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四川能投發展股份有限公司
Sichuan Energy Investment Development Co., Ltd.*

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

(Stock Code: 01713)

DISCLOSEABLE TRANSACTION
ACQUISITION OF SALE SHARES IN THE TARGET COMPANY

THE SHARE TRANSFER AGREEMENT

On 17 March 2023 (after trading hours), the Company entered into the Share Transfer Agreement with the Vendors, pursuant to which the Company has agreed to purchase, and the Vendors have agreed to sell the Sale Shares, representing 15% of the equity interests of the Target Company at the total consideration of RMB115.2 million.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios calculated according to Rule 14.07 of the Listing Rules in respect of the Share Transfer Agreement, exceeds 5% but all of the applicable percentage ratios are less than 25%, the transaction contemplated under the Share Transfer Agreement constitutes discloseable transaction for the Company and therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As completion of the Acquisition is subject to fulfillment of the conditions precedent set out in the Share Transfer Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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THE SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are summarised as follows:

Date

17 March 2023 (after trading hours)

Parties

Purchaser: the Company

Vendors: Shenzhen Yuanzhi Huaxin;
Shenzhen Jianyuan;
Shenzhen Xinfuhui; and

Target Company: Shenzhen CEGN

Sale Shares to be acquired

Sale Shares held by the Vendors represent 15% of the equity interests of the Target Company.

Consideration and payment terms

Pursuant to the terms of the Share Transfer Agreement, the Purchaser agreed to purchase and the Vendors agreed to sell the Sale Shares (representing 15% of the equity interests of the Target Company) at the total consideration of RMB115.2 million, among which RMB81.904 million is payable to Vendor A, RMB32.0 million is payable to Vendor B and RMB1.296 million is payable to Vendor C. The Consideration will be paid in cash and funded by the net proceeds from the Global Offering earmarked for acquiring equity interest in certain power-related assets. The Consideration shall be settled in full by the Purchaser within ten Business Days after the condition precedents are fulfilled.

The Consideration was determined after arms' length negotiation between the Purchaser and the Vendors, taking into account (i) the appraised value of all shareholders' equity of the Target Company as at 31 August 2022 of RMB940 million, as determined based on income approach by a professional independent PRC valuer engaged by the Company; and (ii) a discount to the said appraised value considering the strategic benefits which the Purchaser and the Vendors believe that the Group can bring to the Target Company, such as the potential industrial synergy benefits generated through the Acquisition and the potential business cooperation between the Group and the Target Company.

Conditions Precedent

The Completion is conditional on, among other things:

- (1) there is no encumbrances created on or over the Sale Shares such as equity pledge or freezing so as to affect the Completion;
- (2) the completion of the Acquisition pursuant to the Share Transfer Agreement will not be restricted or prohibited by any applicable law, judicial or arbitration agency, or other government agency's ruling or administrative decision;
- (3) the representation and warranties made by the Vendors under the Share Transfer Agreement remaining true, accurate, complete and not misleading in all respects, and no event had occurred which would violate the warranties and terms of the Share Transfer Agreement on the part of the Vendors;
- (4) the Vendors having delivered a payment notice to the Purchaser in the prescribed form appended to the Share Transfer Agreement;
- (5) the Target Company having provided to the Purchaser the originals of the shareholders' resolution stating that the existing shareholders (other than the Vendors) of the Target Company had approved all matters relating to the Acquisition, including but not limited to, a written agreement to the Acquisition and waiver of their pre-emptive rights, co-sale rights or any other similar rights (if any);
- (6) all necessary consents and approvals required to be obtained on the part of the Vendors in respect of the Acquisition, and all documents confirmation the completion of all internal approval, filing and other necessary legal procedures related to the Acquisition having been obtained and provided to the Purchaser;
- (7) the Target Company and its existing shareholders having signed a shareholders' agreement with the Purchaser; and
- (8) the Target Company and all its shareholders having signed and approved the articles of association or the amended articles of association of the Target Company.

No conditions precedent may be waived. If the conditions precedent are not fulfilled entirely within two months from the date of the Share Transfer Agreement, the Share Transfer Agreement shall be terminated, and none of the Purchaser or the Vendors shall be responsible for any liabilities thereunder.

