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中國山東高速金融集團有限公司
CHINA SHANDONG HI-SPEED FINANCIAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 412)

MAJOR TRANSACTION ACQUISITION OF SALE SHARES

THE ACQUISITION

The Board is pleased to announce that on 23 November 2021, the Purchaser and the Vendors entered into the SP Agreement, pursuant to which, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares at the Consideration of HK\$1,273,360,000. In particular, Vendor-A and Vendor-B will sell to the Purchaser Sale Shares-A and Sale Shares-B respectively.

Upon Completion, the Group will be interested in approximately 22.78% of the issued share capital of the Target Company. The Target Company will not become a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Group. The Target Company shall be accounted for as interests in associates.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but all applicable percentage ratios are less than 100% under the Listing Rules, the Acquisition constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholder's approval requirements under Chapter 14 of the Listing Rules.

GENERAL

An SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the SP Agreement and the transactions contemplated thereunder.

A circular (the “**Circular**”) containing, among other things, (i) further details of the SP Agreement and the transactions contemplated thereunder; (ii) the notice convening the SGM; and (iii) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 14 December 2021.

Completion is conditional upon the satisfaction of, among others, the Conditions Precedent (as defined below) in the SP Agreement, including but not limited to the approval of the SP Agreement and the transactions contemplated thereunder by the Shareholders at the SGM. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 23 November 2021, the Purchaser and the Vendors entered into the SP Agreement, pursuant to which, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares at the Consideration of HK\$1,273,360,000. In particular, Vendor-A and Vendor-B will sell to the Purchaser Sale Shares-A and Sale Shares-B respectively.

THE SP AGREEMENT

The principal terms of the SP Agreement are set out below:

Date

23 November 2021 (after trading hours)

Parties

- (i) the Purchaser (as purchaser)
- (ii) Vendor-A and Vendor-B (as vendors)

Subject matter

The Sale Shares, representing approximately 22.78% issued share capital of the Target Company, will be sold free from any encumbrance and together with all rights as at or after the date of the SP 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 SP Agreement.

Consideration

The Consideration is HK\$1,273,360,000, which shall be payable by cash by the Purchaser to the Vendors on Completion Date.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms taking into account of, among other things, the recent and historic price of the shares in the Target Company. The purchase price of HK\$0.088 per Sale Share represents (a) a discount of approximately 1.12% over the average closing price of approximately HK\$0.089 per share of the Target Company as quoted on the Stock Exchange for five consecutive trading days up to and including the last trading day before the date of the SP Agreement; and (b) a discount of approximately 9.74% over the average closing price of approximately HK\$0.098 per share of the Target Company as quoted on the Stock Exchange for 30 consecutive trading days with no trading halt up to and including the last trading day before the date of the SP Agreement.

The Consideration will be financed by the internal resources of the Group.

Conditions precedent

The Completion is conditional upon the fulfilment of the following conditions precedent (the “**Condition(s) Precedent**”) on or before the Long Stop Date:

- (A) the Target Company’s listing on the Stock Exchange has not been withdrawn or revoked at any time before the Completion, and the shares in the Target Company will continue to be traded on the Stock Exchange at any time before the Completion (except for any short-term trading halt which does not exceed five consecutive trading days or other relevant periods that the Purchaser may agree in writing, or any trading halt related to the transactions contemplated under the SP Agreement), and the relevant announcements of the Target Company have not indicated that the Target Company’s listing status will be suspended, cancelled, withdrawn or revoked at any time after the Completion due to the proposed transactions under the SP Agreement;
- (B) the representations, warranties and/or undertakings provided by the Vendors set out in the SP Agreement remain true, completed, accurate and not misleading in all material respects at all times between the date of the SP Agreement and the Completion Date and there have been no material breaches by any Parties under the SP Agreement;
- (C) the representations, warranties and/or undertakings provided by the Purchaser set out in the SP Agreement remain true, completed, accurate and not misleading in all material respects at all times between the date of the SP Agreement and the Completion Date and there have been no material breaches by any Parties under the SP Agreement;
- (D) the SGM convened by the Company having approved to proceed the SP Agreement and the transactions proposed under it;

