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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01250)

DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS

THE REPURCHASE AGREEMENTS

The Group received the Demand Letter dated 16 March 2023 from a law firm in the PRC acting for the Vendors (being minority shareholders of SDHS Thermal) requesting SDHS Thermal (an indirect non-wholly-owned subsidiary of the Company) to perform its obligations under the Repurchase Agreements which were executed in March 2022. After receiving the Demand Letter, the Group has conducted an internal investigation. Based on the latest findings of Group's internal investigation, in March 2022, SDHS Thermal and the Vendors entered into the Repurchase Agreements, pursuant to which, SDHS Thermal agreed to repurchase approximately 10.52%, 7.29%, 5.52%, 2.92%, 2.71% and 1.04% equity interests in SDHS Thermal from Vendor A, Vendor B, Vendor C, Vendor D, Vendor E and Vendor F, in the consideration of RMB45,500,000 plus certain interests amount, RMB45,540,000, RMB34,480,000, RMB18,220,000, RMB16,900,000 and RMB6,510,000, respectively.

Listing Rules Implications

As the Repurchase Agreements were entered within a 12-month period and the subjects were also equity interests in SDHS Thermal, the Repurchases were aggregated pursuant to Rule 14.22 of the Listing Rules. According to latest information available to the Group under its internal investigation, at the time of entering into the Repurchase Agreements, one or more of the applicable percentage ratios in respect of the Repurchases, on an aggregate basis, should be more than 5% but all of them are less than 25%. Accordingly, the Repurchases in aggregate should constitute a discloseable transaction of the Company and should be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(i) Vendor A is a substantial shareholder of SDHS Thermal; and (ii) Vendor D was at the time of the entering into of Repurchase Agreement D owned as to 43% by Mr. Ma Dengbin, a director of SDHS Thermal, being a subsidiary of the Company, and therefore an associate of Mr. Ma Dengbin under Chapter 14A of the Listing Rules.

Accordingly, at the time of entering into the Repurchase Agreements, each of Vendor A and Vendor D was a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

As Repurchase Agreement A and Repurchase Agreement D were entered within a 12-month period and the subjects were also equity interests in SDHS Thermal, the transactions under Repurchase Agreement A and Repurchase Agreement D, should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

According to latest information available to the Group under its internal investigation, at the time of entering into the Repurchase Agreements, one or more of the applicable percentage ratios in respect of the transactions under Repurchase Agreement A and Repurchase Agreement D, on an aggregate basis, should be more than 1% but all of them are less than 5%. Accordingly, the transactions under Repurchase Agreement A and Repurchase Agreement D should constitute connected transactions of the Company under Chapter 14A of the Listing Rules and should be subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

INTERNAL INVESTIGATION

The entering into of the Repurchase Agreements occurred prior to the completion of the subscription of shares in the Company by SDHG. SDHG then became the controlling shareholder of the Company in May 2022. Thereafter, there was a substantial change in the composition of the Board where except for one independent non-executive Director, all the other Board members were appointed in May 2022.

As disclosed above, after receiving the Demand Letter, the Group has conducted an internal investigation. As of the date of this announcement, the internal investigation is not complete and the Group needs additional time to obtain the outstanding information to understand the background details of and the reason for entering into the Repurchase Agreements. The Group is in the course of obtaining legal advice in relation to the validity and enforceability of the Repurchase Agreements.

The Group will continue to conduct the internal investigation and the Company will make further announcement(s) as and when appropriate or required in accordance with the Listing Rules if there are any material development(s) in relation to the Repurchase Agreements.

THE REPURCHASE AGREEMENTS

The Group received the Demand Letter dated 16 March 2023 from a law firm in the PRC acting for the Vendors (being minority shareholders of SDHS Thermal) requesting SDHS Thermal (an indirect non-wholly-owned subsidiary of the Company) to perform its obligations under the Repurchase Agreements which were executed in March 2022. After receiving the Demand Letter, the Group has conducted an internal investigation. Based on the latest findings of Group's internal investigation, in March 2022, SDHS Thermal and the Vendors entered into the Repurchase Agreements, pursuant to which, SDHS Thermal agreed to repurchase approximately 10.52%, 7.29%, 5.52%, 2.92%, 2.71% and 1.04% equity interests in SDHS Thermal from Vendor A, Vendor B, Vendor C, Vendor D, Vendor E and Vendor F, in the consideration of RMB45,500,000 plus certain interests amount, RMB45,540,000, RMB34,480,000, RMB18,220,000, RMB16,900,000 and RMB6,510,000, respectively.

