
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Shanxi Installation Group Co., Ltd., you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Shanxi Installation Group Co., Ltd. 山西省安装集团股份有限公司

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

(Stock Code: 2520)

**2024 ANNUAL REPORT;
2024 FINANCIAL REPORT;
2024 WORK REPORT OF THE BOARD OF DIRECTORS;
2024 WORK REPORT OF THE BOARD OF SUPERVISORS;
2024 PROFIT DISTRIBUTION PROPOSAL;
2024 REMUNERATION OF DIRECTORS AND SUPERVISORS;
2025 CREDIT FACILITIES GUARANTEES PROPOSAL;
PROPOSED GRANT OF GENERAL MANDATE TO
ISSUE CORPORATE BONDS;
RE-APPOINTMENT OF THE AUDITORS FOR THE YEAR 2025;
2025 FINANCIAL BUDGET AND DONATION EXPENDITURE PROPOSAL;
2025 INVESTMENT PROPOSAL;
PROVISION OF GUARANTEE TO A CONNECTED PERSON;
AND
NOTICE OF THE 2024 ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 4 to 16 of this circular. A notice of the annual general meeting (the "AGM") of the Company to be held at 3:00 p.m. on Monday, May 19, 2025 at the Conference Room, East Side, 2/F, Shanxi Installation Office Building, No. 8 Xinhua Road, Shanxi Transformation and Comprehensive Reform Demonstration Zone, Shanxi Province, PRC, together with a form of proxy for use at the AGM were published on the HKEx's website (www.hkexnews.hk) and the Company's website (www.sxaz.com.cn) on Monday, April 28, 2025.

Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorised in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorised to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authority, must be notarized.

In the case of joint holders of the H Shares, only the holder whose name stands first in the register of members of the H Shares of the Company shall alone be entitled to vote at the AGM, either in person or by proxy in respect of such H Shares.

For Shareholders, please return the proxy form together with any documents of authority to the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event not later than 24 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

April 28, 2025

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Note: If there are any discrepancies between the Chinese version and the English version of this circular, the Chinese version shall prevail.

DEFINITIONS

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

“applicable percentage ratio(s)”, “connected person(s)” and “subsidiary(ies)”	have the meanings ascribed to them under the Listing Rules
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at 3:00 p.m. on May 19, 2025 at the Conference Room, East Side, 2/F, Shanxi Installation Office Building, No. 8 Xinhua Road, Shanxi Transformation and Comprehensive Reform Demonstration Zone, Shanxi Province, PRC
“Articles of Association”	the articles of association of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“Company” or “Shanxi Installation”	Shanxi Installation Group Co., Ltd. (山西省安裝集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the main board of the Hong Kong Stock Exchange (stock code: 2520)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Shanxi CIG
“Director(s)”	director(s) of the Company
“Envision Enterprise”	Envision Enterprise Investment Limited* (遠景企業投資有限公司), a company established under the laws of Hong Kong, which is held as to 60% and 40% by Wuling HongKong International Energy Investment Limited* (五凌香港國際能源投資有限公司) and Shanxi CIII respectively
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the main board of the Hong Kong Stock Exchange
“HKEx”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“IDCOL”	Infrastructure Development Company Limited (孟加拉基礎設施發展有限公司), a company established in the People’s Republic of Bangladesh
“IDCOL Financing Loan Agreement”	the financing loan agreement intended to be signed by Envision Enterprise with IDCOL to borrow a loan with a maximum amount not exceeding USD50 million (or its equivalent in Bangladeshi Taka) from IDCOL as operating funds of the project
“IDCOL Guarantee”	the joint and several liability guarantee to be provided by the Company for the debts of Envision Enterprise under the IDCOL Financing Loan Agreement for a maximum guarantee amount of USD11 million (or its equivalent in Bangladeshi Taka) pursuant to the IDCOL Guarantee Agreement
“IDCOL Guarantee Agreement”	the guarantee agreement intended to be signed between the Company and IDCOL in respect of the IDCOL Guarantee
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Shanxi CIG”	Shanxi Construction Investment Group Co., Ltd.* (山西建設投資集團有限公司), a state-owned company established under the laws of the PRC and the Controlling Shareholder of the Company
“Shanxi CIG HK”	Shanxi Construction Investment Group (Hong Kong) Limited* (山西建設投資集團(香港)有限公司), a company established under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of Shanxi CIG
“Shanxi CIIC”	Shanxi Construction Investment International Construction Group Ltd.* (山西建投國際建設集團有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Shanxi CIG

