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JOINT ANNOUNCEMENT

(1) MAJOR AND CONNECTED TRANSACTION RELATING TO THE SALE AND PURCHASE OF THE SALE SHARES IN SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED AND THE POSSIBLE OFFERS;

(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED FOR AND ON BEHALF OF SHANDONG HI-SPEED HOLDINGS GROUP LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT); AND

(3) RESUMPTION OF TRADING IN THE SHARES OF SHANDONG HI-SPEED HOLDINGS GROUP LIMITED

(1) THE SALE AND PURCHASE OF THE SALE SHARES IN SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED;

(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED FOR AND ON BEHALF OF SHANDONG HI-SPEED HOLDINGS GROUP LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT); AND

(3) RESUMPTION OF TRADING IN THE SHARES OF SHANDONG HI-SPEED NEW ENERGY GROUP LIMITED

Financial Adviser to the Offeror



SHNE Independent Financial Adviser to SHNE Independent Board Committee



THE SALE AND PURCHASE AGREEMENT

The SHNE Board was informed by SDHG as the Offeror that on 13 November 2024 (after trading hours), the Vendors (as vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agrees to acquire from the Vendors and the Vendors conditionally agree to sell to the Offeror the Sale Shares, representing approximately 13.52% of the total issued share capital of SHNE as at the date of the Sale and Purchase Agreement at the Consideration, which is to be fully settled upon Completion. In particular, each of Vendor-A and Vendor-B will sell to the Offeror 151,898,734 SHNE Shares representing approximately 6.76% of the total issued share capital of SHNE as at the date of Sale and Purchase Agreement respectively. The Completion is conditional upon the Conditions (which are described in the section headed “THE SALE AND PURCHASE AGREEMENT — Conditions precedent” of this joint announcement) to be fulfilled or waived (as the case may be) as set out in the Sale and Purchase Agreement. The Completion is to take place on the Completion Date. Upon the completion of the Offeror’s subscription of SHNE Shares on and the change of composition of the SHNE Board with effect from 19 May 2022, SHNE had since then become the Offeror’s non-wholly owned subsidiary. Even though the Offeror owns less than 50% of the voting rights of SHNE, SHNE became a subsidiary of the Offeror as (i) the Offeror is the single largest SHNE Shareholder with a 43.45% equity interest; (ii) the Offeror controls the SHNE Board and holds relatively larger voting rights than other dispersed public SHNE Shareholders; and (iii) there has been no history and no expectation that the other SHNE Shareholders collaborating to exercise their votes collectively or to outvote the SDHG Group or the Offeror. Upon Completion, SHNE will remain as a non-wholly owned subsidiary of the Offeror, whose shareholding will increase from 43.45% to 56.97% assuming there is no other changes to the issued share capital of SHNE from the date of this joint announcement to the Completion Date.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it own 976,080,784 SHNE Shares, representing approximately 43.45% of the total issued share capital of SHNE. Assuming there are no other changes to the issued share capital of SHNE from the date of this joint announcement to the Completion Date, immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 1,279,878,252 SHNE Shares, representing approximately 56.97% of the total issued share capital of SHNE as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, immediately after the Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued SHNE Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). In addition, the Offeror is also obliged to make an appropriate cash offer to the SHNE Offer Optionholders to cancel all the Offer Options under Rule 13 of the Takeovers Code.

Subject to Completion, Huatai Financial, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers on terms to be set out in the Composite Document on the following basis:

The Share Offer

For each Offer Share. HK\$1.78 in cash

The Share Offer Price of HK\$1.78 per Offer Share under the Share Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement. Neither the Offeror nor any parties acting in concert with it had dealt for value in SHNE Shares in the six months prior to and including the date of this joint announcement.

The Share Offer will be extended to all SHNE Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

The SHNE Option Offer

For the cancellation of each of Offer Options HK\$0.0001 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding SHNE Options would normally represent the difference between the exercise price of the SHNE Options and the Share Offer Price. Under the SHNE Option Offer, since the exercise price of the outstanding Options are above the Share Offer Price, the outstanding SHNE Options are out-of-money and the offer price for each outstanding SHNE Option is at a nominal value of HK\$0.0001.

The Offers will be unconditional in all aspects when they are made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares.

Principal terms of the Offers are set out in the section headed “**POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**” of this joint announcement.

Fast Top Irrevocable Undertaking

As at the date of this joint announcement, Fast Top beneficially owns 405,063,291 SHNE Shares, representing approximately 18.03% of the issued share capital of SHNE. Fast Top has given the Fast Top Irrevocable Undertaking in favour of the Offeror and SHNE, pursuant to which Fast Top has undertaken that, subject to the Offeror acquiring the Sale Shares from the Vendors at a price of not higher than HK\$1.8 per Sale Shares, during the period commencing on the date of the Fast Top Irrevocable Undertaking and ending on the date on the close of the Offers, (i) it shall not (and will procure the parties acting in concert with it not to) accept the Share Offer in respect of the SHNE Shares owned by it; or sell any of the SHNE Shares owned by it to the Offeror or parties acting in concert with it; (ii) it shall not acquire or subscribe any SHNE Shares, securities or other interest in SHNE; (iii) it will not (and will procure the parties acting in concert with it not to) take any other action to make the SHNE Shares owned by it available for acceptance of the Share Offer; and (iv) it shall not (and will procure the parties acting in concert with it not to) sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such SHNE Shares and/or otherwise make such SHNE Shares available for acceptance for the Share Offer.

Total value of the Offers

As at the date of this joint announcement, there are 2,246,588,726 SHNE Shares in issue and 19,010,000 outstanding SHNE Options granted under the Share Option Scheme, entitling the SHNE Optionholders to subscribe for an aggregate of 19,010,000 SHNE Shares at an exercise price of HK\$4.00. Particularly, 7,604,000 of the outstanding Options have been vested. Pursuant to the terms of the Share Option Scheme, in the event a general offer is made to the SHNE Shareholders (and such offer becomes or is declared unconditional), all the SHNE Optionholders (holding vested or unvested SHNE Options) shall be entitled to exercise the SHNE Options in full.

Assuming that there is no change in the issued share capital of SHNE and none of the outstanding SHNE Options is exercised prior to the Closing Date, and on the basis of the Share Offer Price of HK\$1.78 per SHNE Share, the entire issued ordinary share capital of SHNE would be valued at HK\$3,998,927,932.28.

Assuming the Offers are accepted in full on the basis that (i) none of the SHNE Options is exercised prior to the Closing Date and there will be 19,010,000 outstanding SHNE Options remaining for acceptance of the SHNE Option Offer; and (ii) there is no change in the issued share capital of the SHNE prior to the Closing Date and accordingly a total of 561,647,183 issued SHNE Shares (representing the total number of issued SHNE Shares excluding (a) 1,279,878,252 SHNE Shares already held or to be acquired by the Offeror and the parties acting in concert with it; and (b) 405,063,291 SHNE Shares held by Fast Top (Fast Top has undertaken not to accept the Share Offer pursuant to the Fast Top Irrevocable Undertaking)), will be subject to the Share Offer, the total consideration payable by the Offeror under the Offers would be HK\$999,733,886.74 (inclusive of HK\$999,731,985.74 for the Share Offer and HK\$1,901 for the SHNE Option Offer).