- (E) the Purchaser and its associates have obtained all approvals required to proceed the SP 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);
- (F) the Vendors' shareholders have passed resolutions to approve to proceed the SP Agreement and the transactions proposed under it and the Vendors having obtained the resolutions of the relevant funds investment management committee to approve the completion of the transactions proposed under the SP Agreement; and
- (G) the Vendors have obtained all resolutions and approvals required to proceed the SP 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 Precedent (B) which can be waived by the Purchaser and Condition Precedent (C) which can be waived by the Vendors in writing at all times, none of the other Conditions Precedent is waivable. In the event that any of the above Conditions Precedent are not being fulfilled and/or waived (if applicable) on or before the Long Stop Date, the SP Agreement shall become void and of no further effect and neither the Vendors nor the Purchaser shall be entitled to claim against the other Party regarding the obligations, liabilities or sale and purchase of the Sale Shares under the SP Agreement (without prejudice to the rights of the Parties in respect of any antecedent breaches), provided that such claim does not arise from any fault or negligence of any Party leading to the failure to fulfil any of the Conditions Precedent.

If (a) the Conditions Precedent (as herein after defined) are fulfilled, but the Completion does not take place because of the Purchaser's reasons; or (b) if Condition Precedent (E) is not fulfilled on or before the Long Stop Date despite the Stock Exchange has confirmed on or before the Long Stop Date that it has no further comments on the Circular, the Purchaser shall, within five Business Days from the Completion Date or the Delayed Completion Date (the later date shall prevail) or another later date as requested by the Vendors in writing, pay HK\$15,000,000 in total to the Vendors as damages for indemnifying all losses suffered by the Vendors.

If the Conditions Precedent are fulfilled, but the Completion does not take place because of the Vendors' reasons, within five Business Days from the Completion Date or the Delayed Completion Date (the later date shall prevail) or another later date as requested by the Purchaser in writing, the Vendors shall pay to the Purchaser HK\$15,000,000 as damages for indemnifying all losses suffered by the Purchaser.

Completion

Completion shall take place on the Completion Date after all the Conditions Precedent are fulfilled and/or waived (if applicable). Upon Completion, the Group will be interested in approximately 22.78% of the issued share capital of the Target Company. The Target Company will not become a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Group. The Target Company shall be accounted for as interests in associates.

INFORMATION OF THE PARTIES

Information of the Purchaser and the Group

The Purchaser is a company incorporated under the laws of the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Company 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 Group is principally engaged in various kinds of financial services, including provision of securities brokerage services, financial leasing, operation of an asset trading platform, investments in securities, money lending, investment holding and assets management.

Information of 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. CLSA Global Investments Management Limited is wholly owned by CLSA B.V., which is wholly owned by CITIC Securities International Company Limited, which in turn is wholly owned by CITIC Securities Company Limited (“**CITIC Securities**”), a company listed on both the Hong Kong Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange. 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 CPE Private Equity Fund II (RMB) (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 (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. Vendor-B is principally engaged in the business of investment holding.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Information of the Target Company and Target Group

The Target Company is an investment holding company incorporated under the laws of the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 1250).

As at the date of this announcement, the Target Group is principally engaged in investment, development, operation and management of photovoltaic power business, wind power business and clean heat supply business mainly in the PRC.

Financial information of the Target Group

Set out below are certain audited consolidated financial information of the Target Company for the two years ended 31 December 2019 and 2020 respectively as extracted from the audited financial statements of the Target Group.

	For the year ended 31 December 2019	For the year ended 31 December 2020
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	6,335,620	5,551,791
Profit before tax	1,031,631	1,018,410
Profit for the year	842,086	886,440

As at 31 December 2020, the audited net asset value of the Target Group based on its audited accounts was approximately HK\$13,124,890,000. As at 30 June 2021, the unaudited net asset value of the Target Group was approximately HK\$13,650,110,000.

