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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01250)**

## **CONNECTED TRANSACTIONS IN RELATION TO THE COOPERATION AGREEMENTS**

### **THE COOPERATION AGREEMENTS**

The Board announces that on 24 December 2024 (after trading hours), (i) SDHS Taidong entered into the Cooperation Agreement A with JNHS New Energy, being an indirect wholly-owned subsidiary of the Company, in relation to the lease of the Designated Area A; (ii) SDHS Heze entered into the Cooperation Agreement B with JNHS New Energy, being an indirect wholly-owned subsidiary of the Company, in relation to the lease of the Designated Area B; and (iii) SDHS Linyi entered into the Cooperation Agreement C with JNHS New Energy, being an indirect wholly-owned subsidiary of the Company, in relation to the lease of the Designated Area C.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, as (i) SDHS Taidong is a non-wholly owned subsidiary of SDHS Group, while SDHS Heze and SDHS Linyi are both wholly-owned subsidiaries of SDHS Group; and (ii) SDHS Group through various entities owns an aggregate of approximately 43.45% of the issued share capital of the Company, therefore pursuant to Chapter 14A of the Listing Rules, (a) SDHS Group is an indirect controlling shareholder and a connected person of the Company; and (b) SDHS Taidong, SDHS Heze and SDHS Linyi are regarded as associates of SDHS Group and connected persons of the Company.

In accordance with HKFRS 16 “Leases”, the lease of the Designated Areas under each of the Cooperation Agreements will be recognised as three separate right-of-use assets of the Group. Pursuant to the Cooperation Agreement A, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB12,597,402.00. Pursuant to the Cooperation Agreement B, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB6,298,702.00. Pursuant to the Cooperation Agreement C, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB15,746,753.00. Accordingly, the lease of the Designated Areas contemplated under each of the Cooperation Agreements constitute three one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios (based on the value of the right-of-use assets to be recognised by the Group in relation to the lease of the Designated Areas) calculated in accordance with the Listing Rules in relation to the lease of the Designated Areas contemplated under each of the Cooperation Agreements exceed 0.1% but are less than 5%, the lease of the Designated Areas contemplated under each of the Cooperation Agreements is subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **THE COOPERATION AGREEMENTS**

The Board announces that on 24 December 2024 (after trading hours), (i) SDHS Taidong entered into the Cooperation Agreement A with JNHS New Energy, being an indirect wholly-owned subsidiary of the Company, in relation to the lease of the Designated Area A; (ii) SDHS Heze entered into the Cooperation Agreement B with JNHS New Energy, being an indirect wholly-owned subsidiary of the Company, in relation to the lease of the Designated Area B; and (iii) SDHS Linyi entered into the Cooperation Agreement C with JNHS New Energy, being an indirect wholly-owned subsidiary of the Company, in relation to the lease of the Designated Area C.

## THE COOPERATION AGREEMENT A

Details of the Cooperation Agreement A are set out as follows:

- Date : 24 December 2024
- Parties : SDHS Taidong  
JNHS New Energy
- Subject matter : SDHS Taidong leases the Designated Area A located in Jinan City and Taian City of Shandong Province to JNHS New Energy for its construction of the photovoltaic power generation projects and operation of the photovoltaic power plants.
- Term : For a period of twenty years commencing from 25 December 2024 to 24 December 2044 (both days inclusive). Renewal is subject to compliance with the requirements of applicable laws and regulations (including but not limited to the Listing Rules), and the duration of the cooperation shall be up to 25 years in total.
- Rental service fee and basis of determination : The rental service fee payable by JNHS New Energy is RMB0.02 per watt per annum (inclusive of tax at a tax rate of 6%), to be received by SDHS Taidong upon the completion of the construction of the photovoltaic power plants in the Designated Area A and the commencement of the electricity supply from such photovoltaic power plants, which will be calculated based on the actual construction capacity of the completed photovoltaic power plants. Taking into account the expected construction capacity of the photovoltaic power plants of 40 MW and the construction plan thereof, it is expected that the total amount of the rental service fee during the term of the Cooperation Agreement A will be RMB16,000,000, which will be financed by internal resources of the Group.

The terms of the Cooperation Agreement A were entered into between SDHS Taidong and JNHS New Energy after arm's length negotiation and on normal commercial terms. The annual rental service fee was determined with reference to the Group's previous rental transactions with other Independent Third Parties and the prevailing market rental in the comparable designated areas in the market.

