

Jade Road Investments in talks to sell stake in Meize Energy; could trigger IPO of target

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Jade Road Investments [LON:JADE] is talking with various parties regarding options to divest its 7.9% interest in Chinese wind turbine blade manufacturer Meize Energy, which could lead to other shareholder changes or even an IPO of the target company, said Suresh Withana, Managing Partner for Jade Road's investment manager Harmony Capital.

The stake was valued at USD 8.2m at 30 June 2021, according to Jade Road's interim report. It is a legacy asset for Jade Road after having sat on the company's books since 2011, Withana said.

Jade Road is talking to potential buyers for the stake, but the small shareholding is not big enough to be meaningful, which could make it challenging to find a buyer, he said.

Thus, Jade Road is also discussing with the founder and management, which own the majority share of Meize, and other shareholders to find a solution, Withana said.

Some other shareholders might want to sell their stakes too, which in combination could be more appealing to a new investor, Withana said. The other shareholders in Meize are Chinese private equity firm SAIF Partners and Russia-based Blooming, according to a spokesperson for Jade Road.

Alternatively, Meize could possibly be an IPO candidate if the founder and management saw this as an attractive option, he said. In case of an IPO, Meize would logically list on a domestic Chinese exchange or in Hong Kong, he added.

Another option for Jade Road is to sell its stake to Meize's founder Liu Guo Cai, Withana continued. Jade Road hopes to achieve a solution this year or in early 2022, he said.

Meize Energy is one of the largest wind turbine blade design and manufacturing companies in China, according to Jade Road documents. The company has three factories in China, located in Inner Mongolia, Ningxia Province, and Jiangsu Province. The factory in Jiangsu Province completed construction and commenced operation in September 2020. The factories are operating at full capacity, producing blades for both onshore and offshore wind turbines.

The wind power construction sector is doing very well in China, as the country more than doubled construction of new wind and solar plants in 2020, according to a news report. Meize has seen increased demand for its products recently, and built the new factory last year to meet demand, Withana said.

London-listed Jade Road is an investment company in the SME sector across Asia. Aside from Meize, it is also looking to divest its 85% stake in Chinese magnesium dolomite quarry Future Metal Holdings Limited (FMHL), which is its other legacy asset, as recently [reported](#) by *Mergermarket*. Jade Road has a market cap of GBP 18m (USD 24m).

Meize Energy and its founder did not respond to requests for comment.

by [Christel Thunell](#)

TARGET

[Meize Energy Industries Holding Limited](#)



VENDORS

[Jade Road Investments Limited](#)



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