As aforementioned, as one of the conditions precedent of Completion, the Target Company, the Purchaser and the existing shareholders of the Target Company (who are Independent Third Parties) shall enter into a shareholders' agreement to record the rights and obligations as shareholders of the Target Company. It is expected that the shareholders' agreement will contain customary terms of its type such as restrictions on share transfer, pre-emptive rights, anti-dilution rights, and tag-along rights with respect to the shares of the Target Company. No consideration will be paid for the grant of such rights, which will be exercisable at the discretion of the shareholders of the Target Company (including the Purchaser).

Default payment

In the event the Purchaser fails to pay in full the Consideration within five Business Days after the due date in accordance with the terms of the Share Transfer Agreement, the Purchaser shall pay an amount equivalent to 0.05% of the outstanding sum of the Consideration per day as overdue liquidated damages, for each day of late payment. If the Purchaser fails to pay in full the Consideration over 30 days after the due date, the Vendors shall be entitled to terminate the Share Transfer Agreement and demand the Purchaser to pay an amount equivalent to 10% of the Consideration as liquidated damages.

On the other hand, in the event the Target Company fails to complete the relevant industrial and commercial registration procedure with respect to the Acquisition within the prescribed period in accordance with the terms of the Share Transfer Agreement (the "**Registration Procedure**"), except due to reasons not caused by the Target Company, the Target Company shall pay an amount equivalent to 0.05% of the Consideration per day as overdue liquidated damages to the Purchaser, for each day of late registration. If the Registration Procedure is not completed for over 30 days after the prescribed period, the Purchaser shall be entitled to terminate the Share Transfer Agreement and demand the Target Company to pay an amount equivalent to 10% of the Consideration as liquidated damages.

In the event the Vendors breach or violate any of the obligations, representations or warranties in the Share Transfer Agreement which renders it impossible for the Acquisition to complete or causes the Purchaser to suffer any loss, the Purchaser shall be entitled to terminate the Share Transfer Agreement, the Vendors shall refund the full amount paid by the Purchaser, and the Purchaser shall have the right to demand the Vendors to pay an amount equivalent to 10% of the Consideration as liquidated damages.

Completion

Subject to the fulfilment of the conditions precedent, Completion shall take place when the Purchaser settles the Consideration in full.

Upon completion of the Acquisition, the Company will directly hold 15% of the equity interests of the Target Company and as a result, the financial results of the Target Company will not be consolidated into the consolidated financial statements of the Group. The Sale Shares will be accounted for as a long-term equity investment.

INFORMATION OF THE PARTIES

The Company is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and electricity distribution and sales.

Shenzhen YuanZhi HuaXin

Shenzhen Yuanzhi Huaxin is a limited partnership established under the laws of the PRC which is principally engaged in investment and asset management. It is owned approximately as to 32.4% by Shenzhen Capital Operation Group Co., Ltd.* (深圳市資本運營集團有限公司) (formerly known as Shenzhen Yuanzhi Investment Co., Ltd.* (深圳市遠致投資有限公司)) (“**Shenzhen Capital**”) and 1.0% by Shenzhen Yuanzhi Ruixin Equity Investment Management Co., Ltd.* (深圳市遠致瑞信股權投資管理有限公司) (“**Shenzhen Yuanzhi Ruixin**”). There are four other limited partners of Shenzhen Yuanzhi Huaxin and none of them holds more than 30% of the partnership interests of Shenzhen Yuanzhi Huaxin as at the date of this announcement.

Shenzhen Capital is a limited liability company established in the PRC which principally engages in investment and asset management. It is wholly owned by the Shenzhen State-owned Assets Supervision and Administration Commission.

Shenzhen Yuanzhi Ruixin is the general partner of Shenzhen Yuanzhi Huaxin and a limited liability company established in the PRC. It principally engages in investment and funds management. It is owned as to 40% by Shenzhen Capital. There are three other limited partners of Shenzhen Yuanzhi Ruixin and none of them holds more than 30% of partnership interests in Shenzhen Yuanzhi Ruixin as at the date of this announcement.

