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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

EXERCISE OF THE OPTIONS

AND

CONNECTED TRANSACTION IN RELATION TO

EXERCISE OF THE OPTIONS

This joint announcement is made pursuant to Rules 14.74(2) and 14A.61 of the Listing Rules.

EXERCISE OF THE OPTIONS

The Investors

On 30 November 2022, the Investors had exercised the Options whereby BENE, an indirect wholly-owned subsidiary of SHNE, is required to repurchase from the Investors an aggregate of 19.4892% equity interests in Beiqing Smart.

Great First

On 30 November 2022, Great First had exercised the Options whereby Harvest Sunny as nominated by the Grantors is required to repurchase from Great First, its 0.2729% equity interests in Beiqing Smart. As at the date of this joint announcement, Great First is wholly owned by Mr. Hu, a former executive SHNE Director within the last 12 months from the date of this joint announcement and is a connected person of each of SHNE and SDHG for the purpose of Chapter 14A of the Listing Rules.

Upon completion of the exercise of the Options by the Investors and Great First, Beiqing Smart will become a wholly-owned subsidiary of SHNE.

This joint announcement is made pursuant to Rules 14.74(2) and 14A.61 of the Listing Rules.

BACKGROUND

Reference is made to (i) the SHNE Beiqing Smart Reorganisation Announcements in relation to the Proposed Beiqing Smart Reorganisation; and (ii) the SHNE Capital Contributions Announcements and Circular in relation to the Capital Contributions, respectively.

Pursuant to the Capital Contribution Agreements, the Options had been granted to the Investors and Great First, who shall have the right to request BENE or Beiqing Smart to repurchase its respective equity interests in Beiqing Smart at a certain repurchase price at any time after the occurrence of any prescribed events. The repurchase price of the equity interests in Beiqing Smart under the Options shall be determined by the parties in the manner as set out in the announcement of SHNE dated 17 September 2021.

EXERCISE OF THE OPTIONS

As disclosed in the SHNE Beiqing Smart Reorganisation Announcements, the Proposed Beiqing Smart Reorganisation would not proceed and was terminated on 25 February 2022. Such termination resulted in Beiqing Smart being unable to complete a qualified listing of its shares which was one of the prescribed events under the Options.

The Investors

As a result of the aforementioned reason, the Investors had on 30 November 2022, exercised the Options in respect of an aggregate of 19.4892% equity interests in Beiqing Smart and BENE is obliged to acquire the same.

Great First

As a result of the aforementioned reason, Great First had on 30 November 2022 exercised the Options in respect of its 0.2729% equity interests in Beiqing Smart and Harvest Sunny as nominated by the Grantors is obliged to acquire the same.

Details of the repurchase of the equity interests in Beiqing Smart by BENE and Harvest Sunny from each of the Investors and Great First are as follows:

No.	Name of investors	Percentage of equity interests in Beiqing Smart being repurchased	Capital contributed by investors (RMB)	Total amount payable to investors (RMB)
First Round Investors				
1.	Tianjin Ping An (Limited Partnership)	5.0753%	525,000,000.00	681,636,986.30
2.	嘉興智精投資合夥企業(有限合夥) (Jiaxing Zhijing Investment Partnership Enterprise (Limited Partnership)*)	0.3432%	35,500,000.00	46,091,643.84
3.	嘉興智精恒錦投資合夥企業(有限合夥) (Jiaxing Zhijing Hengjin Investment Partnership Enterprise (Limited Partnership)*)	0.2852%	29,500,000.00	38,301,506.85
4.	嘉興智精恒睿投資合夥企業(有限合夥) (Jiaxing Zhijing Hengrui Investment Partnership Enterprise (Limited Partnership)*)	0.0967%	10,000,000.00	12,983,561.64