Payment terms : The rental service fee will be paid on an annual basis. Within 30 days after the commencement of the electricity supply from such photovoltaic power plants in the Designated Area A, JNHS New Energy shall pay to SDHS Taidong the rental service fee for the current year during the period from the date of electricity supply to 31 December of the year. The rental service fee in the next year shall be paid by 31 January of the year.

## **THE COOPERATION AGREEMENT B**

Details of the Cooperation Agreement B are set out as follows:

Date : 24 December 2024

Parties : SDHS Heze

JNHS New Energy

Subject matter : SDHS Heze leases the Designated Area B located in Heze City of Shandong Province to JNHS New Energy for its construction of the photovoltaic power generation projects and operation of the photovoltaic power plants.

Term : For a period of twenty years commencing from 25 December 2024 to 24 December 2044 (both days inclusive). Renewal is subject to compliance with the requirements of applicable laws and regulations (including but not limited to the Listing Rules), and the duration of the cooperation shall be up to 25 years in total.

Rental service fee and basis of determination : The rental service fee payable by JNHS New Energy is RMB0.02 per watt per annum (inclusive of tax at a tax rate of 6%), to be received by SDHS Heze upon the completion of the construction of the photovoltaic power plants in the Designated Area B and the commencement of the electricity supply from such photovoltaic power plants, which will be calculated based on the actual construction capacity of the completed photovoltaic power plants. Taking into account the expected construction capacity of the photovoltaic power plants of 20 MW and the construction plan thereof, it is expected that the total amount of the rental service fee during the term of the Cooperation Agreement B will be RMB8,000,000, which will be financed by internal resources of the Group.

The terms of the Cooperation Agreement B were entered into between SDHS Heze and JNHS New Energy after arm's length negotiation and on normal commercial terms. The annual rental service fee was determined with reference to the Group's previous rental transactions with other Independent Third Parties and the prevailing market rental in the comparable designated areas in the market.

Payment terms : The rental service fee will be paid on an annual basis. Within 30 days after the commencement of the electricity supply from such photovoltaic power plants in the Designated Area B, JNHS New Energy shall pay to SDHS Heze the rental service fee for the current year during the period from the date of electricity supply to 31 December of the year. The rental service fee in the next year shall be paid by 31 January of the year.

## THE COOPERATION AGREEMENT C

Details of the Cooperation Agreement C are set out as follows:

- Date : 24 December 2024
- Parties : SDHS Linyi  
JNHS New Energy
- Subject matter : SDHS Linyi leases the Designated Area C located in Linyi City of Shandong Province to JNHS New Energy for its construction of the photovoltaic power generation projects and operation of the photovoltaic power plants.
- Term : For a period of twenty years commencing from 25 December 2024 to 24 December 2044 (both days inclusive). Renewal is subject to compliance with the requirements of applicable laws and regulations (including but not limited to the Listing Rules), and the duration of the cooperation shall be up to 25 years in total.
- Rental service fee and basis of determination : The rental service fee payable by JNHS New Energy is RMB0.02 per watt per annum (inclusive of tax at a tax rate of 6%), to be received by SDHS Linyi upon the completion of the construction of the photovoltaic power plants in the Designated Area C and the commencement of the electricity supply from such photovoltaic power plants, which will be calculated based on the actual construction capacity of the completed photovoltaic power plants. Taking into account the expected construction capacity of the photovoltaic power plants of 50 MW and the construction plan thereof, it is expected that the total amount of the rental service fee during the term of the Cooperation Agreement C will be RMB20,000,000, which will be financed by internal resources of the Group.

The terms of the Cooperation Agreement C were entered into between SDHS Linyi and JNHS New Energy after arm's length negotiation and on normal commercial terms. The annual rental service fee was determined with reference to the Group's previous rental transactions with other Independent Third Parties and the prevailing market rental in the comparable designated areas in the market.

Payment terms : The rental service fee will be paid on an annual basis. Within 30 days after the commencement of the electricity supply from such photovoltaic power plants in the Designated Area C, JNHS New Energy shall pay to SDHS Linyi the rental service fee for the current year during the period from the date of electricity supply to 31 December of the year. The rental service fee in the next year shall be paid by 31 January of the year.