Shenzhen Jianyuan

Shenzhen Jianyuan is a limited partnership established under the laws of the PRC which is principally engaged in investment and fund management. It is owned as to 49.5% by Wuhu Jianxin Chenqian Investment Management Co., Ltd.* (蕪湖建信宸乾投資管理有限公司) (“**Wuhu Jianxin**”), 49.5% by Shenzhen Capital and 1% by Shenzhen Jianyuan Investment Linkage Private Equity Investment Fund Management Co., Ltd.* (深圳市建遠投貸聯動私募股權投資基金管理有限公司) (“**Jianyuan Investment**”).

Jianyuan Investment is the general partner of Shenzhen Jianyuan and a limited liability company established in the PRC. It principally engages in trust asset management. It is owned as to 50% by Wuhu Jianxin and 50% by Shenzhen Yuanzhi Ruixin. Wuhu Jianxin is a company established in the PRC with limited liability which is ultimately beneficially controlled by the State Council of the PRC. It principally engages in investment and funds management.

Shenzhen Xinfuhui

Shenzhen Xinfuhui is a limited partnership established under the laws of the PRC which is principally engaged in investment and fund management. Its general partner is Shenzhen Xinfuhui Investment Co., Ltd.* (深圳市信福匯投資有限公司) which holds approximately 0.02% partnership interests in Shenzhen Xinfuhui. Shenzhen Xinfuhui is held by 11 individuals, among which Mr. Yan Jun'e holds approximately 24.7%; Mr. Xu Qiang holds approximately 12.3%; Mr. Zhuo Shidong holds approximately 12.3%; Mr. Bin Zhaoming holds approximately 12.3% and Mr. He Yimin holds approximately 12.3%. None of the other partners of Shenzhen Xinfuhui holds more than 10% partnership interests in Shenzhen Xinfuhui as at the date of this announcement.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE TARGET COMPANY

Shenzhen CEGN is a company established in the PRC with limited liability. It is mainly engaged in researching and developing electric vehicle charger, setting up charging gird, operation and maintenance charging gird and related value-add service. As at the date of this announcement, the Target Company is owned as to approximately 29.8% by Shenzhen Clou, 25% by Hainan Zhixinhui and 17.1% by Shenzhen Yuanzhi Huaxin.

Shenzhen Clou is a joint stock company established in the PRC with its shares listed on the Shenzhen Stock Exchange. As at the date of this announcement, it is owned as to approximately 15.3% by Shenzhen Capital, which is wholly owned by the Shenzhen State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Hainan Zhixinhui is a limited partnership established under the laws of the PRC which is principally engaged in investment and fund management. Hainan Zhixinhui is owned as to approximately 46.6% and 12.3% by Mr. Gui Cuocai and Ms. Wang Jing, respectively. Mr. Gui Cuocai is the general partner of Hainan Zhixinhui. There are 25 other individual limited partners of Hainan Zhixinhui and none of them each hold more than 10% of partnership interests in Hainan Zhixinhui as at the date of this announcement. For the background of Shenzhen Yuanzhi Huaxin, please refer to the section headed "Shenzhen Yuanzhi Huaxin" above.

No other shareholders of the Target Company holds more than 10% of the equity interests of the Target Company as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Target Company, the other existing shareholders of the Target Company, and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

The table below sets out the unaudited financial information of the Target Company for the year ended 31 December 2022 and certain audited financial information of the Target Company for the year ended 31 December 2021 prepared in accordance with the China Accounting Standards for Business Enterprises:

	For the year ended 31 December	
	2022	2021
	<i>RMB' million</i>	<i>RMB' million</i>
	(unaudited)	(audited)
Revenue	382.7	352.1
Net profit/loss before taxation	1.3	(15.6)
Net profit/loss after taxation	1.9	(14.4)

As at 31 December 2022, the unaudited net assets of the Target Company amounted to approximately RMB246.5 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE TRANSFER AGREEMENT

The Target Company is one of the service providers in the industry that integrates the entire chain of the charging industry. The Directors believe that it has (a) strong competitive advantages in product technology, brand and cloud platform operation management; (b) a senior management which has rich industry experience and industry resources; (c) gained an industry reputation and brand influence among its customers; (d) strong and professional research and development team, exemplified by its independent research and development of intelligent charging cloud platform and charging APP; and (e) comprehensive solution for new energy charging with great industry competitiveness.