No.	Name of investors	Percentage of equity interests in Beiqing Smart being repurchased	Capital contributed by investors (RMB)	Total amount payable to investors (RMB)
Second Round Investors				
5.	啟鷺(廈門)股權投資合夥企業(有限合夥) (Qilu (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)*)	2.9001%	300,000,000.00	369,863,013.70
6.	深圳市海匯全贏投資諮詢合夥企業(有限合夥)(Shenzhen Haihui Quanying Investment Consulting Partnership Enterprise (Limited Partnership)*)	0.9667%	100,000,000.00	122,821,917.81
Third Round Investor				
7.	橙葉智成(淄博)股權投資合夥企業(有限合夥) (Orange Leaf Zhicheng (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)*)	0.9564%	100,000,000.00	119,945,205.48
Fourth Round Investors				
8.	CCB Trust Dingxin	3.0570%	360,000,000.00	420,164,383.56
9.	OL Zhihong	1.6983%	200,000,000.00	225,945,205.48
10.	OL Zhitong	1.6134%	190,000,000.00	217,205,216.44
11.	OL Zhijia	0.4246%	50,000,000.00	58,739,726.03
12.	Junyuan No. 3	0.1342%	15,807,100.00	18,331,905.29
13.	Junyuan No. 5	0.0513%	6,040,900.00	7,005,788.96
14.	Tianjin Futeng	0.6130%	72,186,900.00	84,646,556.71
15.	Yuhua Rongtou	0.8492%	100,000,000.00	113,780,821.92
16.	Yuhua Investment	0.4246%	50,000,000.00	56,890,410.96
17.	Great First	0.2729%	32,132,000.00	37,255,513.42
Total equity interests in Beqing Smart being repurchased		19.7621%	Total repurchase price payable to investors	2,631,609,364.39

Completions

Completions of the abovementioned transfers of equity interests in Beijing Smart are expected to take place no later than 30 April 2023.

INFORMATION ON THE SHNE GROUP

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.

Harvest Sunny

Harvest Sunny is an indirect wholly-owned subsidiary of SHNE which was incorporated in Hong Kong with limited liability and is principally engaged in the business of investment holding.

Tianjin Fuqing

Tianjin Fuqing is an indirect wholly-owned subsidiary of SHNE which is a limited liability company established in the PRC, and is principally engaged in the business of investment holding.

Beiqing Smart

As at the date of this joint announcement, Beiqing Smart is a limited liability company established in the PRC and owned as to (i) approximately 80.24% by Tianjin Fuqing, an indirect wholly-owned subsidiary of SHNE; (ii) approximately 5.08% by Tianjin Ping An (Limited Partnership) (which is one of the First Round Investors); and (iii) approximately 14.68% in aggregate by 16 institutional investors (containing the First Round Investors (excluding Tianjin Ping An (Limited Partnership), Second Round Investors, Third Round Investor and Fourth Round Investors) and none of these institutional investors individually holds more than 5% of the equity interests in Beiqing Smart. It is principally engaged in the investment and development of photovoltaic power businesses and wind power businesses in the PRC.

BENE

BENE is an indirect wholly-owned subsidiary of SHNE which is a limited liability company established in the PRC and is principally engaged in investment holding, trading of equipment and provision of consultancy services.

INFORMATION ON 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.

INFORMATION ON THE INVESTORS AND GREAT FIRST

First Round Investors

The First Round Investors comprise four entities, namely (i) Tianjin Ping An (Limited Partnership), which is a limited partnership established in the PRC principally engaged in investment in the consumption technology, and its general partner is 深圳市平安德成投資有限公司 (Shenzhen Ping An Decheng Investment Co., Ltd.*); (ii) 嘉興智精投資合夥企業(有限合夥)(Jiaxing Zhijing Investment Partnership Enterprise (Limited Partnership)*), which is a limited partnership established in the PRC principally engaged in investment holding and provision of consultancy services, and its general partner is 平安財智投資管理有限公司 (Ping An Caizhi Investment Management Co., Ltd.*) (“**Ping An Caizhi Investment**”); (iii) 嘉興智精恒錦投資合夥企業(有限合夥)(Jiaxing Zhijing Hengjin Investment Partnership Enterprise (Limited Partnership)*), which is a limited partnership established in the PRC principally engaged in investment holding and provision of consultancy services, and its general partner is Ping An Caizhi Investment; and (iv) 嘉興智精恒睿投資合夥企業(有限合夥)(Jiaxing Zhijing Hengrui Investment Partnership Enterprise (Limited Partnership)*), which is a limited partnership established in the PRC principally engaged in investment holding and provision of consultancy services, and its general partner is Ping An Caizhi Investment.