The principal terms of the Repurchase Agreements are set out below:

Repurchase Agreement A

The principal terms of Repurchase Agreement A are set out below:

Date: 4 March 2022 *(Note)*

Note: Repurchase Agreement A was executed but not dated. According to the latest findings of the Group's internal investigation, Repurchase Agreement A was executed by the parties on or around 4 March 2022.

Parties: (i) SDHS Thermal
(ii) Vendor A

Subject Matter: The paid-up capital amount of SDHS Thermal of RMB45,500,000 made by Vendor A, representing approximately 10.52% equity interest in SDHS Thermal

Consideration: An aggregate of RMB45,500,000 plus the interest amount at the rate of 6.5% per annum on the portion of capital amount of RMB16,050,000 *(Note 1)* from the date of the relevant capital injection dates *(Note 2)*.

Based on the information currently available to the Group, the consideration was determined with reference to (i) the paid-up capital amount of RMB45,500,000 made by Vendor A; and (ii) the interest rate on the portion of capital amount of RMB16,050,000 at the rate of 6.5% per annum for a period from the relevant capital injection date up to 28 February 2022.

Notes:

1. As at 28 February 2022, the relevant interest amount was RMB4,482,500 (the “**Interest Amount**”).
2. Based on the latest findings of the Group’s internal investigation:
 - a. Prepayment (i.e. an aggregate amount of RMB29,450,000) were prepaid by the Group to Vendor A and Zhao Jianwei, a partner of Vendor A and his associated parties, between March 2019 to May 2019 and August 2020 to October 2020 for the purpose of repurchasing their equity interest in SDHS Thermal.
 - b. The remaining amount of RMB16,050,000 plus the Interest Amount (i.e. Payment of RMB20,532,500) was paid by the Group to Vendor A in March 2022 after entering into Repurchase Agreement A.

Completion: Upon the settlement of the consideration, Vendor A shall (i) assist to complete the registration of change of equity holder of its equity interest in SDHS Thermal to any third party which is procured by SDHS Thermal to acquire the relevant equity interest in SDHS Thermal; or (ii) assist SDHS Thermal to complete the registration of capital reduction.

According to information currently available to the Group, the consideration has been settled through the aggregate of the Prepayment and Payment. As of the date of this announcement, the transfer of relevant equity interest in SDHS Thermal has not been completed, and therefore, the completion has not taken place.

Repurchase Agreement B

The principal terms of Repurchase Agreement B are set out below:

Date: 22 March 2022 *(Note)*

Note: Repurchase Agreement B was executed but not dated. According to the latest findings of the Group's internal investigation, Repurchase Agreement B was executed by the parties on or around 22 March 2022.

Parties: (i) SDHS Thermal
(ii) Vendor B

Subject Matter: The paid-up capital amount in SDHS Thermal of RMB35,000,000 made by Vendor B, representing approximately 7.29% equity interest in SDHS Thermal

Consideration: RMB45,540,000

Based on the information currently available to the Group, the consideration was determined with reference to the Asset Appraisal Report.

Consideration payment arrangement: SDHS Thermal shall pay the consideration to Vendor B within three months from the date of execution of Repurchase Agreement B.

Completion: Vendor B shall (i) enter into a new equity transfer agreement with any third party which is procured by SDHS Thermal to acquire the relevant equity interest in SDHS Thermal within three months from the date of Repurchase Agreement B; or (ii) upon the settlement of the consideration, unconditionally assist to complete the registration of change of equity holder of equity interest in SDHS Thermal.

As of the date of this announcement, the consideration has not been settled by SDHS Thermal and the completion has not taken place.

Late payment interest: SDHS Thermal shall pay interest on the unpaid consideration from and including the due date up to and including the date of actual payment at a rate of 8% per annum.

Default payment: If SDHS Thermal fails to pay the consideration in full within twelve months from the date of execution of Repurchase Agreement B, it will be deemed as a breach of Repurchase Agreement B and SDHS Thermal shall pay a default payment of 0.05% per day.

