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山高新能源集團有限公司
SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01250)

SHANDONG HI-SPEED HOLDINGS GROUP LIMITED
山高控股集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 412)

JOINT ANNOUNCEMENT

CONNECTED TRANSACTIONS GENERAL CONTRACTOR SERVICES CONTRACTS

GENERAL CONTRACTOR SERVICES CONTRACTS

General Construction Contract I

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), Wuxiang Beiqing, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the General Construction Contract I with Zhonggong Wuda and China Railway Long Construction, pursuant to which Zhonggong Wuda and China Railway Long Construction agreed to act as the Contractors for the construction of Project I at an aggregate contracting fee of RMB149,170,769 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

General Construction Contract II

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), Tibet Fuhua, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the General Construction Contract II with Shandong Luqiao, pursuant to which Shandong Luqiao agreed to act as the contractor for the construction improvement work under Project II, at an aggregate contracting fee of RMB1,521,168.69 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

General Construction Contract III

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), JNHS New Energy Technology, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the General Construction Contract III with Shandong Luqiao and Shandong Yuantai, pursuant to which Shandong Luqiao and Shandong Yuantai agreed to act as the contractors for the construction of Project III at an aggregate contracting fee of RMB7,035,181.63 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

Design Services Agreements

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), (i) Beijing Clean Energy Electricity, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the Design Services Framework Agreement with Shandong Transportation Planning and Design Institute and Shandong Shenghe; and (ii) JNHS New Energy Technology, a direct wholly-owned subsidiary of Beijing Clean Energy Electricity, entered into the Survey Design Agreement with Shandong Transportation Planning and Design Institute and Shandong Shenghe, pursuant to the Design Services Agreements, Shandong Transportation Planning and Design Institute and Shandong Shenghe agreed to act as the contracting designers for the provision of the construction engineering survey and design services for Project IV at an aggregate contracting fee of RMB94,267.80 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, save for Shandong Yuantai and Shandong Shenghe which are Independent Third Parties, (i) each of Zhonggong Wuda, China Railway Long Construction, Shandong Luqiao and Shandong Transportation Planning and Design Institute is an indirect non-wholly owned subsidiary of Shandong Hi-Speed Group; (ii) Shandong Hi-Speed Group through various entities owns an aggregate of approximately 43.44% of the issued share capital of SDHG and approximately 43.45% of the issued share capital of SHNE; and (iii) SHNE is an indirect non-wholly owned subsidiary of SDHG. Shandong Hi-Speed Group is therefore an indirect controlling shareholder and a connected person of each of SHNE and SDHG under Chapter 14A of the Listing Rules. Accordingly, each of Zhonggong Wuda, China Railway Long Construction, Shandong Luqiao and Shandong Transportation Planning and Design Institute is therefore an associate of Shandong Hi-Speed Group and therefore a connected person of each of SHNE and SDHG under Chapter 14A of the Listing Rules.

Each of Wuxiang Beiqing, Tibet Fuhua, JNHS New Energy Technology and Beijing Clean Energy Electricity is an indirect non-wholly owned subsidiary of each of SHNE and SDHG. Accordingly, each of the transactions contemplated under the General Construction Contract I, General Construction Contract II, General Construction Contract III and Design Services Agreements constitutes a connected transaction for both SHNE and SDHG pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were otherwise related. General Construction Contract I, General Construction Contract II, General Construction Contract III and Design Services Agreements are conducted by the subsidiaries of each of SHNE and SDHG with entities which are direct or indirect non-wholly owned subsidiaries of Shandong Hi-Speed Group (save for Shandong Yuantai and Shandong Shenghe which are Independent Third Parties), and the transactions under the General Contractor Services Contracts are of the same nature. Accordingly, such transactions shall be aggregated.

SHNE

As at the date of this joint announcement, as one or more of the applicable percentage ratios set out in the Listing Rules in respect of the transactions contemplated under General Contractor Services Contracts exceed 0.1% but are all less than 5% for SHNE, the entering into of the General Contractor Services Contracts is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for SHNE.

SDHG

As at the date of this joint announcement, as one or more of the applicable percentage ratios set out in the Listing Rules in respect of the transactions contemplated under General Contractor Services Contracts exceed 0.1% but are all less than 5% for SDHG, the entering into of the General Contractor Services Contracts is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for SDHG.

GENERAL CONTRACTOR SERVICES CONTRACTS

General Construction Contract I

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), Wuxiang Beiqing, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the General Construction Contract I with Zhonggong Wuda and China Railway Long Construction, pursuant to which Zhonggong Wuda and China Railway Long Construction agreed to act as the Contractors for the construction of Project I at an aggregate contracting fee of RMB149,170,769 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

The major terms of the General Construction Contract I are as follows:

Date

20 October 2022

Parties

- (i) Wuxiang Beiqing (as employer);
- (ii) Zhonggong Wuda (as contractor); and
- (iii) China Railway Long Construction (as contractor).