Each of the First Round Investors is controlled by Ping An Insurance (Group) Company of China, Ltd. (“**Ping An Insurance**”). Ping An Insurance is a company whose H shares are listed on the Stock Exchange (Stock Code: 2318) and is principally engaged in the provision of insurance, banking, investment and internet finance products and services.

Second Round Investors

The Second Round Investors comprise two entities, namely (i) 深圳市海匯全贏投資諮詢合夥企業(有限合夥)(Shenzhen Haihui Quanying Investment Consulting Partnership Enterprise (Limited Partnership)*) (“**Second Round Investor A**”) and (ii) 啟鷺(廈門)股權投資合夥企業(有限合夥)(Qilu (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)*) (“**Second Round Investor B**”) which are limited partnerships established in the PRC and are principally engaged in investment holding and provision of consultancy services.

Second Round Investor A is controlled by Ping An Insurance, with 深圳市平安德成投資有限公司 (Shenzhen Ping An Decheng Investment Co., Ltd.*) as its general partner. Second Round Investor B is referred by Ping An Insurance for the second round capital increase.

Second Round Investor B is controlled by China International Capital Corporation Limited (“**CICC**”), with CICC Capital (Cayman) Limited, a wholly-owned subsidiary of CICC, as its general partner. CICC is a company whose H shares are listed on the Stock Exchange (Stock Code: 3908). CICC is principally engaged in investment banking business, equities business, fixed-income, currency and commodity business, asset management business, private equity business, wealth management business and other business activities.

Save for the relevant non-controlling interests in Beijing Smart, to the best knowledge of the SHNE Directors and SDHG Directors, after having made all reasonable enquiry, each of Ping An Insurance, the First Round Investors, the Second Round Investors and their ultimate beneficial owners (if applicable) are Independent Third Parties.

Third Round Investor

The Third Round Investor, namely 橙葉智成(淄博)股權投資合夥企業(有限合夥)(Orange Leaf Zhicheng (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)*), is a limited partnership established in the PRC and a private equity fund managed by 北京橙葉投資基金管理有限公司 (Beijing Orange Leaf Investment Fund Management Co., Ltd.*) (“**OL Management**”). It is principally engaged in equity investment and asset management. The Third Round Investor is owned as to (i) 99.01% interest by 中國投融資擔保股份有限公司 (China National Investment & Guaranty Corporation*) (“**CNIG**”) (a company established in the PRC with limited liability whose shares are listed on the 全國中小企業股份轉讓系統(新三板)(National Equities Exchange and Quotations System (The New Third Board) (Stock Code: 834777)); and (ii) 0.99% interest by OL Management.

The controlling shareholder of CNIG is 國家開發投資集團有限公司 (State Development and Investment Corporation*) which in turn is wholly-owned by 國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council*).

The general partner of the Third Round Investor is OL Management, which in turn is owned as to 55% interest by 趙自闢 (Zhao Zichuang*) and 45% interest by 顏博 (Yan Bo*) respectively.

Save for the relevant non-controlling interests in Beijing Smart, to the best knowledge of the SHNE Directors and SDHG Directors, after having made all reasonable enquiry, the Third Round Investor and its ultimate beneficial owners are Independent Third Parties.

Fourth Round Investors

The Fourth Round Investors comprise ten entities, namely:

(i) CCB Trust Dingxin

CCB Trust Dingxin is a limited partnership established in the PRC and a private equity fund managed by 建信(北京)投資基金管理有限責任公司 (CCB Trust (Beijing) Investment Fund Management Co., Ltd.*) (“**CCB Trust Management**”). Its general partner is CCB Trust Management. It is principally engaged in the provision of investment management and consultancy services. CCB Trust Dingxin is owned as to (i) approximately 65.52% interest by CCB Trust Management; and (ii) approximately 34.48% interest by 建信信託有限責任公司 (CCB Trust Fiduciary Co., Ltd.*) (“**CCB Trust Fiduciary**”).

