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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY THROUGH EQUITY TRANSFER AND CAPITAL INCREASE

ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY

Equity Transfer

On 28 December 2023 (after trading hours), SHNE Heze, an indirect wholly-owned subsidiary of the Company, and the Other Investor entered into the Equity Transfer Agreement with Qiande Dayou, Xiamen Yingyuan and the Target Company, pursuant to which, among other things, SHNE Heze shall acquire an aggregate of unpaid registered capital of the Target Company of RMB792,735 (representing 0.73304% equity interest in the Target Company) owned by Qiande Dayou (i.e. unpaid registered capital of the Target Company of RMB536,146 or 0.49577% equity interest in the Target Company) and Xiamen Yingyuan (i.e. unpaid registered capital of the Target Company of RMB256,589 or 0.23727% equity interest in the Target Company), respectively, at the total consideration of RMB1 and shall pay the corresponding outstanding investment amount of RMB76,102,500 to the Target Company.

Capital Increase

On 28 December 2023 (after trading hours), SHNE Heze and the Other Investor entered into the Capital Increase Agreement with the Signing Shareholders Group and the Target Company, pursuant to which, among other things, SHNE Heze has conditionally agreed to subscribe to 1.98165% of the enlarged equity interest in the Target Company and make RMB223,897,500 cash contribution to the Target Company, of which RMB2,201,199 and RMB221,696,301 are to increase its registered capital and capital reserve respectively.

The total consideration payable by SHNE Heze under the Equity Transfer and the Capital Increase is RMB300,000,001. Upon completion of the Acquisition, SHNE Heze will directly hold an aggregate of 2.69532% of the equity interest in the Target Company.

LISTING RULES IMPLICATIONS

As the Equity Transfer Agreement and the Capital Increase Agreement were entered within a 12-month period and the subjects were also acquisition of equity interest in the Target Company, the Equity Transfer and the Capital Increase were aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios of the Acquisition is more than 5% but are all less than 25%, the Acquisition constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

Shareholders and potential investors should note that the completion of the Capital Increase is subject to the fulfilment and/or, where applicable, waiver of conditions precedent under the Capital Increase Agreement. As such, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY

The Board is pleased to announce that, on 28 December 2023 (after trading hours):

- (a) SHNE Heze, an indirect wholly-owned subsidiary of the Company, and the Other Investor entered into the Equity Transfer Agreement with Qiande Dayou, Xiamen Yingyuan and the Target Company, pursuant to which, among other things, SHNE Heze shall acquire an aggregate of 0.73304% equity interest in the Target Company (corresponding to registered capital of the Target Company of RMB792,735) owned by Qiande Dayou (i.e. 0.49577%) and Xiamen Yingyuan (i.e. 0.23727%), respectively, at the total consideration of RMB1 and shall pay the corresponding outstanding investment amount of RMB76,102,500 to the Target Company; and
- (b) SHNE Heze and the Other Investor entered into the Capital Increase Agreement with the Signing Shareholders Group and the Target Company, pursuant to which, among other things, SHNE Heze has conditionally agreed to subscribe to 1.98165% of the enlarged equity interest in the Target Company and make RMB223,897,500 cash contribution to the Target Company, of which RMB2,201,199 and RMB221,696,301 are to increase its registered capital and capital reserve respectively.

The total consideration payable by SHNE Heze under the Equity Transfer and the Capital Increase is RMB300,000,001. Upon completion of the Acquisition, SHNE Heze will directly hold an aggregate of 2.69532% of the equity interest in the Target Company.

The principal terms of the Equity Transfer Agreement and the Capital Increase Agreement are as follows.

The Equity Transfer Agreement

- Date** : 28 December 2023
- Parties** : (a) SHNE Heze (as purchaser);
- (b) the Other Investor (as purchaser);
- (c) Qiande Dayou (as vendor);
- (d) Xiamen Yingyuan (as vendor); and
- (e) the Target Company
- Subject Matter** : (a) the Sale Interest comprises RMB536,146 and RMB520,834 unpaid registered capital of the Target Company owned by Qiande Dayou and Xiamen Yingyuan, representing approximately 0.49577% and 0.48161% equity interest in the Target Company as at date of the Equity Transfer Agreement;
- (b) SHNE Heze and the Other Investor shall acquire from Qiande Dayou and Xiamen Yingyuan the Sale Interest in the following manner:

- (i) SHNE Heze shall acquire an aggregate of unpaid registered capital of the Target Company of RMB792,735 (representing 0.73304% equity interest in the Target Company) owned by Qiande Dayou (i.e. unpaid registered capital of the Target Company of RMB536,146 or 0.49577% equity interest in the Target Company) and Xiamen Yingyuan (i.e. unpaid registered capital of the Target Company of RMB256,589 or 0.23727% equity interest in the Target Company), respectively;
- (ii) the Other Investor shall acquire unpaid registered capital of the Target Company of RMB264,245 (representing 0.24434% equity interest in the Target Company) owned by Xiamen Yingyuan.