Scope of services

The services in relation to Project I to be provided by the Contractors to Wuxiang Beiqing include, *inter alia*, (i) procurement of certain equipment, transportation services, loading and unloading of equipment, warehousing, photovoltaic power plant and step-up substation construction and installation works, construction and installation of cable connectors, construction of access roads, fencing and gates, water conservation and environmental engineering, garbage disposal services, water and electrical supply engineering and construction works, construction of temporary office, living quarters and network services, commissioning and establishment of the photovoltaic power plant to ensure that it is safe and stable for operation and performing relevant reliability and pre-acceptance testing procedures; (ii) organising examination and testing procedures on fire and lightning protection works; (iii) performing power plant performance testing procedures; (iv) System Access Engineering and Construction; and (v) purchase of relevant insurances to insure against the risks associated with the entire engineering, procurement and construction works, third party liability, warranties and services to be provided by the Contractors during the relevant warranty period and after-sales services.

The Contractors shall remedy any failures or defects during the 12-month warranty period of Project I under the General Construction Contract I.

Construction period

Expected construction commencement date: upon receipt of the formal notification from Wuxiang Beiqing to Zhonggong Wuda and China Railway Long Construction

Expected completion date: 30 June 2023

Contracting fee

The total contracting fee under the General Construction Contract I payable by Wuxiang Beiqing to the Contractors is RMB149,170,769 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

It is expected that the contracting fee under the General Construction Contract I will be funded by the internal resources of the SHNE Group.

Payment terms

(i) Advance payments

Wuxiang Beiqing shall pay the Contractors (i) 10% of the contract price (minus the provisional estimate); and (ii) 10% of the foundation handling cost of the provisional estimate, within one month of the date of signing of the General Construction Contract I or no later than seven days prior to the construction commencement date.

(ii) Milestone Payment

Subject to the receipt and acceptance of the relevant supporting documents, Wuxiang Beiqing shall pay the Contractors the remaining contracting fee in stages based on the progress of the relevant works to be provided by the Contractors under the General Construction Contract I, which shall be up to 97%.

(iii) Quality Assurance Fund

After the first anniversary of the relevant construction warranty period, if there are no deficiencies with respect to the quality of the construction works undertaken by the Contractors under the General Construction Contract I, Wuxiang Beiqing shall issue the warranty end certificate. The Contractors can apply for the payment by Wuxiang Beiqing of the remaining outstanding contracting fee, which shall be up to 3% and payable within 28 days after such applications from the Contractors.

Performance Guarantee by the Contractors

Within 15 business days after the date of signing of the General Construction Contract I, the Contractors shall provide to Wuxiang Beiqing an unconditional and irrevocable guarantee in an amount which equals to 10% of the total contracting fee and shall be valid until the completion of relevant examination and testing procedures.

General Construction Contract II

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), Tibet Fuhua, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the General Construction Contract II with Shandong Luqiao, pursuant to which Shandong Luqiao agreed to act as the contractor for the construction improvement work under Project II, at an aggregate contracting fee of RMB1,521,168.69 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

The major terms of the General Construction Contract II are as follows:

Date

20 October 2022

Parties

- (i) Tibet Fuhua (as employer); and
- (ii) Shandong Luqiao (as contractor).

Scope of services

The services in relation to Project II to be provided by Shandong Luqiao to Tibet Fuhua include, *inter alia*, survey and design, construction and installation, procurement and demolishing of equipment and materials and garbage disposal services.

Shandong Luqiao shall remedy any failures or defects during the 12-month warranty period of Project II under the General Construction Contract II.

Construction period

Expected construction period: within 2 months from the construction commencement date

Contracting fee

The total contracting fee under the General Construction Contract II payable by Tibet Fuhua to Shandong Luqiao is RMB1,521,168.69 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

It is expected that the contracting fee under the General Construction Contract II will be funded by the internal resources of the SHNE Group.

Payment terms

(i) Advance Payment

After the signing of the General Construction Contract II, a deposit of the sum equals to 10% of the total contracting fee under the General Construction Contract II shall be payable within 10 business days after confirmation by Tibet Fuhua on being satisfied for the relevant documents from Shandong Luqiao required under General Construction Contract II.

(ii) Milestone Payment

Subject to the receipt and acceptance of the relevant supporting documents, Tibet Fuhua shall pay Shandong Luqiao the remaining contracting fee, up to 97% of the total contracting fee, in stages based on the progress of the relevant works to be provided by Shandong Luqiao under the General Construction Contract II.

(iii) Quality Assurance Fund

After the first anniversary of the relevant construction warranty period, if there are no deficiencies with respect to the quality of the construction works undertaken by Shandong Luqiao under the General Construction Contract II, Tibet Fuhua shall issue the warranty end certificate.

Shandong Luqiao can apply for the payment by Tibet Fuhua of the remaining outstanding contracting fee of up to 3% of the total contracting fee upon the end of the 12-month warranty period of Project II, which shall be payable within 10 business days after such application from Shandong Luqiao.

General Construction Contract III

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), JNHS New Energy Technology, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the General Construction Contract III with Shandong Luqiao and Shandong Yuantai, pursuant to which Shandong Luqiao and Shandong Yuantai agreed to act as the contractors for the construction of Project III at an aggregate contracting fee of RMB7,035,181.63 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

The major terms of the General Construction Contract III are as follows:

Date

20 October 2022

Parties

- (i) JNHS New Energy Technology (as employer);
- (ii) Shandong Luqiao (as contractor); and
- (iii) Shandong Yuantai (as contractor).