Repurchase Agreement C

The principal terms of Repurchase Agreement C are set out below:

Date: 22 March 2022 *(Note)*

Note: Repurchase Agreement C was executed but not dated. According to the latest findings of the Group's internal investigation, Repurchase Agreement C was executed by the parties on or around 22 March 2022.

Parties: (i) SDHS Thermal
(ii) Vendor C

Subject Matter: The paid-up capital amount in SDHS Thermal of RMB26,500,000 made by Vendor C, representing approximately 5.52% equity interest in SDHS Thermal

Consideration: RMB34,480,000

Based on the information currently available to the Group, the consideration was determined with reference to the Asset Appraisal Report.

Consideration payment arrangement: SDHS Thermal shall pay the consideration to Vendor C within three months from the date of execution of Repurchase Agreement C.

Completion: Vendor C shall (i) enter into a new equity transfer agreement with any third party which is procured by SDHS Thermal to acquire the relevant equity interest in SDHS Thermal within three months from the date of Repurchase Agreement C; or (ii) upon the settlement of the consideration, unconditionally assist to complete the registration of change of equity holder of equity interest in SDHS Thermal.

As of the date of this announcement, the consideration has not been settled by SDHS Thermal and the completion has not taken place.

Late payment interest: SDHS Thermal shall pay interest on the unpaid consideration from and including the due date up to and including the date of actual payment at a rate of 8% per annum.

Default payment: If SDHS Thermal fails to pay the consideration within twelve months from the date of execution of Repurchase Agreement C, it will be deemed as a breach of Repurchase Agreement C and SDHS Thermal shall pay a default payment of 0.05% per day.

Repurchase Agreement D

The principal terms of Repurchase Agreement D are set out below:

Date: 22 March 2022 *(Note)*

Note: Repurchase Agreement D was executed but not dated. According to the latest findings of the Group's internal investigation, Repurchase Agreement D was executed by the parties on or around 22 March 2022.

Parties: (i) SDHS Thermal
(ii) Vendor D

Subject Matter: The paid-up capital amount in SDHS Thermal of RMB14,000,000 made by Vendor D, representing approximately 2.92% equity interest in SDHS Thermal

Consideration: RMB18,220,000

Based on the information currently available to the Group, the consideration was determined with reference to the Asset Appraisal Report.

Consideration payment arrangement: SDHS Thermal shall pay the consideration to Vendor D within three months from the date of execution of Repurchase Agreement D.

Completion: Vendor D shall (i) enter into a new equity transfer agreement with any third party which is procured by SDHS Thermal to acquire the relevant equity interest in SDHS Thermal within three months from the date of Repurchase Agreement D; or (ii) upon the settlement of the consideration, unconditionally assist to complete the registration of change of equity holder of equity interest in SDHS Thermal.

As of the date of this announcement, the consideration has not been settled by SDHS Thermal and the completion has not taken place.

Late payment interest: SDHS Thermal shall pay interest on the unpaid consideration from and including the due date up to and including the date of actual payment at a rate of 8% per annum.

Default payment: If SDHS Thermal fails to pay the consideration within twelve months from the date of execution of Repurchase Agreement D, it will be deemed as a breach of Repurchase Agreement D and SDHS Thermal shall pay a default payment of 0.05% per day.

Repurchase Agreement E

The principal terms of Repurchase Agreement E are set out below:

Date: 22 March 2022 *(Note)*

Note: Repurchase Agreement E was executed but not dated. According to the latest findings of the Group's internal investigation, Repurchase Agreement E was executed by the parties on or around 22 March 2022.

Parties: (i) SDHS Thermal
(ii) Vendor E

Subject Matter: The paid-up capital amount in SDHS Thermal of RMB13,000,000 made by Vendor E, representing approximately 2.71% equity interest in SDHS Thermal

Consideration: RMB16,900,000

Based on the information currently available to the Group, the consideration was determined with reference to the Asset Appraisal Report.

Consideration payment arrangement: SDHS Thermal shall pay the consideration to Vendor E within three months from the date of execution of Repurchase Agreement E.

Completion: Vendor E shall (i) enter into a new equity transfer agreement with any third party which is procured by SDHS Thermal to acquire the relevant equity interest in SDHS Thermal within three months from the date of Repurchase Agreement E; or (ii) upon the settlement of the consideration, unconditionally assist to complete the registration of change of equity holder of equity interest in SDHS Thermal.

As of the date of this announcement, the consideration has not been settled by SDHS Thermal and the completion has not taken place.