Consideration : The total consideration of the Equity Transfer comprises (i) the nominal price for the Sale Interest of RMB1; and (ii) the Investment Amount of RMB76,102,500 payable by SHNE Heze to the Target Company and RMB25,367,500 payable by the Other Investor to the Target Company.

The consideration of the Equity Transfer was determined after arm's length negotiation among the parties of the Equity Transfer Agreement and with reference to (i) the fact that the registered capital under the Sale Interest is unpaid; (ii) the previous capital increase agreement entered into between, among others, Qiande Dayou and Xiamen Yingyuan and the Target Company whereby Qiande Dayou and Xiamen Yingyuan subscribed for equity interest in the Target Company at the consideration of RMB96 to every RMB1 of registered capital subscribed; and (iii) the financial situation, operation, development and growth prospects of the Target Company.

Completion : SHNE Heze and the Other Investor shall pay the Investment Amount within 30 days after the date of execution of the Equity Transfer Agreement.

The parties agreed that a copy of the updated register of members of the Target Company signed by the legal representative of the Target Company and stamped with the official seal of the Target Company shall be delivered to SHNE Heze and the Other Investor within 5 days after the date of payment of the Investment Amount and the registration of the Equity Transfer with State Administration for Market Regulation* (市場監督管理部門) in the PRC shall be completed within 15 business days after the date of payment of the Investment Amount.

The Capital Increase Agreement

Date : 28 December 2023

Parties : (a) SHNE Heze (as an investor);

(b) the Other Investor (as investor);

(c) the Signing Shareholders Group, which comprises:

(i) Mr. Huang Xiangdong (as a core founder shareholder of the Target Company);

(ii) Mr. Pei Feng (as a core founder shareholder of the Target Company);

(iii) Juwan Investment (as a founder shareholder of the Target Company);

(iv) GAC Group (as a founder shareholder of the Target Company);

(v) GAC Capital (as a founder shareholder of the Target Company);

(vi) Tuoxin Gongjin (an employee equity holding platform of the Target Company); and

(d) the Target Company

- Subject Matter** : (a) SHNE Heze has conditionally agreed to subscribe to 1.98165% of the enlarged equity interest in the Target Company and make RMB223,897,500 cash contribution to the Target Company, of which RMB2,201,199 and RMB221,696,301 are to increase its registered capital and capital reserve respectively.
- (b) the Other Investor has conditionally agreed to subscribe to 0.66055% of the enlarged equity interest in the Target Company and make RMB74,632,500 cash contribution to the Target Company, of which RMB733,733 and RMB73,898,767 are to increase its registered capital and capital reserve respectively.

Consideration : The consideration of the Capital Increase of RMB223,897,500 and RMB74,632,500 payable by SHNE Heze and the Other Investor, respectively, shall be transferred into a designated account of the Target Company within 15 business days upon fulfilment of the conditions precedent under the Capital Increase Agreement.

The consideration of the Capital Increase was determined after arm's length negotiation among the parties of the Capital Increase Agreement with reference to (i) the post-money value of the Target Company under the current round of financing of RMB11,298,530,000; (ii) the background of the Signing Shareholders Group and shareholders in the Target Company and the position in their respective industries; (iii) the synergy development with other new energy industry sectors; and (iv) the financial situation, operation, development and growth prospects of the Target Company. Prior to this round of financing in the Target Company, the Target Company has had three rounds of financing from other investors. The current round of financing's

post-money value of the Target Company of RMB11,298,530,000 was determined based on arm's length negotiation among the parties to the Capital Increase Agreement having taken into account the historical valuation of the Target Company as reflected by the valuation at which other institutional investors (including but not limited to 廣西騰訊創業投資有限公司 (Guangxi Tencent Venture Capital Co., Ltd.*) (an entity ultimately controlled by Tencent Holdings Limited, whose shares are listed on the Stock Exchange (stock code: 700)), 廣發乾和投資有限公司 (GF Qianhe Investment Co., Ltd.*) (a subsidiary of 廣發證券股份有限公司 (GF Securities Co., Ltd.*), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000776)) and 廣州金瀚股權投資合夥企業(有限合夥)(Guangzhou Jinhan Equity Investment Partnership (Limited Partnership)*) (the majority shareholder of which is a subsidiary of 西南證券股份有限公司(Southwest Securities Co., Ltd.*), whose shares are listed on the Shanghai Stock Exchange (stock code: 600369)), each of which is either an entity controlled by listed company or a fund majority owned by institutional investor and all of which are Independent Third Parties) had participated in the past three rounds of financing in the Target Company, with an agreed premium of approximately 8.8% over the valuation of the Target Company of RMB10,381,830,000 in their previous round of financing in fourth quarter of 2022. The post-money value of the Target Company under the current round of financing and the agreed premium were determined after arm's length commercial negotiation among the parties to the Capital Increase Agreement taking into account the expected growth and future prospects of the Target Company in the energy storage industry, as well as the prevailing market conditions subsequent to the previous round of financing. The Board did not determine the valuation and the agreed premium based on discounted cash flow valuation of the business of the Target Company.