## **THE VALUE OF THE RIGHT-OF-USE ASSETS OF THE COOPERATION AGREEMENTS**

In accordance with HKFRS 16 "Leases", the lease of the Designated Areas under each of the Cooperation Agreements will be recognised as three separate right-of-use assets of the Group. Pursuant to the Cooperation Agreement A, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB12,597,402.00. Pursuant to the Cooperation Agreement B, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB6,298,702.00. Pursuant to the Cooperation Agreement C, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB15,746,753.00. Accordingly, the lease of the Designated Areas contemplated under each of the Cooperation Agreements constitute three one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

## **APPROVAL BY THE BOARD**

None of the Directors has any material interest in each of the Cooperation Agreements and the transactions to be contemplated thereunder and no Director is required to abstain from voting on the relevant Board resolutions. However, to avoid any potential conflict of interest, Mr. Li Tianzhang, Mr. Zhu Jianbiao, Mr. Wang Wenbo and Ms. Liao Jianrong had voluntarily abstained from voting on the Board resolutions approving each of the Cooperation Agreements and the transactions to be contemplated thereunder.

Save as disclosed above, no other Directors had abstained from voting on the Board resolutions approving each of the Cooperation Agreements and the transactions to be contemplated thereunder at the relevant Board meeting.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENTS**

Pursuant to the terms of Cooperation Agreements, SDHS Taidong, SDHS Heze and SDHS Linyi will provide the Designated Areas, being the Designated Areas operated by SDHS Taidong, SDHS Heze and SDHS Linyi, including certain locations and space on expressways such as toll stations, service areas, slopes, tunnels and ramp circles, for the investment, construction and operation of the photovoltaic power plants owned by JNHS New Energy. Having taking into consideration of SDHS Group's potential and stability of business operation and management, the Directors are of the view that entering into of the Cooperation Agreements will allow the Group to secure reliable customers and contribute stable operating income and cash flow to the Group, so as to facilitate the steady development of the Group's clean energy businesses.

The Directors (including the independent non-executive Directors) are of the view that the transactions to be contemplated under the Cooperation Agreements are entered into after arm's length negotiation and in the Company's ordinary and usual course of business and are on normal commercial terms or better, and the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Company and the Group**

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



## **JNHS New Energy**

JNHS New Energy is a company incorporated in the PRC with limited liability. As at the date of this announcement, it is an indirect wholly-owned subsidiary of the Company, and is principally engaged in emerging energy technology research and development; solar power generation technology services; wind power generation technology services; biomass technology services; energy storage technology services; engineering management services; power generation technology services; research and development of offshore wind power related systems; research and development of wind farm related systems; engineering and technology research and experimental development; and research and development of online energy measuring technology.

## **SDHS Taidong**

SDHS Taidong is a company incorporated in the PRC with limited liability. It is principally engaged in investment and operation of traffic infrastructures; green engineering construction for highways; construction of traffic safety facilities; testing and inspection on highway engineering; highway toll service; development and operation of real estates; property services (excluding security services); construction technology consultation; construction project management; design, production, release and agency of domestic advertising; sales of building materials, mechanical equipment, office equipment, automotive parts, and daily necessities. As at the date of this announcement, SDHS Taidong is (i) directly held as to 51% by Shandong Hi-Speed Construction Management Group Co., Ltd.\* (山東高速建設管理集團有限公司), which is a 90.8406% non-wholly owned subsidiary of SDHS Group; (ii) directly held as to 35.2199% by SDHS Group; and (iii) directly held as to 13.7801% by CDB Development Fund Co., Ltd.\* (國開發展基金有限公司), which is held as to 100% by China Development Bank, a state-owned development finance institution. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CDB Development Fund Co., Ltd.\* (國開發展基金有限公司) and its ultimate beneficial owners are Independent Third Parties.

## **SDHS Heze**

SDHS Heze is a company incorporated in the PRC with limited liability. As at the date of this announcement, it is a wholly-owned subsidiary of SDHS Group, and is principally engaged in engineering management services; leasing services (excluding licensing leasing services); lease of non-residential properties; lease of land use right; park management services; parking lot services; information consultancy services (excluding licensing information consultancy services); labour services (excluding labour dispatch); property management; sales of building materials; sales of metal materials; road management and maintenance; construction works; construction labour subcontracting; and food sales.

## **SDHS Linyi**

SDHS Linyi is a company incorporated in the PRC with limited liability. As at the date of this announcement, it is a wholly-owned subsidiary of SDHS Group, and is principally engaged in operation and management of highways; infrastructure investment; investment with its own fund (finance, securities, futures, wealth management, fund-raising, financing and other related businesses are not permitted); traffic engineering construction, production and installation of traffic signs; road maintenance; processing and sales of stone materials for road construction; warehousing and logistics (excluding flammable and explosive materials); environmental engineering; trade and sales of steel; machinery leasing; architectural decoration; development of real estates; property management; house leasing; cultural tourism and health regimen; imports and exports of goods and technologies; mining, production, processing, and sales of gravel.

