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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF ENTIRE EQUITY INTEREST IN THE TARGET COMPANY AND DEBT SETTLEMENT AGREEMENT

ACQUISITION IN RELATION TO THE WIND POWER PROJECT

The Board announces that on 20 December 2023 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, the Vendor and the Target Company entered into the equity transfer and debt settlement agreement in relation to the entire equity interest in the Target Company to be acquired by the Purchaser from the Vendor, pursuant to which, the Purchaser shall acquire the entire equity interest in the Target Company, which owns all the assets in respect of the Wind Plant Project, and shall repay the indebtedness of Project Company incurred from the design, procurement, advances to the general construction, land use fees and financing in respect of the Wind Plant Project by way of debt novation. The consideration of the acquisition is the Total Cooperation Fund.

Upon completion of the acquisition, the Purchaser shall hold entire equity interest in the Target Company and the Project Company, and the Target Company and the Project Company shall become an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

Since certain of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the acquisition exceed 5% and all of the applicable percentage ratios in respect of the Company are less than 25%, the acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board announces that on 20 December 2023 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, the Vendor and the Target Company entered into the equity transfer and debt settlement agreement in relation to the entire equity interest in the Target Company to be acquired by the Purchaser from the Vendor, pursuant to which, the Purchaser shall acquire the entire equity interest in the Target Company, which owns all the assets in respect of the Wind Plant Project, and shall repay the indebtedness of Project Company incurred from the design, procurement, advances to the general construction, land use fees and financing in respect of the Wind Plant Project by way of debt novation. The consideration of the acquisition is the Total Cooperation Fund.

Upon completion of the acquisition, the Purchaser shall hold entire equity interest in the Target Company and the Project Company, and the Target Company and the Project Company shall become an indirect wholly-owned subsidiary of the Company.

Details of the Agreement are set out as follows:

Date : 20 December 2023

Parties : the Purchaser (as transferee);

the Vendor (as transferor); and

the Target Company (as the target company).

Subject matter : Pursuant to the Agreement:

(i) the Vendor shall transfer the entire equity interest in the Target Company held by it to the Purchaser; and

(ii) the Purchaser shall repay the indebtedness of Project Company incurred from the design, procurement, advances to the general construction, land use fees and financing in respect of the Wind Plant Project by way of debt novation.

Consideration : The Total Cooperation Fund is RMB730 million, consisting of the Project Liability and the equity transfer consideration.

Project Liability : As of the Benchmark Date, the Project Liability is approximately RMB552.5 million. The Project Liability mainly consists of construction payment of the project, consulting fees of technical development, equipment fees and other expenses and costs related to the project construction.

Equity transfer consideration : The equity transfer consideration is approximately RMB177.5 million.

Order of payment of the equity transfer consideration and the Project Liability : First instalment of cooperation fund:
Within 3 working days from the signing of the Agreement, the first batch of cooperation fund of RMB106.5 million (being 60% of the equity transfer consideration) shall be payable by the Purchaser to the Joint Account.

Within 2 working days after completion of the Handover, the Purchaser and the Vendor shall cooperate in paying RMB106.5 million in the Joint Account to the Vendor.

Second instalment of cooperation fund:

The second batch of cooperation fund shall be payable in two parts.

(1) Part one: equity transfer consideration

Within 5 working days after the Completion Date and the date on which the Vendor provides the Completion Settlement Statement, the cooperation fund of RMB35.5 million (being 20% of the equity transfer consideration) shall be payable by the Purchaser to the Vendor.

(2) Part two: current account from a related party

Within 5 working days after completion of the procedures of registration of the transfer of equity interest in the Target Company from the Purchaser to the Vendor and provision of the Completion Settlement Statement by the Vendor, RMB90 million shall be payable by the Purchaser and/or the Project Company to the Related Company of the Vendor.

The remaining current account of the Related Company of the Vendor over the Target Company/Project Company shall be payable based on the audit results for the Transitional Period within 3 working days after the issue of the audit report for the Transitional Period and the Purchaser's receipt from EC Contractor of the Signed Quality Warranty Tripartite Agreement entered into by the Project Company and the Related Company of the Vendors, which is supported by an irrevocable, pay-on-demand bank warranty guarantee (in the amount of not less than RMB13.7 million) issued by a national commercial bank, and the difference shall be refunded or reimbursed. If the Purchaser has not finished the audit or issued the audit results for the Transitional Period within 45 days after the Completion Date, the Purchaser/Target Company/Project Company shall pay all the remaining current account amount of the Related Company of the Vendor within 45 days after the Completion Date.