The consideration of the Capital Increase will be financed by internal resources of the Group.

**Conditions
Precedent**

: The completion of the Capital Increase is conditional on fulfilment of the following conditions precedent, among other things (these conditions may be waived in whole or in part, severally and not jointly, at the sole discretion of SHNE Heze and the Other Investor): -

- (i) the Target Company having obtained the necessary approvals relating to the Capital Increase, including but not limited to (i) the approval by the shareholders' meeting and board meeting of the Target Company; and (ii) the approval from relevant authority (if any), and such approvals not being revoked;
- (ii) to the reasonable knowledge of the Target Company, there is no existing or potential claims brought by or against any government department, against any party to the Capital Increase Agreement in an attempt to limit the Capital Increase or to materially and adversely affect the conditions of the Capital Increase, and which, in the reasonable judgment of SHNE Heze and the Other Investor, may render the Capital Increase impossible to complete or unlawful;
- (iii) all transaction documents being executed and delivered by the parties to the Capital Increase Agreement other than SHNE Heze and the Other Investor to SHNE Heze and the Other Investor;
- (iv) the Target Company having provided true, accurate, complete and effective documents, materials or representations and statements required for due diligence to SHNE Heze and the Other Investor and its advisers without any concealment, falsehoods and material omissions;
- (v) as at the date of the payment of the consideration under the Capital Increase Agreement, there is no occurrence of a single or multiple events that may have material adverse impact and no evidence of occurrence of such events;

- (vi) SHNE Heze and the Other Investor having obtained the necessary approvals from its internal investment decision-making body for the Capital Increase, the execution and performance of the transaction documents and the matters contemplated by the transaction documents;
- (vii) as at the date of the payment of the consideration under the Capital Increase Agreement, the representations and warranties made by the Target Company under the Capital Increase Agreement being true, accurate, complete and not misleading in all material aspects; and
- (viii) the Target Company having delivered a confirmation letter to SHNE Heze and the Other Investor confirming that all conditions precedent of the Capital Increase have been fulfilled.

Completion : SHNE Heze and the Other Investor shall pay the consideration within 15 days after the fulfillment of the conditions precedent.

SHAREHOLDING STRUCTURE OF THE TARGET COMPANY BEFORE AND AFTER THE COMPLETION OF THE ACQUISITION

Prior to the Capital Increase Agreement, the Target Company had conducted three rounds of financing, and the participating investors are mainly institutional investors or listed companies and all of which are to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Independent Third Parties.

Upon completion of the Acquisition, SHNE Heze will directly hold the registered capital of the Target Company in an amount of RMB2,993,934, corresponding to 2.69532% of the equity interest of the Target Company.

For illustration purpose, details on the shareholding structure of the Target Company as at date of this announcement and immediately after the completion of the Equity Transfer and the Capital Increase are set out as follows:

Name of shareholder	Shareholding in the Target Company as at the date of this announcement		Shareholding in the Target Company immediately after the completion of the Equity Transfer and the Capital Increase	
	Registered capital	Shareholding ratio	Registered capital	Shareholding ratio
	(RMB)	(%)	(RMB)	(%)
SHNE Heze	–	–	2,993,934	2.69532%
The Other Investor	–	–	997,978	0.89844%
Mr. Huang Xiangdong	782,620	0.72368%	782,620	0.70456%
Mr. Pei Feng	782,620	0.72368%	782,620	0.70456%
Juwan Investment	38,228,993	35.35006%	38,228,993	34.41604%
GAC Capital	20,657,186	19.10154%	20,657,186	18.59684%
GAC Group	17,571,807	16.24852%	17,571,807	15.81920%
Tuoxin Gongjin	8,668,511	8.01573%	8,668,511	7.80392%
Qiande Dayou	640,313	0.59209%	104,167	0.09378%
Xiamen Yingyuan	520,834	0.48161%	–	–

Name of shareholder	Shareholding in the Target Company as at the date of this announcement		Shareholding in the Target Company immediately after the completion of the Equity Transfer and the Capital Increase	
	Registered capital (RMB)	Shareholding ratio (%)	Registered capital (RMB)	Shareholding ratio (%)
<i>Other shareholders</i> ^(Note 1)	20,291,181	18.76309%	20,291,181	18.26734%
廣西騰訊創業投資有限公司 (Guangxi Tencent Venture Capital Co., Ltd.)* ^(Note 2)	2,408,115	2.22677%	2,408,115	2.16793%
廣州鴻德玖號股權投資合夥企業(有限合夥) (Guangzhou Hongdejiuhao Equity Investment Partnership (Limited Partnership))* ^(Note 3)	2,408,878	2.22747%	2,408,878	2.16862%
廣發乾和投資有限公司 (GF Qianhe Investment Co., Ltd.)* ^(Note 4)	2,001,113	1.85041%	2,001,113	1.80152%
佛山科金信泰創業投資合夥企業(有限合夥) (Foshan Kejin Xintai Venture Capital Partnership (Limited Partnership))* ^(Note 5)	1,649,558	1.52533%	1,649,558	1.48503%
廣州廣發信德二期創業投資合夥企業(有限合夥) (Guangzhou GF Xinde Phase II Venture Capital Partnership (Limited Partnership))*	1,372,901	1.26951%	1,372,901	1.23597%