Scope of services

The services in relation to Project III to be provided by Shandong Luqiao and Shandong Yuantai to JNHS New Energy Technology include, *inter alia*, (i) procurement of equipment, transportation services, loading and unloading of equipment, warehousing, civil engineering and installation work of the project, system cleaning, construction and installation of cable connectors, monitoring of security system, garbage removal and transportation, performing all tests and obtaining the necessary test reports required for grid connection acceptance procedures; and (ii) purchase of relevant insurances to insure against the risks associated with the entire procurement and construction works, third party liability, warranties and services to be provided by Shandong Luqiao and Shandong Yuantai during the relevant warranty period and after-sales services.

Shandong Luqiao and Shandong Yuantai shall remedy any failures or defects during the 12-month warranty period of Project III under the General Construction Contract III.

Construction period

Expected construction commencement date: 20 October 2022

Expected completion date: 30 December 2022

Contracting fee

The total contracting fee under the General Construction Contract III payable by JNHS New Energy Technology to Shandong Luqiao and Shandong Yuantai is RMB7,035,181.63 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

It is expected that the contracting fee under the General Construction Contract III will be funded by the internal resources of the SHNE Group.

Payment terms

(i) Advance Payment

JNHS New Energy Technology shall pay Shandong Luqiao and Shandong Yuantai 10% of the contracting price (after deducting the provisional amount), payable within one month of the date of signing of the General Construction Contract III or no later than seven days prior to the project commencement date.

(ii) Milestone Payment

Subject to the receipt and acceptance of the relevant supporting documents, JNHS New Energy Technology shall pay Shandong Luqiao and Shandong Yuantai the remaining contracting fee, up to a total of 97% of the construction and installation fees and other fees and a total of 90% of the expenses for equipment purchased and supplied by Shandong Luqiao, in stages based on the progress of the relevant works to be provided by Shandong Luqiao and Shandong Yuantai under the General Construction Contract III.

(iii) Quality Assurance Fund

After the first anniversary of the relevant construction warranty period, if there are no deficiencies with respect to the quality of the construction works undertaken by the Shandong Luqiao and Shandong Yuantai under the General Construction Contract III, JNHS New Energy Technology shall issue the warranty end certificate. Shandong Luqiao and Shandong Yuantai can apply for the payment by JNHS New Energy Technology of the remaining outstanding contracting fee of up to a total of 3% of the construction and installation fees and other fees and a total of 10% of the expenses for equipment purchased and supplied by Shandong Luqiao, which shall be payable within 28 days after such applications from Shandong Luqiao and Shandong Yuantai.

Performance Guarantee by Shandong Luqiao and Shandong Yuantai

Within 15 business days after the date of signing of the General Construction Contract III, Shandong Luqiao and Shandong Yuantai shall provide to JNHS New Energy Technology an unconditional and irrevocable guarantee in an amount which equals to 10% of the total contracting fee, and shall be valid until the completion of the relevant examination and testing procedures.

Design Services Agreements

Each of the SHNE Board and the SDHG Board announces that on 20 October 2022 (after trading hours), (i) Beijing Clean Energy Electricity, an indirect non-wholly owned subsidiary of each of SHNE and SDHG, entered into the Design Services Framework Agreement with Shandong Transportation Planning and Design Institute and Shandong Shenghe; and (ii) JNHS New Energy Technology, a direct wholly-owned subsidiary of Beijing Clean Energy Electricity, entered into the Survey Design Agreement with Shandong Transportation Planning and Design Institute and Shandong Shenghe, pursuant to the Design Services Agreements, Shandong Transportation Planning and Design Institute and Shandong Shenghe agreed to act as the contracting designers for the provision of the construction engineering survey and design services for Project IV at an aggregate contracting fee of RMB94,267.80 (inclusive of all taxes) (subject to adjustment in case of change in national tax policies).

The major terms of the Design Services Agreements are as follows:

Date

20 October 2022

Parties under the Design Services Framework Agreement

- (i) Beijing Clean Energy Electricity (as employer);
- (ii) Shandong Transportation Planning and Design Institute (as contracting designer); and
- (iii) Shandong Shenghe (as contracting designer).

Parties under the Survey Design Agreement

- (i) JNHS New Energy Technology, being a direct wholly-owned subsidiary of Beijing Clean Energy Electricity (as employer);
- (ii) Shandong Transportation Planning and Design Institute (as contracting designer); and
- (iii) Shandong Shenghe (as contracting designer).

Scope of services

Pursuant to the Design Services Framework Agreement, Shandong Transportation Planning and Design Institute and Shandong Shenghe shall provide relevant construction engineering survey and design services in relation to Project IV which is located at the service areas of 京台高速 (Beijing-Taipei Expressway*) and 青銀高速 (Qingdao-Yinchuan Expressway*) to Beijing Clean Energy Electricity or third parties designated by Beijing Clean Energy Electricity.