DEFINITIONS

“Shanxi CIII”	Shanxi Construction Investment International Investment Co., Ltd.* (山西建投國際投資有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of Shanxi CIG
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the H Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“USD”	U.S. dollar, the lawful currency of the United States of America
“%”	per cent



Shanxi Installation Group Co., Ltd.
山西省安装集团股份有限公司

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

(Stock Code: 2520)

Executive Directors:

Mr. WANG Limin (*Chairman of the Board*)
Mr. REN Rui
(*Vice President and General Manager*)
Mr. ZHANG Yan (*Vice President*)

Non-executive Directors:

Mr. XU Guanshi
Mr. ZHANG Hongjie
Mr. MU Jianwei
Mr. FENG Cheng

Independent non-executive Directors:

Mr. WANG Jingming
Professor WU Qiusheng
Ms. SHIN Chuck Yin
Mr. GUO He

Headquarters and Registered office:

No. 8 Xinhua Road
Tanghuai Industrial Park
Shanxi Transformation and Comprehensive
Reform Demonstration Zone
Shanxi Province
PRC

Principal place of business in Hong Kong:

Room 1919, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

April 28, 2025

To the Shareholders

Dear Sir or Madam,

**2024 ANNUAL REPORT;
2024 FINANCIAL REPORT;
2024 WORK REPORT OF THE BOARD OF DIRECTORS;
2024 WORK REPORT OF THE BOARD OF SUPERVISORS;
2024 PROFIT DISTRIBUTION PROPOSAL;
2024 REMUNERATION OF DIRECTORS AND SUPERVISORS;
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2025 FINANCIAL BUDGET AND DONATION EXPENDITURE PROPOSAL;
2025 INVESTMENT PROPOSAL;
PROVISION OF GUARANTEE TO A CONNECTED PERSON;
AND
NOTICE OF THE 2024 ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you (among other things) with the information to enable you to make informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

At the AGM, the following ordinary resolutions will be proposed to approve:

- (1) 2024 Annual Report
- (2) 2024 Financial Report
- (3) 2024 Work Report of the Board of Directors
- (4) 2024 Work Report of the Board of Supervisors
- (5) 2024 Profit Distribution Proposal
- (6) 2024 Remuneration of Directors and Supervisors
- (7) 2025 Credit Facilities Guarantees Proposal
- (8) Proposed Grant of General Mandate to Issue Corporate Bonds
- (9) Re-appointment of the Auditors for the Year 2025 and Fixing the Auditors' Fees for the Year 2024
- (10) 2025 Financial Budget and Donation Expenditure Proposal
- (11) 2025 Investment Proposal
- (12) Provision of IDCOL Guarantee to Envision Enterprise by the Company

2. MATTERS TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING

i. 2024 Annual Report

Please refer to the 2024 Annual Report of the Company published on the websites of the Company and HKEx.

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

LETTER FROM THE BOARD

ii. 2024 Financial Report

A brief summary of the Company's financial report for the year 2024 prepared in accordance with China Accounting Standards for Business Enterprises is set out below:

1. Revenue and profit

In 2024, the total revenue of the Company was RMB12,242.89 million; total operating costs was RMB10,722.49 million; total profit was RMB224.75 million and net profit attributable to Shareholders of the listed company was RMB153.41 million.

2. Cash flow situation

In 2024, the net cash flows from operating activities of the Company's consolidated financial statements amounted to RMB385.47 million, the net cash flows from investing activities amounted to RMB-87.09 million and the net cash flows from financing activities amounted to RMB-187.71 million. As at December 31, 2024, the balance of cash and cash equivalents of the Company was RMB2,200.84 million.

3. Assets and liabilities position

As at December 31, 2024, the total assets as reported in the Company's consolidated financial statements amounted to RMB24,124.16million, of which current assets amounted to RMB17,189.43 million and non-current assets amounted to RMB6,934.73 million. Total liabilities was RMB20,780.80 million. As at December 31, 2024, the total Shareholders' equity of the Company was RMB3,343.36 million.

iii. 2024 Work Report of the Board of Directors

Please refer to the relevant sections of the 2024 Annual Report of the Company published on the websites of the Company and HKEx for the main content of the 2024 Work Report of the Board of Directors.

