

FY2025 EARNINGS UPDATE

Shandong Hi-Speed New Energy Group Ltd

Wind Power Projects Advance Steadily; Project Pipeline Lays Solid Foundation for Growth

KEY POINTS

In-Line with market expectation. In FY25, SHNE achieved total revenue/net profit of RMB4.4 billion and RMB0.2 billion respectively, in line with our estimates. The net profit was weighed down by other income and gains, elevated other operating expenses, and losses from joint ventures. Gross profit amounted to RMB2.0 billion, representing a gross margin of 45%, indicating a stable GPM YoY. Key financial highlights including: (1) Finance costs decreased by approximately RMB182 million, mainly driven by early repayment of high-cost overseas borrowings, refinancing with lower-cost funding, and the issuance of RMB2.5 billion "Green + Rural Revitalization" bonds. (2) Cash reserves increased by RMB971 million from FY24 to RMB4.6 billion. (3) The asset-liability ratio declined to 59% as the company repaid part of its outstanding loans. During FY25, the company issued RMB2.5 billion of medium-term notes and short-term financing instruments. As a result, the comprehensive financing cost decreased by around 50bps, falling further to approximately 3.6%.

The company maintains a robust project pipeline, and its future development is promising. In terms of new projects, wind power and centralized photovoltaic power have become the core drivers of growth. (1) New wind power projects reached 1,098MW, including 60MW Yufeng Project in Weifang, Shandong; 125MW Anqiu Project in Weifang, Shandong; 40MW Jiaocheng Project in Lvliang, Shanxi; 40MW Pengze Project in Jiangxi; 20MW Arun Banner Project in Hulunbuir, Inner Mongolia; 63MW Meizi'ao Project in Yixian, Yunnan; 20MW Qujing Project in Yunnan; 50MW Songming Project in Yunnan; 30MW Xundian Project in Yunnan; 300MW Suihua Project in Heilongjiang; 100MW Linze Project in Gansu; 100MW Ganzhou Project in Gansu; 100MW Gaotai Project in Gansu, etc. (2) New centralized photovoltaic projects reached 717MW, including 170MW Wanzhuang Project in Hebei; 150MW Feidong Project in Anhui; 27MW Kaiping Project in Guangdong; 100MW Phase I & 50MW Phase II Songyang Projects in Yunnan; 100MW Shekuaixiang Project in Kunming, Yunnan; 120MW Zhuanghe Project in Liaoning.

The on-grid capacity has steadily increased, the wind power business has achieved leapfrog growth, and the new energy operation and maintenance capabilities have realized external spillover. From the perspective of current project grid connection, the capacity reached 4,961MW in 2025 (2024: 4,698MW), including 1,270MW of wind power installed capacity, 2,603MW of centralized photovoltaic power and 1,088MW of distributed photovoltaic power. From the perspective of project reserves, the wind power reserve projects in Shandong/Guangxi/Jilin/Heilongjiang are 1073/400/370/300 MW respectively, leading among all provinces in the country. Key wind power projects include (1) 212.5MW centralized onshore wind power project in

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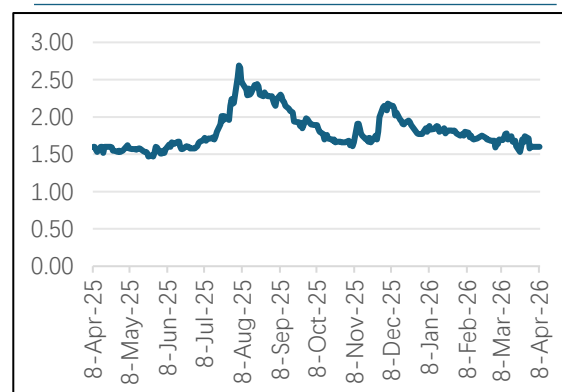
KEY DATA

Exchange: HKEX
Ticker: 1250
Current Price: HK\$1.60
52-Week Range: HK\$1.42-HK\$2.80
Average Volume (3M): 0.38M
Shares Outstanding (MM): 2,247
Market Capitalization (MM): HK\$3,595
Fiscal Year-End: December

FINANCIALS

In RMB Million	FY24A	FY25A	FY26E	FY27E
Revenue	4,423	4,409	4,464	4,526
Gross Profit	2,021	2,000	2,080	2,118
EBIT	1,835	1,594	1,785	1,848
IFRS Net Income	284	229	292	318

PRICE PERFORMANCE



Mudan District, Heze, Shandong; (2) 175MW distributed wind power project in Yuncheng, Shandong; (3) 287.5MW wind power project in Dingtao District, Heze. In parallel, in terms of entrusted operation services, relying on the mature new energy operation and maintenance system, the operation and maintenance capabilities have realized external spillover and market-oriented output. For example, it won the operation and maintenance services of 4 new energy stations (with a total of 412MW) of State Power Investment Corporation and China Power Investment Corporation in Shanxi, as well as the entrusted operation and maintenance services of 6 wind farms with a total of 470.2MW of Jiangsu Branch of Huadian New Energy Group Co., Ltd. in Jiangsu.

Upside potential continues to unlock. From the perspective of installed capacity, the quality of the company's reserve projects in 2026 has been optimized. After abandoning projects aggregating more than 1 GW without investment value, the total reserve projects still achieved a net growth of 303MW throughout the year. We expect 300-400MW of the projects under construction in 2026 to be connected to the grid, and 700-800MW in 2027. Despite its sound fundamentals and strong expansion momentum, its value remains undervalued relative to peers. The company's stock is currently trading at HK\$1.60, corresponding to a market capitalization of HK\$3,595 million. We expect CY2026 EPS of HK\$0.14, implying forward P/E rate of 12x—below the peer average of 18x. This valuation discount presents an attractive entry point for investors, especially considering SHNE's integration of transportation and energy, electricity-computing synergy, and continuous expansion of its renewable energy project reserve.