Third instalment of cooperation fund:

Within 3 working days after fulfillment of the following conditions and the Purchaser and the Vendor having completed the agreed completion work and signed the Handover Confirmation, the third batch of cooperation fund of RMB27.8 million (being 20% of the equity transfer consideration after deducting the rectification retainage), shall be payable by the Purchaser to the Vendor:

- (1) the relevant industrial and commercial filing and registration procedures of the appointment of legal representatives, directors, supervisors and general managers of the Target Company and the Project Company nominated by the Purchaser have been completed (the change of the legal representatives, directors, supervisors and general managers of the Project Company appointed by the Purchaser shall be completed within 7 working days after the Completion Date).
- (2) the industrial and commercial filing and registration procedures in relation to new articles of association of the Target Company and the Project Company formulated by the Purchaser have been completed (shall be completed within 7 working days after the Completion Date).
- (3) the Vendor shall complete the project handover to the Purchaser in accordance with project handover checklist.

Fourth instalment of cooperation fund:

The rectification retainage is RMB7.7 million and the Vendor shall complete the rectification. Release of the retainage shall be based on completion of the corresponding rectification item.

Upon the reporting of rectification items by the Vendor to the Purchaser, the Purchaser shall conduct the acceptance inspection to the rectification items within 5 working days, and shall pay the corresponding retainage for the accepted ones to the Vendor within 8 working days after the reporting of rectification items by the Vendor to the Purchaser. If the Purchaser fails to complete the acceptance inspection within agreed time as aforesaid or fails to conduct the acceptance inspection within aforesaid time, it shall be deemed that the rectification items of the Vendor having passed the acceptance inspection, and the Purchaser shall pay the corresponding retainage of such rectification items to the Vendor within 8 working days after the reporting of rectification items by the Vendor to the Purchaser.

- Conditions precedent to the completion :
- (i) The legal representatives or authorised agents of each party to the Agreement having signed and affixed the parties' and official seals or contract seals; and
 - (ii) the signing of the Agreement having obtained the approval of relevant competent authorities of each party, and having completed corresponding approval procedures in accordance with the requirements of the shareholders or superior authorities of each party.

Neither the conditions precedent above is capable of being waived by the parties to the Agreement.

Completion : Within 3 working days after the first batch of cooperation fund has been remitted to the Joint Account and the Agreement has become effective, the Purchaser and Vendor shall conduct Handover.

Within 15 days after the registration of the changes in the equity transfer under the Agreement and the Purchaser releases the first batch of cooperation fund from the Joint Account to the Vendor, the following handovers shall be completed:

- (1) handover to the Purchaser in accordance with the power plant asset list; and
- (2) handover to the Purchaser in accordance with the items set out in the project handover checklist.

the Purchaser shall issue to the Vendor the Handover Confirmation within 3 working days after the completion of the above handovers.

Basis for Determination of Consideration

The Total Cooperation Fund is RMB730 million, consisting of the Project Liability and the equity transfer consideration.

The main conditions corresponding to the calculation criteria of the Total Cooperation Fund are:

- (1) neither the Target Company nor the Project Company has any other liabilities except for the Project Liability that has been disclosed to the Purchaser;
- (2) the Wind Plant Project has been connected to the grid according to the approved, replied and actual capacity; and
- (3) the target project has an approved installed capacity of 100 MW and an actual installed capacity of 100 MW.

As of the Benchmark Date, the Project Liability is RMB552.5 million. The Project Liability mainly consists of construction payment of the project, consulting fees of technical development, equipment fees and other expenses and costs related to the project construction.

The equity transfer consideration is calculated based on the Total Cooperation Fund minus the Project Liability, which is approximately RMB177.5 million.

The Total Cooperation Fund was determined after arm's length negotiations between the Purchaser and the Vendor after taking into consideration the following factors: (i) the paid-up capital of the Project Company, its unaudited net asset value and total assets (prepared in accordance with the generally accepted accounting principles of the PRC); (ii) the prospects of the business activities of the Target Company; and (iii) the benefits that may be brought to the Group as a result of the acquisition of the Target Company as described in the section headed "Reasons for and Benefits of the Acquisition". The Purchaser will finance the equity transfer consideration by internal resources of the Group.

