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition and the Offers would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Crowe (HK) CPA Limited**  
*Certified Public Accountants*

Hong Kong, 9 December 2024

**B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

In connection with the acquisition of the 13.52% of interest in Shandong Hi-Speed New Energy Group Limited (the “**Target Company**”) by Shandong Hi-Speed Holdings Group Limited (the “**Company**” or “**Offeror**”) (the “**Acquisition**”), pursuant to Rule 26.1 of the Takeovers Code, immediately following the Acquisition, the Offeror is required to make a mandatory unconditional cash offer for all the issued ordinary shares of the Target Company (the “**Share Offer**”) and to cancel all the outstanding share options of the Target Company (the “**SHNE Option Offer**”) (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it and those already had undertaken not to accept the Share Offer) (collectively the “**Offers**”). Details of the Acquisition and the Offers are set out in the “Letter from the Board” contained in this circular. The unaudited pro forma financial information presented below is prepared to illustrate the effect of the Acquisition and the Offers on the financial information of the Company and its subsidiaries (the “**Group**”) as if the Acquisition and the Offers had taken place on 30 June 2024 and based on the following scenarios:

- (i) the Group holds 56.97% of the issued capital of the Target Company after the Acquisition and no acceptance of the Offers; or
- (ii) the Group holds 81.97% of the issued capital of the Target Company after the Acquisition and full acceptance of the Offers (without taking into accounts the issued ordinary shares of the Target Company (the “**Target Company Shares**”) that will be placed down by the Offeror to maintain for minimum public float of 25%); or
- (iii) the Group holds 82.12% of the issued capital of the Target Company after the Acquisition and full acceptance of the Share Offer (without taking into accounts the Target Company Shares that will be placed down by the Offeror to maintain for minimum public float of 25%) and with the assumption that all the outstanding share options of the Target Company are exercised in full prior to the closing date and there will be no outstanding share options of the Target Company remaining for acceptance of the SHNE Option Offer.

The unaudited pro forma financial information of the Group is prepared based on the information on the unaudited condensed consolidated interim financial information of the Group as at 30 June 2024 which has been extracted from the published interim report of the Group for the period ended 30 June 2024.

The unaudited pro forma financial information of the Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Listing Rules and is solely for the purpose to illustrate the financial position of the Group as if the Acquisition and the Offers had taken place on 30 June 2024 after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments of the Acquisitions and the Offers that are factually supportable, is summarised in the accompanying notes.

The information is prepared for illustrative purposes only and because of its hypothetical nature, it does not purport to represent what the financial position of the Group would have been upon completion of the Acquisition and the Offers in any future periods or on any future dates. Accordingly, it does not purport to describe the financial position of the Group that would have been attained had the Acquisition and the Offers been completed on 30 June 2024, nor to predict the future financial position of the Group.

The unaudited pro forma financial information should be read in conjunction with the financial information of the Group, as incorporated by reference in Appendix I to this circular, and that of the Target Company and its subsidiaries, as set out in Appendix II and Appendix III to this circular, and other financial information included elsewhere in this circular.

- (i) **Assuming the Group holds 56.97% of the issued capital of the Target Company after the Acquisition and no acceptance of the Offers**

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION OF THE GROUP**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	23,742,017	–	–	23,742,017
Investment properties	522,000	–	–	522,000
Right-of-use assets	3,104,405	–	–	3,104,405
Intangible assets	3,585,919	–	–	3,585,919
Operating concessions	1,393,160	–	–	1,393,160

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>HK\$'000</i> <i>(Note 3)</i>	Pro forma adjustments <i>HK\$'000</i> <i>(Note 4)</i>	Unaudited pro forma condensed consolidated statement of financial position of the Group <i>HK\$'000</i>
Interests in joint ventures	408,482	–	–	408,482
Interests in associates	7,256,499	–	–	7,256,499
Financial assets at fair value through other comprehensive income	1,365,382	–	–	1,365,382
Loans receivables	1,348,384	–	–	1,348,384
Prepayments, deposits and other receivables	1,007,256	–	–	1,007,256
Other tax recoverables	509,374	–	–	509,374
Deferred tax assets	755,810	–	–	755,810
<b>Total non-current assets</b>	<b>44,998,688</b>	<b>–</b>	<b>–</b>	<b>44,998,688</b>

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>CURRENT ASSETS</b>				
Inventories	46,941	–	–	46,941
Contract assets	886,028	–	–	886,028
Financial assets at fair value through other comprehensive income	2,435,298	–	–	2,435,298
Financial assets at fair value through profit or loss	1,268,926	–	–	1,268,926
Finance lease receivables	373,749	–	–	373,749
Loans receivables	2,394,815	–	–	2,394,815
Trade and other receivables	13,307,903	–	–	13,307,903
Other tax recoverables	169,794	–	–	169,794
Restricted cash and pledged deposits	305,023	–	–	305,023
Cash held on behalf of clients	7,802	–	–	7,802
Cash and cash equivalents	11,912,029	–	–	11,912,029
	33,108,308	–	–	33,108,308
Assets classified as held for sale	735,171	–	–	735,171
<b>Total current assets</b>	<b>33,843,479</b>	<b>–</b>	<b>–</b>	<b>33,843,479</b>
<b>CURRENT LIABILITIES</b>				
Trade and bills payables	1,091,079	–	–	1,091,079
Other payables and accruals	2,042,088	–	5,021	2,047,109
Lease liabilities	443,128	–	–	443,128
Borrowings	15,833,164	–	–	15,833,164
Tax payables	214,513	–	–	214,513
<b>Total current liabilities</b>	<b>19,623,972</b>	<b>–</b>	<b>5,021</b>	<b>19,628,993</b>

## APPENDIX IV

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>NET CURRENT ASSETS</b>	14,219,507	–	(5,021)	14,214,486
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	59,218,195	–	(5,021)	59,213,174
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	29,638,011	540,759	–	30,178,770
Lease liabilities	2,118,272	–	–	2,118,272
Other non-current liabilities	9,698	–	–	9,698
Deferred tax liabilities	461,590	–	–	461,590
<b>Total non-current liabilities</b>	32,227,571	540,759	–	32,768,330
<b>Net assets</b>	<u>26,990,624</u>	<u>(540,759)</u>	<u>(5,021)</u>	<u>26,444,844</u>
<b>CAPITAL AND RESERVES</b>				
Issued capital	6,019	–	–	6,019
Reserves	(1,910,054)	1,322,503	(5,021)	(592,572)
<b>Equity attributable to owners of the Company</b>	(1,904,035)	1,322,503	(5,021)	(586,553)
Perpetual capital instrument	14,185,505	–	–	14,185,505
Non-controlling interests	14,709,154	(1,863,262)	–	12,845,892
<b>Total equity</b>	<u>26,990,624</u>	<u>(540,759)</u>	<u>(5,021)</u>	<u>26,444,844</u>

*Notes:*

1. The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 as set out in the published interim report of the Company for the period ended 30 June 2024.

2. For the purpose of this unaudited pro forma financial information, the exchange rate of HK\$1.00 to RMB0.9136 and US\$1.00 = HK\$7.7695 has been used for currency translation, where applicable.

No representation is made that the RMB or US\$ amounts have been, could have been or could be converted to HK\$, or vice versa, at those rates or at any other rates or at all.

3. Pursuant to the sale and purchase agreement, the consideration is approximately HK\$540,759,000, which will be settled by proceeds raised from new borrowings.

As at 30 June 2024, the Group owned 43.45% equity interest in the Target Company and the financial results of the Target Company and its subsidiaries (the “**Target Group**”) has been consolidated into the unaudited condensed consolidated financial statements of the Group for the period ended 30 June 2024.

Upon completion of the Acquisition, the Group shareholding in the Target Company will increase to 56.97% and the Acquisition will be accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to any gain or loss and the difference of approximately HK\$1,322,503,000 to be credited to reserve, being the difference between the consideration of approximately HK\$540,759,000, and the assumed non-controlling interests’ share of assets and liabilities at the date of Acquisition of approximately HK\$1,863,262,000, will be credited to equity of the Group, as if the Acquisition had taken place as at 30 June 2024.

4. The adjustment represents estimated direct legal and professional costs related to the Acquisition, amounts to approximately HK\$5,021,000.
5. Save as set out above, no other adjustment has been made to reflect any trading results or other transactions entered into by the Group and the Target Group subsequent to 30 June 2024.