Name of shareholder	Shareholding in the Target Company as at the date of this announcement		Shareholding in the Target Company immediately after the completion of the Equity Transfer and the Capital Increase	
	Registered capital (RMB)	Shareholding ratio (%)	Registered capital (RMB)	Shareholding ratio (%)
廣州翰盛股權投資合夥企業 (有限合夥)(Guangzhou Hansheng Equity Investment Partnership (Limited Partnership)* <i>(Note 6)</i>	1,204,058	1.11338%	1,204,058	1.08397%
新的集團有限公司 (Xindi Group Co., Ltd.)* <i>(Note 7)</i>	1,204,058	1.11338%	1,204,058	1.08397%
廣東粵財中小企業股權 投資基金合夥企業 (有限合夥)(Guangdong Yuecai SME Equity Investment Fund Partnership (Limited Partnership)* <i>(Note 8)</i>	1,014,730	0.93831%	1,014,730	0.91352%
廈門博潤博悅股權投資合夥 企業(有限合夥) (Xiamen Borun Boyue Equity Investment Partnership (Limited Partnership)*	602,028	0.55669%	602,028	0.54198%
廣州鴻德貳號股權投資 合夥企業(有限合夥) (Guangzhou Hongde No. 2 Equity Investment Partnership (Limited Partnership)* <i>(Note 3)</i>	602,028	0.55669%	602,028	0.54198%

Name of shareholder	Shareholding in the Target Company as at the date of this announcement		Shareholding in the Target Company immediately after the completion of the Equity Transfer and the Capital Increase	
	Registered capital (RMB)	Shareholding ratio (%)	Registered capital (RMB)	Shareholding ratio (%)
廣東興芯股權投資合夥企業 (有限合夥)(Guangdong Xingxin Equity Investment Partnership (Limited Partnership)*) <i>(Note 9)</i>	547,733	0.50648%	547,733	0.49310%
乾德大有肆號(深圳)投資合夥企業(有限合夥) (Qiande Dayousihao (Shenzhen) Investment Partnership (Limited Partnership)*)	481,623	0.44535%	481,623	0.43359%
中山廣發信德致遠科技創業投資合夥企業(有限合夥)(Zhongshan GF Xinde Zhiyuan Technology Venture Capital Partnership (Limited Partnership)*)	481,510	0.44525%	481,510	0.43348%
中山中匯廣發信德股權投資基金(有限合夥) (Zhongshan Zhonghui GF Xinde Equity Investment Fund (Limited Partnership)*)	481,510	0.44525%	481,510	0.43348%
廣州智慧科舜科技發展合夥企業(有限合夥) (Guangzhou Smart Keshun Technology Development Partnership (Limited Partnership)*)	481,510	0.44525%	481,510	0.43348%

Name of shareholder	Shareholding in the Target Company as at the date of this announcement		Shareholding in the Target Company immediately after the completion of the Equity Transfer and the Capital Increase	
	Registered capital (RMB)	Shareholding ratio (%)	Registered capital (RMB)	Shareholding ratio (%)
廣州科金弘廣股權投資合夥企業(有限合夥)(Guangzhou Kejin Hongguang Equity Investment Partnership (Limited Partnership)*) <i>(Note 5)</i>	481,510	0.44525%	481,510	0.43348%
廣州金瀚股權投資合夥企業(有限合夥)(Guangzhou Jinhan Equity Investment Partnership (Limited Partnership)*) <i>(Note 10)</i>	447,918	0.41419%	447,918	0.40324%
廣州垠隆投資合夥企業(有限合夥)(Guangzhou Yinlong Investment Partnership (Limited Partnership)*)	415,400	0.38412%	415,400	0.37397%
廣東興巨創業投資合夥企業(有限合夥)(Guangdong Xingju Venture Capital Partnership (Limited Partnership)*) <i>(Note 9)</i>	361,216	0.33401%	361,216	0.32519%
廣東興誠創業投資合夥企業(有限合夥)(Guangdong Xingcheng Venture Capital Partnership (Limited Partnership)*) <i>(Note 9)</i>	324,074	0.29967%	324,074	0.29175%