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

iv. 2024 Work Report of the Board of Supervisors

Please refer to the relevant sections of the 2024 Annual Report of the Company published on the websites of the Company and HKEx for the main content of the 2024 Work Report of the Board of Supervisors.

This resolution has been considered and approved at the meeting of the Board of Supervisors held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

LETTER FROM THE BOARD

v. 2024 Profit Distribution Proposal

The Board has proposed a distribution of RMB0.04537 (tax inclusive) per 10 ordinary shares as final dividend for the year ended December 31, 2024 (the “**Final Dividend**”).

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

Subject to the approval of the 2024 Profit Distribution Proposal by the Shareholders at the AGM, the Final Dividend is expected to be distributed on around July 18, 2025 to H Shares Shareholders whose names appear on the register of H Shares Shareholders on June 4, 2025. The Final Dividend is denominated and declared in Renminbi. The Final Dividend payable to the H Shares Shareholders shall be paid in Hong Kong dollars. The amount of Hong Kong dollars payable will be calculated on the basis of the average closing exchange rates for Hong Kong dollars as announced by the Foreign Exchange Trading Centre of the PRC one calendar week prior to the approval of the Final Dividend at the AGM.

vi. 2024 Remuneration of Directors and Supervisors

For details of the remuneration of Directors and Supervisors of the Company for the year 2024, please refer to the relevant sections of the 2024 Annual Report of the Company published on the websites of the Company and HKEx.

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

vii. 2025 Credit Facilities Guarantees Proposal

Pursuant to the requirements under the “Notice on the Submission of Credit Facilities, Financing and Guarantee Proposal for the year 2025” of Shanxi CIG, based on the actual usage in 2024 as well as the operating revenue, investment plans and gearing ratio control targets of the Company for 2025, and combined with financing capability and liability risk assumption capability, the Company has formulated the credit facilities guarantees proposal for 2025. The Company’s credit facilities guarantees proposal for 2025 is set out below:

In 2025, the financing limit is estimated to be RMB9.113 billion.

In 2025, the guarantee limit is estimated to be RMB2.388 billion.

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

LETTER FROM THE BOARD

viii. Proposed Grant of General Mandate to Issue Corporate Bonds

To meet the operational needs of the Company, adjust the debt structure, replenish working capital, and reduce financing costs, the Board has resolved to propose the issuance of corporate bonds. The Board will make decisions regarding the issuance of corporate bonds based on relevant laws and regulations, as well as market conditions at that time, within the framework and limits approved by the annual general meeting.

Details of the issuance of corporate bonds, if proceeded, are as below:

Issuance scale:	Within the authorization period, the issuance scale of corporate bonds shall not exceed RMB2.0 billion (including RMB2.0 billion) and may be issued in a lump sum or in installments within the approved issuance period. The specific issuance scale and installment method will be submitted to the Shareholders' meeting for authorization, allowing the Board and/or its authorized representatives to determine them based on the Company's funding needs and market conditions at the time of issuance, within the aforementioned limits.
Term and types of bonds:	The maximum term shall not exceed 2 years and may consist of either a single-term variety or a mixed variety with multiple terms. The specific term composition and the issuance scale of each term variety will be submitted to the Shareholders' meeting for authorization, allowing the Board and/or its authorized representatives to decide before issuance based on market conditions and the Company's funding needs, within the aforementioned limits.
Use of proceeds:	The funds raised from the planned issuance are expected to be used to meet the Company's operational needs, repay corporate debts, replenish working capital and/or for project construction, in accordance with national laws, regulations and policy requirements. The specific use of the raised funds will be determined by the Board and/or its authorized representatives based on the Company's funding needs and actual circumstances.