Assuming the Offers are accepted in full on the basis that (i) all of the 19,010,000 outstanding SHNE Options are exercised in full prior to the Closing Date and there will be no outstanding SHNE Options remaining for acceptance of the SHNE Option Offer; and (ii) there is no other change in the issued share capital of SHNE prior to the Closing Date and accordingly a total of 580,657,183 issued SHNE Shares (representing the total number of issued SHNE Shares excluding (a) 1,279,878,252 SHNE Shares already held or to be acquired by the Offeror and the parties acting in concert with it; and (b) 405,063,291 SHNE Shares held by Fast Top (which has undertaken not to accept the Share Offer pursuant to the Fast Top Irrevocable Undertaking)), will be subject to the Share Offer, the total consideration payable by the Offeror under the Share Offer would amount to HK\$1,033,569,785.74.

SHNE confirms that as at the date of this joint announcement, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offers. If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Share Offer Price by an amount equal to the gross amount of such dividend or other distribution received or receivable by the SHNE Shareholders pursuant to Note 3 to Rule 26.3 of the Takeovers Code.

The Offeror intends to maintain the listing of the SHNE Shares on the Stock Exchange following the close of the Offers and will take appropriate steps as soon as possible following the close of the Offers to ensure that a sufficient public float exists for the SHNE Shares. The steps that the Offeror may take include but not limited to (i) placing down or selling sufficient number of accepted SHNE Shares it acquired from the Offers to selected independent third parties or in the market; and/or (ii) issue of additional SHNE Shares by SHNE for this purpose.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

The Offeror will finance and satisfy the Consideration and the maximum consideration payable under the Offers by a loan facility. Huatai Financial, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration and the maximum consideration payable upon full acceptance of the Offers.

SHNE INDEPENDENT BOARD COMMITTEE AND SHNE INDEPENDENT FINANCIAL ADVISER

An SHNE Independent Board Committee comprising all the independent non-executive SHNE Directors, namely Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik, has been established in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the SHNE Independent Shareholders and SHNE Offer Optionholders in respect of the Offers as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

Gram Capital Limited has been appointed by SHNE as the SHNE Independent Financial Adviser to advise the SHNE Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. The appointment of the SHNE Independent Financial Adviser has been approved by the SHNE Independent Board Committee.

IMPLICATION UNDER THE LISTING RULES FOR SDHG

As at the date of this joint announcement, the Vendors owns an aggregate of approximately 13.52% of the issued share capital of SHNE and hence are substantial shareholders of SHNE. Therefore, pursuant to Chapter 14A of the Listing Rules, each of the Vendors is a connected person of SDHG at the subsidiary level, and accordingly, the Acquisition constitutes a connected transaction of SDHG under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, since (i) the Vendors are connected persons of SDHG at the subsidiary level, (ii) the SDHG Board has approved the Acquisition; and (iii) the independent non-executive SDHG Directors have confirmed that the terms of the Acquisition are fair and reasonable and the Acquisition is on normal commercial terms or better and in the interests of SDHG and the SDHG Shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Furthermore, the Acquisition and the Offers are subject to aggregation pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the transactions are 25% or more but less than 100%, the Acquisition, together with the Offers, constitute a major transaction for SDHG and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SDHG SGM

An SDHG SGM will be convened and held for the SDHG Shareholders to consider and, if thought fit, to approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the Offers.

A circular containing, among other things, (i) further details of the Acquisition, the Offers and SHNE (ii) other information as required by the Listing Rules; and (iii) a notice of the SDHG SGM and a form of proxy, is expected to be despatched to the SDHG Shareholders on or before 18 December 2024.

COMPOSITE DOCUMENT

It is the intention of the Offeror and SHNE to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offers; (ii) the recommendation from the SHNE Independent Board Committee in respect of the Offers; (iii) the letter from the SHNE Independent Financial Adviser in respect of the Offers, together with the acceptance and transfer form, will be despatched to the SHNE Shareholders no later than 21 days after the date of this joint announcement unless the Executive grants a consent for extension. As the making of the Offers is conditional upon Completion (which in turn is conditional upon satisfaction or waiver (as may be applicable) of the Conditions), including but not limited to the SDHG SGM convened by SDHG having approved to proceed (i) the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) the Offers, an application will be made by the Offeror to seek the Executive's consent under Rule 8.2 of the Takeovers Code (which may or may not be granted) to extend the deadline for the despatch of the Composite Document. Further announcement(s) regarding the delay in despatch of the Composite Document will be made by the Offeror and SHNE as and when appropriate.

RESUMPTION OF TRADING

At the request of SDHG, trading in the SDHG Shares on the Stock Exchange has been halted with effect from 9:30 a.m., on 12 November 2024 pending the release of an announcement in relation to inside information of SDHG. An application has been made by SDHG to the Stock Exchange for the resumption of trading in the SDHG Shares on the Stock Exchange with effect from 1:00 p.m. on 27 November 2024.

At the request of SHNE, trading in the SHNE Shares on the Stock Exchange has been halted with effect from 9:16 a.m., on 12 November 2024 pending the release of an announcement pursuant to the Takeovers Code, which contains inside information of SHNE. An application has been made by SHNE to the Stock Exchange for the resumption of trading in the SHNE Shares on the Stock Exchange with effect from 1:00 p.m. on 27 November 2024.

WARNING

Each of the Share Offer and SHNE Option Offer is a possible mandatory unconditional cash offer and will only be made if the Completion takes place. Completion is subject to fulfillment and/or waiver, as applicable, of the Conditions. Accordingly, the Completion may or may not take place and the Offers may or may not be made. The issue of this joint announcement does not in any way imply that the Offers will be made. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, providing the information relating to the Offers to be made to the SHNE Shareholders, SHNE Optionholders and potential investors of SHNE. The SHNE Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the SHNE Independent Shareholders and SHNE Offer Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the SHNE Independent Board Committee and the letter of advice from the SHNE Independent Financial Adviser in respect of the Offers.

SHNE Shareholders, SHNE Optionholders and potential investors of SHNE are advised to exercise caution when dealing in the SHNE Shares. If SHNE Shareholders, SHNE Optionholders and potential investors are in any doubt about their position, they should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional advisers.

The SHNE Board was informed by SDHG as the Offeror, that on 13 November 2024 (after trading hours), the Vendors (as vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agrees to acquire from the Vendors and the Vendors conditionally agree to sell to the Offeror the Sale Shares, representing approximately 13.52% of the total issued share capital of SHNE as at the date of the Sale and Purchase Agreement at the Consideration, which is to be fully settled upon Completion. In particular, each of Vendor-A and Vendor-B will sell to the Offeror 151,898,734 SHNE Shares representing approximately 6.76% of the total issued share capital of SHNE as at the date of Sale and Purchase Agreement respectively. The Completion is conditional upon the Conditions to be fulfilled or waived (as the case may be) as set out in the Sale and Purchase Agreement. The Completion is to take place on the Completion Date. Upon the completion of the Offeror's subscription of SHNE Shares on and the change of composition of the SHNE Board with effect from 19 May 2022, SHNE had since then become the Offeror's non-wholly owned subsidiary. Even though the Offeror owns less than 50% of the voting rights of SHNE, SHNE became a subsidiary of the Offeror as (i) the Offeror is the single largest SHNE Shareholder with a 43.45% equity interest; (ii) the Offeror controls the SHNE Board and holds relatively larger voting rights than other dispersed public SHNE Shareholders; and (iii) there has been no history and no expectation that the other SHNE Shareholders collaborating to exercise their votes collectively or to outvote the SDHG Group or the Offeror. Upon Completion, SHNE will remain as a non-wholly owned subsidiary of the Offeror, whose shareholding will increase from 43.45% to 56.97% assuming there is no other changes to the issued share capital of SHNE from the date of this joint announcement to the Completion Date.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized as follows:

Date

13 November 2024 (after trading hours)

Parties

- (i) The Offeror (as purchaser)
- (ii) Vendor-A and Vendor-B (as vendors)

Subject matter

The Sale Shares, being an aggregate of 303,797,468 SHNE Shares, representing approximately 13.52% issued share capital of SHNE, will be sold free from any Encumbrances and together with all rights as at or after the date of the Sale and Purchase Agreement attaching to them, including but not limited to all dividends declared in respect thereof, on and subject to the terms and conditions of the Sale and Purchase Agreement.