Pursuant to the Survey Design Agreement, the construction engineering survey and design services in relation to Project IV to be provided by Shandong Transportation Planning and Design Institute and Shandong Shenghe to JNHS New Energy Technology include, *inter alia*, the following:

- (i) Construction design – design of distributed photovoltaic power generation system, site mapping, construction drawings and completion drawings;
- (ii) Technical and economic design – preliminary design budget, list of construction work under the construction drawings, coordination of equipment and materials procurement and preparation of technical specifications in tender documents; and
- (iii) Technical services design – budget, verification and settlement of construction works, ensure the know-how management and coordination for the work subcontracted to other parties conform with the overall design of the project; on-site services and coordination of the engineering designers during the construction period, participation in the concealed engineering works acceptance assessment and completion acceptance assessment.

Service period

Shandong Transportation Planning and Design Institute and Shandong Shenghe are expected to provide services in accordance with the progress of Project IV and requirements from JNHS New Energy Technology, particularly the date for turning around the preliminary design, construction drawings design progress plan and equipment specification is expected to be within 10 business days after confirming the tender award to Shandong Transportation Planning and Design Institute and Shandong Shenghe and the date for turning around the completion drawings is expected to be 10 business days after the completion acceptance assessment of Project IV.

Contracting fee

The total contracting fee under the Design Services Agreements payable by JNHS New Energy Technology to Shandong Transportation Planning and Design Institute and Shandong Shenghe is RMB0.054 per watt (inclusive of all taxes) (subject to adjustment in case of change in national tax policies), which amounted to RMB94,267.80 in aggregate.

It is expected that the contracting fee under the Design Services Agreements will be funded by the internal resources of the SHNE Group.

Payment terms

Subject to the receipt and acceptance of the relevant system design, drawings, reports, and relevant supporting documents, JNHS New Energy Technology shall pay Shandong Transportation Planning and Design Institute and Shandong Shenghe the total contracting fee in stages based on the services provided for different phases of Project IV by Shandong Transportation Planning and Design Institute and Shandong Shenghe under the Design Services Agreements.

APPROVAL BY THE SHNE BOARD AND THE SDHG BOARD

SHNE Board Approval

None of the SHNE Directors has any material interest in the General Contractor Services Contracts and the transactions contemplated thereunder and no SHNE Director is required to abstain from voting on the relevant board resolutions. However, to avoid any potential conflict of interest, Mr. Wang Xiaodong, Mr. Zhu Jianbiao, Mr. Wang Wenbo and Ms. Liao Jianrong had voluntarily abstained from voting on the resolutions of the SHNE Board approving the General Contractor Services Contracts and the transactions contemplated thereunder.

SDHG Board Approval

None of the SDHG Directors has any material interest in the General Contractor Services Contracts and the transactions contemplated thereunder and no SDHG Director is required to abstain from voting on the relevant board resolutions. However, to avoid any potential conflict of interest, Mr. Wang Xiaodong, Mr. Liu Zhijie, Mr. Liu Yao, Mr. Liang Zhanhai and Mr. Wang Wenbo had voluntarily abstained from voting on the resolutions of the SDHG Board approving the General Contractor Services Contracts and the transactions contemplated thereunder.

Save as disclosed above, no other SHNE Director or SDHG Director had abstained from voting on the board resolution(s) at relevant board meetings approving the General Contractor Services Contracts and the transactions contemplated thereunder.

REASONS FOR AND BENEFITS OF THE GENERAL CONTRACTOR SERVICES CONTRACTS AND BASIS OF CONSIDERATION

Reasons and Benefits

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. It has always been the aspiration of SHNE to promote the revolution in energy production and consumption as well as to build a clean, low-carbon, safe and efficient energy system. The SDHG Group adhered to the concept of long-term value investment and remained optimistic about the positive development of China's economy. It actively integrates its business into the new development pattern in the clean energy field and actively promotes projects in this field which are strongly supported by the Chinese government under the 14th Five-Year Plan to achieve a carbon dioxide emissions peak in 2030 and carbon neutrality in 2060. Each of SHNE and SDHG is of the view that implementation of the Projects would promote the use of clean energy, provide a continuous supply of clean electricity through photovoltaic power generation, and store the surplus electricity to improve energy conversion efficiency and reduce energy costs for local residents.

Basis of Consideration

The SHNE Group invited public tender for the construction under Project I and Project II and invited (i) Shandong Luqiao and Shandong Yuantai; and (ii) Shandong Transportation Planning and Design Institute and Shandong Shenghe to submit tender for the works under Project III and Project IV, respectively. The SHNE Group selected Zhonggong Wuda and China Railway Long Construction as the tender winners for Project I, Shandong Luqiao as the tender winner for Project II, awarded Project III to Shandong Luqiao and Shandong Yuantai, and Project IV to Shandong Transportation Planning and Design Institute and Shandong Shenghe, after conducting relevant evaluation procedures. Having taking into consideration of various factors, including but not limited to technical experience, professional qualifications, business reputation and project management abilities of all the tenderers, and total expected expenses, the advice from independent tender consultants and internal staff with solid industry experience, long established relationship between the SDHG Group and Shandong Hi-Speed Group and the project resources would be obtained with the assistance of Shandong Hi-Speed Group, the SHNE Board and SDHG Board considered that the contractors selected are appropriate choices to carry out the relevant works under the General Contractor Services Contracts. The total contracting fee under each of the General Construction Contract I, the General Construction Contract II, the General Construction Contract III and the Design Services Agreements was determined after arm's length negotiation between the parties on normal commercial terms with reference to, *inter alia*, (i) relevant services required by the