LETTER FROM THE BOARD

Validity period of the authorization:	This authorization is valid from the date of approval by the AGM until the conclusion of the Company's 2025 annual general meeting. If the Board and/or its authorized representatives decide on the relevant issuance within the authorization period, and obtain the necessary approvals, permits, or registrations from relevant regulatory authorities during the authorization period, the Company may complete the issuance within the authorization period of such approvals, permits, or registrations.
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With the approval of the Shareholders at the AGM, the Board or authorized representatives of the Board will be authorized to decide on the following matters, including but not limited to:

- (1) in accordance with relevant laws, regulations, and the provisions of securities regulatory authorities, and based on the actual situation of the Company and the market, formulate the specific issuance plan for corporate bonds and revise or adjust the issuance terms of these corporate bonds, including but not limited to the specific issuance scale, issuance method, bond term, bond types, buyback mechanism, bond interest rate and its determination method, timing of issuance (including whether to issue in installments and the number of issuance periods), guarantee arrangements, whether to set buyback clauses, redemption clauses, and terms for adjusting coupon rate options, use of raised funds, underwriting arrangements, rating arrangements, principal and interests repayment terms and methods, specific debt repayment guarantees, guarantee arrangements, specific subscription methods, specific allocation arrangements, bond listing locations, termination of issuance, and all matters related to the issuance plan;
- (2) engage intermediary institutions for the issuance of corporate bonds and determine their professional service fees, as well as handle the filing matters related to the issuance of corporate bonds;
- (3) select a bond trustee for the issuance of corporate bonds, approve and sign the bond trustee management agreement, and formulate or amend the rules for bondholders' meetings;
- (4) handle the filing and trading circulation matters related to the issuance of corporate bonds, including but not limited to formulating, authorizing, signing, executing, modifying and completing all necessary legal documents, contracts and agreements related to the issuance and listing of corporate bonds; conducting relevant information disclosure in accordance with the requirements of laws, regulations and normative documents; preparing and submitting filing documents to regulatory authorities, and making corresponding supplementary adjustments to the filing documents as

LETTER FROM THE BOARD

required by the regulatory authorities; and, after the completion of the corporate bond issuance, taking full responsibility for handling matters related to the listing and trading of corporate bonds;

- (5) handle other matters related to the issuance of corporate bonds that are not mentioned above;
- (6) if there are changes in the issuance policies of regulatory authorities or changes in market conditions, except for matters that require re-voting by the Shareholders' meeting as stipulated by relevant laws, regulations, and the Articles of Association, adjustments may be made to the specific plan for the registration and issuance of corporate bonds and related matters in accordance with the opinions of regulatory authorities or the prevailing market conditions, within the scope authorized by the Shareholders' meeting; and
- (7) if corporate bonds are issued, during the tenure of the corporate bonds, if the Company anticipates that it will not be able to pay the principal and/or interest of the corporate bonds on time, decisions may be made regarding the non-distribution of profits to Shareholders as a debt repayment guarantee measure, in accordance with relevant legal and regulatory requirements.

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

ix. Re-appointment of the Auditors for the Year 2025

An ordinary resolution will be proposed at the AGM to consider and approve the re-appointment of Grant Thornton (Special General Partnership) as the auditors of the Company and to fix its remuneration for the year 2024. Based on the professional services provided to the Company for the year 2024, and after negotiation between the Company and Grant Thornton (Special General Partnership), the Board proposes the Company to pay a fee of RMB2.6 million for auditing its financial statements for the year 2024.

The resolution was considered and approved at the meeting of the Board held on April 28, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

LETTER FROM THE BOARD

x. 2025 Financial Budget and Donation Expenditure Proposal

In accordance with the requirements of the “Administrative Methods of Comprehensive Budget” (Jin Jian Tou Cai Han [2023] No. 273) and the “Notice on Good Corporate Budget Management and Statements Preparation Works for the Year 2025” of Shanxi CIG and the Company’s strategic planning for the year 2025, the Company has prepared the financial budget and donation expenditure proposal for the year 2025.

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

xi. 2025 Investment Proposal

Please refer to Appendix I to this circular for the key elements of the 2025 investment proposal.

The resolution was considered and approved at the meeting of the Board held on March 27, 2025 and is hereby proposed as an ordinary resolution for consideration and approval at the AGM.

xii. Provision of Guarantee to a Connected Person

Reference is made to the announcement of the Company dated April 28, 2025 in relation to the provision of guarantee to a connected person.

To develop the 66MW Koba wind power project in Bangladesh, Envision Enterprise intends to sign the IDCOL Financing Loan Agreement with IDCOL and borrow a loan with a maximum amount not exceeding USD50 million (or its equivalent in Bangladeshi Taka) as operating funds of the project, with a loan term of 12 years.