Name of shareholder	Shareholding in the Target Company as at the date of this announcement		Shareholding in the Target Company immediately after the completion of the Equity Transfer and the Capital Increase	
	Registered capital (RMB)	Shareholding ratio (%)	Registered capital (RMB)	Shareholding ratio (%)
廣州廣開智行股權投資合夥企業(有限合夥) (Guangzhou Guangkai Zhixing Equity Investment Partnership (Limited Partnership))* <i>(Note 11)</i>	313,055	0.28948%	313,055	0.28183%
廣州僑鑫粵科創業投資合夥企業(有限合夥) (Guangzhou Qiaoxin Yueke Venture Capital Partnership (Limited Partnership))*	301,014	0.27835%	301,014	0.27099%
珠海橫琴匯政新能源科技合夥企業(有限合夥) (Zhuhai Hengqin Huizheng New Energy Technology Partnership (Limited Partnership))*	241,418	0.22324%	241,418	0.21734%
上海勢之能投資管理有限公司(Shanghai Shizhineng Investment Management Co., Ltd.)*	188,359	0.17417%	188,359	0.16957%
廣州興科創業投資合夥企業(有限合夥)(Guangzhou Xingke Venture Capital Partnership (Limited Partnership))* <i>(Note 9)</i>	138,889	0.12843%	138,889	0.12504%

Name of shareholder	Shareholding in the Target Company as at the date of this announcement		Shareholding in the Target Company immediately after the completion of the Equity Transfer and the Capital Increase	
	Registered capital (RMB)	Shareholding ratio (%)	Registered capital (RMB)	Shareholding ratio (%)
廣遠眾合(珠海)投資企業 (有限合夥)(Guangyuan Zhonghe (Zhuhai) Investment Enterprise (Limited Partnership)*)	71,630	0.06624%	71,630	0.06449%
擎鼎(北京)管理諮詢合夥 企業(有限合夥)(Qingding (Beijing) Management Consulting Partnership (Limited Partnership)*)	65,345	0.06042%	65,345	0.05883%
Total	108,144,065	100.00000%	111,078,997	100.00000%

Notes:

1. There are 27 other shareholders of the Target Company as at the date of this announcement, each holding equity interest of the Target Company ranging from 0.06042% to 2.22747%. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the other shareholders are Independent Third Parties.
2. Based on public information available to the Group, 廣西騰訊創業投資有限公司 (Guangxi Tencent Venture Capital Co., Ltd.*) is an entity ultimately controlled by Tencent Holdings Limited, a company listed on the Stock Exchange (stock code: 700).

3. Based on public information available to the Group, 廣州鴻德玖號股權投資合夥企業(有限合夥)(Guangzhou Hongdejiuhao Equity Investment Partnership (Limited Partnership)*) and 廣州鴻德貳號股權投資合夥企業(有限合夥)(Guangzhou Hongde No. 2 Equity Investment Partnership (Limited Partnership)*) are limited liability partnerships established in the PRC. The general partner of them are 廣州金控基金管理有限公司 (Guangzhou Finance Holdings Fund Management Co., Ltd.*), a core comprehensive private equity investment fund management platform of 廣州金融控股集團有限公司 (Guangzhou Financial Holding Group Co. Ltd.*), which is ultimately owned as to 90.7412% by Guangzhou Municipal government and 9.2588% by Guangdong Provincial government.
4. Based on public information available to the Group, 廣發乾和投資有限公司 (GF Qianhe Investment Co., Ltd.*) is a subsidiary of 廣發證券股份有限公司 (GF Securities Co., Ltd.*), a company listed on the Shenzhen Stock Exchange (stock code: 000776).
5. Based on public information available to the Group, 佛山科金信泰創業投資合夥企業(有限合夥)(Foshan Kejin Xintai Venture Capital Partnership (Limited Partnership)*) and 廣州科金弘廣股權投資合夥企業(有限合夥)(Guangzhou Kejin Hongguang Equity Investment Partnership (Limited Partnership)*) are limited liability partnerships established in the PRC. The general partner of them are 廣州科技金融創新投資控股有限公司 (Guangzhou Science and Technology Finance Innovation Investment Holding Co., Ltd.*), a large-scale comprehensive equity investment management institution wholly owned by 廣州產業投資基金管理有限公司 (Guangzhou Industrial Investment Fund Management Co., Ltd.*), which is ultimately owned as to 90% by Guangzhou Municipal government and 10% by Guangdong Provincial government.
6. Based on public information available to the Group, the majority shareholder of 廣州翰盛股權投資合夥企業(有限合夥)(Guangzhou Hansheng Equity Investment Partnership (Limited Partnership)*) is a subsidiary of 瀘州老窖集團有限責任公司 (Luzhou Laojiao Group Co., Ltd.*), a state-owned brewing company in the PRC.
7. Based on public information available to the Group, 新的集團有限公司 (Xindi Group Co., Ltd.*) is a private high-tech company established in the PRC and a substantial shareholder of 成都旭光電子股份有限公司 (Chengdu Xuguang Electronics Co., Ltd.*), a company listed on the Shanghai Stock Exchange (stock code: 600353).
8. Based on public information available to the Group, 廣東粵財中小企業股權投資基金合夥企業(有限合夥)(Guangdong Yuecai SME Equity Investment Fund Partnership (Limited Partnership)*) is a limited liability partnership established in the PRC. Its general partner is 粵財私募股權投資(廣東)有限公司 (Guangdong Financial Private Equity Investment (Guangdong) Co., Ltd.*), a company wholly owned by 廣東粵財投資控股有限公司 (Guangdong Yuecai Investment Holdings Co., Ltd.*), which is a financial holding company wholly owned by Guangdong Provincial government.