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

- (ii) Assuming the Group holds 81.97% of the issued capital of the Target Company after the Acquisition and full acceptance of the Offers (without taking into accounts the Target Company Shares that will be placed down by the Offeror to maintain for minimum public float of 25%)

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION OF THE GROUP**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Pro forma adjustments HK\$'000 (Note 5)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	23,742,017	-	-	-	23,742,017
Investment properties	522,000	-	-	-	522,000
Right-of-use assets	3,104,405	-	-	-	3,104,405
Intangible assets	3,585,919	-	-	-	3,585,919
Operating concessions	1,393,160	-	-	-	1,393,160
Interests in joint ventures	408,482	-	-	-	408,482
Interests in associates	7,256,499	-	-	-	7,256,499
Financial assets at fair value through other comprehensive income	1,365,382	-	-	-	1,365,382
Loans receivables	1,348,384	-	-	-	1,348,384
Prepayments, deposits and other receivables	1,007,256	-	-	-	1,007,256
Other tax recoverables	509,374	-	-	-	509,374
Deferred tax assets	755,810	-	-	-	755,810
<b>Total non-current assets</b>	<b>44,998,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,998,688</b>

## APPENDIX IV

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Pro forma adjustments HK\$'000 (Note 5)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>CURRENT ASSETS</b>					
Inventories	46,941	-	-	-	46,941
Contract assets	886,028	-	-	-	886,028
Financial assets at fair value through other comprehensive income	2,435,298	-	-	-	2,435,298
Financial assets at fair value through profit or loss	1,268,926	-	-	-	1,268,926
Finance lease receivables	373,749	-	-	-	373,749
Loans receivables	2,394,815	-	-	-	2,394,815
Trade and other receivables	13,307,903	-	-	-	13,307,903
Other tax recoverables	169,794	-	-	-	169,794
Restricted cash and pledged deposits	305,023	-	-	-	305,023
Cash held on behalf of clients	7,802	-	-	-	7,802
Cash and cash equivalents	11,912,029	-	(2)	-	11,912,027
	33,108,308	-	(2)	-	33,108,306
Assets classified as held for sale	735,171	-	-	-	735,171
<b>Total current assets</b>	<b>33,843,479</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>33,843,477</b>
<b>CURRENT LIABILITIES</b>					
Trade and bills payables	1,091,079	-	-	-	1,091,079
Other payables and accruals	2,042,088	-	-	6,020	2,048,108
Lease liabilities	443,128	-	-	-	443,128
Borrowings	15,833,164	-	-	-	15,833,164
Tax payables	214,513	-	-	-	214,513
<b>Total current liabilities</b>	<b>19,623,972</b>	<b>-</b>	<b>-</b>	<b>6,020</b>	<b>19,629,992</b>

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Pro forma adjustments HK\$'000 (Note 5)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>NET CURRENT ASSETS</b>	14,219,507	-	(2)	(6,020)	14,213,485
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	59,218,195	-	(2)	(6,020)	59,212,173
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	29,638,011	1,540,491	-	-	31,178,502
Lease liabilities	2,118,272	-	-	-	2,118,272
Other non-current liabilities	9,698	-	-	-	9,698
Deferred tax liabilities	461,590	-	-	-	461,590
<b>Total non-current liabilities</b>	32,227,571	1,540,491	-	-	33,768,062
<b>Net assets</b>	<u>26,990,624</u>	<u>(1,540,491)</u>	<u>(2)</u>	<u>(6,020)</u>	<u>25,444,111</u>
<b>CAPITAL AND RESERVES</b>					
Issued capital	6,019	-	-	-	6,019
Reserves	(1,910,054)	3,768,153	(2)	(6,020)	1,852,077
<b>Equity attributable to owners of the Company</b>	(1,904,035)	3,768,153	(2)	(6,020)	1,858,096
Perpetual capital instrument	14,185,505	-	-	-	14,185,505
Non-controlling interests	14,709,154	(5,308,644)	-	-	9,400,510
<b>Total equity</b>	<u>26,990,624</u>	<u>(1,540,491)</u>	<u>(2)</u>	<u>(6,020)</u>	<u>25,444,111</u>

*Notes:*

1. The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 as set out in the published interim report of the Company for the period ended 30 June 2024.

2. For the purpose of this unaudited pro forma financial information, the exchange rate of HK\$1.00 to RMB0.9136 and US\$1.00 = HK\$7.7695 has been used for currency translation, where applicable.

No representation is made that the RMB or US\$ amounts have been, could have been or could be converted to HK\$, or vice versa, at those rates or at any other rates or at all.

3. Pursuant to the sale and purchase agreement, the consideration is approximately HK\$1,540,491,000, which will be settled by proceeds raised from new borrowings.

As at 30 June 2024, the Group owned 43.45% equity interest in the Target Company and the financial results of the Target Group has been consolidated into the unaudited condensed consolidated financial statements of the Group for the period ended 30 June 2024.

Upon completion of the Acquisition, the Group shareholding in the Target Company will increase to 81.97% and the Acquisition will be accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to any gain or loss and the difference of approximately HK\$3,768,153,000 to be credited to reserve, being the difference between the consideration of approximately HK\$1,540,491,000, and the assumed non-controlling interests' share of assets and liabilities at the date of Acquisition of approximately HK\$5,308,644,000, will be credited to equity of the Group, as if the Acquisition had taken place as at 30 June 2024.

4. The consideration is approximately HK\$2,000 for cancelling the outstanding share options granted by the Target Company pursuant to its share option scheme.
5. The adjustment represents estimated direct legal and professional costs related to the Acquisition, amounts to approximately HK\$6,020,000.
6. Save as set out above, no other adjustment has been made to reflect any trading results or other transactions entered into by the Group and the Target Group subsequent to 30 June 2024.

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

- (iii) Assuming the Group holds 82.12% of the issued capital of the Target Company after the Acquisition and full acceptance of the Share Offer (without taking into accounts the Target Company Shares that will be placed down by the Offeror to maintain for minimum public float of 25%) and with the assumption that all the outstanding share options of the Target Company are exercised in full prior to the closing date and there will be no outstanding share options of the Target Company remaining for acceptance of the SHNE Option Offer.

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION OF THE GROUP**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Pro forma adjustments HK\$'000 (Note 5)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	23,742,017	–	–	–	23,742,017
Investment properties	522,000	–	–	–	522,000
Right-of-use assets	3,104,405	–	–	–	3,104,405
Intangible assets	3,585,919	–	–	–	3,585,919
Operating concessions	1,393,160	–	–	–	1,393,160
Interests in joint ventures	408,482	–	–	–	408,482
Interests in associates	7,256,499	–	–	–	7,256,499
Financial assets at fair value through other comprehensive income	1,365,382	–	–	–	1,365,382
Loans receivables	1,348,384	–	–	–	1,348,384
Prepayments, deposits and other receivables	1,007,256	–	–	–	1,007,256
Other tax recoverables	509,374	–	–	–	509,374
Deferred tax assets	755,810	–	–	–	755,810
<b>Total non-current assets</b>	<b>44,998,688</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>44,998,688</b>

## APPENDIX IV

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Pro forma adjustments HK\$'000 (Note 5)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>CURRENT ASSETS</b>					
Inventories	46,941	-	-	-	46,941
Contract assets	886,028	-	-	-	886,028
Financial assets at fair value through other comprehensive income	2,435,298	-	-	-	2,435,298
Financial assets at fair value through profit or loss	1,268,926	-	-	-	1,268,926
Finance lease receivables	373,749	-	-	-	373,749
Loans receivables	2,394,815	-	-	-	2,394,815
Trade and other receivables	13,307,903	-	-	-	13,307,903
Other tax recoverables	169,794	-	-	-	169,794
Restricted cash and pledged deposits	305,023	-	-	-	305,023
Cash held on behalf of clients	7,802	-	-	-	7,802
Cash and cash equivalents	11,912,029	76,040	-	-	11,988,069
	33,108,308	76,040	-	-	33,184,348
Assets classified as held for sale	735,171	-	-	-	735,171
<b>Total current assets</b>	<b>33,843,479</b>	<b>76,040</b>	<b>-</b>	<b>-</b>	<b>33,919,519</b>
<b>CURRENT LIABILITIES</b>					
Trade and bills payables	1,091,079	-	-	-	1,091,079
Other payables and accruals	2,042,088	-	-	6,054	2,048,142
Lease liabilities	443,128	-	-	-	443,128
Borrowings	15,833,164	-	-	-	15,833,164
Tax payables	214,513	-	-	-	214,513
<b>Total current liabilities</b>	<b>19,623,972</b>	<b>-</b>	<b>-</b>	<b>6,054</b>	<b>19,630,026</b>

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE ENLARGED GROUP  
FOLLOWING THE ACQUISITION AND THE OFFERS**

	Unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 HK\$'000 (Note 1)	Pro forma adjustments HK\$'000 (Note 3)	Pro forma adjustments HK\$'000 (Note 4)	Pro forma adjustments HK\$'000 (Note 5)	Unaudited pro forma condensed consolidated statement of financial position of the Group HK\$'000
<b>NET CURRENT ASSETS</b>	14,219,507	76,040	-	(6,054)	14,289,493
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	59,218,195	76,040	-	(6,054)	59,288,181
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	29,638,011	-	1,574,329	-	31,212,340
Lease liabilities	2,118,272	-	-	-	2,118,272
Other non-current liabilities	9,698	-	-	-	9,698
Deferred tax liabilities	461,590	-	-	-	461,590
<b>Total non-current liabilities</b>	32,227,571	-	1,574,329	-	33,801,900
<b>Net assets</b>	<u>26,990,624</u>	<u>76,040</u>	<u>(1,574,329)</u>	<u>(6,054)</u>	<u>25,486,281</u>
<b>CAPITAL AND RESERVES</b>					
Issued capital	6,019	-	-	-	6,019
Reserves	(1,910,054)	(18,235)	3,835,666	(6,054)	1,901,323
<b>Equity attributable to owners of the Company</b>	(1,904,035)	(18,235)	3,835,666	(6,054)	1,907,342
Perpetual capital instrument	14,185,505	-	-	-	14,185,505
Non-controlling interests	14,709,154	94,275	(5,409,995)	-	9,393,434
<b>Total equity</b>	<u>26,990,624</u>	<u>76,040</u>	<u>(1,574,329)</u>	<u>(6,054)</u>	<u>25,486,281</u>

*Notes:*

1. The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 as set out in the published interim report of the Company for the period ended 30 June 2024.