With the backdrop of the national strategic goal of “carbon peak carbon neutrality”, according to the industrial layout and the “14th Five-Year Plan” strategic development plan of the Company, the Company plans to participate in the charging pile industry through the Acquisition. It is conducive to transition to a modern comprehensive energy service enterprise, extending the industrial chain, and effectively enhancing the Company's competitiveness and market value. Relying on the industrial ecology, the Acquisition paves the way for the extension of the industrial chain to explore applications of V2G power grid, orderly charging and energy storage. It is a key opportunity for the extension of the industry chain for the Company, which is conducive to promoting the deep integration and development of electric transportation and smart energy, helping to improve the energy efficiency level in the transportation field, accelerating the Company's transformation into a modern comprehensive energy service enterprise, and further enhancing the core competitiveness of enterprises.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Share Transfer Agreement have been negotiated on arm's length basis and the Share Transfer Agreement are entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Share Transfer Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios calculated according to Rule 14.07 of the Listing Rules in respect of the Share Transfer Agreement, exceeds 5% but all of the applicable percentage ratios are less than 25%, the transaction contemplated under the Share Transfer Agreement constitutes discloseable transaction for the Company and therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As completion of the Acquisition is subject to fulfillment of the conditions precedent set out in the Share Transfer Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company 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 shall have the meanings as set out below:

“Acquisition”	The acquisition of the Sale Shares by the Company from the Vendors, as contemplated under the Share Transfer Agreement
“Board”	The board of Directors of the Company
“Business Day”	any day (excluding Saturday, Sunday and public holidays) on which banks are generally open for ordinary banking business in PRC
“Company” or “Purchaser”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 01713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011
“Completion”	completion of the Acquisition pursuant to the Share Transfer Agreement
“Consideration”	the consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Global Offering”	the global offering of the Company in connection with the listing of the Shares on the Stock Exchange consummated on 28 December 2018
“Group”	the Company and its subsidiaries
“Hainan Zhixinhui”	Hainan Zhixinhui Investment Partnership (limited Partnership)* (海南智新慧投資合夥企業(有限合夥)) (formerly known as Zhuhai Zhixinhui Investment Partnership (limited Partnership)* (珠海智新慧投資合夥企業(有限合夥))) a limited partnership established under the laws of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are third parties independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	15% of the equity interests in Shenzhen CEGN
“Share Transfer Agreement”	the conditional sale and purchase agreement dated 17 March 2023 entered into among the Company, Vendor A, Vendor B, Vendor C and the Target Company in respect of the Acquisition
“Shareholder(s)”	holder(s) of the shares of the Company
“Shenzhen CEGN” or “Target Company”	Shenzhen CEGN Co.,Ltd* (深圳市車電網絡有限公司), a company established in the PRC with limited liability
“Shenzhen Clou”	Shenzhen Clou Electronics Co., Ltd.* (深圳市科陸電子科技股份有限公司), a joint stock company with limited liability established in the PRC with its shares listed on the Shenzhen Stock Exchange (stock code: 02121.SZ)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Vendor A, Vendor B and Vendor C
“Vendor A” or “Shenzhen Yuanzhi Huaxin”	Shenzhen Yuanzhi Huaxin Emerging Industry Equity Investment Fund Partnership (L.P.)* 深圳市遠致華信新興產業股權投資基金合夥企業(有限合夥), a limited partnership established under the laws of the PRC
“Vendor B” or “Shenzhen Jianyuan”	Shenzhen Jianyuan Investment Loan Linkage Equity Investment Fund Partnership (L.P.)* (深圳建遠投貸聯動股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC

“Vendor C” or “Shenzhen
Xinfuhui”

Shenzhen Xinfuhui No.2 Investment Partnership (Limited Partnership)*
(深圳市信福匯二號投資合夥企業(有限合夥)), a limited
partnership established under the laws of the PRC

“%”

per cent

By order of the Board

Sichuan Energy Investment Development Co., Ltd.*

Xiong Lin

Chairman

Chengdu, Sichuan Province, the PRC

17 March 2023

As at the date of this announcement, the executive Directors are Mr. Xiong Lin, Mr. Li Hui and Ms. Xie Peixi; the non-executive Directors are Ms. Han Chunhong, Ms. Li Yu, Ms. Liang Hong and Ms. Lv Yan; and the independent non-executive Directors are Mr. Kin Kwong Kwok Gary, Ms. He Zhen, Mr. Wang Peng and Prof. Li Jian.

* For identification purposes only