The Sale Shares sold by each of the Vendors are set out below:

Vendors	Sale Shares	Shareholding (Approximate %)
Vendor-A	Sale Shares-A, being 151,898,734 SHNE Shares	6.76%
Vendor-B	Sale Shares-B, being 151,898,734 SHNE Shares	6.76%

Consideration

The Consideration is HK\$540,759,493.04 in aggregate (equivalent to HK\$1.78 per Sale Share), which shall be payable by cash by the Offeror to the Vendors on the Completion Date.

The amount of consideration to be paid to each of the Vendors is set out below:

Vendors	Sale Shares	Considerations to be paid (HK\$)
Vendor-A	Sale Shares-A, being 151,898,734 SHNE Shares	270,379,746.52
Vendor-B	Sale Shares-B, being 151,898,734 SHNE Shares	270,379,746.52

The Consideration was determined after arm's length negotiations between the Offeror and the Vendors on normal commercial terms taking into account of, among other things, the recent and historic price of the SHNE Shares.

The Consideration will be financed by a loan facility.

Conditions precedent

The Completion is conditional upon the fulfilment of the following Conditions on or before the Long Stop Date:

- (A) the SFC (and, where applicable, the Stock Exchange) having confirmed that it has no further comments on the joint announcement of SHNE and the Offeror in relation to the sale and purchase of the Sale Shares and the Offers under Rule 3.5 of the Takeovers Code, and such joint announcement having been issued by SHNE and the Offeror;
- (B) the representations, warranties and/or undertakings provided by the Vendors set out in the Sale and Purchase Agreement remaining true, complete, accurate and not misleading in all material respects at all times between the date of the Sale and Purchase Agreement and the Completion Date and there having been no material breaches by the Vendors under the Sale and Purchase Agreement;
- (C) the representations, warranties and/or undertakings provided by the Offeror set out in the Sale and Purchase Agreement remaining true, complete, accurate and not misleading in all material respects at all times between the date of the Sale and Purchase Agreement and the Completion Date and there having been no material breaches by the Offeror under the Sale and Purchase Agreement;

- (D) the Offeror having obtained the approval of the relevant resolutions by the SDHG Shareholders at the SDHG SGM convened by SDHG for (i) the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) the Offers;
- (E) the Offeror having obtained all approvals required to proceed the Sale and Purchase Agreement and the transactions proposed under it, including but not limited to all approvals, consents, authorisation, registrations and filings of relevant governmental authorities (including but not limited to the Stock Exchange, the SFC and approvals required under applicable laws of other countries), institutions, organizations or any other third parties (including but not limited to banks or creditors); and
- (F) the Vendors having obtained all resolutions and approvals required to proceed the Sale and Purchase Agreement and the transactions proposed under it, including but not limited to all approvals, consents, authorisation, registrations and filings of the relevant government departments (including but not limited to the Stock Exchange, the SFC and approvals required under applicable laws of other countries), institutions or organizations or any other third parties (including but not limited to banks or creditors).

Except for Condition (B) which can be waived by the Offeror and Condition (C) which can be waived by the Vendors in writing at all times, none of the other Conditions is waivable.

If the conditions set out above are not satisfied or waived (if applicable) on or before the Long Stop Date, the Sale and Purchase Agreement shall automatically lapse, save for any antecedent rights and obligations and the Surviving Provisions.

If Conditions (B) and/or (F) are not satisfied or waived (as the case may be) on or before the Long Stop Date, as damages for indemnifying all losses suffered by the Offeror, (i) Vendor-A shall pay to the Offeror HK\$15,000,000 within five Business Days from the Long Stop Date or another date as agreed by the Parties in writing (whichever is later); and (ii) Vendor-B shall pay to the Offeror HK\$15,000,000 within 5 Business Days from the date of completion of the outbound direct investment filing procedure which shall be completed by Vendor-B within three months after Conditions (B) and/or (F) is not satisfied or waived (as the case may be) on or before the Long Stop Date.

If Conditions (A), (C), (D) and (E) are not satisfied or waived (as the case may be) on or before the Long Stop Date, within five Business Days from the Long Stop Date or another date as agreed by the Parties in writing (whichever is later), the Offeror shall pay to Vendor-A and Vendor-B HK\$15,000,000 and HK\$15,000,000, respectively, as damages for indemnifying all losses suffered by the Vendors.

Regarding Condition (E), only approvals from the SDHG Board, shareholders' meeting of SDHG, the Stock Exchange and the SFC are required to proceed with the Sale and Purchase Agreement and the transactions proposed under it. Regarding Condition (F), only approvals from the board of directors and shareholders' meeting of each of the Vendors are required to proceed with the Sale and Purchase Agreement and the transactions proposed under it. As at the date of this joint announcement, except for Condition (A) which has been satisfied on the date of this joint announcement, none of the other Conditions has been satisfied.

Completion

Completion shall take place on the Completion Date after all the Conditions are fulfilled and/or waived (if applicable).

Upon the completion of the Offeror's subscription of SHNE Shares on and the change of composition of the SHNE Board with effect from 19 May 2022, SHNE had since then become the Offeror's non-wholly owned subsidiary and its financial results had been consolidated into the financial statements of the SDHG Group. Even though the Offeror owns less than 50% of the voting rights of SHNE, SHNE became a subsidiary of the Offeror as (i) the Offeror is the single largest SHNE Shareholder with a 43.45% equity interest; (ii) the Offeror controls the SHNE Board and holds relatively larger voting rights than other dispersed public SHNE Shareholders; and (iii) there has been no history and no expectation that the other SHNE Shareholders collaborating to exercise their votes collectively or to outvote the SDHG Group or the Offeror. Upon Completion, SDHG will be interested in approximately 56.97% of the issued share capital of SHNE, assuming there is no other changes to the issued share capital of SHNE from the date of this joint announcement to the Completion Date. SHNE will remain as a direct non-wholly owned subsidiary of SDHG and the financial results of which will continue to be consolidated into the financial statements of the SDHG Group.

INFORMATION OF THE PARTIES INVOLVED

SDHG and the SDHG Group

SDHG as the Offeror, 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 principal activity of SDHG is investment holding. The SDHG Group is principally engaged in industrial investment, standard investment business, non-standard investment business and licensed financial services in the PRC and Hong Kong.