FINANCIALS AND VALUATION UPDATES

Figure 1: FY2025 Summary of SHNE's On-Grid Projects and Future Pipeline According to Public Disclosure.

Country	Provinces	In Operation (MW)			Pipeline (MW)			Total (MW)
		Solar-Utility	Solar-DG	Wind	Solar-Utility	Solar-DG	Wind	
China	Hebei	678	87	301	170	100	-	1,336
	Henan	264	183	372	-	-	200	1,019
	Shandong	243	187	328	-	35	1,073	1,866
	Anhui	194	173	-	150	-	-	517
	Jiangsu	184	128	-	119	-	-	431
	Shanxi	139	3	50	237	-	290	719
	Guizhou	189	10	-	-	-	-	199
	Shaanxi	161	2	-	-	-	-	163
	Guangdong	135	27	-	27	-	30	219
	Jiangxi	125	31	-	-	-	40	196
	Inner Mongolia	-	4	119	100	-	220	443
	Ningxia	100	-	-	-	-	-	100
	Xinjiang	-	-	100	300	-	-	400
	Hubei	70	23	-	205	-	-	298
	Yunnan	22	39	-	250	89	163	563
	Liaoning	-	49	-	120	30	-	199
	Tianjin	32	11	-	-	-	-	43
	Jilin	31	9	-	50	-	370	460
	Fujian	-	38	-	-	-	-	38
	Tibet	30	-	-	-	-	-	30
	Zhejiang	-	31	-	-	-	-	31
	Hunan	-	17	-	-	-	-	17
	Guangxi	-	15	-	-	-	400	415
	Sichuan	-	12	-	-	-	-	12
	Shanghai	-	2	-	-	-	-	2
	Heilongjiang	-	1	-	-	-	300	301
	Chongqing	-	5	-	-	59	-	64
	Beijing	-	1	-	-	-	-	1
	Gansu	-	-	-	-	-	350	350
	Others	-	-	-	-	357	-	357
Australia	Whyalla	6	-	-	-	-	-	6
Total (MW)		2,603	1,088	1,270	1,728	670	3,436	
	Total (MW)		4,961			5,834		10,795

Source: GLH Research; Company filings.

Figure 2: Company's Financials 2024 – 2027E.

Unit: Million RMB	2024	2025	1H26E	2H26E	2026E	2027E
Revenues	4,423	4,409	2,443	2,021	4,464	4,526
Cost of sales	-2,402	-2,409	-1,214	-1,170	-2,384	-2,408
Gross profit	2,021	2,000	1,229	851	2,080	2,118
Other income and gains, net	243	132	46	85	131	136
Selling and distribution expenses	-4	-4	-3	-3	-6	-4
Administrative expenses	-350	-350	-206	-127	-334	-328
Other operating expenses, net	-75	-184	-8	-79	-87	-74
Operating Income	1,835	1,594	1,058	727	1,785	1,848
Finance costs	-1,147	-965	-567	-503	-1,070	-1,086
Share of profits of:						
Joint ventures	-1	-35	5	-6	-1	-5
Associates	-27	10	12	-4	9	8
Profit Before Tax	659	603	508	214	722	765
Income tax expense	-196	-201	-112	-128	-240	-254
Profit for the period	463	402	396	85	482	511
Profit Attributable to Non-controlling interests	179	173	107	83	190	193
Profit Attributable to Equity holders of the Company	284	229	289	3	292	318

Source: GLH Research; Company filings.

Figure 3: Peer Valuation Analysis.

Company	Ticker	Market Cap	Price	Diluted EPS			P/E			
				2025A	2026E	2027E	2025A	2026E	2027E	
China Yangtze Power Co., Ltd.	SHSE:600900	648,897	26.52	1.40	1.46	1.53	18.9x	18.2x	17.3x	
CHN Energy Changyuan Electric Power Co.,Ltd.	SZSE:000966	15,421	4.43	0.12	0.17	0.17	36.9x	26.1x	26.1x	
Chongqing Three Gorges Water Conservancy and Electric Power Co., Ltd.	SHSE:600116	12,505	6.54	0.13	0.24	0.28	50.3x	27.3x	23.4x	
Huaneng Lancang River Hydropower Inc.	SHSE:600025	179,790	9.65	0.48	0.51	0.53	20.1x	18.9x	18.2x	
China National Nuclear Power Co., Ltd.	SHSE:601985	179,353	8.72	0.46	0.49	0.56	19.0x	17.8x	15.6x	
China Longyuan Power Group Corporation Limited	SEHK:916	58,686	7.02	0.67	0.87	0.91	10.5x	8.1x	7.7x	
China Resources Power Holdings Company Limited	SEHK:836	97,588	18.85	2.58	2.66	2.69	7.3x	7.1x	7.0x	
							Median	19x	18x	17x
							Mean	23x	18x	16x
Shandong Hi-Speed New Energy Group Limited	SEHK:1250	3,595	1.60	0.11	0.14	0.15	15x	12x	11x	

Notes:

1. Data as of 4/7/2026.
2. For A Share, market price and diluted EPS are in RMB; for H Share, market price and diluted EPS are in HKD.
3. Diluted EPS are in calendar year and estimates are provided by analyst consensus on Capital IQ.

Source: GLH Research; Company filings; Capital IQ.

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