



28 January 2025

*To the SHNE Independent Shareholders and the SHNE Offer Optionholders*

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED  
FOR AND ON BEHALF OF SHANDONG HI-SPEED HOLDINGS GROUP LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF SHANDONG HI-SPEED NEW  
ENERGY GROUP LIMITED AND  
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF SHANDONG  
HI-SPEED NEW ENERGY GROUP LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY  
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

We refer to this Composite Document dated 28 January 2025 jointly issued by the Offeror and SHNE of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the SHNE Board to form the SHNE Independent Board Committee to consider the Offers and to advise you (i.e. the SHNE Independent Shareholders and SHNE Offer Optionholders) as to whether, in our opinion, the Offers are fair and reasonable and to make recommendation in respect of acceptance thereof.

Gram Capital Limited has been appointed as the SHNE Independent Financial Adviser to advise us in respect of the Offers and, in particular, as to whether the Offers are or are not fair and reasonable and to make recommendation in respect of the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code. The appointment of Gram Capital has been approved by the SHNE Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from Gram Capital” as contained in this Composite Document.

We also wish to draw your attention to the “Letter from Huatai Financial”, the “Letter from the SHNE Board” and the additional information set out in the appendices to this Composite Document.

## RECOMMENDATION

Taking into account the terms of the Offers, the independent advice and recommendations from Gram Capital and the principal factors and reasons taken into account in arriving at its recommendation, we consider that (i) the Share Offer is fair and reasonable so far as the SHNE Independent Shareholders are concerned, and (ii) the SHNE Option Offer is fair and reasonable so far as the SHNE Offer Optionholders are concerned. Accordingly, we recommend that (i) the SHNE Independent Shareholders to accept the Share Offer and (ii) the SHNE Offer Optionholders to accept the SHNE Option Offer.

However, the SHNE Independent Shareholders and SHNE Offer Optionholders who wish to realise their investments in SHNE are reminded to monitor the trading price and liquidity of the SHNE Shares during the Offer Period and should, having regard to their own circumstances, consider selling their SHNE Shares in the open market or exercising the SHNE Options instead of accepting the Share Offer or the SHNE Option Offer, respectively, if the net proceeds obtained from such disposal of the SHNE Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Share Offer and the SHNE Option Offer.

Notwithstanding our recommendation, the SHNE Independent Shareholders and SHNE Offer Optionholders are strongly advised that the decision to realise or to hold their investments is subject to individual circumstances and investment objectives. If in doubt, the SHNE Independent Shareholders and SHNE Offer Optionholders should consult their own professional advisers for advice. Furthermore, the SHNE Independent Shareholders and SHNE Offer Optionholders who wish to accept the Share Offer and the SHNE Option Offer, respectively, are recommended to read carefully the procedures for accepting the Share Offer and the SHNE Option Offer as detailed in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

Yours faithfully,

For and on behalf of the SHNE Independent Board Committee of  
**Shandong Hi-Speed New Energy Group Limited**



**Professor Qin Si Zhao**  
*Independent non-  
executive SHNE  
Director*

**Mr. Victor Huang**  
*Independent non-  
executive  
SHNE Director*

**Mr. Yang Xiangliang**  
*Independent non-  
executive  
SHNE Director*

**Mr. Chiu Kung Chik**  
*Independent non-  
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