2. For the purpose of this unaudited pro forma financial information, the exchange rate of HK\$1.00 to RMB0.9136 and US\$1.00 = HK\$7.7695 has been used for currency translation, where applicable.

No representation is made that the RMB or US\$ amounts have been, could have been or could be converted to HK\$, or vice versa, at those rates or at any other rates or at all.

3. As at 30 June 2024, the Group owned 43.45% equity interest in the Target Company and the financial results of the Target Group has been consolidated into the unaudited condensed consolidated financial statements of the Group for the period ended 30 June 2024.

Upon all of the outstanding share options of the Target Company are exercised in full, the Group shareholding in the Target Company will dilute to 43.08% and it will be accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to any gain or loss and the difference of approximately HK\$18,235,000 to be debited to reserve, being the difference between the consideration of approximately HK\$76,040,000, and the assumed non-controlling interests' share of assets and liabilities at the date of the exercise of share options of approximately HK\$94,275,000, will be debited to equity of the Group, as if the exercise of share options had taken place as at 30 June 2024.

4. Pursuant to the sale and purchase agreement, the consideration is approximately HK\$1,574,329,000 which will be settled by proceeds raised from new borrowings.

Upon completion of the Acquisition, the Group shareholding in the Target Company will increase to 82.12% and the Acquisition will be accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to any gain or loss and the difference of approximately HK\$3,835,666,000 to be credited to reserve, being the difference between the consideration of approximately HK\$1,574,329,000, and the assumed non-controlling interests' share of assets and liabilities at the date of Acquisition of approximately HK\$5,409,995,000, will be credited to equity of the Group, as if the Acquisition had taken place as at 30 June 2024.

5. The adjustment represents estimated direct legal and professional costs related to the Acquisition, amounts to approximately HK\$6,054,000.

6. Save as set out above, no other adjustment has been made to reflect any trading results or other transactions entered into by the Group and the Target Group subsequent to 30 June 2024.

**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****(a) Directors' and chief executive's interests and short positions in Shares, underlying Shares or debentures of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which 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 or short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Appendix C3 to the Listing Rules.

**(b) Substantial Shareholders' and other persons' interests in Shares and underlying Shares**

As at the Latest Practicable Date, so far as known to the Directors, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of substantial Shareholders	Capacity	Number of Shares held	Approximate percentage of shareholding <sup>(1)</sup>
SDHS Group <sup>(2)</sup>	Beneficial owner	1,364,912,087	22.68% (L)
	Interest in a controlled corporation	1,250,000,000	20.77% (L)

Name of substantial Shareholders	Capacity	Number of Shares held	Approximate percentage of shareholding <sup>(1)</sup>
Shandong Rural Economic Development and Investment Company Limited* (山東省農村經濟開發投資公司) <sup>(2)</sup>	Interest in a controlled corporation	1,250,000,000	20.77% (L)
Shandong International (Hong Kong) Limited <sup>(2)</sup>	Beneficial owner	1,250,000,000	20.77% (L)
China Credit Trust Co., Ltd. <sup>(3)</sup>	Interest in a controlled corporation	1,505,958,790	25.02% (L)
Harvest Fund Management Co., Ltd <sup>(3)</sup>	Interest in a controlled corporation	1,505,958,790	25.02% (L)
Harvest Global Investments Limited <sup>(3)</sup>	Interest in a controlled corporation	1,505,958,790	25.02% (L)
Harvest Alternative Investment Opportunities SPC for and on behalf of Harvest High Speed Fund SP <sup>(3)</sup>	Interest in a controlled corporation	1,505,958,790	25.02% (L)
JS High Speed Limited <sup>(3)</sup>	Beneficial owner	1,505,958,790	25.02% (L)
Central Huijin Investment Company Limited <sup>(4)</sup>	Interest in a controlled corporation	950,000,000	15.78% (L)
Bank of China Limited <sup>(4)</sup>	Interest in a controlled corporation	950,000,000	15.78% (L)
Tai Fung Bank Limited <sup>(4)</sup>	Security interest	950,000,000	15.78% (L)

*Notes:*

- (1) The calculation is based on the issued share capital of the Company of 6,019,431,109 Shares as at the Latest Practicable Date. The approximate percentage of shareholding is rounded to the nearest two decimal places and such percentage may not add up to the total due to rounding.
- (2) Shandong International (Hong Kong) Limited was wholly owned by Shandong Rural Economic Development and Investment Company Limited\* (山東省農村經濟開發投資公司), which was in turn wholly owned by SDHS Group. Therefore, SDHS Group was deemed to be interested in 1,250,000,000 Shares held indirectly through Shandong Rural Economic Development and Investment Company Limited\* (山東省農村經濟開發投資公司).

- (3) JS High Speed Limited was wholly owned by Harvest Alternative Investment Opportunities SPC for and on behalf of Harvest High Speed Fund SP, which was owned as to 91% by Harvest Global Investments Limited, which was in turn wholly owned by Harvest Fund Management Co., Ltd., which was owned as to 40% by China Credit Trust Co., Ltd..
- (4) Tai Fung Bank Limited (as the chargee) has a security interest in the 950,000,000 Shares under a charge over the Shares of JS High Speed Limited (as the chargor). Tai Fung Bank Limited is owned as to 50.31% by Bank of China Limited, which in turn is owned as to 64.02% by Central Huijin Investment Company Limited. Accordingly, each of Bank of China Limited and Central Huijin Investment Company Limited is deemed to be interested in the interests held by Tai Fung Bank Limited.
- (5) Pursuant to Section 336 of the SFO, Shareholders are required to file a disclosure of interests form when certain criteria are fulfilled and full details of such requirements are available on the official website of the Stock Exchange. When the shareholding of a Shareholder in the Company changes, it is not necessary for the Shareholder to notify the Company and Stock Exchange unless several criteria have been fulfilled, therefore the substantial Shareholder's latest shareholding in the Company may be different from the shareholding filed with the Company and Stock Exchange. The above statement of substantial Shareholders' interests is based on the information contained in the relevant disclosure of interests form received by the Company as at the Latest Practicable Date. The Company may not have sufficient information on the details of the relevant interests and is unable to verify the accuracy of the information in the disclosure of interests form.
- (6) (L) – Long position; (S) – Short position.

\* *For identification purposes only*

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (other than the Directors or chief executives of the Company) had interests or short positions which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or a proposed Director is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors entered or proposed to enter into any service contract with any member of the Group excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

#### 4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2023, the date to which the latest published audited accounts 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.

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

#### 5. MATERIAL CONTRACTS

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

- (a) the syndicated loan agreement dated 30 November 2022 entered into between the Company as borrower and Shanghai Pudong Development Bank Co., Ltd., acting through its Hong Kong branch, as arranger, lender and agent in respect of loan facilities of up to HK\$2,800,000,000;
- (b) the equity transfer agreement dated 20 December 2022 entered into between China Power Construction Henan Electric Power Co., Ltd.\* (中電建河南電力有限公司) (“Vendor-1A”) and Qingdian Green Energy Co., Ltd.\* (清電綠色能源有限公司) (“Vendor-1B”) as vendors and Tianjin Fuyi Enterprise Management Consulting Co., Ltd.\* (天津富驛企業管理諮詢有限公司) (the “Tianjin Fuyi”) as purchaser in relation to the sale and purchase of 80% and 20% of the equity interest in Shangqiu Ningdian New Energy Co., Ltd.\* (商丘寧電新能源有限公司) from Vendor-1A to Tianjin Fuyi and from Vendor-1B to Tianjin Fuyi, respectively, at the aggregate consideration of RMB143,567,600;
- (c) the two equity transfer agreements both dated 20 December 2022 both entered into between Henan Qingdian New Energy Co., Ltd.\* (河南清電新能源有限公司) (“Vendor-2”) as vendor and Tianjin Fuyi as purchaser in relation to (i) the sale and purchase of entire equity interest in Lankao Gold Wind Power New Energy Co., Ltd.\* (蘭考金風清電新能源有限公司) from Vendor-2 to Tianjin Fuyi at the consideration of RMB55,928,800; and (ii) the sale and purchase of entire equity interest in Shenqiu Yingdian New Energy Co., Ltd.\* (沈丘穎電新能源有限公司) from Vendor-2 to Tianjin Fuyi at the consideration of RMB43,226,300, respectively;