As at the date of this joint announcement, SDHG's controlling shareholder is SDHS Group. SDHG is directly and indirectly owned as to approximately 43.45% by SDHS Group, which is (i) directly and indirectly held as to 90% by the Shandong Provincial State-owned Assets Supervision and Administration Commission; and (ii) directly held as to 10% by Shandong Caixin Asset Management Co., Ltd.* (山東省財欣資產運營有限公司), a governmental institution set up by the Shandong Provincial People's Government* (山東省人民政府). SDHS Group is an investment holding company in the infrastructure sector in Shandong Province with total assets of more than RMB1.5 trillion. SDHG is also directly owned as to 25.02% by JS High Speed Limited, which is in turn directly wholly-owned by Harvest Alternative Investment Opportunities SPC for and on behalf of Harvest High Speed Fund SP. Harvest High Speed Fund SP is owned as to 91% by Harvest Global Investments Limited, which was in turn wholly owned by Harvest Fund Management Co., Ltd., which is owned as to 40% by China Credit Trust Co., Ltd., 30% by DWS Investments Singapore Limited, and 30% by Lixin Investment Limited* (立信投資有限責任公司). China Credit Trust Co., Ltd. is owned as to approximately 32.92% by its largest shareholder The People's Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司), the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code:1339) and A shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601319), and the remaining interests in China Credit Trust Co., Ltd are owned by 14 other shareholders, whose shareholdings range from approximately 1.63% to 20.35%. As at the date of this joint announcement, (i)

except for SDHS Group and JS High Speed Limited, there are approximately 187 registered shareholders of SDHG; and (ii), based on the disclosure of interest forms disclosed on the website of the Stock Exchange, none of the remaining shareholders of SDHG holds more than 5% shareholding in the issued share capital of SDHG.

The Vendors

Vendor-A is a company incorporated in the BVI with limited liability and jointly-controlled by CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P.. CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. are two exempted limited partnerships registered under the laws of the Cayman Islands. The general partner of CPEChina Fund II, L.P. and CPEChina Fund IIA, L.P. is Citron PE Associates II, L.P. (formerly known as CITIC PE Associates II, L.P.), an exempted limited partnership registered under the laws of the Cayman Islands, whose general partner is Citron PE Funds II Limited (formerly known as CITIC PE Funds II Limited). Citron PE Funds II Limited is wholly-owned by Citron PE Holdings Limited (formerly known as CITICPE Holdings Limited), which is owned as to 35% by CLSA Global Investments Management Limited and less than 20% by each of the remaining shareholders. CLSA Global Investments Management Limited is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities. Vendor-A is principally engaged in the business of investment holding.

Vendor-B is a company incorporated in the BVI with limited liability and wholly-owned by Beijing Xinyu Investment Centre (Limited Partnership)* (北京信聿投資中心(有限合夥)) (formerly known as 北京中信投資中心(有限合夥)) (“**RMB Fund II**”). RMB Fund II is a limited partnership registered under the laws of the PRC. The general partner of RMB Fund II is Beijing Youde Investment Management Centre (Limited Partnership)* (北京宥德投資管理中心(有限合夥)), a limited partnership registered under the laws of the PRC whose general partner is Shanghai Pannuo Enterprise Management Service Company Limited* (上海磐諾企業管理服務有限公司) (“**Shanghai Pannuo**”), a limited liability company incorporated in the PRC. Shanghai Pannuo is wholly-owned by CITIC Private Equity Funds Management Co., Ltd. (中信產業投資基金管理有限公司), which is in turn owned as to 35% by CITIC Securities and less than 20% by each of the remaining shareholders. Vendor-B is principally engaged in the business of investment holding.

CITIC Securities is a company incorporated in the PRC with limited liabilities and shares of which are listed on the Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange (Stock Code: 600030). Based on publicly available information, the total issued shares of CITIC Securities (including A shares and H shares) are owned as to approximately 19.84% by its largest shareholder, CITIC Group Corporation (中國中信集團有限公司), through its controlled corporation (namely China CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司)) and approximately 8.94% by Guangzhou Yue Xiu Holdings Limited through its controlled corporations (namely Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) and Guangzhou Yuexiu Capital Holdings Co., Ltd. (廣州越秀資本控股集團有限公司)). Save for the abovementioned, no other shareholder holds more than 5% of the total issued shares of CITIC Securities.

The Vendors are parties acting in concert with each other with respect to their shareholdings in SHNE.

The original acquisition cost of 303,797,468 SHNE Shares, i.e. the Sale Shares, paid by the Vendors was approximately HK\$1,199,999,998.60.

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.

Set out below are certain audited consolidated financial information of SHNE for the two years ended 31 December 2022 and 2023 respectively as extracted from the audited financial statements of SHNE and unaudited consolidated financial information of SHNE for the six months ended 30 June 2024 as extracted from the unaudited financial statements of SHNE.

	For the year ended 31 December 2022 (audited) <i>HK\$'000</i>	For the year ended 31 December 2023 (audited) <i>HK\$'000</i>	For the six months ended 30 June 2024 (unaudited) <i>HK\$'000</i>
Revenue	5,296,197	4,963,431	2,606,014
Profit before tax	283,466	630,297	507,351
Profit for the year/period	225,811	387,465	399,881

As at 31 December 2023, the audited net asset value of the SHNE Group based on its audited accounts was approximately HK\$19,291,012,000. As at 30 June 2024, the unaudited net asset value of the SHNE Group was approximately HK\$21,135,401,000.

APPROVAL BY THE SDHG BOARD

None of the SDHG Directors has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and no SDHG Director is required to abstain from voting on the relevant SDHG Board resolutions.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The SDHG Board believes that the Acquisition will bring commercial benefits to the SDHG Group for the following reasons:

Given the SHNE Group has a sound financial track record with net profit after tax recorded for the four out of five financial years ended 31 December 2023, the Acquisition will enable the SDHG Group to further benefit from the share of earnings in the SHNE Group. Further, the SHNE Group has been expanding its business operations and developing its customer base in the PRC. It is expected that the Acquisition would further strengthen the ability of SDHG to control SHNE Group's pace of development in the existing business and further integrate the SDHG Group's ecosystem and development as a whole, positioning it favourably to seize market opportunities and strengthen its market presence in the integrated clean energy service industry in the PRC, thereby generating favourable returns to the SDHG Group.

The SDHG Directors (including the independent non-executive SDHG Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and are in the interests of the SDHG Shareholders as a whole.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it own 976,080,784 SHNE Shares, representing approximately 43.45% of the total issued share capital of SHNE. Assuming there is no other changes to the issued share capital of SHNE from the date of this joint announcement to the Completion Date, immediately following the Completion, the Offeror and parties acting in concert with it will be interested in a total of 1,279,878,252 SHNE Shares, representing approximately 56.97% of the total issued share capital of SHNE as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, immediately after the Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued SHNE Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). In addition, the Offeror is also obliged to make an appropriate cash offer to the SHNE Offer Optionholders to cancel all the Offer Options under Rule 13 of the Takeovers Code.

Subject to Completion, Huatai Financial, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers on terms to be set out in the Composite Document on the following basis:

The Share Offer

For each Offer Share. HK\$1.78 in cash

The Share Offer Price of HK\$1.78 per Offer Share under the Share Offer is equal to the price per Sale Share paid by the Offeror for the Sale Shares under the Sale and Purchase Agreement. Neither the Offeror nor any parties acting in concert with it had dealt for value in SHNE Shares in the six months prior to and including the date of this joint announcement.