SHNE Group and the SDHG Group, (ii) the relevant design, procurement and construction costs, (iii) the prevailing market price for the similar services, and (iv) the price of similar service contracts that the SHNE Group procured from other Independent Third Parties. The SHNE Board and the SDHG Board are of the view that the total contracting fee under each of the General Construction Contract I, the General Construction Contract II, the General Construction Contract III and the Design Services Agreements is fair and reasonable, and is compatible to the prevailing rates or is at better terms than those procured by other project companies for comparable jobs in the market. The SHNE Directors and the SDHG Directors are of the view that the contracting fee under each of the General Construction Contract I, the General Construction Contract II, the General Construction Contract III and the Design Services Agreements and their respective terms are no less favourable to SHNE Group and SDHG Group than those available from Independent Third Parties.

Each of the SHNE Board and the SDHG Board (including their respective independent non-executive directors) is of the view that the General Contractor Services Contracts are entered into in the ordinary and usual course of business and are on normal commercial terms or better, and the terms of which are fair and reasonable and in the interests of each of SHNE and SDHG and their respective shareholders as a whole.

INFORMATION OF THE PARTIES

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.

SDHG and the SDHG Group

SDHG 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 SDHG Group is principally engaged in industrial investment, standard investment business, non-standard business and licensed financial services.

Wuxiang Beiqing

As at the date of this joint announcement, Wuxiang Beiqing is indirectly non-wholly owned as to 95% by Beiqing Smart and is principally engaged in the generation, transmission, and supply of electric power as well as provision of technical services in the wind power business.

Tibet Fuhua

As at the date of this joint announcement, Tibet Fuhua is indirectly wholly owned by Beiqing Smart and is principally engaged in the installation, repairing, testing and maintenance of electric power equipment and facilities and provision of relevant technical support and consultation services.

JNHS New Energy Technology

As at the date of this joint announcement, JNHS New Energy Technology is indirectly wholly owned by Beiqing Smart and is principally engaged in the new energy technology research and development, power generation and energy storage technical services and engineering management services.

Beijing Clean Energy Electricity

As at the date of this joint announcement, Beijing Clean Energy Electricity is indirectly wholly owned by Beiqing Smart and is principally engaged in the development, construction, operation and maintenance services for photovoltaic power generation projects and provision of engineering project management and contract energy management services.

Beiqing Smart

As at the date of this joint announcement, Beiqing Smart is owned as to (i) approximately 80.24% by Tianjin Fuqing, an indirect wholly owned subsidiary of each of SHNE and SDHG; (ii) approximately 5.08% by Tianjin Ping An (Limited Partnership); and (iii) approximately 14.68% in aggregate by 16 institutional investors and none of these institutional investors individually holds more than 5% of the equity interests in Beiqing Smart. It was established in the PRC and is principally engaged in the investment and development of photovoltaic power businesses and wind power businesses in the PRC.

Zhonggong Wuda

As at the date of this joint announcement, Zhonggong Wuda is directly owned as to 51% by Shandong Expressway Road&Bridge Investment and 49% by 武漢大學資產經營投資管理有限責任公司 (Wuhan University Asset Management Investment Management Co., Ltd.*). Shandong Expressway Road&Bridge Investment is a direct wholly owned subsidiary of SDHS Road&Bridge Group which is in turn directly and indirectly owned as to approximately 55.70% in aggregate by Shandong Hi-Speed Group, an indirect controlling shareholder of each of SHNE and SDHG. It was established in the PRC and is principally engaged in design in industrial and civil buildings, water conservancy industry and electric power industry, provision of landscaping work and engineering surveying services.

武漢大學資產經營投資管理有限責任公司 (Wuhan University Asset Management Investment Management Co., Ltd.*), a company established in the PRC, is a wholly owned subsidiary of Wuhan University (武漢大學) and principally engaged in assets and investment management. Wuhan University is a public institution (事業單位) in the PRC funded by the PRC Government.

China Railway Long Construction

As at the date of this joint announcement, China Railway Long Construction is directly owned as to approximately 49.82% by Shandong Expressway Road&Bridge Investment, 49.82% by 成都凱祺瑞企業管理有限公司 (Chengdu Kai Qi Rui Business Management Co., Ltd.*) and 0.36% by Mr. Zhang Weixuan (張偉瑄). Shandong Expressway Road&Bridge Investment is a direct wholly owned subsidiary of SDHS Road&Bridge Group which is in turn directly and indirectly owned as to approximately 55.70% in aggregate by Shandong Hi-Speed Group, an indirect controlling shareholder of each of SHNE and SDHG. It was established in the PRC and is principally engaged in construction material production and processing, gas and heat supply facilities construction, solid waste management and provision of mechanical and electrical installation work.