9. Based on public information available to the Group, 廣東興芯股權投資合夥企業(有限合夥)(Guangdong Xingxin Equity Investment Partnership (Limited Partnership)*), 廣東興巨創業投資合夥企業(有限合夥)(Guangdong Xingju Venture Capital Partnership (Limited Partnership)*), 廣東興誠創業投資合夥企業(有限合夥)(Guangdong Xingcheng Venture Capital Partnership (Limited Partnership)*) and 廣州興科創業投資合夥企業(有限合夥)(Guangzhou Xingke Venture Capital Partnership (Limited Partnership*)) are limited liability partnerships established in the PRC. The general partner of them are 廣州南粵澳德股權投資基金管理有限公司 (Guangzhou Nanyue Aode Equity Investment Fund Management Co., Ltd.*), a private equity investment platform owned as to 49% by 廣州南粵基金集團有限公司 (Guangzhou Nanyue Fund Group Co., Ltd), which is ultimately owned as to 79.6917% by Guangzhou Zengcheng District government and 20.3083% by Guangzhou Municipal government.
10. Based on public information available to the Group, the majority shareholder of 廣州金瀚股權投資合夥企業(有限合夥)(Guangzhou Jinhan Equity Investment Partnership (Limited Partnership*)) is a subsidiary of 西南證券股份有限公司(Southwest Securities Co., Ltd.*), a company listed on the Shanghai Stock Exchange (stock code: 600369).
11. Based on public information available to the Group, 廣州廣開智行股權投資合夥企業(有限合夥)(Guangzhou Guangkai Zhixing Equity Investment Partnership (Limited Partnership*)) is a limited liability partnership established in the PRC. Its general partner is 廣州穗開股權投資有限公司 (Guangzhou Suikai Equity Investment Co., Ltd.*), a company ultimately wholly owned by 廣州開發區投資集團有限公司 (Guangzhou Development Zone Investment Group Co., Ltd.*), which is a substantial shareholder of 廣東順威精密塑料股份有限公司 (Guangdong Shunwei Precision Plastic Co., Ltd.*), a company listed on the Shenzhen Stock Exchange (stock code: 002676).

INFORMATION ON THE COMPANY AND THE GROUP

The Company and the Group

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.

SHNE Heze

SHNE Heze 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 is principally engaged in manufacturing of photovoltaic equipment and components; battery manufacturing; investment activities; battery spare parts production; solar power generation technical services; wind power generation technical services; research and development of emerging energy technologies; optical cable manufacturing; power electronic component manufacturing; power facilities and equipment Manufacturing; sales of photovoltaic equipment and components.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC on 7 September 2020 with limited liability and is principally engaged in research and development, production, sales and service of kinetic battery, new generation breakthrough energy storage devices and systems related business. For shareholding structure of the Target Company as at date of this announcement, please refer to the above paragraph headed “Shareholding Structure of the Target Company before and after the Completion of the Acquisition” in this announcement.

Set out below are audited consolidated financial statements of the Target Company for the two years ended 31 December 2022 prepared in accordance with the Chinese Accounting Standards for Business Enterprises:

	For the year ended 31 December 2021 <i>(Approximate)</i> RMB'000	For the year ended 31 December 2022 <i>(Approximate)</i> RMB'000
Loss before tax	64,520	258,403
Loss after tax	64,520	258,584

Based on the unaudited consolidated management accounts of the Target Company as at 30 September 2023, the total assets value and the net assets value of the Target Company were approximately RMB2,775,975,000 and RMB843,098,000, respectively.

INFORMATION ON OTHER PARTIES

The Other Investor

The Other Investor is a limited partnership established in the PRC and is a private equity investment fund registered under Asset Management Association of China. As at date of this announcement, The Other Investor is owned as to 98% by 湖州錦實股權投資有限公司 (Huzhou Jinshi Equity Investment Co., Ltd.*) and 2% by 湖州錦富股權投資基金管理有限公司 (Huzhou Jinfu Equity Investment Fund Management Co., Ltd.*), both of which are ultimately owned by 湖州市人民政府國有資產監督管理委員會 (Huzhou People's Government State-owned Assets Supervision and Administration Commission). The general partner of the Other Investor is 湖州錦富股權投資基金管理有限公司 (Huzhou Jinfu Equity Investment Fund Management Co., Ltd.*).