CCB Trust Management is wholly owned by CCB Trust Fiduciary. CCB Trust Fiduciary is owned as to (i) 67% interest by 中國建設銀行股份有限公司 (China Construction Bank Corporation*) (a joint stock limited company established in the PRC and the A shares and H shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601939.SH) and the Stock Exchange (Stock Code: 00939.HK), respectively); and (ii) 33% interest by 合肥興泰金融控股(集團)有限公司 (Hefei Xingtai Financial Holdings (Group) Co., Ltd.*) (“**Hefei Xingtai**”). Hefei Xingtai is wholly owned by 合肥市人民政府國有資產監督管理委員會 (the State-owned Assets Supervision and Administration Commission of the Hefei City People’s Government*).

(ii) Yuhua Rongtou

Yuhua Rongtou is a limited partnership established in the PRC and is principally engaged in equity investment and asset management. Yuhua Rongtou is owned as to (i) approximately 49.998% interest by 中航產業投資有限公司 (China Aviation Emerging Industry Investment Co., Ltd.*) (“**AVIC Investment**”); (ii) approximately 49.998% interest by 中航國際租賃有限公司 (AVIC International Leasing Co., Ltd.*) (“**AVIC Leasing**”); and (iii) approximately 0.004% interest by 北京譽華基金管理有限責任公司 (Beijing Yuhua Fund Management Co., Ltd.*) (“**Yuhua Management**”).

The ultimate beneficial owner of AVIC Investment and AVIC Leasing is 中航工業產融控股股份有限公司 (AVIC Industry and Financial Holdings Co., Ltd.*) (“**AVIC Industry and Financial**”) (a company established in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600705.SH)).

The general partner of Yuhua Rongtong is Yuhua Management, which in turn is owned as to (i) 70% interest by AVIC Industry and Financial; and (ii) 30% interest by 南方建信投資有限公司 (Southern CCB Trust Investment Co., Ltd.*) (“**Southern CCB Trust**”). The controlling shareholders of Southern CCB Trust are CCB Trust Management and 南方工業資產管理有限責任公司 (Southern Industrial Asset Management Co., Ltd.*) which is wholly owned by 國務院國有資產監督管理委員會 (Stated-owned Assets Supervision and Administration and Commission of the State Council*).

(iii) Yuhua Investment

Yuhua Investment is a limited partnership established in the PRC and is principally engaged in equity investment and provision of investment management and consultancy services. Yuhua Investment is owned as to (i) 30% interest by 南昌市紅谷灘城市投資集團有限公司 (Nanchang Honggutan City Investment Group Co., Ltd.*) (“**Nanchang Honggutan Investment**”); (ii) 28.9% interest by AVIC Investment; (iii) 25% interest by 江西紅谷灘金融控股有限公司 (Jiangxi Honggutan City Financial Holdings Co., Ltd.*) (“**Jiangxi Honggutan**”); (iv) 15% interest by 南昌大道投資有限責任公司 (Nanchang Dadao Investment Co., Ltd.*) (“**Nanchang Dadao Investment**”); (v) 1% interest by 南昌市紅谷灘新區航譽股權投資有限公司 (Nanchang Honggutan New District Hangyu Equity Investment Co., Ltd.*) (“**Hangyu Investment**”); and (vi) 0.1% interest by Yuhua Management.