- (d) the facility agreement dated 30 December 2022 entered into between the Company as borrower and Tai Fung Bank Limited (“**Tai Fung**”) as lender in respect of loan facilities of up to HK\$600,000,000;
- (e) the syndicated loan agreement dated 11 January 2023 entered into between the Company as borrower and Ping An Bank Co., Limited as arranger, lender and agent in respect of loan facilities of up to US\$283,690,000;
- (f) the facility agreement dated 24 February 2023 entered into between the Company as borrower and China Zheshang Bank Co., Ltd. (Hong Kong branch) (“**China Zheshang**”) as lender in respect of loan facilities of up to US\$220,000,000;
- (g) the facility agreement dated 30 May 2023 entered into between the Company as borrower and China Citic Bank International Limited (“**China Citic**”) as lender in respect of loan facilities of up to HK\$800,000,000;
- (h) the syndicated loan agreement dated 11 October 2023 entered into between the Company as borrower and Ping An Bank Co., Limited as arranger, lender and agent in respect of loan facilities of up to US\$483,690,000;
- (i) the capital increase agreement dated 24 October 2023 entered into between Tianjin Beiqing Smart Energy Company Limited\* (天津北清電力智慧能源有限公司) (“**Beiqing Smart**”), SDHS Group, SHNE, Ningbo Meishan Bonded Port Zone Chuangze Equity Investment Partnership (Limited Partnership)\* (寧波梅山保稅港區創澤股權投資合夥企業(有限合夥)) (“**Ningbo Meishan**”) and Tianjin Clean Energy Investment Company Limited\* (天津富歡企業管理諮詢有限公司) (“**Tianjin Clean Energy**”), pursuant to which the Ningbo Meishan has conditionally agreed to make cash contribution of RMB5,000,000,000 (equivalent to approximately HK\$5,450,000,000) to Tianjin Clean Energy, of which RMB3,441,580,300 and RMB1,558,419,700 are to increase its registered capital and capital reserve respectively;
- (j) the investment agreement dated 16 November 2023 (the “**Investment Agreement**”) entered into between Success Flow International Investment Limited (“**Investor-A**”) and Choice Faith Group Holdings Limited (each a direct wholly-owned subsidiary of the Company) as investors (“**Investor-B**”, and together with Investor-A, the “**Investors**”) and VNET Group, Inc. (世紀互聯集團\*) (“**VNET**”) as issuer, pursuant to which the Investors conditionally agreed to subscribe for and VNET conditionally agreed to allot and issue a total of 650,424,192 new class A ordinary shares (the “**Subscription Shares**”) to the Investors at US\$0.4597 per subscription share for the consideration of an aggregate of US\$299,000,000 (the “**Subscription**”);

- (k) the investor rights agreement dated 16 November 2023 entered into between VNET and the Investor (but with effect from the closing date under the Investment Agreement (the “**Closing Date**”)) to set out, among others, the nomination rights and pre-emptive rights of the Investors (subject to the closing of the Subscription (the “**Closing**”) having taken place);
- (l) the voting and consortium agreement dated 16 November 2023 (the “**Voting and Consortium Agreement**”) entered into between the Investors and the group of founder shareholders of VNET (the “**Founder Shareholders Group**”) (but with effect from the Closing Date subject to the terms therein), pursuant to which, among others, Investor-A shall exercise its voting rights attaching to the Subscription Shares held by it in accordance with the instructions from the Founder Shareholders Group, subject to the Closing having taken place, in accordance with and subject to the terms of the Voting and Consortium Agreement;
- (m) the pre-acquisition agreement dated 1 December 2023 (“**Pre-acquisition Agreement**”) entered into between Tianjin Clean Energy as purchaser, Yi County Shenghong Power New Energy Co., Ltd.\* (義縣盛弘電力新能源有限公司) (“**Yi County Shenghong**”) as vendor, Xi’an Xidian New Energy Co., Ltd.\* (西安西電新能源有限公司) as main contractor and Yi County Juxiang Power New Energy Co., Ltd.\* (義縣聚享電力新能源有限公司) (“**Yi County Power**”), pursuant to which, Tianjin Clean Energy agreed (subject to fulfillment of certain conditions precedent as described below) to acquire from Yi County Shenghong the entire equity interest in Yi County Power at a consideration of not higher than RMB475,065,000, upon completion of the construction and commencement of grid-connected power generation of the distributed photovoltaic project (subject to the terms and conditions of the Pre-acquisition Agreement);
- (n) the subscription agreement dated 14 December 2023 entered into between the Company as issuer and SDHG International Securities Limited as lead manager (the “**Lead Manager**”), pursuant to which the Company shall issue US\$190,000,000 in aggregate principal amount of senior secured floating rate notes to the subscribers as the Lead Manager may procure on 19 December 2023;
- (o) the partnership interests transfer agreement dated 15 December 2023 entered into between Shangao (Shenzhen) Investment Co., Ltd.\* (山高(深圳)投資有限公司) (“**Shangao Shenzhen Investment**”) (as transferor and a limited partner of Jinan Shangao Luqiao Jincheng Investment Partnership (Limited Partnership)\* (濟南山高魯橋金程投資合夥企業(有限合夥)) (“**Limited Partnership Corporation**”)) and Shandong Hi-Speed Logistic Group Co., Ltd.\* (山東高速物流集團有限公司) (“**SDHS Logistic Group**”) (as transferee), pursuant to which Shangao Shenzhen Investment has agreed to transfer to SDHS Logistic Group, and SDHS Logistic Group has agreed to acquire from Shangao Shenzhen Investment, 49.9376% of the equity interests in Limited Partnership Corporation at the consideration of RMB292,493,288.71;

- (p) the facility agreement dated 18 December 2023 entered into between the Company as borrower and Tai Fung as lender in respect of loan facilities of up to HK\$600,000,000;
- (q) the equity transfer and debt settlement agreement dated 20 December 2023 entered into between Beiqing Smart, Jingke Power Company Limited\* (晶科電力有限公司) (“**Jingke Power**”) and Hengfeng County Fuer Power Co., Ltd.\* (橫峰縣伏貳電力有限公司) (“**Hengfeng Power**”), pursuant to which Beiqing Smart shall acquire from Jingke Power the entire equity interest in Hengfeng Power, which owns all the assets in respect of the wind power plant located in the central part of Dabancheng Wind Zone in Dabancheng District, Urumqi, Xinjiang (the “**Wind Plant Project**”), and shall repay the indebtedness of Urumqi Jingbu Wind Power Generation Co., Ltd.\* (烏魯木齊晶步風力發電有限公司) incurred from the design, procurement, advances to the general construction, land use fees and financing in respect of the Wind Plant Project by way of debt novation. The consideration of the said acquisition is RMB730,000,000;
- (r) the equity transfer agreement dated 28 December 2023 entered into between Heze Shandong Hi-Speed New Energy Development Co., Ltd.\* (菏澤山高新能源開發有限公司) (“**SHNE Heze**”), Huzhou Jinkun Equity Investment Partnership (Limited Partnership)\* (湖州錦坤股權投資合夥企業(有限合夥)) (the “**Huzhou Jinkun**”), Qiande Dayouwuhao (Shenzhen) Investment Partnership (Limited Partnership)\* (乾德大有伍號(深圳)投資合夥企業(有限合夥)) (“**Qiande Dayou**”), Xiamen Yingyuan Investment Partnership (Limited Partnership)\* (廈門鷹遠投資合夥企業(有限合夥)) (“**Xiamen Yingyuan**”) and Guangzhou Greater Bay Technology Co., Ltd.\* (廣州巨灣技研有限公司) (“**Guangzhou Greater Bay**”), pursuant to which, among other things, SHNE Heze shall acquire an aggregate of unpaid registered capital of Guangzhou Greater Bay of RMB792,735 (representing 0.73304% equity interest in Guangzhou Greater Bay) owned by Qiande Dayou (i.e. unpaid registered capital of Guangzhou Greater Bay of RMB536,146 or 0.49577% equity interest in Guangzhou Greater Bay) and Xiamen Yingyuan (i.e. unpaid registered capital of Guangzhou Greater Bay of RMB256,589 or 0.23727% equity interest in Guangzhou Greater Bay), respectively, at the total consideration of RMB1 and shall pay the corresponding outstanding investment amount of RMB76,102,500 to Guangzhou Greater Bay;
- (s) the capital increase agreement dated 28 December 2023 entered into between SHNE Heze, Huzhou Jinkun, Mr. Huang Xiangdong, Mr. Pei Feng, Guangzhou Juwan Investment Partnership (Limited Partnership)\* (廣州巨灣投資合夥企業(有限合夥)), Guangzhou Automobile Group Co., Ltd.\* (廣州汽車集團股份有限公司), GAC Capital Co., Ltd. (廣汽資本有限公司), Guangzhou Tuoxin Gongjin Investment Partnership (Limited Partnership)\* (廣州拓新共進投資合夥企業(有限合夥)) and Guangzhou Greater Bay, pursuant to which, among other things, SHNE Heze has conditionally agreed to subscribe to 1.98165% of the enlarged equity interest in Guangzhou Greater Bay and make RMB223,897,500 cash contribution to Guangzhou Greater Bay, of which RMB2,201,199 and RMB221,696,301 are to increase its registered capital and capital reserve respectively;