WIND PLANT PROJECT

The Wind Plant Project involves the investment and construction of the wind power plant of Jingbu Dabancheng 100 megawatt wind power project of Urumqi Jingbu Wind Power Generation Co., Ltd.* (烏魯木齊晶步風力發電有限公司) located in the central part of Dabancheng Wind Zone in Dabancheng District, Urumqi, Xinjiang. The project has an approved capacity of 100 MW and an actual installed capacity of 100 MW, which was connected to the grid on 10 July 2023.

The construction works of the Wind Plant Project shall be carried out in strict accordance with requirements of the laws and regulations and the specifications required in the project approval documents for the procurement of power plant equipment, construction supervision, equipment supervision and construction work. The whole construction work of the project shall be carried out by EC contractors who meet the statutory qualifications.

INFORMATION ON THE PARTIES

The Company 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 the Company is investment holding. The 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.

The Purchaser

The Purchaser is a company established in the PRC with limited liability. As at the date of this announcement, the Purchaser is an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding.

The Vendor

The Vendor is a company established in the PRC with limited liability. As at the date of this announcement, the Vendor is principally engaged in power generation businesses, power transmission businesses and power supply (distribution) businesses and holds the entire equity interests of the Target Company. The wholly-owned shareholder of the Vendor, Jinko Power Technology Co., Ltd., is currently listed on the main board of the Shanghai Stock Exchange (stock code: 601778), the principal activity of which is the development of photovoltaic power plant, power plant service, energy service, etc.

The Target Company

The Target Company is a company established in the PRC with limited liability. As at the date of this announcement, the Target Company is principally engaged in power generation businesses, power transmission businesses and power supply (distribution) businesses and holds the entire equity interests of the Project Company.

Set out below are certain audited financial information of the Target Company (prepared in accordance with the generally accepted accounting principles of the PRC) as of 31 December 2022 and 30 June 2023 respectively:

	For the year ended 31 December 2021 (unaudited) (Approximate) RMB'000	For the year ended 31 December 2022 (audited) (Approximate) RMB'000	For the 6 months ended 30 June 2023 (audited) (Approximate) RMB'000
Consolidated profit/(loss) before tax	0	8.5	(2,381)
Consolidated profit/(loss) after tax	0	8.1	(2,381)

As at 31 December 2021 (unaudited), 31 December 2022 and 30 June 2023, the audited consolidated net asset value and total assets of the Target Company (prepared in accordance with the generally accepted accounting principles of the PRC) were approximately RMB0, RMB613 million and RMB82 million, respectively. The Target Company was established on 24 August 2021. For the year ended 31 December 2021, the Target Company has yet formally commenced business.

The Project Company

The Project Company is a company established in the PRC with limited liability. As at the date of this announcement, the Project Company is principally engaged in research and development of wind power plants related systems; wind power technical services; sales of onshore wind turbine units; sales of wind turbine units and parts; and sales of wind power plants related equipment, and holds the wind power plant of Jingbu Dabancheng 100 megawatt wind power project located in the central part of Dabancheng Wind Zone in Dabancheng District, Urumqi, Xinjiang. The Project Company is wholly-owned by the Target Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor, the Target Company and the Project Company and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is positioned as a flagship new energy enterprise under Shandong Hi-Speed Group, with development, investment and operation of new energy, namely wind power and photovoltaic power, and urban clean heat supply services as its core businesses, to become a first-class integrated new energy operator and service provider in the PRC and strive to become the first tier in the industry.

The acquisition allows the Company to obtain the rights and interests in the Target Company, which is principally engaged in investment, construction, operation and management of the Wind Plant Project. The Directors of the Company believe that the acquisition is in line with the Company's development strategy to promote the revolution in energy production and consumption, and build a clean, low-carbon, safe and efficient energy system. It represents an opportunity to broaden the Group's business portfolio in the wind power industry and enables positive earnings contributions that may be brought by the Target Company and the prospects of the wind power industry. In addition, the terms of the Agreement were determined after arm's length negotiations between the Purchaser and the Vendor. In view of the above, the Directors of the Company consider that the terms of the Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Since certain of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the acquisition exceed 5% and all of the applicable percentage ratios in respect of the Company are less than 25%, the acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the equity transfer and debt settlement agreement dated 20 December 2023 entered into between the Purchaser, the Vendor and the Target Company in relation to the Purchaser’s proposed acquisition of the entire equity interest in and the debt settlement of the Target Company from the Vendor
“Benchmark Date”	30 June 2023
“Board”	the board of Directors of the Company
“Company”	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)
“Completion Date”	the completion date of the equity transfer, i.e. the completion of the procedures for the industrial and commercial changes of the equity transfer of the Target Company by the Purchaser and the Vendor, subject to the obtaining of the new business license of the Target Company