The Share Offer will be extended to all SHNE Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

SHNE confirms that as at the date of this joint announcement, (i) it does not have any dividend or distribution recommended, declared or made but unpaid; and (ii) it does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offers. If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Share Offer Price by an amount equal to the gross amount of such dividend or other distribution received or receivable by the SHNE Shareholders pursuant to Note 3 to Rule 26.3 of the Takeovers Code.

The Share Offer Price of the Share Offer of HK\$1.78 per Offer Share represents:

- a premium of approximately 7.23% over the closing price of HK\$1.6600 per SHNE Share as quoted on the Stock Exchange on 11 November 2024, being the Last Trading Day;
- a premium of approximately 7.49% over the average closing price of approximately HK\$1.6560 per SHNE Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 11.32% over the average closing price of approximately HK\$1.5990 per SHNE Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- a premium of approximately 11.23% over the average closing price of approximately HK\$1.6003 per SHNE Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately HK\$4.6270 (being approximately 72.22%) to the audited consolidated net asset value of the SHNE Group of approximately HK\$6.4070 per SHNE Share as at 31 December 2023 calculated based on the audited net asset of the SHNE Group attributable to the equity holders of SHNE as at 31 December 2023 of approximately HK\$14,394,006,000 and 2,246,588,726 SHNE Shares in issue as at the date of this joint announcement;
- a discount of approximately HK\$4.5495 (being approximately 71.88%) to the unaudited consolidated net asset value of the SHNE Group of approximately HK\$6.3295 per SHNE Share as at 30 June 2024 calculated based on the audited net asset of the SHNE Group attributable to the equity holders of SHNE as at 30 June 2024 of approximately HK\$14,219,700,000 and 2,246,588,726 SHNE Shares in issue as at the date of this joint announcement.

The SHNE Option Offer

For the cancellation of each of Offer Options HK\$0.0001 in cash

The Offeror will make an appropriate offer to the SHNE Optionholders to cancel every SHNE Option they hold in accordance with Rule 13 of the Takeovers Code.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding SHNE Options would normally represent the difference between the exercise price of the SHNE Options and the Share Offer Price. Under the SHNE Option Offer, since the exercise price of the outstanding SHNE Options are above the Share Offer Price, the outstanding SHNE Options are out-of-money and the offer price for each outstanding SHNE Option is at a nominal value of HK\$0.0001.

The Offers will be unconditional in all aspects when they are made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares.

Highest and lowest closing prices

During the six-month period immediately preceding and including the Last Trading Day: (a) the highest closing price of the SHNE Shares quoted on the Stock Exchange was HK\$1.94 per SHNE Share on 17 May 2024; and (b) the lowest closing price of the SHNE Shares quoted on the Stock Exchange was HK\$1.46 per SHNE Share on 5 August, 19, 20 and 23 September 2024.

No Increase Statement

The Share Offer Price will not be increased and the Offeror does not reserve the right to do so.

SHNE Shareholders and potential investors of SHNE should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Share Offer Price save in wholly exceptional circumstances, as provided in Rule 18.3 of the Takeovers Code.

Fast Top Irrevocable Undertaking

As at the date of this joint announcement, Fast Top beneficially owns 405,063,291 SHNE Shares, representing approximately 18.03% of the issued share capital of SHNE. Fast Top has given the Fast Top Irrevocable Undertaking in favour of the Offeror and SHNE, pursuant to which Fast Top has undertaken that, subject to the Offeror acquiring the Sale Shares from the Vendors at a price of not higher than HK\$1.8 per Sale Shares, during the period commencing on the date of the Fast Top Irrevocable Undertaking and ending on the date on the close of the Offers, (i) it shall not (and will procure the parties acting in concert with it not to) accept the Share Offer in respect of the SHNE Shares owned by it; or sell any of the SHNE Shares owned by it to the Offeror or parties acting in concert with it; (ii) it shall not acquire or subscribe any SHNE Shares, securities or other interest in SHNE; (iii) it will not (and will procure the parties acting in concert with it not to) take any other action to make the SHNE Shares owned by it available for acceptance of the Share Offer; and (iv) it shall not (and will procure the parties acting in concert with it not to) sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such SHNE Shares.

Total value of the Offers

As at the date of this joint announcement, there are 2,246,588,726 SHNE Shares in issue and 19,010,000 outstanding SHNE Options granted under the Share Option Scheme, entitling the SHNE Optionholders to subscribe for an aggregate of 19,010,000 SHNE Shares at an exercise price of HK\$4.00. Particularly, 7,604,000 of the outstanding SHNE Options have been vested. Pursuant to the terms of the Share Option Scheme, in the event a general offer is made to the SHNE Shareholders (and such offer becomes or is declared unconditional), all the SHNE Optionholders (holding vested or unvested SHNE Options) shall be entitled to exercise the SHNE Options in full.

Assuming that there is no change in the issued share capital of SHNE and none of the outstanding SHNE Options is exercised prior to the Closing Date, and on the basis of the Share Offer Price of HK\$1.78 per SHNE Share, the entire issued ordinary share capital of SHNE would be valued at HK\$3,998,927,932.28.

Assuming the Offers are accepted in full on the basis that (i) none of the SHNE Options is exercised prior to the Closing Date and there will be 19,010,000 outstanding SHNE Options remaining for acceptance of the SHNE Option Offer; and (ii) there is no change in the issued share capital of the SHNE prior to the Closing Date and accordingly a total of 561,647,183 issued SHNE Shares (representing the total number of issued SHNE Shares excluding (a) 1,279,878,252 SHNE Shares already held or to be acquired by the Offeror and the parties acting in concert with it; and (b) 405,063,291 SHNE Shares held by Fast Top (Fast Top has undertaken not to accept the Share Offer pursuant to the Fast Top Irrevocable Undertaking)) will be subject to the Share Offer, the total consideration payable by the Offeror under the Offers would be HK\$999,733,886.74 (inclusive of HK\$999,731,985.74 for the Share Offer and HK\$1,901 for the SHNE Option Offer).

Assuming the Offers are accepted in full on the basis that (i) all of the 19,010,000 outstanding SHNE Options are exercised in full prior to the Closing Date and there will be no outstanding SHNE Options remaining for acceptance of the SHNE Option Offer; and (ii) there is no other change in the issued share capital of SHNE prior to the Closing Date and accordingly a total of 580,657,183 issued SHNE Shares (representing the total number of issued SHNE Shares excluding (a) 1,279,878,252 SHNE Shares already held or to be acquired by the Offeror and the parties acting in concert with it; and (b) 405,063,291 SHNE Shares held by Fast Top (Fast Top has undertaken not to accept the Share Offer pursuant to the Fast Top Irrevocable Undertaking)) will be subject to the Share Offer, the total consideration payable by the Offeror under the Share Offer would amount to HK\$1,033,569,785.74.

Confirmation of financial resources

The Offeror will finance and satisfy the Consideration and the maximum consideration payable under the Offers by a loan facility. Huatai Financial, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the Consideration and the maximum consideration payable upon full acceptance of the Offers.

Effect of accepting the Offers

Acceptance of the Share Offer by any SHNE Independent Shareholders will constitute a warranty by such person that all Offer Shares to be sold by such person under the Share Offer are fully paid and free and clear of all lien whatsoever together with all rights and interests attaching thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document.

By validly accepting the SHNE Option Offer, the Offer Options tendered by the SHNE Offer Optionholders will be cancelled and cease to be exercisable.