- (t) the cooperation agreement dated 5 January 2024 (the “**Cooperation Agreement**”) entered into between Beiqing Smart as purchaser and Qingdian Technology Group Co., Ltd.\* (清電科技集團有限公司) (“**Qingdian Technology**”) as vendor, Henan Huachuang Guoxin Engineering Co. Ltd.\* (河南省華創國信工程有限公司) as main contractor and Nanyang Qingdian New Energy Co., Ltd.\* (南陽清電新能源有限公司) (“**Nanyang Qingdian**”), pursuant to which Beiqing Smart shall, subject to the terms and conditions of the Cooperation Agreement, (i) acquire from the Qingdian Technology the entire equity interest in Nanyang Qingdian (the “**Equity Transfer**”) which owns all the assets in respect of the 100 MW wind power and smart energy storage project located in Sheqi County (社旗縣), Henan Province of the PRC (the “**Target Project**”); and (ii) repay the liabilities of Nanyang Qingdian, at the consideration of RMB800,000,000, comprising the aggregate amount of the consideration for the entire equity interest in Nanyang Qingdian of RMB200,000,000 and the aggregate amount of liabilities of Nanyang Qingdian of up to RMB600,000,000 incurred and to be incurred in relation to the construction, grid connection for power generation and operation of the Target Project as of the date of the agreement to be signed relating to the Equity Transfer;
- (u) the facility letter dated 26 January 2024 entered into between the Company as borrower and China Zheshang as lender in respect of an uncommitted revolving loan facility of up to US\$50,000,000;
- (v) the supplemental agreements all dated 6 February 2024 respectively (collectively, the “**Supplemental Agreements**” and each a “**Supplemental Agreement**”) entered into between Shandong Hi-Speed Thermal Group Company Limited\* (山高熱力集團有限公司) (“**Thermal Co**”) and each of Tibet Fengtai Nuohong Venture Capital Partnership (Limited Partnership)\* (西藏風泰諾宏創業投資合夥企業(有限合夥)) (“**Vendor A**”), Fuzhou Yuze Phase I Investment Partnership (Limited Partnership)\* (福州禹澤一期投資合夥企業(有限合夥)) (“**Vendor B**”), Beijing Yingtong Subway Energy Saving Technology Co., Ltd.\* (北京營通地鐵節能技術有限公司) (“**Vendor C**”), Ningxia Zhucheng Investment Co., Ltd.\* (寧夏助誠投資有限公司) (“**Vendor D**”), Tibet Yuze Investment Management Co., Ltd.\* (西藏禹澤投資管理有限公司) (“**Vendor E**”), Xi’an Huayu Kangneng Electronic Technology Partnership (Limited Partnership)\* (西安華宇康能電子科技合夥企業(有限合夥)) (“**Vendor F**”, together with Vendor A, Vendor B, Vendor C, Vendor D and Vendor E, the “**Vendors**” and each a “**Vendor**”), in relation to, among others, (a) the consideration of RMB49,982,500 paid by Thermal Co under the repurchase agreement dated 4 March 2022 entered into between Thermo Co and Vendor A has been confirmed and fully discharged; and (b) the consideration under each of the repurchase agreements all dated 22 March 2022 entered into between Thermo Co with each of Vendor B, Vendor C, Vendor D, Vendor E and Vendor F has been reduced to RMB35,000,000, RMB30,243,800, RMB14,000,000, RMB13,000,000 and RMB5,705,400 respectively (collectively, the “**Considerations**” and each a “**Consideration**”);

- (w) the acting in concert agreements all dated 6 February 2024 entered into between Shandong Hi-Speed Photovoltaic Power Development Company Limited\* (山高光伏電力發展有限公司) (“**Shandong Hi-Speed Photovoltaic Power**”) and each of the Vendors (other than Vendor A), pursuant to which, each of the Vendors (other than Vendor A) shall irrevocably appoint Shandong Hi-Speed Photovoltaic Power as its only and exclusive proxy to exercise its voting rights at Thermal Co’s shareholders’ meetings, in order to be in agreement and act in concert with Shandong Hi-Speed Photovoltaic Power when dealing with matters related to operation and development of Thermal Co and matters that are required to be approved by shareholders’ meeting and directors’ meeting in accordance with applicable laws and regulations and articles of association of Thermal Co, upon the payment of the corresponding Consideration pursuant to the relevant Supplemental Agreement;
- (x) the credit loan agreement dated 19 February 2024 entered into between the Company as borrower and China Guangfa Bank Co., Ltd. (Shanghai branch) as lender in respect of loan facilities of up to RMB200,000,000;
- (y) the investment agreement dated 20 March 2024 entered into between SHNE, China SDHS International Economic and Technical Cooperation Co., Ltd.\* (中國山東國際經濟技術合作有限公司) (“**SD International Cooperation**”) and SDHS Energy Development Co., Ltd.\* (山東高速能源發展有限公司) (“**SDHS Energy Development**”) in respect of the formation of the joint venture with the proposed name of Shandong Hi-Speed International New Energy Co., Ltd.\* (山東高速國際新能源有限公司) (“**SDHS International New Energy**”) in the PRC, pursuant to which the total contribution amount (comprising the whole of the registered capital of SDHS International New Energy) shall be RMB45,000,000, in which 30% (i.e. RMB13,500,000) shall be contributed by SHNE, 40% (i.e. RMB18,000,000) shall be contributed by SD International Cooperation and the remaining 30% (i.e. RMB13,500,000) shall be contributed by SDHS Energy Development;
- (z) the working capital loan agreement dated 26 March 2024 entered into between Shangao International Commercial Factoring (Shenzhen) Co., Ltd. (Jinan branch)\* (山高國際商業保理(深圳)有限公司濟南分公司) (“**Shangao International Commercial Factoring**”) as borrower and Weihai City Commercial Bank Co., Ltd. (Jinan branch) (“**Weihai City**”) as lender in respect of loan principal amount of RMB200,000,000;
- (aa) the maximum guarantee agreement dated 26 March 2024 entered into between the Company as guarantor and Weihai City as guarantee, pursuant to which the Company shall provide guarantee to Weihai City during the period from 22 March 2023 to 26 March 2025 for the repayment of a series of liabilities, including but not limited to the remaining principal amount balance of RMB500,000,000, owed by Shangao International Commercial Factoring to Weihai City;

- (bb) the maximum guarantee agreement dated 8 April 2024 entered into between Shangao (Shenzhen) Investment Co., Ltd.\* (山高(深圳)投資有限公司) (“**Shangao Shenzhen Investment**”) as guarantor and Weihai City as guarantee, pursuant to which Shangao Shenzhen Investment shall provide guarantee to Weihai City during the period from 22 March 2023 to 26 March 2027 for the repayment of a series of liabilities, including but not limited to the remaining principal amount balance of RMB500,000,000, owed by Shangao International Commercial Factoring to Weihai City;
- (cc) the trust contract dated 30 April 2024 entered into between Beiqing Smart as subordinate entrustor and subordinate beneficiary, Industrial Bank Co., Ltd. (“**Industrial Bank**”) as superior entrustor and superior beneficiary and Northern International Trust Co., Ltd. as trustee, pursuant to which, Beiqing Smart and Industrial Bank agreed to subscribe for the trust units of Jingye No. 9 Collective Fund Trust Scheme of closed-end collective funds with no fixed term set from the date of its establishment at a consideration of RMB670 million and RMB1 billion respectively;
- (dd) the facility letter dated 10 May 2024 entered into between the Company as borrower and China Zheshang as lender in respect of an uncommitted revolving loan facility of up to US\$40,000,000;
- (ee) the investment cooperation agreement dated 14 May 2024 (“**Investment Cooperation Agreement**”) entered into between Essense (Hong Kong) Limited (“**Essense Hong Kong**”) and Shandong Hi-Speed New Energy Development Co., Ltd.\* (山東高速新能源開發有限公司) (“**SDHS New Energy Development**”) in respect of the formation of the joint venture with the proposed name of 山東高速魯中新能源有限公司 (Shandong Hi-Speed Luzhong New Energy Co., Ltd.\*) (“**SDHS Luzhong New Energy**”) in the PRC. Pursuant to the Investment Cooperation Agreement, the total contribution amount (equivalent to the total amount of the registered capital of SDHS Luzhong New Energy) is RMB60,000,000, in which 40% (i.e. RMB24,000,000) shall be contributed by Essense Hong Kong and the remaining 60% (i.e. RMB36,000,000) shall be contributed by SDHS New Energy Development;
- (ff) the subscription agreement dated 23 May 2024 entered into between Coastal Emerald Limited as issuer (“**Coastal Emerald**”), the Company as the guarantor, the joint global coordinators and the joint lead managers, pursuant to which Coastal Emerald shall issue US\$900,000,000 in aggregate principal amount of 6.50 per cent. guaranteed perpetual securities, which was constituted by the Trust Deed (as defined below), to the joint lead managers (the “**Guaranteed Perpetual Securities**”) and the joint lead managers will subscribe for, or procure subscribers for the Guaranteed Perpetual Securities;
- (gg) the trust deed dated 30 May 2024 (the “**Trust Deed**”) entered into between Coastal Emerald as issuer, SDHS Group as guarantor and China Citic as

trustee, pursuant to which China Citic shall act as trustee for the holders of the Guaranteed Perpetual Securities from time to time;