Late payment interest: SDHS Thermal shall pay interest on the unpaid consideration from and including the due date up to and including the date of actual payment at a rate of 8% per annum.

Default payment: If SDHS Thermal fails to pay the consideration within twelve months from the date of execution of Repurchase Agreement E, it will be deemed as a breach of Repurchase Agreement E and SDHS Thermal shall pay a default payment of 0.05% per day.

Repurchase Agreement F

The principal terms of Repurchase Agreement F are set out below:

Date: 22 March 2022 *(Note)*

Note: Repurchase Agreement F was executed but not dated. According to the latest findings of the Group's internal investigation, Repurchase Agreement F was executed by the parties on or around 22 March 2022.

Parties: (i) SDHS Thermal
(ii) Vendor F

Subject Matter: The paid-up capital amount in SDHS Thermal of RMB5,000,000 made by Vendor F, representing approximately 1.04% equity interest in SDHS Thermal

Consideration: RMB6,510,000

Based on the information currently available to the Group, the consideration was determined with reference to the Asset Appraisal Report.

Consideration payment arrangement: SDHS Thermal shall pay the consideration to Vendor F within three months from the date of execution of Repurchase Agreement F.

Completion: Vendor F shall (i) enter into a new equity transfer agreement with any third party which is procured by SDHS Thermal to acquire the relevant equity interest in SDHS Thermal within three months from the date of Repurchase Agreement F; or (ii) upon the settlement of the consideration, unconditionally assist to complete the registration of change of equity holder of equity interest in SDHS Thermal.

As of the date of this announcement, the consideration has not been settled by SDHS Thermal and the completion has not taken place.

Late payment interest: SDHS Thermal shall pay interest on the unpaid consideration from and including the due date up to and including the date of actual payment at a rate of 8% per annum.

Default payment: If SDHS Thermal fails to pay the consideration within twelve months from the date of execution of Repurchase Agreement F, it will be deemed as a breach of Repurchase Agreement F and SDHS Thermal shall pay a default payment of 0.05% per day.

Information of the Group and SDHS Thermal

The Company is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (Stock Code: 1250). The principal activity of the Company is investment holding. The Group is principally engaged in the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC.

As at the date of this announcement, SDHS Thermal is held as to 70%, 10.52%, 7.29%, 5.52%, 2.92%, 2.71% and 1.04% equity interest by Shandong Hi-Speed Photovoltaic Power (an indirect wholly-owned subsidiary of the Company), Vendor A, Vendor B, Vendor C, Vendor D, Vendor E and Vendor F, respectively. SDHS Thermal is principally engaged in the infrastructure development and provision of clean heat supply services.

Set out below is the audited consolidated financial information of SDHS Thermal based on its audited consolidated financial statements prepared in accordance with the Chinese Certified Public Accountants Auditing Standards for the years ended 31 December 2020 and 2021:

	For the year ended 31 December	
	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(approximate)</i>	<i>(approximate)</i>
Profit before taxation	53,698	10,192
Profit after taxation	34,982	1,191

Based on the latest findings of the Group's internal investigation, the considerations under the Repurchase Agreements (other than Repurchase Agreement A) were determined with reference to the Asset Appraisal Report dated 21 February 2022. As indicated in the Asset Appraisal Report, the appraised value of all the equity interests in SDHS Thermal as at 30 September 2021 amounted to RMB618,100,000.

Under the Asset Appraisal Report, the valuer mainly applied the discounted cash flow method under the income approach and based on certain assumptions in the valuation to appraise the value of SDHS Thermal, which constitutes a profit forecast under Rule 14.61 of the Listing Rules and the requirements of Rule 14.60A and 14.62 of the Listing Rules are therefore applicable. According to the latest findings of the Group's internal investigation, neither (i) the letter from the Company's auditors or reporting accountants confirming they have reviewed the accounting policies and calculations for the profit forecast nor (ii) the confirmation from the Company or its financial adviser confirming the profit forecast has been made by the Directors after due and careful enquiry, as required under Rule 14.62 of the Listing Rules, was prepared at or near the time of issuing the Asset Appraisal Report. The Group is currently in the process of seeking opinions from the Company's auditor about the accounting policies and calculations for the profit forecast and from financial adviser about the confirmation of the profit forecast according to Rule 14.62 of the Listing Rules.