The controlling shareholder of Yuhua Investment is Nanchang Honggutan Investment, which is controlled by 南昌市紅谷灘新區管理委員會 (Nanchang Honggutan New District Management Committee*). The general partner of Yuhua Investment is Hangyu Investment. Hangyu Investment is owned as to (i) 45% interest by AVIC Investment; (ii) 40% interest by Jiangxi Honggutan; and (iii) 15% interest by Nanchang Dadao Investment. Jiangxi Honggutan is owned as to (i) 35% interest by Nanchang Honggutan Investment; (ii) 33% interest by 中航信托股份有限公司 (AVIC Trust Co., Ltd.*) (“**AVIC Trust**”) and (iii) 32% interest by 博能控股股份有限公司 (B-energy Holdings Co., Ltd.*). AVIC Trust is controlled by 中航投資控股有限公司 (AVIC Investment Co., Ltd.*) (“**AVIC Investment Holding**”). AVIC Investment Holding is controlled by AVIC Industry and Financial.

(iv) OL Zhijia

OL Zhijia is a limited partnership established in the PRC and is principally engaged in investment holdings. OL Zhijia is owned as to (i) 59% interest by 北京長安中聯科技有限公司 (Beijing Changan Zhonglian Technology Co., Ltd.*) (“**Zhonglian Technology**”); (ii) 40% interest by 上海經石投資管理中心(有限合夥)(Shanghai Jingshi Investment Management Center (Limited Partnership)*) (“**Jingshi Investment**”); and (iii) 1% interest by OL Management.

Zhonglian Technology is owned as to 60% interest by 顏博 (Yan Bo*) and 40% interest by 鐘小明 (Zhong Xiaoming*) respectively. The ultimate beneficial owner of Jingshi Investment is 徐工集團工程機械股份有限公司 (XCMG Construction Machinery 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: 000425.SZ)).

The general partner of OL Zhijia is OL Management.

(v) OL Zhitong

OL Zhitong is a limited partnership established in the PRC and is principally engaged in equity investment, investment management and asset management. The substantial shareholders who hold 5% or more interest in OL Zhitong are (i) OL Zhijia, which holds approximately 26.32% interest therein; (ii) 杭州實隆股權投資合夥企業(有限合夥)(Hangzhou Shilong Equity Investment Partnership (Limited Partnership)*), which holds approximately 24.66% interest therein; (iii) Tianjin Fuqing, which holds approximately 17.76% interest therein; (iv) 楊康 (Yang Kang*), who holds approximately 9.87% interest therein; (v) 西安鑫享致贏股權投資合夥企業(有限合夥)(Xi’an Xinxiang Zhiying Equity Investment Partnership (Limited Partnership)*), which holds approximately 7.62% interest therein; and (vi) 守恆致鑫(晉江)股權投資合夥企業(有限合夥)(Shouheng Zhixin (Jinjiang) Equity Investment Partnership (Limited Partnership)*), which holds approximately 5.49% interest therein.

The general partner of OL Zhitong is OL Management.

(vi) OL Zhihong

OL Zhihong is a limited partnership established in the PRC and is principally engaged in equity investment, investment management and asset management. The substantial shareholders who hold 5% or more interest in OL Zhihong are (i) Tianjin Fuqing, which holds approximately 46.99% interest therein; (ii) 蘇州城市建設投資發展(集團)有限責任公司 (Suzhou City Construction Investment Development (Group) Co., Ltd.*) (“**Suzhou Construction**”), which is a company established in the PRC with limited liability and wholly owned by 蘇州市國有資產管理委員會 (the State-owned Assets Management Commission of Suzhou*), holds approximately 37.59% interest therein; and (iii) 蘇州城投資本控股有限責任公司 (Suzhou City Investment Capital Holdings Co., Ltd.*), which is a company established in the PRC with limited liability and wholly owned by Suzhou Construction, holds approximately 9.40% interest therein.

The general partner of OL Zhihong is OL Management.

(vii) Junyuan No. 3

Junyuan No. 3 is a limited partnership established in the PRC and is principally engaged in equity investment and provision of consultancy services. It is owned as to 99.9% interest by 王潔 (Wang Jie*) and 0.1% interest by 北京鈞源資本投資管理有限公司 (Beijing Junyuan Capital Investment Management Co., Ltd.*) (“**Junyuan Management**”) respectively.