On April 28, 2025, as one of the conditions precedent to the IDCOL Financing Loan Agreement, the Board approved the resolution regarding the IDCOL Guarantee at the 42nd meeting of the first session of the Board. Accordingly, the Board agreed that the Company shall enter into the IDCOL Guarantee Agreement with IDCOL, and provide joint and several liability guarantee for the debts of Envision Enterprise under the IDCOL Financing Loan Agreement (including the loan principal, interest, and any other amounts payable by Envision Enterprise under the IDCOL Financing Loan Agreement) for a maximum guarantee amount of USD11 million (or its equivalent in Bangladeshi Taka) and with a maximum liability period of 12 years, subject to the term of the IDCOL Guarantee Agreement to be entered into.

LETTER FROM THE BOARD

As at the date of this circular, the Company holds 30% equity interests in Shanxi CIII, while Shanxi CIII holds 40% equity interests in Envision Enterprise. Given that the Company has provided a guarantee in excess of its shareholding percentage for Envision Enterprise under the IDCOL Guarantee Agreement, Shanxi CIG HK and Shanxi CIIC have agreed to provide counter-guarantees to the Company in respect of its guarantee liabilities under the IDCOL Guarantee Agreement according to their respective shareholding percentages in Shanxi CIII, whereby the Company is entitled to recover from Shanxi CIG HK and Shanxi CIIC 70% of the aggregate amount of guarantee or indemnity liabilities assumed by it under the IDCOL Guarantee. The term of the counter-guarantees above is up to the expiration of the liability period of the Company as stipulated in the IDCOL Guarantee Agreement.

Reasons for and Benefits of the IDCOL Guarantee

As a key project in Bangladesh, the Bangladesh's 66MW Koba wind power project is the country's first centralised wind farm. The construction plan includes 22 wind turbines with a single unit capacity of 3MW each, along with a supporting booster station and transmission lines. The project is entirely constructed using Chinese technology, Chinese standards, and Chinese equipment, and has been praised by local Bangladeshi media as a "model of China-Bangladesh energy cooperation". The 66MW Koba wind power project in Bangladesh is undertaken by the Company, representing a strong exploration of the Company's response to the "Belt and Road" initiative and the promotion of high-quality transformation and development. Through providing a guarantee for the borrowings of the project company, Envision Enterprise, it can obtain continuous operating funds, ensuring the smooth advancement and implementation of the Koba wind power project. The implementation of the Koba project can effectively promote the Company's "Grand Overseas" development strategy by continuously optimising the "Going Global" cooperation model, assisting in local infrastructure construction, consistently enhancing the corporate brand, and supporting the Company's high-quality development with overseas operational achievements.

To the best of the knowledge, information and belief of the Company having made all reasonable enquiries, IDCOL is a third party independent of the Company and its connected persons.

Directors' View

The Company held the 42nd meeting of the first session of the Board on April 28, 2025, at which the resolution regarding the IDCOL Guarantee was approved. Pursuant to the Listing Rules, Mr. Wang Limin, Mr. Xu Guanshi, Mr. Zhang Hongjie, Mr. Mu Jianwei and Mr. Feng Cheng are deemed to have material interest in the transactions under the IDCOL Guarantee and have abstained from voting on the resolution regarding the IDCOL Guarantee proposed at the Board meeting. Save as disclosed above, no other Director has a material interest in the IDCOL Guarantee.

LETTER FROM THE BOARD

The Board (including the independent non-executive Directors) considers that the terms of the IDCOL Guarantee Agreement are fair and reasonable, that the IDCOL Guarantee is conducted on normal commercial terms or better and is in the interests of the Company and the Shareholders as a whole.

Listing Rules Implications

Shanxi CIII is a subsidiary of Shanxi CIG, the Controlling Shareholder, and Shanxi CIII holds 40% equity interests in Envision Enterprise, thus Envision Enterprise is an associate of Shanxi CIG and is therefore a connected person of the Company. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions under the IDCOL Guarantee exceed 0.1% but are less than 5%, such transactions constitute the connected transactions of the Company and are therefore subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Pursuant to the Articles of Association, the transactions under the IDCOL Guarantee are subject to approval at the general meeting of the Company.

Information on the Parties

The Company

The Company is a construction service provider, and is mainly engaged in specialized industrial construction, specialized auxiliary construction, other construction and non-construction business. The Company is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Shanxi Province.