As the Offers, if and when made, will be unconditional, acceptance of the Offers would be irrevocable and would not be capable of being withdrawn in accordance with the Takeovers Code, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days of the date of receipt of a duly completed acceptance of the Offers. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to an SHNE Independent Shareholder and the SHNE Offer Optionholder who accepts the Offers will be rounded up to the nearest cent.

Hong Kong stamp duty

The seller's ad valorem stamp duty at a rate of 0.1% of the market value of the SHNE Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the cash amount payable to the relevant SHNE Independent Shareholder on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of accepting SHNE Independent Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptance of the SHNE Option Offer.

SHNE Overseas Independent Shareholders and SHNE Overseas Optionholders

The Offeror intends to make the Offers available to all SHNE Independent Shareholders and SHNE Offer Optionholders, including the SHNE Overseas Independent Shareholders and SHNE Overseas Optionholders.

However, the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident. The making of the offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. SHNE Overseas Independent Shareholders and/or SHNE Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibility of SHNE Overseas Independent Shareholders and the SHNE Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting SHNE Overseas Independent Shareholders and SHNE Overseas Optionholders in respect of such jurisdictions).

In the event that the despatch of the Composite Document to SHNE Overseas Independent Shareholders or SHNE Overseas Optionholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the SHNE Directors regard as unduly burdensome (or otherwise not in the best interests of SHNE or Shareholders), the Composite Document will not be despatched to such SHNE Overseas Independent Shareholders or such SHNE Overseas Optionholders.

For that purpose, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Composite Document to such SHNE Overseas Independent Shareholders or SHNE Overseas Optionholders, but the Composite Document will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and SHNE (<https://www.shneg.com.hk/>), and all material information in the Composite Documents will be made available to such SHNE Overseas Independent Shareholders and SHNE Overseas Optionholders.

Any acceptance of the Offers by any SHNE Overseas Independent Shareholder and/or SHNE Overseas Optionholder will be deemed to constitute a representation and warranty from such SHNE Overseas Independent Shareholder and/or SHNE Overseas Optionholder to the Offeror that the local laws and requirements have been complied with. SHNE Overseas Independent Shareholders and SHNE Overseas Optionholders should consult their professional advisers if in doubt. The SHNE Overseas Independent Shareholders and SHNE Overseas Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Taxation advice

SHNE Independent Shareholders and SHNE Offer Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, SHNE, Huatai Financial and their respective ultimate beneficial owners, directors, advisers, agents or associates, or any other person involved in the Offers accepts responsibility for any taxation or other effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

DEALING AND INTERESTS IN SECURITIES OF SHNE

The Offeror confirms that, save as disclosed in this joint announcement, as at the date of this joint announcement:

- (a) save for the Sale Shares under the Sale and Purchase Agreement and the Existing Shares, none of the Offeror nor any person acting in concert with it owns or has control or direction over any voting rights or rights over the SHNE Shares or convertible securities, warrants, options of SHNE or any derivatives in respect of such securities;
- (b) save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror nor any person acting in concert with it had dealt for value in any SHNE Shares, convertible securities, warrants or options of SHNE or any derivatives in respect of such securities in the 6 months prior to the Last Trading Day up to and including the date of this joint announcement;
- (c) there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the SHNE Shares and which might be material to the Offers;

- (d) save for the Sale and Purchase Agreement, there are no agreements or arrangements to which the Offeror or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (e) none of the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in SHNE;
- (f) none of the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offers;
- (g) save for the Consideration to be paid by the Offeror to the Vendors under the Sale and Purchase Agreement, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to either of the Vendors, their ultimate beneficial owners or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares;
- (h) there are no agreements or arrangements in relation to outstanding derivative in respect of the securities in SHNE which has been entered into by the Offeror or any person acting in concert with it; and
- (i) there is no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (1) the Offeror and/or any party acting in concert with it and (2)(a) the Vendors, their ultimate beneficial owners and any party acting in concert with any of them or (2)(b) any SHNE Shareholders.

SHNE confirms that, as at the date of this joint announcement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any SHNE Shareholder and SHNE, its subsidiaries or associated companies.

SHAREHOLDING STRUCTURE OF SHNE

As at the date of this joint announcement, the authorised share capital of SHNE consists of (i) HK\$466,637,115.1 divided into 9,332,742,302 SHNE Shares; and (ii) HK\$33,362,884.9 divided into 667,257,698 convertible preference shares of SHNE, and there are 2,246,588,726 SHNE Shares in issue. As at the date of this joint announcement, there were 19,010,000 outstanding SHNE Options granted under the Share Option Scheme, entitling the SHNE Optionholders to subscribe for an aggregate of 19,010,000 SHNE Shares at an exercise price of HK\$4.00.

The following table sets out the shareholding structure of SHNE (i) as at the date of this joint announcement; and (ii) immediately upon the Completion and before the Offers (assuming no other changes to the issued share capital of SHNE from the date of this joint announcement):

	As of the date of this joint announcement and immediately before Completion		Immediately after Completion and before the Offers	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Offeror and its concert parties	976,080,784	43.45	1,279,878,252	56.97
Vendors and its concert parties				
– Vendor-A	151,898,734	6.76	–	–
– Vendor-B	151,898,734	6.76	–	–
Subtotal	303,797,468	13.52	–	–
SHNE Independent Shareholders	966,710,474	43.04	966,710,474	43.04
Total	<u>2,246,588,726</u>	<u>100.00</u>	<u>2,246,588,726</u>	<u>100.00</u>

As at the date of this joint announcement, save for the 200,000 SHNE Options held by Mr. Chiu Kung Chik, an independent non-executive SHNE Director, none of the SHNE Directors holds any SHNE Shares and any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of SHNE.

INTENTIONS OF THE OFFEROR REGARDING THE SHNE GROUP

Following the Completion, the Offeror will continue to be the controlling shareholder of SHNE and be interested in 1,279,878,252 SHNE Shares, representing approximately 56.97% of the total issued share capital of SHNE, assuming there is no other changes to the issued share capital of SHNE from the date of this joint announcement to the Completion Date.

The Offeror has no intention to terminate the employment of any employees of the SHNE Group or to make significant changes to any employment or to dispose of or re-allocate the SHNE Group's fixed assets which relate to the ordinary and usual course of business of the SHNE Group as a result of completion of the Offers. However, the Offeror reserves the right to make such changes that it deems necessary or appropriate to the SHNE Group's business and operations to optimise the value of the SHNE Group.

As at the date of this joint announcement, no material investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the SHNE Group.

PROPOSED CHANGE OF COMPOSITION OF THE SHNE BOARD

The SHNE Board is currently made up of twelve SHNE Directors, comprising eight executive SHNE Directors, namely Mr. Li Tianzhang, Mr. Zhu Jianbiao, Mr. Wang Wenbo, Mr. Sun Qingwei, Ms. Liao Jianrong, Mr. Li Li, Mr. He Yongbing and Mr. Wang Meng, and four independent non-executive SHNE Directors, namely, Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik.

It is intended that Mr. He Yongbing will resign from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offers).

The Offeror intends to nominate new SHNE Director(s) to the SHNE Board with effect after the completion of the Offers. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new SHNE Director(s) of SHNE. Any changes to the members of the SHNE Board will be made in compliance with the Takeovers Codes and the Listing Rules and further announcement(s) will be made as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF SHNE

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any SHNE Shares outstanding after the close of the Offers. The Offeror has no intention to privatize SHNE and intends to maintain the listing of the SHNE Shares on the Stock Exchange following the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to SHNE, being 25% of the issued Shares, are held by the public at all times or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the SHNE Shares; or (ii) there are insufficient SHNE Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the SHNE Shares until the prescribed level of public float is restored.