Controlling shareholder of the Target Company

Based on the information available to the Company, Fast Top Investment Limited (“**Fast Top**”) is a company established under the laws of the BVI with limited liability and the registered holder of approximately 31.88% of the equity interest in the Target Company as at the date of the announcement and immediately after Completion. As at the date of the announcement, Fast Top’s ultimate beneficial owner and de facto controller is Beijing Enterprises Group Company Limited, which is a wholly state-owned company established in the PRC with its principal business as investment, operation and management in municipal infrastructure and public utilities.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

The Acquisition is in line with the Group’s investment strategies. The Target Group is committed to the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the PRC. The Target Group has also been exploring other clean energy businesses and international opportunities for strategic development and diversification, with an aim to become a leading integrated clean energy service provider. It steadily developed its operating capacity through the investment, development, construction, operation and management of clean energy power plant projects. In addition, given that it is a global trend to fight against climate change and the PRC government has been actively adopting various measures to promote the development and use of renewable and clean energy, the Board considers that the business relating to clean energy has a promising prospect and growth trend.

The Acquisition will be advantageous to the strategic development and investment performance of the Group. It will provide the Group with an opportunity to widen its investment scope and diversify its investment portfolio.

The Directors consider that the terms of the SP Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 25% but all are less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

GENERAL

An SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the SP Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the SP Agreement and the transactions contemplated thereunder; (ii) the notice convening the SGM; and (iii) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 14 December 2021.

Completion is conditional upon the satisfaction of, among others, the Conditions Precedent, including but not limited to the approval of the SP Agreement and the transactions contemplated thereunder by the Shareholders at the SGM. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendors pursuant to the terms and conditions of the SP Agreement
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the business to deal in securities
“BVI”	the British Virgin Islands
“Company”	China Shandong Hi-Speed Financial Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 412)

“Completion”	completion of the Acquisition in accordance with the terms and conditions of the SP Agreement
“Completion Date”	the fifth Business Day after the date of fulfilment and/or waiver (if applicable) of all the Conditions Precedent set out in the SP Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration of HK\$1,273,360,000 payable by the Purchaser to the Vendors for the Acquisition
“Delayed Completion Date”	the postponed date of Completion decided by the non-defaulting party (at its discretion) if either the Purchaser or the Vendors fails to fulfil its obligations under the Completion as set out in the SP Agreement on the Completion Date, and such postponed date of Completion shall be within 10 Business Days from the Completion Date
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the day falling on the fourth months from the date of the SP Agreement, or such other date as may be agreed by the Parties in writing
“Parties”	the parties of the SP Agreement and “Party” means any of them

“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Profit Plan Global Investment Limited, a limited company incorporated under the laws of the BVI and is indirectly wholly owned by the Company
“Sale Shares”	the 14,470,000,000 shares, i.e. approximately 22.78% of the issued share capital of the Target Company as at the date of this announcement which consist of Sale Shares-A and Sale Shares-B
“Sale Shares-A”	the 7,235,000,000 shares, i.e. approximately 11.39% of the issued share capital of the Target Company as at the date of this announcement held by Vendor-A
“Sale Shares-B”	the 7,235,000,000 shares, i.e. approximately 11.39% of the issued share capital of the Target Company as at the date of this announcement held by Vendor-B
“SGM”	the special general meeting of the Company to be convened and held to consider, and if thought fit, approve the SP Agreement and the transactions contemplated thereunder
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholders”	the shareholders of the Company
“SP Agreement”	the share purchase agreement dated 23 November 2021 entered into between the Purchaser and the Vendors in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Beijing Enterprises Clean Energy Group Limited, a company incorporated under the laws of the Cayman Island with limited liability and its shares are listed on the Stock Exchange (stock code: 1250)
“Target Group”	the Target Company and its subsidiaries
“Vendor-A”	CTSL Green Power Investment Limited, a limited company incorporated under the laws of the BVI
“Vendor-B”	CTSL New Energy Investment Limited, a limited company incorporated under the laws of the BVI
“Vendors”	collectively, Vendor-A and Vendor-B
“%”	per cent

By order of the Board
China Shandong Hi-Speed Financial Group Limited
Wang Xiaodong
Chairman

Hong Kong, 23 November 2021

As at the date of this announcement, the Company has three executive directors, namely Mr. Wang Xiaodong, Mr. Liu Zhijie and Mr. Liu Yao; four non-executive directors, namely Mr. Zhu Jianbiao, Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo; and four independent non-executive directors, namely Mr. Guan Huanfei, Mr. Chan Wei Hei, Mr. Tan Yuexin and Mr. Jonathan Jun Yan.

All percentages stated in this announcement are approximations and certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.