Information of the Vendors

Based on the public information available to the Group, at the time of entering into Repurchase Agreement A, Vendor A holds approximately 10.52% equity interests in SDHS Thermal and therefore is a substantial shareholder of a subsidiary of the Company and a connected person at the subsidiary level as defined under Chapter 14A of the Listing Rules. Vendor A is a limited partnership established in the PRC, and is principally engaged in venture capital, and investment, development, technical services, construction and operation in clean energy and wind power industries. At the time of entering into Repurchase Agreement A, Vendor A is directly owned as to 60%, 20% and 20% partnership interest by Zhao Jianwei, Xu Jiaqi and Zhou Jianfeng, respectively, and all of them are former employees of SDHS Thermal. The general partner of Vendor A is Zhao Jianwei. The original acquisition costs paid by Vendor A for the approximately 10.52% equity interests in SDHS Thermal was RMB45,500,000 as paid-up capital made by Vendor A.

Based on the public information available to the Group, Vendor B is a limited partnership established in the PRC, and is principally engaged in investment activities. At the time of entering into Repurchase Agreement B, Vendor B was owned as to (i) 99.9001% by Guoxin Changqing, a company wholly-owned by Grand Victory (Hong Kong) Limited (宏業(香港)有限公司) (a company incorporated in Hong Kong), which is in turn wholly-owned by True Favour Investments Limited (益誠投資有限公司) (“**True Favour**”, a company incorporated in the British Virgin Islands); and (ii) 0.0999% by Vendor E. Based on the latest findings of the Group’s internal investigation, the Company could not ascertain the shareholder(s) of True Favour nor the ultimate beneficial owner(s) of Vendor B as no such information is available to the Group. As a result, the Group is not able to ascertain whether Vendor B is an Independent Third Party. The general partner of Vendor B is Vendor E.

Based on the public information available to the Group, Vendor C is a company established in the PRC with limited liability and is principally engaged in technology development, engineering and technology research, surveying and mapping services, and sales of software and auxiliary equipment. At the time of entering into Repurchase Agreement C, Vendor C was owned as to 19% by each of Mr. Fu Cunhou and Mr. Fu Yuhou, who are the sons (aged 18 or above) of Mr. Fu Jianli, a director of SDHS Thermal. However, as the aggregate shareholding by Mr. Fu Cunhou and Mr. Fu Yuhou is under 50%, Vendor C is not regarded as an associate of Mr. Fu Jianli. The remaining equity interests in Vendor C are owned as to interests ranging from 2% to 27% by four individuals and an entity, and based on the information available to the Group, all of such remaining shareholders are Independent Third Parties.

Based on the public information available to the Group, Vendor D is a company established in the PRC with limited liability and is principally engaged in investment activities in industry, agriculture, real estate, energy and services industries. At the time of entering into Repurchase Agreement D, Vendor D was owned as to 43% by Mr. Ma Dengbin, a director of SDHS Thermal, which is a subsidiary of the Company. The remaining equity interests in Vendor D were owned as to interests ranging from 4% to 20% by six individuals, all of which are, based on the information available to the Group, Independent Third Parties. The original acquisition costs paid by Vendor D for 2.92% equity interests in SDHS Thermal was RMB14,000,000 as paid-up capital made by Vendor D.

Based on the public information available to the Group, Vendor E is a company established in the PRC with limited liability and is principally engaged in investment management. At the time of entering into Repurchase Agreement E, Vendor E was owned as to (i) 40% by Tibet Beikong Clean Energy Technology Development Company Limited* (西藏北控清潔能源科技發展有限公司), a wholly-owned subsidiary of the Company; (ii) 30% by Jiangnan Water, a limited liability company established in the PRC, shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601199.SH); and (iii) 30% by Shanghai Zhichun, a limited liability company established in the PRC, shares of which are listed on the Shanghai Stock Exchange (Stock Code: 603690.SH). Based on the information available to the Group, Jiangnan Water and Shanghai Zhichun and their respective ultimate beneficial owners are Independent Third Parties.