The general partner of Junyuan No.3 is Junyuan Management and it is owned as to (i) 40% interest by 沈振鴻 (Shen Zhenhong*); (ii) 35% interest by 陳金龍 (Chen Jinlong*); (iii) 15% interest by 柳建都 (Liu Jiandu*); and (iv) 10% interest by 曾鑄涵 (Zeng Zhuhan*).

(viii) Junyuan No. 5

Junyuan No. 5 is a limited partnership established in the PRC and is principally engaged in equity investment and provision of consultancy services. It is owned as to (i) 23.4% interest by 洪亞郎 (Hong Yalang*); (ii) 21.57% interest by 王博 (Wang Bo*); (iii) 20.83% interest by 鄭賢超 (Zheng Xianchao*); (iv) 15.60% interest by 柳建都 (Liu Jiandu*); (v) 12.50% interest by 林建東 (Lin Jiandong*); and (vi) 6.10% interest by Junyuan Management.

The general partner of Junyuan No.5 is Junyuan Management and it is owned as to (i) 40% interest by 沈振鴻 (Shen Zhenhong*); (ii) 35% interest by 陳金龍 (Chen Jinlong*); (iii) 15% interest by 柳建都 (Liu Jiandu*); and (iv) 10% interest by 曾鑄涵 (Zeng Zhuhan*).

(ix) Tianjin Futeng

Tianjin Futeng, which is a limited partnership established in the PRC and is principally engaged in provision of corporate management and consultancy services. 紀中寧 (Ji Zhongning*) holds approximately 41.56% interest in Tianjin Futeng. 胡潔 (Hu Jie*), a subsidiary level director of SHNE Group, holds approximately 9.24% interest in Tianjin Futeng and 王文濤 (Wang Wentao*), another subsidiary level director of SHNE Group, holds approximately 8.51% interest in Tianjin Futeng. 陳伶超 (Chen Lingchao*) holds approximately 4.16% interest in Tianjin Futeng. 譚再興 (Tan Zaixing*), a former executive SHNE Director within the last 12 months from the date of this joint announcement and subsidiary level director of SHNE Group, holds approximately 3.83% interest in Tianjin Futeng. 馬鎖明 (Ma Suoming*), another subsidiary level director of SHNE Group, holds approximately 3.69% interest in Tianjin Futeng. The other shareholders of Tianjin Futeng comprise BENE, holds approximately 0.85% interest, and remaining 42 other shareholders including certain subsidiary level directors of SHNE Group, none of which holding 3% or more interest in Tianjin Futeng.

The general partner of Tianjin Futeng is 李海明 (Li Haiming*), holds approximately 2.67% interest in Tianjin Futeng.

(x) Great First

Great First is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is wholly owned by Mr. Hu.

As Great First is wholly-owned by Mr. Hu, a former executive SHNE Director within the last 12 months from the date of this joint announcement and is a connected person each of SHNE and SDHG, Great First is an associate of Mr. Hu, and hence a connected person of each of SHNE and SDHG for the purpose of chapter 14A of the Listing Rules.

Save for the relevant non-controlling interests in Beiqing Smart held by the Fourth Round Investors (excluding Great First), and certain shareholders of Tianjin Futeng who are directors of subsidiary of SHNE Group or former director of SHNE as disclosed above, to the best knowledge of the SHNE Directors and SDHG Directors, after having made all reasonable enquiry, each of the Fourth Round Investors (excluding Great First) and their ultimate beneficial owners are Independent Third Parties.

FINANCIAL EFFECT OF THE EXERCISE OF THE OPTIONS

Upon completion of the exercise of the Options by the Investors and Great First, Beiqing Smart will become a wholly-owned subsidiary of SHNE.

As at the date of this joint announcement, SHNE indirectly owns approximately 80.24% of the equity interests in Beiqing Smart. Immediately following completion of the exercise of the Options by the Investors and Great First, SHNE will hold 100% of the equity interests in Beiqing Smart and Beiqing Smart will become a wholly-owned subsidiary of SHNE. The financial results of Beiqing Smart will continue to be consolidated by the SHNE Group.