“Completion Settlement Statement”	the completion settlement statement of the EC General Contract Completion Settlement Confirmation for the Jingbu Dabancheng 100MW Wind Power Plant + 10MW 20MWh Project* (《晶步達阪城100MW風電場+10MW 20MWh項目EC總承包合同竣工結算確認書》) signed by the Project Company and the EC Contractor
“Director(s)”	the director(s) of the Company
“EC Contractor”	China Energy Engineering Group Jiangsu No. 1 Electric Power Construction Co., Ltd. (中國能源建設集團江蘇省電力建設第一工程有限公司)
“Group”	the Company and its subsidiaries
“Handover”	completion of the registration procedures for the industrial and commercial changes of the equity transfer of the Target Company to the Purchaser, obtaining the new business license of the Target Company and handing over to the Purchaser, together with the official seal, the contract seal, the financial seal, the special seal for invoices of the Target Company and the Project Company and the business license of the Project Company
“Handover Confirmation”	<p>a handover confirmation to be issued by the Purchaser to the Vendor within 3 working days after the completion of the following handovers</p> <ol style="list-style-type: none"> (1) handover to the Purchaser in accordance with the list of the plant’s assets; and (2) handover to the Purchaser in accordance with the items set out in the project handover checklist.

“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of any member of the Group, the Directors, the chief executives, the controlling shareholders, the substantial shareholders of each of the subsidiaries of the Company, and their respective associates
“Joint Account”	a joint account of the Purchaser and the Vendor set up in Beijing in the name of the Purchaser
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Project Company”	Urumqi Jingbu Wind Power Generation Co., Ltd.* (烏魯木齊晶步風力發電有限公司), which is responsible for the investment and construction of wind power plant projects
“Project Liability”	indebtedness of the Target Company and the Project Company incurred from the design, procurement, advances to the general construction, land use fees and financing in respect of the Wind Plant Project as disclosed by the Vendor to the Purchaser
“Purchaser”	Tianjin Beiqing Electric Smart Energy Co., Ltd.* (天津北清電力智慧能源有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Related Company of the Vendor”	Jinko Power Technology Co., Ltd. (晶科電力科技股份有限公司), a company established in the PRC with limited liability and a related company of the Vendor
“Shandong Hi-Speed Group”	Shandong Hi-Speed Group Co., Ltd.* (山東高速集團有限公司), a company established in the PRC with limited liability and an indirect controlling shareholder of the Company, holding approximately 43.45% of the issued share capital of the Company as at the date of this announcement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Hengfeng County Fuer Power Co., Ltd.* (橫峰縣伏貳電力有限公司), a company established in the PRC with limited liability which holds the entire equity interest in the Project Company and is an Independent Third Party
“Total Cooperation Fund”	the total consideration for the Agreement of RMB730 million, comprising the Project Liability and equity transfer consideration
“Transitional Period”	the period from the Benchmark Date to the Completion Date
“Vendor”	Jinke Power Company Limited* (晶科電力有限公司), a company established in the PRC with limited liability which holds the entire equity interest in the Target Company and is an Independent Third Party
“Wind Plant Project”	the wind power plant of the Jingbu Dabancheng 100 megawatt wind power project located in the central part of Dabancheng Wind Zone in Dabancheng District, Urumqi, Xinjiang
“%”	per cent

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

Hong Kong, 20 December 2023

As at the date of this announcement, the Board comprises Mr. Wang Xiaodong, Mr. Zhu Jianbiao, Mr. Wang Wenbo, Mr. Sun Qingwei, Ms. Liao Jianrong, Mr. Li Li, Mr. He Yongbing and Mr. Wang Meng as executive Directors; and Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik as independent non-executive Directors.

* *For identification purpose only*