成都凱祺瑞企業管理有限公司 (Chengdu Kai Qi Rui Business Management Co., Ltd.*), a company established in the PRC, is owned as to approximately 3.46% by Mr. Zhang Weixuan (張偉瑄) and approximately 96.54% by Ranken Holding Co., Limited, which is a company incorporated in Hong Kong and is in turn directly wholly owned by Sapphire Corporation Limited, a company incorporated as a limited liability in Singapore and is listed on the Singapore Exchange (SGX: BRD). Sapphire Corporation Limited is principally engaged in investment management, provision of management services and holding company and its subsidiaries are principally engaged in enterprise management, engineering information and technology consultation, equipment maintenance and leasing, and property management and consulting services. According to the annual report of Sapphire Corporation Limited for the year ended 31 December 2021, the shares in the company were held as to approximately 42.08% by Best Feast Limited, which is indirectly wholly owned by Ms. Wang Heng, approximately 14.23% by Ou Rui Limited, which is directly wholly owned by Mr. Li Xiaobo and approximately 43.69% by public shareholders. To the best knowledge, information and belief of the SHNE Directors and the SDHG Directors, after having made all reasonable enquiries, Mr. Zhang Weixuan (張偉瑄), Ms. Wang Heng and Mr. Li Xiaobo are Independent Third Parties.

Shandong Luqiao

As at the date of this joint announcement, Shandong Luqiao is a direct wholly owned subsidiary of SDHS Road&Bridge Group which is in turn directly and indirectly owned as to approximately 55.70% in aggregate by Shandong Hi-Speed Group, an indirect controlling shareholder of each of SHNE and SDHG. It was established in the PRC and is principally engaged in the sales of construction materials and machinery for construction projects, manufacturing and sales of cement products and concrete structure components, provision of testing and inspection services for highway and solid waste management services.

SDHS Road&Bridge Group

As at the date of this joint announcement, SDHS Road&Bridge Group is directly and indirectly owned as to approximately 55.70% in aggregate by Shandong Hi-Speed Group. It is a company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000498) and is principally engaged in road and bridge construction and relevant maintenance construction.

Shandong Yuantai

As at the date of this joint announcement, Shandong Yuantai is directly owned as to approximately 97.92% by Han Yanjun (韓衍軍) and approximately 2.08% by Geng Xiaodi (耿小迪). It is a company established in the PRC and is principally engaged in the research and development of high-efficiency and energy-saving technologies in the power industry and manufacturing of electrical facilities and equipment.

To the best knowledge, information and belief of the SHNE Directors and the SDHG Directors, after having made all reasonable enquiries, Han Yanjun (韓衍軍) and Geng Xiaodi (耿小迪) are Independent Third Parties.

Shandong Transportation Planning and Design Institute

As at the date of this joint announcement, Shandong Transportation Planning and Design Institute is directly owned as to 95% by Shandong Hi-Speed Group and 5% by 山東易方達建設項目管理有限公司 (Shandong Yifangda Construction Project Management Co., Ltd.*). It is a company established in the PRC and is principally engaged in design, testing, scientific research and related technical services for construction projects.

山東易方達建設項目管理有限公司 (Shandong Yifangda Construction Project Management Co., Ltd.*), a company established in the PRC, is principally engaged in engineering project management, government procurement and engineering consulting and directly wholly owned by 濟南城市建設集團有限公司 (Jinan Urban Construction Group Co., Ltd.*), which is in turn owned as to approximately 91.85% by the State-owned Assets Supervision and Administration Commission of Jinan Provincial Government and approximately 8.15% by 山東省財欣資產營運有限公司 (Shandong Caixin Assets Operation Co., Ltd.*), which is wholly owned by Shandong Provincial Department of Finance.

Shandong Shenghe

As at the date of this joint announcement, Shandong Shenghe is directly owned as to 40% by Zhang Tao (張濤), 20.5% by Li Zhijun (李志軍), 16.5% by Xu Shijuan (徐世娟), 15% by Zhang Yong (張永) and 8% by Wang Guodong (王國棟). It is a company established in the PRC and is principally engaged in electric power engineering design and technical consulting and general contracting of electric power engineering construction.

To the best knowledge, information and belief of the SHNE Directors and the SDHG Directors, after having made all reasonable enquiries, Zhang Tao (張濤), Li Zhijun (李志軍), Xu Shijuan (徐世娟), Zhang Yong (張永) and Wang Guodong (王國棟) are Independent Third Parties.

Shandong Hi-Speed Group

As at the date of this joint announcement, Shandong Hi-Speed Group is (i) directly and indirectly held as to 90% by the State-owned Assets Supervision and Administration Commission of Shandong Provincial Government; and (ii) directly held as to 10% by Shandong Provincial Council for Social Security Fund, a governmental institution set up by the 山東省人民政府 (Shandong Provincial People's Government*). Shandong Hi-Speed Group is an investment holding company in the infrastructure sector in Shandong Province with total assets of more than RMB1.2 trillion. It operates and manages nearly 8,000 kilometres of expressways and has invested in six publicly listed companies the shares of which are listed on the stock exchanges in Hong Kong, Shanghai and Shenzhen. It has been awarded domestic AAA-level and international A-level credit ratings. It has also been ranked as one of the "Top 500 Chinese Enterprises" for 15 consecutive years and it made its debut on the "Fortune 500" in 2022.