- (hh) the deed of guarantee dated 30 May 2024 entered into between the Company as guarantor and China Citic as trustee (the “**Trustee**”), pursuant to which the Company shall guarantee to the Trustee and the holders of the Guaranteed Perpetual Securities the payment of all sums expressed to be payable from time to time by Coastal Emerald under the Guaranteed Perpetual Securities and the Trust Deed;
- (ii) the facility letter dated 24 June 2024 entered into between the Company as borrower and China Citic as lender in respect of loan facilities of up to HK\$800,000,000;
- (jj) the facility letter dated 21 August 2024 entered into between the Company as borrower and Bank of Communications Co., Ltd (Macau branch) as lender in respect of loan facilities of up to US\$30,000,000;
- (kk) the working capital loan agreement dated 29 September 2024 entered into between the Company as borrower and Industrial Bank (Jinan branch) as lender in respect of loan principal amount of HK\$380,000,000;
- (ll) the facility letter dated 23 October 2024 entered into between the Company as borrower and Hua Xia Bank Co. Limited (Hong Kong branch) as lender in respect of loan facilities of up to US\$100,000,000;
- (mm) the engineering, procurement and construction contract dated 25 October 2024 entered into between Heze Shandong Hi-Speed Clean Energy Co., Ltd.\* (荷澤山高清潔能源有限公司) (“**HZHS Clean Energy**”) as principal and PowerChina Beijing Engineering Corporation Limited\* (中國電建集團北京勘测設計研究院有限公司) (“**PowerChina Beijing**”) as contractor, pursuant to which, HZHS Clean Energy agreed to engage PowerChina Beijing to provide relevant engineering, procurement and construction services in relation to the 93.75 MW wind power project in Mudan District, Heze City, Shandong Province, for a consideration of RMB183,490,463.74;
- (nn) the facility agreement dated 12 November 2024 entered into between the Company as borrower and Tai Fung as lender in respect of loan facilities of up to US\$50,000,000 (the “**Tai Fung Facility Agreement**”);
- (oo) the share charge dated 12 November 2024 entered into between the Company as the chargor and Tai Fung as the chargee, pursuant to which the Company charges, as security for the payment and discharge of the liabilities specified under the Tai Fung Facility Agreement, 1 shares and any other shares issued by Choice Faith Group Holdings Limited beneficially owned by the Company or its nominees from time to time and all their related rights to Tai Fung;

- (pp) the facility agreement dated 25 November 2024 entered into between the Company as borrower and Standard Chartered Bank (Hong Kong) Limited (“**Standard Chartered Bank**”) as mandated lead arranger and bookrunner, lender, agent and security agent in respect of loan facilities of up to HK\$1,600,000,000 (the “**Standard Chartered Bank Facility Agreement**”);
- (qq) the security agreement dated 25 November 2024 entered into between the Company as chargor and Standard Chartered Bank as security agent, which shall constitute a security over all proceeds and other amounts which the Company may receive, or has received, under the Sale and Purchase Agreement or in respect of that other asset, but will exclude the Company’s other rights under the Sale and Purchase Agreement or that other asset for the obligations and liabilities under the Standard Chartered Bank Facility Agreement and other finance documents referred thereto and does not constitute a security over or assignment or transfer of all or any of its rights in respect of the Sale and Purchase Agreement; and
- (rr) the Sale and Purchase Agreement.

## 6. LITIGATION

The Group was engaged in the following litigation or claims of material importance as at the Latest Practicable Date:

### (a) Recovery of loans receivables under the loans to Honesta New Finance

Shangao International Finance Leasing (Shenzhen) Co., Ltd.\* (山高國際融資租賃(深圳)有限公司) (“**Shangao International Leasing**”) provided three loans to Shenzhen Honesta New Finance Holding Limited\* (深圳厚生新金融控股有限公司) (“**Honesta New Finance**”), each of which has a loan principal of RMB100,000,000, a loan period of 18 months and an annual interest rate of 7.5% payable semi-annually. The three loans were drawn down on 13 April 2018, 18 May 2018, and 21 August 2018, respectively (the “**First Honesta Loan**”, “**Second Honesta Loan**” and “**Third Honesta Loan**”, respectively and collectively, the “**Loans to Honesta**”). The outstanding loans receivable due from Honesta New Finance amounted to approximately RMB389,184,000 (equivalent to approximately HK\$476,521,000) at the Latest Practicable Date.

Before the Group’s disposal of the entire issued shares in Coastal Silk Limited on 7 April 2021 (the “**Disposal**”), Honesta New Finance was a subsidiary of SDHG and the Loans to Honesta were therefore regarded as intercompany transactions within the Group. As the Loans to Honesta became loan receivables due from Honesta New Finance to the Group after the Disposal, on the same date as the completion of the Disposal, the Group:

- (i) entered into a receivable charge agreement (the “**Receivable Charge Agreement**”) with Honesta New Finance for the creation by Honesta New Finance of first ranking charges in favour of the Group over, among others, all Honesta New Finance’s rights, title and interests

arising from certain of its loan receivables as security for Honesta New Finance's repayment obligations under the Loans to Honesta; and

- (ii) entered into the guarantee agreement with a total of nine guarantors (the "**Honestas's Guarantors**"), pursuant to which the Honesta's Guarantors agreed to bear irrevocable joint and several liabilities (連帶責任保證) for the repayment obligations of Honesta New Finance under the Loans to Honesta.

In this regard, Shangao International Leasing

- (i) filed an arbitration application with the Shenzhen Court of International Arbitration (深圳國際仲裁院) for the First Honesta Loan against Honesta New Finance on 22 July 2021 and initiated civil litigation proceedings in the Shenzhen Intermediate People's Court (深圳市中級人民法院) for the Second Honesta Loan and the Third Honesta Loan against Honesta New Finance and all Honesta's Guarantors on 23 July 2021 for the recovery of, among others, the outstanding principal, interests and liquidated damages receivable under the Loans to Honesta; and
- (ii) initiated civil litigation proceedings in the Shenzhen Intermediate People's Court (深圳市中級人民法院) against Honesta New Finance on 23 July 2021 for the claim of its rights of priority compensation (優先受償權) to certain loan receivables of Honesta New Finance by virtue of the Receivable Charge Agreement.

Details of the claims are disclosed in the announcements of the Company dated 7 April 2021 and 23 July 2021.

In relation to the arbitration application for the First Honesta Loan, Shenzhen Court of International Arbitration has issued arbitration award on 17 August 2022 in support of all the claims of the Group. Shenzhen Qianhai Cooperation Zone People's Court (深圳前海合作區人民法院) has issued execution order against Honesta New Finance on 9 April 2023 to conduct enforcement on Honesta New Finance. With regard to the civil litigation proceedings for the Second Honesta Loan and the Third Honesta Loan, the Court of First Instance has issued judgement for the Second Honesta Loan and the Third Honesta Loan in support of all the claims of the Group. After that, Honesta New Finance filed an appeal on the loans judgement, and the Court of Second Instance has heard the case on 15 June 2023. On 28 December 2023, the Court of Second Instance issued judgement to uphold the judgement made by the Court of First Instance.

On 8 June 2023, Shenzhen Qianhai Cooperation Zone People's Court has filed a case on a dispute concerning damaging company's interest liability initiated by Honesta New Finance against the Company and several employees, and made judgement on 8 September 2023, which rejected all claims from the plaintiff, Honesta New Finance. After that, Honesta New Finance filed an appeal on such

case, and the Court of Second Instance has dismissed Honesta New Finance's appeal and all claims on 8 November 2024.

**(b) Recovery of receivables under the Notes**

The Group entered into a subscription agreement in June 2020 for the subscription of senior secured and guaranteed notes in the aggregate principal amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000) (the "Notes"), which were classified as financial assets at FVTOCI. The due and punctual performance and observance by the issuer (the "Notes Issuer") of its obligations under the Notes are secured by corporate and individual guarantees (together the "Corporate and Individual Guarantees") and other securities, including equity interest pledge (the "Equity Interest Pledge"), share charge and pledge over asset-backed securities. The Notes Issuer was unable to redeem all of the Notes on the maturity date at the applicable redemption amounts pursuant to the terms of the Notes, which constituted an event of default under the Notes. The Group has taken relevant legal measures to claim the principal amount and interest outstanding on the Notes, including but not limited to:

- (i) filing a civil lawsuit in Hong Kong on 25 August 2021 against the Notes Issuer; and
- (ii) filing civil lawsuit application(s) on 23 August 2021 against the respective guarantors under the Corporate and Individual Guarantees and the pledgor under the Equity Interest Pledge in Nanjing Intermediate People's Court\* (南京市中級人民法院).