IDCOL

IDCOL is a company established by the Government of Bangladesh. It received a Non-Banking Financial Institution license from the Bangladesh Central Bank on 5 January 1998. IDCOL is the market leader in financing private sector energy and infrastructure projects in Bangladesh. It plays a pivotal role in driving sustainable development, with a broad range of stakeholders that include the government, private enterprises, non-governmental organizations, multilateral and bilateral institutions, etc.

LETTER FROM THE BOARD

Shanxi CIII

Shanxi CIII is a company established in the PRC with limited liability. Under the guidance of Shanxi CIG's "One Core, Two Wings" "Grand Overseas" strategy, it adheres to the "Belt and Road" initiative of the PRC, promotes interconnectivity of industrial chains and capacity cooperation, and steadfastly advances the "Going Global" pace. It primarily focuses on investment in new energy projects, infrastructure investment, construction and operation, international capacity cooperation, mineral resource development, real estate development, industrial park development, sewage treatment, and international trade.

Envision Enterprise

Envision Enterprise is a company established in Hong Kong with limited liability, and is mainly engaged in, among other things, the design and manufacturing of smart wind turbines, software business for smart wind farms, smart remote diagnosis and technical services, integrated project management service, assets management service and energy investment service. As at the date of this circular, it is held as to 60% by Wuling HongKong International Energy Investment Limited and 40% by Shanxi CIII.

The financial information of Envision Enterprise for the most recent two financial years is as follows:

	As of December 31, 2023 (Unaudited)	As of December 31, 2024 (Unaudited)
<i>Unit: RMB</i>		
Total assets	894,386,036	988,268,815
Revenue	0	74,422,541
Net profit	211,127	849,760

3. ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES

A notice of the AGM is set out on pages 19 to 21 of this circular. A proxy form to be used at the AGM or any adjournment thereof is also enclosed herein and published on the website of HKEx. Shareholders who intend to appoint a proxy to attend the AGM shall complete, sign and return the proxy form in accordance with the instructions printed thereon.

LETTER FROM THE BOARD

As Shanxi CIG (directly and indirectly controlling 1,000,000,000 Shares, representing approximately 72.81% of the issued share capital of the Company as at the date of this circular) has a material interest in the ordinary resolution no. 12 to be proposed at the AGM, Shanxi CIG and its associates are required to abstain from voting for resolution no. 12 at the AGM. Save as disclosed, no Shareholder is required to abstain from voting on the ordinary resolutions to be proposed at the AGM.

For Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarized copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the AGM or any adjournment thereof in order for such documents to be valid.

The register of members of the H Shares will be closed from May 13, 2025 to May 19, 2025 (both days inclusive), during which period no transfer of H Shares will be effected. For unregistered Shareholders who intend to attend the AGM, all share certificates and the relevant transfer documents must be lodged with the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on May 12, 2025. Shareholders whose names appear on the register of members of the H Shares on May 19, 2025 will be entitled to attend and vote at the AGM.

The register of members of the Company's H Shares will be closed from May 29, 2025 to June 4, 2025, both days inclusive, during which period no transfer of H Shares will be registered, in order to determine the Shareholders' entitlement to receive the Final Dividend. The Shareholders who wish to receive the Final Dividend should lodge the transfer documents and relevant share certificates with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 4:30 p.m. on May 28, 2025. Shareholders whose names appear on the register of members of the H Shares on June 4, 2025 will be entitled to receive the Final Dividend, which is subject to the approval of 2024 Profit Distribution Proposal by the Shareholders at the AGM.

4. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the AGM must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions proposed at the AGM will be voted by poll.

5. RECOMMENDATION

The Directors consider that all resolutions proposed at the AGM are in the interests of the Company and its Shareholders as a whole. As such, the Directors recommend the Shareholders to vote in favour of all resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

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

By order of the Board
Shanxi Installation Group Co., Ltd.
山西省安裝集團股份有限公司
Mr. Wang Limin
Chairman and Executive Director