## **SDHS Group**

As at the date of this announcement, SDHS Group 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 Operation 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. It operates and manages over 8,000 kilometres of expressways and has invested in six publicly listed companies, the shares of which are listed on the stock exchanges in Hong Kong, Shanghai and Shenzhen. It has been awarded domestic AAA-level and international A-level credit ratings. It has also been ranked as one of the "Top 500 Chinese Enterprises" for 17 consecutive years and it was on the "Fortune 500" both in 2022 and 2023.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, as (i) SDHS Taidong is a non-wholly owned subsidiary of SDHS Group, while SDHS Heze and SDHS Linyi are both wholly-owned subsidiaries of SDHS Group; and (ii) SDHS Group through various entities owns an aggregate of approximately 43.45% of the issued share capital of the Company, therefore pursuant to Chapter 14A of the Listing Rules, (a) SDHS Group is an indirect controlling shareholder and a connected person of the Company; and (b) SDHS Taidong, SDHS Heze and SDHS Linyi are regarded as associates of SDHS Group and connected persons of the Company.

In accordance with HKFRS 16 “Leases”, the lease of the Designated Areas under each of the Cooperation Agreements will be recognised as three separate right-of-use assets of the Group. Pursuant to the Cooperation Agreement A, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB12,597,402.00. Pursuant to the Cooperation Agreement B, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB6,298,702.00. Pursuant to the Cooperation Agreement C, the aggregate value of the right-of-use assets recognised by the Company is approximately RMB15,746,753.00. Accordingly, the lease of the Designated Areas contemplated under each of the Cooperation Agreements constitute three one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios (based on the value of the right-of-use assets to be recognised by the Group in relation to the lease of the Designated Areas) calculated in accordance with the Listing Rules in relation to the lease of the Designated Areas contemplated under each of the Cooperation Agreements exceed 0.1% but are less than 5%, the lease of the Designated Areas contemplated under each of the Cooperation Agreements is subject to the reporting and announcement requirements but exempted from the circular (including independent financial advice) and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context otherwise requires:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement A”	the agreement dated 24 December 2024 entered into between SDHS Taidong and JNHS New Energy in relation to the lease of Designated Area A
“Cooperation Agreement B”	the agreement dated 24 December 2024 entered into between SDHS Heze and JNHS New Energy in relation to the lease of Designated Area B
“Cooperation Agreement C”	the agreement dated 24 December 2024 entered into between SDHS Linyi and JNHS New Energy in relation to the lease of Designated Area C
“Cooperation Agreements”	collectively Cooperation Agreement A, Cooperation Agreement B and Cooperation Agreement C
“Designated Area A”	the designated area A operated by SDHS Taidong as set out in the Cooperation Agreement A, including certain locations and space on expressways such as toll stations, service areas, slopes, tunnels and ramp circles in Jinan City and Taian City, Shandong Province
“Designated Area B”	the designated area B operated by SDHS Heze as set out in the Cooperation Agreement B, including certain locations and space on expressways such as toll stations, service areas, slopes, tunnels and ramp circles in Heze City, Shandong Province

“Designated Area C”	the designated area C operated by SDHS Linyi as set out in the Cooperation Agreement C, including certain locations and space on expressways such as toll stations, service areas, slopes, tunnels and ramp circles in Linyi City, Shandong Province
“Designated Areas”	collectively Designated Area A, Designated Area B and Designated Area C
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of any member of the Group, the Directors, the chief executives, the controlling shareholders, the substantial shareholders of the Company or its subsidiaries, and their respective associates
“JNHS New Energy”	Jinan Shandong Hi-Speed New Energy Technology Co., Ltd.* (濟南山高新能源科技有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“SDHS Group”	Shandong Hi-Speed Group Co. Ltd., a company established in the PRC with limited liability and an indirect controlling shareholder of the Company
“SDHS Heze”	Shandong Hi-Speed Heze Development Co., Ltd.* (山東高速菏澤發展有限公司), a company incorporated in the PRC with limited liability
“SDHS Linyi”	Shandong Hi-Speed Linyi Development Co., Ltd.* (山東高速臨沂發展有限公司), a company incorporated in the PRC with limited liability
“SDHS Taidong”	Shandong Hi-Speed Taidong Highway Co., Ltd.* (山東高速泰東公路有限公司), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 24 December 2024

*As at the date of this announcement, the 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 Directors; and Professor Qin Si Zhao, Mr. Victor Huang, Mr. Yang Xiangliang and Mr. Chiu Kung Chik as independent non-executive Directors.*

\* *For identification purpose only*