Details of the above are set out in the Company's announcements dated 12 June 2020 and 25 August 2021.

In relation to (i), on 15 October 2021, the Group filed an application for summary judgment by way of summons in Hong Kong, the final hearing of which was held on 24 February 2022. On 24 February 2022, the High Court of Hong Kong adjudged that, among others, the Notes Issuer shall pay the Group the sum of US\$103,750,000 with interest at 25% per annum thereon from 16 June 2020 until 24 February 2022 in the sum of US\$40,917,153.886 and at judgment rate thereafter. The Company is in the process of obtaining legal advice from PRC counsels on the enforcement of the relevant securities located in the PRC and will subsequently commence the enforcement procedure based on the advice from the PRC counsels and in accordance with the applicable PRC Laws.

Regarding the above lawsuit filed by the Group against the respective guarantors in Nanjing Intermediate People's Court\* (南京市中級人民法院), two hearings were held on 30 October 2024 and 20 November 2024. As at the Latest Practicable Date, no judgment has been made. The Company and its representative lawyer will continue to follow up on the latest developments in the case and discuss appropriate response measures, including but not limited to applying for enforcement measures after obtaining a valid judgment and auctioning pledged assets.

(c) **Recovery of investment in Altair Asia**

The Group invested in Altair Asia Investment Limited (“**Altair Asia**”) with a guaranteed return of 15% internal rate of return per annum. Pursuant to the terms of the subscriptions of Altair Asia, the Group has issued a written notice to Altair Asia on 4 January 2018 requesting the redemption of the entire participating shares of cost of investment in value of HK\$200,000,000 and subsequently on 23 January 2018 agreed to waive its rights to request for early redemption of part of the participating shares of HK\$140,000,000 on the ground of certain cumulative conditions being met within the prescribed time. Since the conditions of waiver were not fully satisfied and Altair Asia failed to redeem all the participating shares pursuant to the subscription terms, the Group commenced legal proceedings in the High Court of Hong Kong against Altair Asia’s two guarantors, including (1) a winding-up petition against China Silver Asset Management (Hong Kong) Limited (“**CSAMHK**”); and (2) a bankruptcy petition against Frank Dominick; and a winding-up petition against Altair Asia in the Grant Court of the Cayman Islands (the “**Cayman Court**”) for the recovery of the investment.

On 11 March 2020, the High Court of Hong Kong handed down its decision ordering, among others, that (1) CSAMHK be wound up; and (2) the bankruptcy petition against Frank Dominick be adjourned. On 19 March 2020, CSAMHK lodged its notice of appeal to appeal against the said decision. The date of the appeal hearing is yet to be fixed.

On 4 November 2020, the Group presented another creditor’s winding up petition against Altair Asia in the Cayman Court.

On 7 December 2020, the Honourable Justice made a winding up order against Altair Asia and appointed joint and several liquidators. The Group has claims against Altair Asia in the approximate sum of US\$17,494,271.36 (equivalent to approximately HK\$135,624,000) plus interest and cost arising out of the redemption of shares in Altair Asia.

On 1 October 2021, the Group presented another creditor’s winding up petition against China Silver Asset Management Limited in the Cayman Court. On 9 December 2021, the Honourable Justice made a winding up order against China Silver Asset Management Limited and appointed joint and several liquidators.

On 16 February 2021, Altair Asia (in Official Liquidation) presented a creditor’s winding up petition against CS Asia in the Cayman Court in relation to a debt owed by CS Asia to Altair Asia. On 26 April 2022, the Honourable Justice dismissed the winding up petition against CS Asia pending the result of the legal proceeding between CS Asia and Global Prime Partners Limited at the High Court of England and Wales.

The Group has engaged an independent professional valuer to assist the Group to assess the fair value of the investment in Altair Asia. As at 30 June 2024 and 31 December 2023, based on the valuation performed, the Directors considered that the carrying amount of the investment in Altair Asia was approximately HK\$nil.

**(d) Claim under Hong Kong Leasing Sale and Purchase Agreement**

As disclosed in the annual report of the Company for the year ended 31 December 2020, pursuant to a share purchase agreement entered into by Shinning Seas Limited (“**Shinning Seas**”), a wholly owned subsidiary of the Company, the Company, China Hover Dragon Group Limited (“**China Hover Dragon**”), Mr. Gao Chuanyi (“**Mr. Gao**”), Ms. Wang Zi Yi (“**Ms. Wang**”) and Mr. Ji Kewei (“**Mr. Ji**”) dated 8 April 2015 and as varied by a supplemental agreement dated 29 July 2015 (together, the “**Hong Kong Leasing Sale and Purchase Agreement**”), Shinning Seas has agreed to buy and China Hover Dragon and Mr. Gao (collectively as the “**Vendors in Hong Kong Leasing Sale and Purchase Agreement**”) have agreed to sell the entire issued share capital of China Shandong Hi-Speed Hong Kong Leasing Limited (formerly known as Hong Kong Leasing Limited) (“**Hong Kong Leasing**”) at a consideration of approximately HK\$1,581,945,000. The acquisition was completed on 1 September 2015. The consideration was settled by way of allotment and issue of 2,361,112,121 shares of the Company (equivalent to an aggregate amount of approximately HK\$1,581,945,000 based on the closing price on 1 September 2015 of HK\$0.67 per share as quoted on the Stock Exchange). There was an arrangement of profits guarantee from the Vendors in Hong Kong Leasing Sale and Purchase Agreement that if the audited net profits after tax of the relevant year of Hong Kong Leasing is less than the guaranteed amounts, the base consideration for the acquisition shall be reduced by way of repurchase by the Company of part of the consideration shares.

The profit guarantee was met and there was no adjustment for the period from 1 September 2015 to 31 August 2016. For the period from 1 September 2016 to 31 August 2017, the audited net profits after tax as shown in audited consolidated accounts for the period from 1 September 2016 to 31 August 2017 of the Hong Kong Leasing was less than HK\$200,000,000, the Vendors in Hong Kong Leasing Sale and Purchase Agreement were obligated to sell 1,213,939,394 consideration shares (“**Profit Guarantee Shares**”), as calculated using the formula as stipulated in the Hong Kong Leasing Share and Purchase Agreement, to the Company at nil consideration.

A stop notice had been served by the Company on 16 March 2018 pursuant to the Rules of High Court to stop the transfer of 1,951,714,383 ordinary shares of the Company (including the Profit Guarantee Shares and the bad debt repurchase shares held by the shareholders of China Hover Dragon) (“**Subject Shares**”), and payment of dividend. Shinning Seas (as 1st plaintiff) and the Company (as 2nd plaintiff) has commenced an action in the High Court of Hong Kong on 31 July 2018 against China Hover Dragon (as 1st defendant), Mr. Gao (as 2nd defendant), Chinanet Consultancy Limited (“**Chinanet**”, a shareholder of China Hover Dragon) (as 3rd defendant), Ms. Wang (as 4th defendant) and Mr. Ji (as 5th defendant) for, among others, the release of and deliver up of possession of the shares certificates for the Subject Shares.

After the service of the said writ on China Hover Dragon, Chinanet, Ms. Wang and Mr. Ji, a defence and counterclaim was filed by China Hover Dragon, Chinanet, Ms. Wang and Mr. Ji against Shinning Seas and the Company in December 2018. In April 2019, China Hover Dragon, Chinanet, Ms. Wang and Mr. Ji served a counterclaim against Mr. Yau Wai Lung, a former executive director of the Company, as 3rd defendant by counterclaim. After service of a concurrent writ of summons out of jurisdiction on Mr. Gao, Mr. Gao had filed a defence and counterclaim in November 2019. Upon application, the High Court of Hong Kong granted leave on 13 March 2020 for the five defendants to file and serve a consolidated defence and counterclaim, and for the plaintiffs and the 3rd defendant by counterclaim to file and serve their reply and defence to the defendants' consolidated defence and counterclaim.

On 13 January 2021, an amended writ of summons was filed adding Shangao Financial Leasing (Beijing) Co., Ltd.\* (山高融資租賃(北京)有限公司) as the 3rd plaintiff. On 9 April 2021, the five defendants filed defendants' amended consolidated defence and counterclaim. On 9 July 2021, an amended reply and defence to the defendants' amended consolidated defence and counterclaim was filed.

As at 31 December 2023 and the date of approval of the consolidated financial statements of the Group for the year ended 31 December 2023, the above-mentioned defence and counterclaim is at the discovery stage after the close of the pleadings. The court has given directions regarding the further conduct of the proceedings, including the deadline for the parties to exchange of witness statements of facts and seek counsel advice. Currently, a case management summons hearing is scheduled for 6 May 2025 during which the court is expected to give directions on the preparation of trial.