As disclosed in paragraph 2.2.2 under the section headed “2.2 Changes in Accounting Policies and Disclosures” of the notes to financial statements in the 2021 Annual Report of SHNE published on 26 April 2022, SHNE had since 2021 changed its accounting policy in respect of the Options, which are non-controlling interest put options, from full recognition of the non-controlling interest arising from the Capital Contributions to non-recognition, considering the related financial considerations, and recognising the related liabilities at the same time. Accordingly, it is expected that the exercise of the Options and the payment for the repurchase of equity interests in Beiqing Smart under the Options will reduce both cash and cash equivalents and the related liabilities, and no gains and losses are expected to arise on the exercise of the Options and the repurchase of equity interests in Beiqing Smart under the Options.

Shareholders of SHNE and SDHG and potential investors are urged to exercise caution when dealing in the Shares.

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

“BENE”	北京北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of SHNE
“Capital Contributions”	a total of four rounds of capital contributions contributed by the investors to the registered capital of Beiqing Smart
“Capital Contribution Agreements”	the capital contribution agreements and relevant supplemental agreements in relation to Capital Contributions, details of which are set out in announcements of SHNE dated 27 December 2019, 30 July 2020, 26 March 2021 and 17 September 2021 and the circular of SHNE dated 24 December 2020
“CCB Trust Dingxin”	蕪湖建信鼎信投資管理中心(有限合夥)(Wuhu CCB Trust Dingxin Investment Management Centre (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning as ascribed to it under the Listing Rules
“First Round Investors”	investors of the first round capital increase under the Capital Contributions including, Tianjin Ping An (Limited Partnership), 嘉興智精投資合夥企業(有限合夥)(Jiaxing Zhijing Investment Partnership Enterprise (Limited Partnership)*), 嘉興智精恒錦投資合夥企業(有限合夥)(Jiaxing Zhijing Hengjin Investment Partnership Enterprise (Limited Partnership)*) and 嘉興智精恒睿投資合夥企業(有限合夥)(Jiaxing Zhijing Hengrui Investment Partnership Enterprise (Limited Partnership)*)
“Fourth Round Investors”	investors of the fourth round capital increase under the Capital Contributions including CCB Trust Dingxin, Yuhua Rongtou, Yuhua Investment, OL Zhijia, OL Zhitong, OL Zhihong, Junyuan No.3 and Junyuan No. 5, Tianjin Futeng and Great First

“Grantors”	the grantors of the Options under the Capital Contribution Agreements, namely (i) SHNE, Harvest Sunny, Beiqing Smart and BENE for the First Round Investors and the Second Round Investors; and (ii) SHNE, Tianjin Fuqing, Beiqing Smart and BENE for the Third Round Investor and the Fourth Round Investors
“Great First”	Great First Limited, a company incorporated in Hong Kong with limited liability, one of the Fourth Round Investors
“Harvest Sunny”	Harvest Sunny International Limited (富歡國際有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SHNE
“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
“Investors”	A total of 16 investors namely: (i) First Round Investors; (ii) Second Round Investors; (iii) Third Round Investor; and (iv) Fourth Round Investors (excluding Great First), and each an “Investor”
“Junyuan No. 3”	寧波梅山保稅港區鈞源三號股權投資合夥企業(有限合夥)(Ningbo Meishan Free Trade Zone Junyuan No. 3 Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors
“Junyuan No. 5”	寧波梅山保稅港區鈞源五號股權投資合夥企業(有限合夥)(Ningbo Meishan Free Trade Zone Junyuan No. 5 Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hu”	Mr. Hu Xiaoyong, who is a former executive SHNE Director, and resigned from his position with effect from 16 May 2022
“OL Zhihong”	橙葉智鴻(淄博)股權投資合夥企業(有限合夥)(Orange Leaf Zhihong (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors
“OL Zhijia”	橙葉志嘉(淄博)股權投資基金中心(有限合夥)(Orange Leaf Zhijia (Zibo) Equity Investment Fund Centre (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors
“OL Zhitong”	橙葉智通(淄博)股權投資合夥企業(有限合夥)(Orange Leaf Zhitong (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors
“Options”	the options granted by the Grantors to the Investors and Great First under the Capital Contribution Agreements, pursuant to which, the Investors and Great First shall have the right to request BENE or Beiqing Smart to repurchase the equity interests in Beiqing Smart held by the relevant Investors or Great First (as the case maybe) at any time after the occurrence of any of the prescribed events at a certain repurchase price
“PRC”	the People’s Republic of China