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, save for Shandong Yuntai and Shandong Shenghe which are Independent Third Parties, (i) each of Zhonggong Wuda, China Railway Long Construction, Shandong Luqiao and Shandong Transportation Planning and Design Institute is an indirect non-wholly owned subsidiary of Shandong Hi-Speed Group; (ii) Shandong Hi-Speed Group through various entities owns an aggregate of approximately 43.44% of the issued share capital of SDHG and approximately 43.45% of the issued share capital of SHNE; and (iii) SHNE is an indirect non-wholly owned subsidiary of SDHG. Shandong Hi-Speed Group is therefore an indirect controlling shareholder and a connected person of each of SHNE and SDHG under Chapter 14A of the Listing Rules. Accordingly, each of Zhonggong Wuda, China Railway Long Construction, Shandong Luqiao and Shandong Transportation Planning and Design Institute is therefore an associate of Shandong Hi-Speed Group and therefore a connected person of each of SHNE and SDHG under Chapter 14A of the Listing Rules.

Each of Wuxiang Beiqing, Tibet Fuhua, JNHS New Energy Technology and Beijing Clean Energy Electricity is an indirect non-wholly owned subsidiary of each of SHNE and SDHG. Accordingly, each of the transactions contemplated under the General Construction Contract I, the General Construction Contract II, the General Construction Contract III and the Design Services Agreements constitutes a connected transaction for both SHNE and SDHG under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all completed within a 12-month period or were otherwise related. General Construction Contract I, General Construction Contract II, General Construction Contract III and Design Services Agreements are conducted by subsidiaries of each of SHNE and SDHG with entities which are direct or indirect non-wholly owned subsidiaries of Shandong Hi-Speed Group (save for Shandong Yuantai and Shandong Shenghe which are Independent Third Parties), and the transactions under the General Contractor Services Contracts are of the same nature. Accordingly, such transactions shall be aggregated.

SHNE

As at the date of this joint announcement, as one or more of the applicable percentage ratios set out in the Listing Rules in respect of the transactions contemplated under General Contractor Services Contracts exceed 0.1% but are all less than 5% for SHNE, the entering into of the General Contractor Services Contracts is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for SHNE.

SDHG

As at the date of this joint announcement, as one or more of the applicable percentage ratios set out in the Listing Rules in respect of the transactions contemplated under General Contractor Services Contracts exceed 0.1% but are all less than 5% for SDHG, the entering into of the General Contractor Services Contracts is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for SDHG.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms have the following meanings:

“associates”	has the meaning ascribed to it under the Listing Rules
“Beiqing Smart”	天津北清電力智慧能源有限公司 (Tianjin Beiqing Electric Smart Energy Co., Ltd.*), a company established in the PRC with limited liability
“Beijing Clean Energy Electricity”	北控清潔能源電力有限公司 (Beijing Enterprises Clean Energy Electricity Company Limited*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of each of SHNE and SDHG as at date of this joint announcement
“China Railway Long Construction”	中鐵隆工程集團有限公司 (China Railway Long Construction Group Limited*), a company established in the PRC with limited liability
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Contractor(s)”	China Railway Long Construction and Zhonggong Wuda
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“Design Services Agreements”	collectively, the Design Services Framework Agreement and the Survey Design Agreement
“Design Services Framework Agreement”	the design services framework agreement dated 20 October 2022 entered into among Beijing Clean Energy Electricity, Shandong Transportation Planning and Design Institute and Shandong Shenghe in relation to Project IV which is located at the service areas of 京台高速 (Beijing-Taipei Expressway*) and 青銀高速 (Qingdao-Yinchuan Expressway*)

“General Construction Contract I”	the general construction contract dated 20 October 2022 entered into among Wuxiang Beijing, Zhonggong Wuda and China Railway Long Construction in relation to Project I
“General Construction Contract II”	the engineering, procurement, and construction (EPC) general construction contract dated 20 October 2022 entered into between Tibet Fuhua, and Shandong Luqiao in relation to Project II
“General Construction Contract III”	the procurement and construction (PC) general construction contract dated 20 October 2022 entered into among JNHS New Energy Technology, Shandong Luqiao and Shandong Yuantai in relation to Project III
“General Contractor Services Contracts”	collectively General Construction Contract I, General Construction Contract II, General Construction Contract III and Design Services Agreements
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of any member of the SHNE Group, the SDHG Group, the SHNE Directors, the SDHG Directors, the chief executives, the controlling shareholders, the substantial shareholders of each of SHNE and SDHG or their subsidiaries, and their respective associates
“JNHS New Energy Technology”	濟南山高新能源科技有限公司 (Jinan Shandong Hi-Speed New Energy Technology Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of each of SHNE and SDHG as at date of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatt

“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Project I”	a project in relation to integration of agriculture and photovoltaic power storage located in 韓北鎮 (Hanbei Town*), 武鄉縣 (Wuxiang County*), 長治市 (Changzhi City*), Shanxi Province of the PRC, which involves the construction of a 100MW photovoltaic power plant
“Project II”	a project in relation to improvement of power generation stations and step-up substations at (i) 懷仁中晟光伏電站 (Huairen Zhongcheng Photovoltaic Power Station*) located in 懷仁鎮 (Huairen Town*), 商河縣 (Shanghe County*), 濟南市 (Jinan City*), Shandong Province of the PRC and (ii) 長峽光伏電站 (Changxia Photovoltaic Power Station*) located in 歸德鎮 (Guide Town*), 長清區 (Changqing District*), 濟南市 (Jinan City*), Shandong Province of the PRC
“Project III”	a project in relation to 1.745MW distributed photovoltaic power generation facilities and equipment at 濟南崗山服務區 (Jinan Gushan Service Area*), located at 京台高速 (Beijing-Taipei Expressway*) 426 kilometers, 濟南市 (Jinan City*), Shandong Province of the PRC
“Project IV”	a project in relation to the distributed photovoltaic power generation facilities located at the service areas of 京台高速 (Beijing-Taipei Expressway*) and 青銀高速 (Qingdao-Yinchuan Expressway*)
“Projects”	collectively Project I, Project II, Project III and Project IV
“RMB”	Renminbi, the lawful currency of the PRC

“SDHG”	Shandong Hi-Speed Holdings Group Limited (山高控股集團有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 412)
“SDHG Board”	the board of directors of SDHG
“SDHG Directors”	the directors of SDHG
“SDHG Group”	SDHG and its subsidiaries
“SHNE”	Shandong Hi-Speed New Energy Group Limited (山高新能源集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1250)
“SHNE Board”	the board of directors of SHNE
“SHNE Directors”	the directors of SHNE
“SHNE Group”	SHNE and its subsidiaries
“SDHS Road&Bridge Group”	山東高速路橋集團股份有限公司 (Shandong Hi-Speed Road&Bridge Group Co., Ltd.*), a company established in the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000498)
“Shandong Expressway Road&Bridge Investment”	山東高速路橋投資管理有限公司 (Shandong Expressway Road&Bridge Investment Management Co., Ltd.*), a company established in the PRC with limited liability
“Shandong Hi-Speed Group”	山東高速集團有限公司 (Shandong Hi-Speed Group Co., Ltd.*), a company established in the PRC with limited liability and an indirect controlling shareholder of each of SDHG and SHNE

“Shandong Luqiao”	山東省路橋集團有限公司 (Shandong Luqiao Group Co., Ltd.*), a company established in the PRC with limited liability
“Shandong Shenghe”	山東盛合電力工程設計有限公司 (Shandong Shenghe Electric Power Engineering Design Co., Ltd.*), a company established in the PRC with limited liability
“Shandong Transportation Planning and Design Institute”	山東省交通規劃設計院集團有限公司 (Shandong Transportation Planning and Design Institute Group Co., Ltd.*), a company established in the PRC with limited liability
“Shandong Yuantai”	山東源泰電力科技有限公司 (Shandong Yuantai Electric Power Technology Co., Ltd.*), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Survey Design Agreement”	the survey design agreement dated 20 October 2022 entered into among JNHS New Energy Technology, Shandong Transportation Planning and Design Institute and Shandong Shenghe in relation to Project IV
“System Access Engineering and Construction”	system access engineering, design, supply and construction, commissioning testing and acceptance testing works and related services
“Tianjin Fuqing”	天津富清投資有限公司 (Tianjin Fuqing Investment Co., Ltd.*), a company established in the PRC with limited liability
“Tianjin Ping An (Limited Partnership)”	天津市平安消費科技投資合夥企業(有限合夥)(Tianjin Ping An Consumption Technology Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC and is principally engaged in investment in the consumption technology. Its general partner is 深圳市平安德成投資有限公司 (Shenzhen Ping An Decheng Investment Co., Ltd.*)

“Tibet Fuhua”	西藏富樺能源科技有限公司 (Tibet Fuhua Energy Technology Co., Ltd.*), a company established in the PRC with limited liability, and an indirect non-wholly owned subsidiary of each of SHNE and SDHG as at date of this joint announcement
“Wuxiang Beiqing”	武鄉北清電力智慧能源有限公司 (Wuxiang Beiqing Electric Power Smart Energy Co., Ltd.*), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of each of SHNE and SDHG as at date of this joint announcement
“Zhonggong Wuda”	中工武大設計集團有限公司 (Zhonggong Wuda Design Group Limited*), a company established in the PRC with limited liability
“%”	per cent

By Order of the SHNE Board
**Shandong Hi-Speed New
Energy Group Limited**
Wang Xiaodong
Chairman

By Order of the SDHG Board
**Shandong Hi-Speed Holdings
Group Limited**
Wang Xiaodong
Chairman

Hong Kong, 20 October 2022

As at the date of this joint announcement, the SHNE Board comprises twelve Directors, namely Mr. Wang Xiaodong, Mr. Zhu Jianbiao, Mr. Wang Wenbo, Mr. Sun Qingwei, Ms. Liao Jianrong, Mr. Li Li, Mr. He Yongbing and Ms. Ai Yan as executive Directors; and Professor Shen Zuojun, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik as independent non-executive Directors.

As at the date of this joint announcement, the SDHG Board comprises Mr. Wang Xiaodong, 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. Tan Yuexin and Mr. Jonathan Jun Yan as independent non-executive Directors.

* For identification purpose only