The repurchase of the Profit Guarantee Shares and the bad debt repurchase Shares were under legal proceedings as at the Latest Practicable Date.

Based on the understanding of the Directors on the above-mentioned defence and counterclaim and a legal opinion from an independent lawyer thereon, the Directors considered that the repurchase of the Subject Shares is uncertain as at 31 December 2023 and the date of approval of the consolidated financial statements of the Group for the year ended 31 December 2023, and thus the fair value of such contingent consideration, being the right to buy back the Subject Shares at nil consideration, is insignificant at 31 December 2023 and 2022.

**(e) Claim under a finance lease arrangement**

A finance lease arrangement (the “**Yunan Highway Finance Lease**”) was entered into in July 2013 (as supplemented in December 2013) by, among others, (i) Shangao International Leasing, an indirect wholly-owned subsidiary of the Company, as lessor; and (ii) China Yunnan Highway Construction Group Company Limited.\* (中國雲南路建集團股份公司) (the “**Yunan Highway**”) as lessee.

The Group has been continuously assessing the credit risks of Yunan Highway since its default in repayment of lease payables under the Yunan Highway Finance

Lease in March 2018. The Group's continuous measures included but not limited to the conducting of site visits and communicating with the ultimate beneficial owners, auditors and debtors of the Yunan Highway to keep abreast of the status and progress of Yunan Highway's business, financial liquidity, financial audits and bankruptcy reorganization.

Pursuant to the Group's business and financial investigation, it became clear in the end of 2020 that the credit risks of Yunan Highway had reached a level of significance where substantial impairment of the loan receivables should be made. In assessing the credit risk of Yunan Highway and determining the need and extent of impairment of finance lease receivables under the Yunan Highway Finance Lease for the year ended 31 December 2020, the Group had primarily taken into account the following factors, events and circumstances at that material time:

- (i) The Group had not received any repayment from Yunan Highway under the Yunan Highway Finance Lease since March 2018;
- (ii) The Group's investigation revealed that Yunan Highway and its major operating subsidiaries had ceased their respective business operations, and that Yunan Highway was significantly insolvent (that its total liability exceeded its total assets under its financial statements by a significant degree);
- (iii) According to public records as at 23 October 2020, (i) there were 204 records of enforcement of judgement against Yunan Highway; and (ii) there were 112 cases of unsuccessful enforcement of judgements against Yunan Highway due to lack of enforceable assets (終本案件), involving unfulfilled monetary obligations of approximately RMB292,462,100; and
- (iv) The net realisable value of the Yunan Highway Leased Assets was unascertainable as the Group's investigation revealed that a significant portion of them may have become obsolete or untraceable. For the reasons stated above, the Group regarded that the credit risk of Yunan Highway was high and therefore decided that an impairment of HK\$137,302,479.73 for the Yunan Highway Finance Lease should be made for the year ended 31 December 2020. As at 31 December 2020, all loan receivables under the Yunan Highway Finance Lease had been fully impaired. It is the view of the Directors that the factors set out above which formed the primary foundation of the impairment could not have been anticipated by the Group when the agreement of Yunan Highway Finance Lease was entered into back on 26 July 2013 which was more than 6 years before the relevant impairment was made.

As disclosed in the announcement of the Company dated 30 December 2020, the Group has sought legal advice, has been conducting site visits and communicating with the ultimate beneficial owners, auditors and debtors of the Yunan Highway to keep abreast of the status and progress of Yunan Highway's business, financial liquidity, financial audits and bankruptcy reorganization.

The Group has commenced relevant legal proceedings against Yunan Highway and the personal guarantors and corporate guarantors of the Yunan Highway Finance Lease in a view to recover the outstanding lease receivables. On 19 October 2022, Kunming Intermediate People's Court (昆明市中級人民法院) ruled to approve the reorganization plan of Yunan Highway and terminate reorganization proceedings. On 20 February 2023, Guangdong Higher People's Court (廣東省高級人民法院) has made final judgement on the case initiated by the Company against Yunan Highway and its guarantors. The final judgement supported the claims of the Company in relation to the termination of lease contract and the payment of all outstanding rental and liquidated damages by Yunan Highway, and rejected the claim of the Company to retrieve rental equipment. On 30 October 2024, Kunming Intermediate People's Court (昆明市中級人民法院) issued a civil ruling confirming that the reorganization plan of Yunnan Highway has been completed and the reorganization procedure has been terminated.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, the Group was not engaged in any material litigation or arbitration proceedings nor is any material litigation or claim pending or threatened against it.

## 7. EXPERTS AND CONSENTS

### (a) Qualification of Expert

Set out below are the qualifications of the expert(s) who have given opinions or advice contained in this circular:

Name	Qualification
Crowe (HK) CPA Limited ("Crowe")	Certified Public Accountants

### (b) Interests of Expert

As at the Latest Practicable Date, the above expert (a) did not 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 securities in any member of the Group and (b) did not have any direct or indirect interest in any assets which have been 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 since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

### (c) Consent

Crowe has given and not withdrawn its written consent to the publication of this circular with the inclusion of its report and/or opinion and all references to its name in the form and context in which they are included.

**8. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

As at the Latest Practicable Date, so far as is known to the Directors, none of the Directors or their respective associates had any business or interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**9. GENERAL**

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (b) The principal place of business in Hong Kong of the Company is at 38th Floor, The Centre, 99 Queen's Road Central, Central, Hong Kong.
- (c) The share registrar and transfer office in Bermuda of the Company is MUFG Fund Services (Bermuda) Limited at 4th floor North Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda and the share registrar and transfer office in Hong Kong of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The joint company secretaries of the Company are Ms. Du Ning (杜凝), who is an associate member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom, and Ms. Chen Chun (陳淳), who is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.
- (e) In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

**10. DOCUMENTS ON DISPLAY**

The following documents are available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.sdhg.com.hk>) for a period of 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;
- (b) the report on the unaudited pro-forma financial information of the Group, the text of which is set out in Appendix IV of this circular; and
- (c) the written consent referred to in the section headed "Experts and Consents" of this Appendix.

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## NOTICE OF SGM

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### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**SGM**”) of Shandong Hi-Speed Holdings Group Limited (the “**Company**”) will be held at Conference Room, 38/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Tuesday, 24 December 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as ordinary resolution of the Company, unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 9 December 2024:

#### ORDINARY RESOLUTION

1. “**THAT:**
  - (a) the terms and conditions of the Sale and Purchase Agreement as defined and described in the circular of the Company dated 9 December 2024 (the “**Circular**”), a copy of the Sale and Purchase Agreement marked “**A**” together with a copy of the Circular marked “**B**” being tabled before the meeting and initialled by the chairman of the meeting for identification purpose, and all transactions contemplated thereunder and in connection therewith, including the acquisition of Sale Shares, be and hereby approved, ratified and confirmed;
  - (b) the authorisation to any one of the Directors, or any other person authorised by the Board from time to time, for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and to do all such acts, matters and things and take all such steps as he or she or they may in his or her or their absolute discretion consider to be necessary, expedient, desirable or appropriate to give effect to and implement the Sale and Purchase Agreement and the transactions contemplated thereunder and all matters incidental to, ancillary to or in connection thereto, including agreeing and making any modifications, amendments, waivers, variations or extensions of the Sale and Purchase Agreement or the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

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## NOTICE OF SGM

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- (c) Subject to and upon the Completion making of the Offers to acquire all the Offer Shares and to cancel all the Offer Options by Huatai Financial, on behalf of the Company in compliance with the Takeovers Code be and is hereby approved; and
- (d) the Directors be and are hereby authorised to execute all such other documents and agreements and to do all such acts or things for and on behalf of the Company as they may consider appropriate or desirable relating to or in connection with the matters contemplated in and for completion of the Offers.”

By Order of the Board  
**Shandong Hi-Speed Holdings Group Limited**  
**Li Tianzhang**  
*Chairman*

Hong Kong, 9 December 2024

*Notes:*

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, no less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof.
- (2) In case of joint holders of a share in the capital of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he was solely entitled thereto. However, if more than one of such joint holders are present at the meeting personally or by proxy, that one of such holders whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that share.
- (3) Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
- (4) The register of members will be closed on Tuesday, 24 December 2024, during the day no transfer of Shares will be registered. In order to determine the entitlement to attend and vote at the SGM, all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 December 2024.
- (5) Save for resolutions approving the procedural and administrative matters, any voting of the meeting shall be taken by poll.

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## NOTICE OF SGM

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- (6) If Typhoon Signal No. 8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force any time after 7:30 a.m. on the date of the meeting, then the meeting will be postponed. The Company will post an announcement on the website of the Company at ([www.sdhg.com.hk](http://www.sdhg.com.hk)) and HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

*As at the date of this notice, the Board comprises Mr. Li Tianzhang, Mr. Zhu Jianbiao, Ms. Liao Jianrong, Mr. Liu Zhijie and Mr. Liu Yao as executive Directors; Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo as non-executive Directors; and Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Jonathan Jun Yan and Mr. Fang Ying as independent non-executive Directors.*