“Proposed Beiqing Smart Reorganisation”	<p>proposed material asset reorganisation where SEC Electric was to acquire from the shareholders of Beiqing Smart the entire equity interests in Beiqing Smart and SEC Electric would issue consideration shares to satisfy such consideration for the acquisition. The relevant transfer of the photovoltaic and wind power business operated by Beiqing Smart to SEC Electric pursuant to the Proposed Beiqing Smart Reorganisation constituted a spin-off (“Proposed Spin-off”) by the Group. As certain conditions precedent for the Proposed Beiqing Smart Reorganisation, including but not limited to the conditions of practice note 15 of the Listing Rules having been satisfied and the application for the Proposed Spin-off having been approved by the Stock Exchange, could not be fulfilled, SHNE had on 25 January 2022 announced that the Proposed Beiqing Smart Reorganisation would not be further proceeded and the Proposed Beiqing Smart Reorganisation was terminated on 25 February 2022.</p> <p>For further details, please refer to the SHNE Beiqing Smart Reorganisation Announcements.</p>
“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
“SEC Electric”	SEC Electric Machinery Co., Ltd.

“Second Round Investors”	investors of the second round capital increase under the Capital Contributions including 深圳市海匯全贏投資諮詢合夥企業(有限合夥)(Shenzhen Haihui Quanying Investment Consulting Partnership Enterprise (Limited Partnership)*) and 啟鷺(廈門)股權投資合夥企業(有限合夥)(Qilu (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)*)
“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
“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 Beiqing Smart Reorganisation Announcements”	the announcements of SHNE dated 15 March 2021, 26 March 2021, 15 October 2021, 25 January 2022, 26 January 2022, 17 February 2022 and 25 February 2022
“SHNE Board”	the board of directors of SHNE
“SHNE Capital Contributions Announcements and Circular”	the announcements of SHNE dated 27 December 2019, 30 July 2020, 26 March 2021 and 17 September 2021 and the circular of SHNE dated 24 December 2020
“SHNE Directors”	the directors of SHNE
“SHNE Group”	SHNE and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Third Round Investor”	investor of the third round capital increase under the Capital Contributions namely 橙葉智成(淄博)股權投資合夥企業(有限合夥)(Orange Leaf Zhicheng (Zibo) Equity Investment Partnership Enterprise (Limited Partnership)*)
“Tianjin Fuqing”	天津富清投資有限公司 (Tianjin Fuqing Investment Co., Ltd.*), a limited liability company established in the PRC, a wholly-owned subsidiary of SHNE
“Tianjin Futeng”	天津富騰企業管理合夥企業(有限合夥)(Tianjin Futeng Enterprise Management Partnership (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors
“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, one of the First Round Investors, 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.*),
“Yuhua Investment”	南昌市紅谷灘新區航投譽華股權投資中心(有限合夥)(Nanchang Honggutan New District Hangtou Yuhua Equity Investment Centre (Limited Partnership)*), a limited partnership established in the PRC, one of the Fourth Round Investors

“Yuhua Rongtou”

洛陽譽華融投聯動投資合夥企業(有限合夥)(Luoyang Yuhua Rongtou Linkage (Xiamen) Investment Partnership Enterprise (Limited Partnership)*) (formerly known as 譽華融投聯動(廈門)投資合夥企業(有限合夥)(Yuhua Rongtou Linkage (Xiamen) Investment Partnership Enterprise (Limited Partnership)*)), a limited partnership established in the PRC, one of the Fourth Round Investors

“%”

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, 30 November 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