Therefore, it should be noted that upon close of the Offers, there may be insufficient public float of the SHNE Shares and the trading in the SHNE Shares may be suspended until sufficient public float exists for the SHNE Shares. The Offeror, SHNE, the SHNE Directors and any new SHNE Director(s) to be proposed by the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps after the close of the Offers to ensure that sufficient public float exists in the SHNE Shares, which may include (i) placing down or selling sufficient number of accepted SHNE Shares it acquired from the Offers to selected independent third parties or in the market; and/or (ii) issue of additional SHNE Shares by SHNE for this purpose. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

IMPLICATION UNDER THE LISTING RULES FOR SDHG

As at the date of this joint announcement, the Vendors own an aggregate of approximately 13.52% of the issued share capital of SHNE and hence are substantial shareholders of SHNE. Therefore, pursuant to Chapter 14A of the Listing Rules, each of the Vendors is a connected person of SDHG at the subsidiary level, and accordingly, the Acquisition constitutes a connected transaction of SDHG under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, since (i) the Vendors are connected persons of SDHG at the subsidiary level, (ii) the SDHG Board has approved the Acquisition; and (iii) the independent non-executive SDHG Directors have confirmed that the terms of the Acquisition are fair and reasonable and the Acquisition is on normal commercial terms or better and in the interests of SDHG and the SDHG Shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, and is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Furthermore, the Acquisition and the Offers are subject to aggregation pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the transactions are 25% or more but less than 100%, the Acquisition, together with the Offers, constitute a major transaction for SDHG and are therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

An SDHG SGM will be convened and held for the SDHG Shareholders to consider and, if thought fit, to approve (i) the Sale and purchase Agreement and the transactions contemplated thereunder; and (ii) the Offers.

No SDHG Shareholder has an interest in the Acquisition and the Offers and is required to abstain from voting on the resolution(s) to approve (i) the Sale and purchase Agreement and the transactions contemplated thereunder; and (ii) the Offers at the SDHG SGM.

A circular containing, among other things, (i) further details of the Acquisition and the Offers; (ii) other information as required by the Listing Rules; and (iii) a notice of the SDHG SGM and a form of proxy, is expected to be despatched to the SDHG Shareholders on or before 18 December 2024.

SHNE INDEPENDENT BOARD COMMITTEE AND SHNE INDEPENDENT FINANCIAL ADVISER

An SHNE Independent Board Committee comprising all the independent non-executive SHNE Directors, namely Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik, has been established in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the SHNE Independent Shareholders and SHNE Offer Optionholders in respect of the Offers as to whether Offers are fair and reasonable and as to acceptance of the Offers.

Gram Capital Limited has been appointed by SHNE as the SHNE Independent Financial Adviser to advise the SHNE Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. The appointment of the SHNE Independent Financial Adviser has been approved by the SHNE Independent Board Committee.

COMPOSITE DOCUMENT

It is the intention of the Offeror and SHNE to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offers; (ii) the recommendation from the SHNE Independent Board Committee in respect of the Offers; (iii) the letter from the SHNE Independent Financial Adviser in respect of the Offers, together with the acceptance and transfer form, will be despatched to the SHNE Shareholders no later than 21 days after the date of this joint announcement unless the Executive grants a consent for extension. As the making of the Offers is conditional upon Completion (which in turn is conditional upon satisfaction or waiver (as may be applicable) of the Conditions), including but not limited to the SDHG SGM convened by SDHG having approved to proceed (i) the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) the Offers, an application will be made by the Offeror to seek the Executive's consent under Rule 8.2 of the Takeovers Code (which may or may not be granted) to extend the deadline for the despatch of the Composite Document. Further announcement(s) regarding the delay in despatch of the Composite Document will be made by the Offeror and SHNE as and when appropriate.

The SHNE Independent Shareholders and SHNE Offer Optionholders are encouraged to read the Composite Document carefully, including the advice of the SHNE Independent Financial Adviser to the SHNE Independent Board Committee and the recommendation from the SHNE Independent Board Committee to the SHNE Independent Shareholders and SHNE Offer Optionholders in respect the Offers and as to the acceptance of the Offers.

RESUMPTION OF TRADING

At the request of SDHG, trading in the SDHG Shares on the Stock Exchange has been halted with effect from 9:30 a.m., on 12 November 2024 pending the release of an announcement in relation to inside information of SDHG. An application has been made by SDHG to the Stock Exchange for the resumption of trading in the SDHG Shares on the Stock Exchange with effect from 1:00 p.m. on 27 November 2024.

At the request of SHNE, trading in the SHNE Shares on the Stock Exchange has been halted with effect from 9:16 a.m., on 12 November 2024 pending the release of an announcement pursuant to the Takeovers Code, which contains inside information of SHNE. An application has been made by SHNE to the Stock Exchange for the resumption of trading in the SHNE Shares on the Stock Exchange with effect from 1:00 p.m. on 27 November 2024.

DISCLOSURE OF DEALINGS

For the purposes of the Takeovers Code, the offer period of the Offers has commenced on the date of this joint announcement (i.e. 27 November 2024).

In accordance with Rule 3.8 of the Takeovers Code, associates of SHNE or the Offeror (as defined in the Takeovers Code, including among others, persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of SHNE or the Offeror) are reminded to disclose their dealings in any relevant securities of SHNE pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

Each of the Share Offer and SHNE Option Offer is a possible mandatory unconditional cash offer and will only be made if the Completion takes place. Completion is subject to fulfillment and/or waiver, as applicable, of the Conditions. Accordingly, the Completion may or may not take place and the Offers may or may not be made. The issue of this joint announcement does not in any way imply that the Offers will be made. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, providing the information relating to the Offers to be made to the SHNE Shareholders, SHNE Optionholders and potential investors of SHNE. The SHNE Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the SHNE Independent Shareholders and SHNE Offer Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the SHNE Independent Board Committee and the letter of advice from the SHNE Independent Financial Adviser in respect of the Offers.

SHNE Shareholders, SHNE Optionholders and potential investors of SHNE are advised to exercise caution when dealing in the SHNE Shares. If SHNE Shareholders, SHNE Optionholders and potential investors are in any doubt about their position, they should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional advisers.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by SDHG from the Vendors pursuant to the terms of the Sale and Purchase Agreement
“acting in concert”	the meaning ascribed to it under the Takeovers Code and “concert parties” shall be construed accordingly
“associate”	has the meanings ascribed to it under the Listing Rules
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CITIC Securities”	CITIC Securities Company Limited, a company incorporated in the PRC with limited liabilities and shares of which are listed on the Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange (Stock Code: 600030)
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive in accordance with the Takeovers Code
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	the fifth Business Day after the day on which the last of the Conditions is fulfilled (or, otherwise waived) or such other date as the parties to the Sale and Purchase Agreement may agree
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and SHNE to the SHNE Independent Shareholders and SHNE Offer Optionholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers (accompanied by the forms of acceptance and transfer) and the respective letters of advice from the SHNE Independent Board Committee and the SHNE Independent Financial Adviser
“Conditions”	the conditions precedent to the Completion under the Sale and Purchase Agreement