* *For identification purpose only*

The year 2025 is a critical year for the full implementation of the spirit of the 20th Central Committee's Third Plenary Session of the Communist Party, and it marks the concluding year of the 14th Five-Year Plan. In December, the Central Economic Work Conference indicated that by 2025, we should maintain stability while seeking progress, promote stability through progress, uphold integrity and innovation, and prioritize foundational work before breaking new ground. More active fiscal policies and moderately eased monetary policies should be implemented. Shanxi Installation Group Co., Ltd. (hereinafter referred to as “**Shanxi Installation**”) will closely follow the direction of the national policy, focus on the development strategy of “One Core and Two Wings” and insist on the investment ideas of “industrial investment” and “small investment in huge market”. Efforts will be made to promote high quality development with scientific planning for the investment direction in 2025. The investment proposal for 2025 is reported as follows:

2025 INVESTMENT PROPOSAL

1. OVERALL INVESTMENT TARGET FOR THE YEAR

In 2025, Shanxi Installation will closely follow the direction of the national policy, capture the opportunities brought by policies, firmly adhere to the vision of becoming “the most competitive modern construction service provider in China”, and focus on the “one core, two wings” strategy. By leveraging professional advantages and local resource advantages to deeply participate in the entire process of project planning, proposal preparation and implementation, we actively plan a number of high-quality projects, reserve a batch, and implement a batch, comprehensively promoting the investment business development of the Group to reach a new level.

In 2025, the projected new contract amount and planned investment will have a significant proportion in the fields of new energy and low-carbon environmental protection. Both new energy and low-carbon environmental protection belong to emerging industries with tremendous development potential. By closely following market demand and increasing investments in these areas, the Group can enhance its economic benefits, better implement sustainable development strategies, and achieve long-term development goals. At the same time, this will help cultivate four specialized platform companies, namely Shanxi Shan'an Blue Sky Energy Saving Technology Co., Ltd.,* (山西山安藍天節能科技股份有限公司), Shanxi Shan'an Biquan Sponge City Technology Co., Ltd.,* (山西山安碧泉海綿城市科技有限公司), Shanxi Shan'an Maode Distributed Energy Technology Co., Ltd.,* (山西山安茂德多元化能源科技有限公司) and Shanxi Shan'an Lide Environmental Protection Technology Co., Ltd.* (山西山安立德環保科技有限公司), creating new growth points.

2. SCALE OF INVESTMENT, SOURCE OF FUNDS AND LEVEL OF ASSETS AND LIABILITIES

In 2025, the investment projected for completion amounts to RMB1.0 billion (infrastructure of RMB300 million and fixed assets of RMB700 million). The funding is mainly from internal sources and debt financing. In November 2023, Shanxi Installation

raised over HK\$700 million on the HKEx for the investment in new energy and low-carbon environmental protection programs, which can reduce the gearing ratio of Shanxi Installation.

3. INVESTMENT DIRECTIONS AND COMPOSITION

In 2025, the investment directions of the Company include three areas: infrastructure, fixed assets and equity investments.

4. PLANNED INVESTMENT PROJECTS

The total investment planned for completion in 2025 amounts to RMB1.0 billion (infrastructure and fixed assets), involving a total of 72 projects.

According to investment type, there are 31 infrastructure investment projects with investment planned for completion amount to RMB300 million; 41 fixed asset investment projects with investment planned for completion amount to RMB700 million.

According to industry type, there are 22 projects in new energy with investment planned for completion amount to RMB566 million; 18 projects in energy conservation and environmental protection with investment planned for completion amount to RMB343 million; 32 projects in other industries with investment planned for completion amount to RMB91 million.

According to management type, there are 23 projects under the special supervision category with investment planned for completion amount to RMB672 million; 49 projects under the filing category with investment planned for completion amount to RMB328 million.

According to geographical distribution, there are 61 investment project inside the province with investment planned for completion amount to RMB996 million; 11 investment projects outside of the province with investment planned for completion amount to RMB4 million.

According to investment stages, there are 43 new projects with investment planned for completion amount to RMB688 million; 29 on-going projects with investment planned for completion amount to RMB312 million.

On the journey of transformation and upgrade, Shanxi Installation will strive to fulfill the requirements of high-quality development and face up to the complex and changing market environment. We are determined to follow through the strategic deployment of Shanxi CIG, adapt to the new normal of the market economy and implement the new concept of reform and transformation into practice. We adhere to the principle of leveraging “investment financing” and “small investment in a huge market”, and put all our efforts into transformation and upgrade by fully expanding investments in the industry and cultivate new production capacity, to assist in the high-quality development of Shanxi CIG.