Based on the public information available to the Group, Vendor F is a limited partnership established in the PRC, and is principally engaged in electronic technology development, technical services and consulting, sales of mechanical equipment and electronic products. At the time of entering into Repurchase Agreement F, Vendor F was owned as to (i) 69.1% by Gao Yanjun, a director of Beijing YWCS, which is a subsidiary of the Company; (ii) 30% by Kang Yuping; and (iii) 0.3% by each of the three individuals. The general partner of Vendor F is Gao Yanjun and Kang Yuping is spouse of Gao Yanjun. Apart from Gao Yanjun and Kang Yuping, the remaining partners of Vendor F are, based on the information available to the Group, Independent Third Parties. As Beijing YWCS is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules, Gao Yanjun would not be regarded as a connected person of the Company, and therefore Vendor F would also not be regarded as connected person of the Company accordingly.

Listing Rules Implications

As the Repurchase Agreements were entered within a 12-month period and the subjects were also equity interests in SDHS Thermal, the Repurchases were aggregated pursuant to Rule 14.22 of the Listing Rules. According to latest information available to the Group under its internal investigation, at the time of entering into the Repurchase Agreements, one or more of the applicable percentage ratios in respect of the Repurchases, on an aggregate basis, should be more than 5% but all of them are less than 25%. Accordingly, the Repurchases in aggregate should constitute a discloseable transaction of the Company and should be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(i) Vendor A is a substantial shareholder of SDHS Thermal; and (ii) Vendor D was at the time of the entering into of Repurchase Agreement D owned as to 43% by Mr. Ma Dengbin, a director of SDHS Thermal, being a subsidiary of the Company, and therefore an associate of Mr. Ma Dengbin under Chapter 14A of the Listing Rules.

Accordingly, at the time of entering into the Repurchase Agreements, each of Vendor A and Vendor D was a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

As Repurchase Agreement A and Repurchase Agreement D were entered within a 12-month period and the subjects were also equity interests in SDHS Thermal, the transactions under Repurchase Agreement A and Repurchase Agreement D, should be aggregated pursuant to Rule 14A.81 of the Listing Rules.

According to latest information available to the Group under its internal investigation, at the time of entering into the Repurchase Agreements, one or more of the applicable percentage ratios in respect of the transactions under Repurchase Agreement A and Repurchase Agreement D, on an aggregate basis, should be more than 1% but all of them are less than 5%. Accordingly, the transactions under Repurchase Agreement A and Repurchase Agreement D should constitute connected transactions of the Company under Chapter 14A of the Listing Rules and should be subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

INTERNAL INVESTIGATION

The entering into of the Repurchase Agreements occurred prior to the completion of the subscription of shares in the Company by SDHG. SDHG then became the controlling shareholder of the Company in May 2022. Thereafter, there was a substantial change in the composition of the Board where except for one independent non-executive Director, all the other Board members were appointed in May 2022.

As disclosed above, after receiving the Demand Letter, the Group has conducted an internal investigation. As of the date of this announcement, the internal investigation is not complete and the Group needs additional time to obtain the outstanding information to understand the background details of and the reason for entering into the Repurchase Agreements. The Group is in the course of obtaining legal advice in relation to the validity and enforceability of the Repurchase Agreements.

The Group will continue to conduct the internal investigation and the Company will make further announcement(s) as and when appropriate or required in accordance with the Listing Rules if there are any material development(s) in relation to the Repurchase Agreements.