“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	HK\$540,759,493.04, being the aggregate consideration to be paid by the Offeror to the Vendors for the acquisition of the Sale Shares under the Sale and Purchase Agreement
“controlling shareholder(s)”	the meaning ascribed thereto under the Listing Rules
“Encumbrances”	any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Existing Shares”	976,080,784 SHNE Shares, representing approximately 43.45% of the total issued share capital of SHNE, owned by the Offeror as at the date of this joint announcement
“Fast Top”	Fast Top Investment Limited, a company established under the laws of the BVI with limited liability which is a direct wholly-owned subsidiary of Beijing Enterprises Water Group Limited (the shares of which are listed on the Stock Exchange (Stock Code: 371) and owns 405,063,291 SHNE Shares (equivalent to 18.03% of the total issued SHNE Shares) as at date of this joint announcement
“Fast Top Irrevocable Undertaking”	the irrevocable undertaking given by Fast Top in favor of the Offeror, pursuant to which Fast Top has undertaken that, subject to the Offeror acquiring the Sale Shares from the Vendors at a price of not higher than HK\$1.8 per Sale Shares, during the period commencing on the date of the Fast Top Irrevocable Undertaking and ending on the date on the close of the Share Offer, (i) it shall not (and will procure the parties acting in concert with it not to) accept the Share Offer in respect of the SHNE Shares owned by it; or sell any of the SHNE Shares owned by it to the Offeror or parties acting in concert with it; (ii) it shall not acquire or subscribe any SHNE Shares, securities or other interest in SHNE; (iii) it will not (and will procure the parties acting in concert with it not to) take any other action to make the SHNE Shares owned by it available for acceptance of the Share Offer; and (iv) it shall not (and will procure the parties acting in concert with it not to) sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such SHNE Shares

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huatai Financial”	Huatai Financial Holdings (Hong Kong) Limited, the financial adviser to SDHG in respect of the Offers and a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
“Last Trading Day”	11 November 2024, being the last trading day of the SHNE Shares before the date of the release of this joint announcement (i.e. the last full trading date prior to the halt of trading of the SHNE Shares pending publication of this joint announcement)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	12 February 2025, being the date falling the third month after the date of the Sale and Purchase Agreement, or another date as agreed by the parties to the Sale and Purchase Agreement in writing
“Offer Option”	any SHNE Option subject to the SHNE Option Offer
“Offer Shares”	all the issued SHNE Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offers”	collectively, the Share Offer and the SHNE Option Offer
“Parties”	the parties to the Sale and Purchase Agreement and “Party” means any of them
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 November 2024 entered into by and among the Vendors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	collectively, Sale Shares-A and Sale Shares-B, equivalent to an aggregate of 303,797,468 SHNE Shares

“Sale Shares-A”	151,898,734 SHNE Shares sold by Vendor-A, representing approximately 6.76% of the entire issued share capital of SHNE as at the date of this joint announcement
“Sale Shares-B”	151,898,734 SHNE Shares sold by Vendor-B, representing approximately 6.76% of the entire issued share capital of SHNE as at the date of this joint announcement
“SDHG” or “Offeror”	Shandong Hi-Speed Holdings Group Limited, 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
“SDHG SGM”	the special general meeting of SDHG to be convened and held to consider and, if thought fit, approve, among other matters, the Acquisition and the Offers
“SDHG Share(s)”	ordinary share(s) of SDHG
“SDHG Shareholder(s)”	holder(s) of the SDHG Shares
“SDHS Group”	Shandong Hi-Speed Group Co. Ltd., a company established in the PRC with limited liability and the controlling shareholder of each of SDHG and SHNE
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the possible mandatory unconditional cash offer being made by Huatai Financial for and on behalf of the Offeror to acquire all the issued SHNE Shares not already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
“Share Offer Price”	the cash amount of HK\$1.78 payable by the Offeror for each Offer Share
“Share Option Scheme”	share option scheme adopted by SHNE on 11 June 2013, as amended from time to time

“SHNE”	Shandong Hi-Speed New Energy Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1250)
“SHNE Board”	the board of directors of SHNE
“SHNE Directors”	the directors of SHNE
“SHNE Group”	SHNE and its subsidiaries
“SHNE Independent Board Committee”	the independent board committee of the SHNE Board, comprising Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik, being all the independent non-executive SHNE Directors, which has been established for the purpose of advising the SHNE Independent Shareholders in respect of the Offers
“SHNE Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed by the SHNE Independent Board Committee for the purpose of advising the SHNE Independent Board Committee in connection with the Offers and in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers
“SHNE Independent Shareholder(s)”	holder(s) of SHNE Share(s), other than the Offeror and parties acting in concert with it
“SHNE Offer Optionholder”	a holder of any SHNE Option
“SHNE Option(s)”	outstanding share options granted by SHNE pursuant to the Share Option Scheme
“SHNE Option Offer”	possible mandatory unconditional cash offer to be made by Huatai Financial for and on behalf of the Offeror to cancel all the Offer Options in accordance with the Takeovers Code after the Completion takes place, the terms of which will be set out in the Composite Document as mentioned in this joint announcement
“SHNE Option Offer Price”	price at which the SHNE Option Offer is made, being HK\$0.0001 per Offer Option
“SHNE Optionholder(s)”	holder(s) of the SHNE Option(s)

“SHNE Overseas Independent Shareholder(s)”	SHNE Independent Shareholder(s) whose address(es), as shown on the register of members of SHNE is/are outside Hong Kong
“SHNE Overseas Optionholder(s)”	SHNE Offer Optionholder(s) whose address(es), as shown on the register of SHNE Optionholders of SHNE, is/are outside Hong Kong
“SHNE Share(s)”	ordinary share(s) of SHNE
“SHNE Shareholder(s)”	holder(s) of the SHNE Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surviving Provisions”	provisions in the Sale and Purchase Agreement relating to the definition and interpretation, indemnity relating Conditions not being satisfied or waived on or before the Long Stop Date, representations, warranties and undertakings of Vendors, representations, warranties and undertakings of the Offeror, confidentiality, fees, termination, notice and other communication, governing laws and jurisdiction and general provisions
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC
“Vendor-A”	CTSL Green Power Investment Limited, a limited company incorporated under the laws of the BVI
“Vendor-B”	CTSL New Energy Investment Ltd, a limited company incorporated under the laws of the BVI
“Vendors”	collectively, Vendor-A and Vendor-B
“%”	per cent

By Order of the SDHG Board
Shandong Hi-Speed Holdings Group Limited
Li Tianzhang
Chairman

By Order of the SHNE Board
Shandong Hi-Speed New Energy Group Limited
Li Tianzhang
Chairman

Hong Kong, 27 November 2024

As at the date of this joint announcement, the SDHG Board comprises Mr. Li Tianzhang, Mr. Zhu Jianbiao, Ms. Liao Jianrong, Mr. Liu Zhijie and Mr. Liu Yao as executive SDHG Directors; Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo as non-executive SDHG Directors; and Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Jonathan Jun Yan and Mr. Fang Ying as independent non-executive SDHG Directors.

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

The SDHG Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the SHNE Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the SHNE Directors in their capacity as SHNE Directors) have been arrived at after due and careful consideration, and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The SHNE Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to (i) the SDHG Group and parties acting in concert with them (for SDHG Directors, only in their capacity as SDHG Directors); and (ii) the Vendors and parties acting in concert with them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the SDHG Directors in their capacity as SDHG Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In the event of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.

** For identification purpose only*