Mr. Huang Xiangdong

Mr. Huang Xiangdong, the chairman of the board of directors of the Target Company, owns 0.72368% equity interest in the Target Company as at date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Huang Xiangdong is an Independent Third Party.

Mr. Pei Feng

Mr. Pei Feng, the legal representative and a director of the Target Company, owns 0.72368% equity interest in the Target Company as at date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Pei Feng is an Independent Third Party.

Juwan Investment

Juwan Investment is a limited partnership established by the leading technical team of 廣汽研究院 (GAC R&D Center) and third-party strategic partner shareholding platform in the PRC and is principally engaged in investment holding. As at date of this announcement, Juwan Investment is owned as to 74.0310% by 廣州拓新投資合夥企業(有限合夥)(Guangzhou Tuoxin Investment Partnership (Limited Partnership)*)(“**Guangzhou Tuoxin**”), a limited partnership established in the PRC and owned as to 51.05% by Mr. Huang Xiangdong and 39.45% by Mr. Pei Feng. The remaining equity interest is owned by two limited liability companies, one limited partnership and two individuals with the equity interest ranging from 1.5504% to 12.5000%. The general partner of Juwan Investment is Guangzhou Tuoxin, the general partner of which is Mr. Huang Xiangdong.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Juwan Investment and its ultimate beneficial owners are Independent Third Parties.

GAC Group and GAC Capital

GAC Group is a joint stock company incorporated in the PRC with limited liability and its A shares are listed on the Shanghai Stock Exchange (stock code: 601238) and H shares are listed on the Hong Kong Stock Exchange (stock code: 02238). The holding company of GAC Group is Guangzhou Automobile Industry Group Co., Ltd., a state-owned enterprise incorporated in the PRC. GAC Group and its subsidiaries are principally engaged in the manufacturing and sale of automobiles, engines and other automotive parts and rendering of financial services.

GAC Capital is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of GAP Group. The principal business of GAC Capital includes funds investment, investment management services and investment advisory services.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, GAC Group and GAC Capital and their ultimate beneficial owners are Independent Third Parties.

Tuoxin Gongjin

Tuoxin Gongjin, an employee equity holding platform of the Target Company, is a limited partnership established in the PRC. It is owned as to 21.7292% by 廣州拓新共建一號投資合夥企業(有限合夥) (Guangzhou Tuoxin No. 1 Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC, and the remaining equity interest is owned by seven limited partnerships and 廣州拓新共建企業管理有限公司 (Guangzhou Tuoxin Co-construction Enterprise Management Co., Ltd.*) (“**Tuoxin Management**”) with the equity interest ranging from 0.0153% to 21.1171%. The general partner of Tuoxin Gongjin is Tuoxin Management, which in turn is owned as to 40% by 魏建軍 (Wei Jianjun), 30% by 紀塔松 (Ji Tasong) and 30% by 陳金華 (Chen Jinhua).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Tuoxin Gongjin and its ultimate beneficial owners are Independent Third Parties.

Qiande Dayou

Qiande Dayou is a limited partnership established in the PRC and is a private equity investment fund registered under Asset Management Association of China. It is held as to 75.5858% by 重慶市江津區私募股權投資基金合夥企業(有限合夥) (Chongqing Jiangjin Private Equity Investment Fund Partnership (Limited Partnership)*), a limited partnership held as to 50% by 重慶市江津區華信資產經營(集團)有限公司 (Chongqing Jiangjin Huaxin Asset Management (Group) Co., Ltd.*) and 49% by 西部(重慶)科學城江津園區開發建設集團有限公司 (Western (Chongqing) Science City Jiangjin Park Development and Construction Group Co., Ltd.*), both of which are controlled by 重慶市江津區國有資產監督管理委員會 (Chongqing Jiangjin State-owned Assets Supervision and Administration Commission*). The remaining equity interest of Qiande Dayou is owned by two limited companies and four individuals with the equity interest ranging from 0.2268% to 11.9123%.

The general partner of Qiande Dayou is 深圳乾德大有科技投資有限公司 (Shenzhen Qiande Dayou Technology Investment Co., Ltd.*), which in turn is owned as to 80% by 深圳乾德投控有限公司 (Shenzhen Qiande Investment Holdings Co., Ltd.*), a company owned as to 60% by 楊迪 (Yang Di), 20% by 甘楷悅 (Gan Kaiyue), 10% by 楊磊 (Yang Lei) and 10% by 陳梓熹 (Chen Zixi).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Qiande Dayou and its ultimate beneficial owners are Independent Third Parties.

Xiamen Yingyuan

Xiamen Yingyuan is a limited partnership established in the PRC and is principally engaged in investment business. It is owned as to 56.9802% by 李軍 (Li Jun) and the remaining equity interest of Xiamen Yingyuan is owned by two limited companies and five individuals with equity interest ranging from 0.0198% to 20.0000%.