DEFINITIONS

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

“Asset Appraisal Report”	the asset appraisal report dated 21 February 2022 prepared by the valuer, who is an Independent Third Party engaged by the Group, which indicated that the appraised value of all the equity interests in SDHS Thermal as at 30 September 2021 amounted to RMB618,100,000
“associate”	has the meanings ascribed to it under the Listing Rules
“Beijing YWCS”	Beijing Youwenchangsheng Technology Co., Ltd.* (北京優穩昌盛科技有限公司), a limited liability company established in the PRC, and an indirect non-wholly owned subsidiary of the Company
“Board”	the board of Directors
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Company”	Shandong Hi-Speed New Energy Group Limited (山高新能源集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1250)
“Demand Letter”	a demand letter dated 16 March 2023 to the Group issued by a law firm in the PRC acting for the Vendors requesting SDHS Thermal to perform its obligations under the Repurchase Agreements
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guoxin Changqing”	Guoxin Changqing Energy Saving Technology Development (Beijing) Co., Ltd.* (國信常青節能技術開發(北京)有限責任公司), a limited liability company established in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Jiangnan Water”	Jiangsu Jiangnan Water Co., Ltd.* (江蘇江南水務股份有限公司), a limited liability company established in the PRC, shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601199.SH)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Payment”	an amount of RMB20,532,500 of consideration under Repurchase Agreement A (equivalent to the sum of RMB16,050,000 plus the interest amount of RMB4,482,500 as at 28 February 2022), paid by the Group to Vendor A on 9 March 2022
“PRC”	the People’s Republic of China
“Prepayment”	an aggregate amount of RMB29,450,000 of consideration under Repurchase Agreement A prepaid by the Group to Vendor A and Zhao Jianwei, a partner of Vendor A and his associated parties, between March 2019 to May 2019 and August 2020 to October 2020 for the purpose of repurchasing their equity interests in SDHS Thermal
“SDHS Thermal”	Shangdong Hi-Speed Thermal Group Company Limited* (山高熱力集團有限公司) (formerly known as BE Clean Heat Energy Company Limited* (北控清潔熱力有限公司)), a limited liability company established in the PRC, and an indirect non-wholly owned subsidiary of the Company
“Repurchase Agreement A”	the agreement entered into between SDHS Thermal and Vendor A on or around 4 March 2022 in relation to, among others, the repurchase of approximately 10.52% equity interest in SDHS Thermal
“Repurchase Agreement B”	the repurchase agreement entered into between SDHS Thermal and Vendor B on or around 22 March 2022 in relation to, among others, the repurchase of approximately 7.29% equity interest in SDHS Thermal

“Repurchase Agreement C”	the repurchase agreement entered into between SDHS Thermal and Vendor C on or around 22 March 2022 in relation to, among others, the repurchase of approximately 5.52% equity interest in SDHS Thermal
“Repurchase Agreement D”	the repurchase agreement entered into between SDHS Thermal and Vendor D on or around 22 March 2022 in relation to, among others, the repurchase of approximately 2.92% equity interest in SDHS Thermal
“Repurchase Agreement E”	the repurchase agreement entered into between SDHS Thermal and Vendor E on or around 22 March 2022 in relation to, among others, the repurchase of approximately 2.71% equity interest in SDHS Thermal
“Repurchase Agreement F”	the repurchase agreement entered into between SDHS Thermal and Vendor F on or around 22 March 2022 in relation to, among others, the repurchase of approximately 1.04% equity interest in SDHS Thermal
“Repurchase Agreements”	collectively, Repurchase Agreement A, Repurchase Agreement B, Repurchase Agreement C, Repurchase Agreement D, Repurchase Agreement E and Repurchase Agreement F
“Repurchases”	the repurchases of approximately 10.52%, 7.29%, 5.52%, 2.92%, 2.71% and 1.04% equity interests in SDHS Thermal from Vendor A, Vendor B, Vendor C, Vendor D, Vendor E and Vendor F, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“SDHG”	Shandong Hi-Speed Holdings Group Limited (山高控股集團有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 412)
“Shandong Hi-Speed Photovoltaic Power”	山高光伏電力發展有限公司(Shandong Hi-Speed Photovoltaic Power Development Company Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company

“Shanghai Zhichun”	Shanghai Zhichun Clean System Technology Co., Ltd.* (上海至純潔淨系統科技股份有限公司), a limited liability company established in the PRC, shares of which are listed on the Shanghai Stock Exchange (Stock Code: 603690.SH)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor A”	Tibet Fengtai Nuohong Venture Capital Partnership (Limited Partnership)* (西藏風泰諾宏創業投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Vendor B”	Fuzhou Yuze Phase I Investment Partnership (Limited Partnership)* (福州禹澤一期投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Vendor C”	Beijing Yingtong Subway Energy Saving Technology Co., Ltd.* (北京營通地鐵節能技術有限公司), a limited liability company established in the PRC
“Vendor D”	Ningxia Zhucheng Investment Co., Ltd.* (寧夏助誠投資有限公司), a limited liability company established in the PRC
“Vendor E”	Tibet Yuze Investment Management Co., Ltd.* (西藏禹澤投資管理有限公司), a limited liability company established in the PRC
“Vendor F”	Xi’an Huayu Kangneng Electronic Technology Partnership (Limited Partnership)* (西安華宇康能電子科技合夥企業(有限合夥)), a limited partnership established in the PRC
“Vendors”	collectively, Vendor A, Vendor B, Vendor C, Vendor D, Vendor E and Vendor F
“%”	per cent

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

Hong Kong, 25 May 2023

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

* For identification purpose only