** For identification purposes only*



Shanxi Installation Group Co., Ltd.
山西省安装集团股份有限公司

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

(Stock Code: 2520)

NOTICE OF THE 2024 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2024 annual general meeting (the “AGM”) of Shanxi Installation Group Co., Ltd. (the “Company”) will be held at 3:00 p.m. on Monday, May 19, 2025 at the Conference Room, East Side, 2/F, Shanxi Installation Office Building, No. 8 Xinhua Road, Shanxi Transformation and Comprehensive Reform Demonstration Zone, Shanxi Province, PRC for the purpose of considering, and if thought fit, passing the following resolutions. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as defined in the circular of the Company dated April 28, 2025.

ORDINARY RESOLUTIONS

1. To consider and approve the Resolution on the 2024 Annual Report of Shanxi Installation Group Co., Ltd.;
2. To consider and approve the Resolution on the 2024 Financial Report of Shanxi Installation Group Co., Ltd.;
3. To consider and approve the Resolution on the 2024 Work Report of the Board of Directors of Shanxi Installation Group Co., Ltd.;
4. To consider and approve the Resolution on the 2024 Work Report of the Board of Supervisors of Shanxi Installation Group Co., Ltd.;
5. To consider and approve the Resolution on the 2024 Profit Distribution Proposal of Shanxi Installation Group Co., Ltd.;
6. To consider and approve the Resolution on the 2024 Remuneration of Directors and Supervisors of Shanxi Installation Group Co., Ltd.;
7. To consider and approve the Resolution on the 2025 Credit Facilities Guarantees Proposal of Shanxi Installation Group Co., Ltd.;
8. To consider and approve the Resolution on the Proposed Grant of General Mandate to Issue Corporate Bonds;

NOTICE OF THE 2024 ANNUAL GENERAL MEETING

9. To consider and approve the Resolution on the Re-appointment of Auditor for the Year 2025 and Fixing the Auditors' Fees for the Year 2024 of Shanxi Installation Group Co., Ltd.;
10. To consider and approve the Resolution on the 2025 Financial Budget and Donation Expenditure Proposal of Shanxi Installation Group Co., Ltd.;
11. To consider and approve the Resolution on the 2025 Investment Proposal of Shanxi Installation Group Co., Ltd.; and
12. To consider and approve the Resolution on the Provision of IDCOL Guarantee to Envision Enterprise by Shanxi Installation Group Co., Ltd.

By order of the Board
Shanxi Installation Group Co., Ltd.
山西省安裝集團股份有限公司
Mr. Wang Limin
Chairman and Executive Director

Shanxi, the PRC,
April 28, 2025

Notes:

1. The register of members of the Company's H shares will be closed from May 13, 2025 to May 19, 2025 (both days inclusive), during which period no transfer of H shares will be effected. In order for Shareholders to be qualified to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Shares registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on May 12, 2025 for registration.

The Shareholders whose names appear on the register of members of the Company's H shares on May 19, 2025 are entitled to attend and vote at the AGM.

2. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
4. In order to be valid, the proxy form must be deposited, for Shareholders, to the H Shares registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time for holding the AGM. If the proxy form is signed by a person under a power of attorney or other authority, a notarized copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM or any adjourned meetings should they so wish.

NOTICE OF THE 2024 ANNUAL GENERAL MEETING

5. Shareholders shall produce their identification documents and supporting documents in respect of the shares of the Company held when attending the AGM. If corporate Shareholders appoint authorised representative to attend the AGM, the authorised representative shall produce his/her identification documents and a notarized copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate shareholders or other notarized documents allowed by the Company. Proxies shall produce their identification documents and the proxy form signed by the Shareholders or their attorney when attending the AGM.
6. The AGM is expected to take for less than half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
7. All voting at the AGM will be conducted by poll.
8. References to times and dates of this notice are to Hong Kong times and dates

This circular (in both English and Chinese versions) is available on the Company's website at www.sxaz.com.cn.

Shareholders may request for printed copy of the circular free of charge or change their choice of means of receipt and language of the Company's corporate communications by sending reasonable notice in writing to the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or by sending an email to sxaz.ecom@computershare.com.hk.

Shareholders who have chosen to receive the Company's corporate communications in either English or Chinese version will receive both English and Chinese versions of this circular since both languages are bound together into one booklet.