The general partner of Xiamen Yingyuan is Shenzhen Junsheng Investment Consulting Co., Ltd.* (深圳君升投資諮詢有限公司), which in turn is wholly owned by Li Jun.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Xiamen Yingyuan and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is positioned as a flagship new energy enterprise 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 Group to obtain the rights and interests in the Target Company which is principally engaged in research and development, production, sales and service of kinetic battery, new generation breakthrough energy storage devices and systems related business and plans to cooperate with the Group to promote integrated wind and solar storage and charging as well as utilise overcharging stations in expressway service areas and jointly promote the overcharging ecological construction. The Directors believe that the Acquisition are in line with the Group's development strategy to promote the revolution in energy production and consumption, and building a clean, low-carbon, safe and efficient energy system. It also allows us to focus on the goals of "dual carbon" (Carbon Peak by the year 2030 and Carbon Neutral by the year 2060), cooperation in technology development and reach synergy effect in the new energy industry. In addition, the terms of the Equity Transfer Agreement and the Capital Increase Agreement were determined after arm's length negotiations between the parties on normal commercial terms. In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement and the Capital Increase Agreement are fair and reasonable and in the interests of the Company and its respective shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Equity Transfer Agreement and the Capital Increase Agreement were entered within a 12-month period and the subjects were also acquisition of equity interest in the Target Company, the Equity Transfer and the Capital Increase were aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios of the Acquisition is more than 5% but are all less than 25%, the Acquisition constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

Shareholders and potential investors should note that the completion of the Capital Increase is subject to the fulfilment and/or, where applicable, waiver of conditions precedent under the Capital Increase Agreement. As such, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of an aggregate of 2.69532% equity interest in the Target Company by SHNE Heze pursuant to the Equity Transfer and the Capital Increase
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Capital Increase”	the subscription of 1.98165% of the enlarged equity interest in the Target Company and the making of cash contribution of RMB223,897,500 to the Target Company (of which RMB2,201,199 and RMB221,696,301 are to increase its registered capital and capital reserve respectively) by SHNE Heze pursuant to the Capital Increase Agreement

“Capital Increase Agreement”	the capital increase agreement entered into among SHNE Heze, the Other Investor, the Signing Shareholders Group and the Target Company dated 28 December 2023 in relation to, among other things, the Capital Increase
“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)
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer”	acquisition of an aggregate of unpaid registered capital of the Target Company of RMB792,735 (representing 0.73304% of equity interest in the Target Company) by SHNE Heze from Qiande Dayou and Xiamen Yingyuan pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into among SHNE Heze, the Other Investor, Qiande Dayou, Xiamen Yingyuan and the Target Company dated 28 December 2023 in relation to, among other things, the Equity Transfer
“GAC Capital”	GAC Capital Co., Ltd. (廣汽資本有限公司), a wholly-owned subsidiary of GAC Group established in the PRC with limited liability
“GAC Group”	廣州汽車集團股份有限公司 (Guangzhou Automobile Group Co., Ltd.*), a public company with its A shares listed on the Shanghai Stock Exchange (stock code: 601238) and H shares listed on the Hong Kong Stock Exchange (stock code: 02238)
“Group”	the Company and/or its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 the Company or their subsidiaries, and their respective associates
“Investment Amount”	the investment amount payable by SHNE Heze to the Target Company under the Equity Transfer Agreement
“Juwan Investment”	廣州巨灣投資合夥企業(有限合夥) (Guangzhou Juwan Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Investor”	湖州錦坤股權投資合夥企業(有限合夥) (Huzhou Jinkun Equity Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“PRC”	the People’s Republic of China
“Qiande Dayou”	乾德大有伍號(深圳)投資合夥企業(有限合夥) (Qiande Dayouwuhao (Shenzhen) Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the RMB536,146 and RMB520,834 unpaid registered capital of the Target Company owned by Qiande Dayou and Xiamen Yingyuan, representing approximately 0.49577% and 0.48161% equity interest in the Target Company as the subject matter to be sold by Qiande Dayou and Xiamen Yingyuan under the Equity Transfer Agreement
“Shareholders”	shareholders of the Company

“SHNE Heze”	菏澤山高新能源開發有限公司 (Heze Shandong Hi-Speed New Energy Development Co., Ltd.*), a company established in the PRC with limited liability and also a wholly-owned subsidiary of the Company
“Signing Shareholders Group”	collectively Mr. Huang Xiangdong, Mr. Pei Feng, Juwan Investment, GAC Group, GAC Capital and Tuoxin Gongjin
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	廣州巨灣技研有限公司 (Guangzhou Greater Bay Technology Co., Ltd.*), a company established in the PRC with limited liability
“Tuoxin Gongjin”	廣州拓新共進投資合夥企業(有限合夥) (Guangzhou Tuoxin Gongjin Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“Xiamen Yingyuan”	廈門鷹遠投資合夥企業(有限合夥) (Xiamen Yingyuan Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC
“%”	per cent

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

Hong Kong, 28 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