

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Concord New Energy Group Limited

協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

GRANT OF AWARDS UNDER THE SHARE AWARD SCHEME

(1) CONNECTED TRANSACTIONS IN RELATION TO ISSUE OF NEW SHARES TO CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE

(2) ISSUE OF NEW SHARES TO NON-CONNECTED PERSONS PURSUANT TO SPECIFIC MANDATE

On 15 October 2021, the Board resolved to conditionally grant 59,100,000 Award Shares to 37 Grantees under the Scheme by way of issuing the Award Shares pursuant to the Specific Mandates, out of which (a) 31,900,000 Connected Award Shares conditionally granted to 15 Connected Grantees and (b) 27,200,000 Non-connected Award Shares conditionally granted to 22 Non-connected Grantees.

As the Connected Grantees are directors of the Company or its significant subsidiaries, or an associate of a Director, they are connected persons of the Company. Hence, the Connected Awards constitute connected transactions for the Company under the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all the independent non-executive Directors are Connected Grantees, no independent board committee will be formed for the Connected Awards. The Independent Financial Adviser has been appointed by the Company to advise the Independent Shareholders in this regard. The SGM will be held to consider and, if thought fit, pass the ordinary resolutions to approve the Connected Awards and the Specific Mandates. A circular containing, among other matters, (i) information regarding the Awards and the Specific Mandates; (ii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in respect of the Connected Awards; and (iii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 15 November 2021.

GRANT OF AWARDS UNDER THE SCHEME

As announced by the Company on 15 June 2015 and 29 June 2017, the Company has adopted the Scheme and made certain amendments to certain provisions in the Scheme.

On 15 October 2021, the Board resolved to conditionally grant 59,100,000 Award Shares to 37 Grantees under the Scheme, comprising 31,900,000 Connected Award Shares conditionally granted to 15 Connected Grantees, and 27,200,000 Non-connected Award Shares conditionally granted to 22 Non-connected Grantees. The Award Shares were conditionally granted to the Connected Grantees and the Non-connected Grantees (who are senior management and key employees of the Group and have contributed to the development and sustainable growth of the Group).

Connected Awards

The Awards to the Connected Grantees will be satisfied by the issue of the Connected Award Shares under the Specific Mandate, which shall be held upon trust for the benefit of the Connected Grantee by the Trustee before the vesting of the Connected Award Shares. The Trustee shall not exercise any voting rights attached to the Connected Award Shares held by it. The Connected Award Shares were conditionally granted to the following Connected Grantees:

Name of Connected Grantees	Relationship with the Group	Number of Connected Award Shares	Approximate percentage of the total number of issued Shares as at the date of this announcement (%)
Mr. Gui Kai	Executive Director and Chief Executive Officer	4,000,000	0.047
Mr. Niu Wenhui	Executive Director and Chief Financial Officer	4,000,000	0.047
Mr. Zhai Feng	Executive Director and Vice President	4,000,000	0.047

Name of Connected Grantees	Relationship with the Group	Number of Connected Award Shares	Approximate percentage of the total number of issued Shares as at the date of this announcement (%)
Ms. Shang Jia	Executive Director and Vice President	4,000,000	0.047
Mr. Wang Feng	Non-executive Director	1,500,000	0.018
Mr. Yap Fat Suan, Henry	Independent Non-executive Director	1,000,000	0.012
Dr. Jesse Zhixi Fang	Independent Non-executive Director	1,000,000	0.012
Ms. Huang Jian	Independent Non-executive Director	1,000,000	0.012
Mr. Zhang Zhong	Independent Non-executive Director	1,000,000	0.012
Mr. Wang Xigang	Vice President and director of significant subsidiaries of the Company	2,200,000	0.026
Mr. Gui Bo	Vice President and director of significant subsidiaries of the Company	2,200,000	0.026
Mr. Zhou Xiaole	Vice President and director of significant subsidiaries of the Company	1,800,000	0.021
Ms. Yang Xiaohong	Financial Controller and director of significant subsidiaries of the Company	1,800,000	0.021
Mr. Liu Ruiqing	Assistant to CEO and director of significant subsidiaries of the Company	1,200,000	0.014
Mr. Liu Ning ⁽¹⁾	Investment director	1,200,000	0.014

Note 1: Mr. Liu Ning is the son and, thus, an associate of Mr. Liu Shunxing, Chairman of the Board.

Non-connected Awards

The Awards to the Non-connected Grantees will be satisfied by the issue of Non-connected Award Shares under the Specific Mandate, which shall be held upon trust for the benefit of the Non-connected Grantees by the Trustee before the vesting of the Non-connected Award Shares. The Trustee shall not exercise any voting rights attached to the Non-connected Award Shares held by it. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Non-connected Grantees are not connected persons of the Company.

Details of the Awards

Date of grant	:	15 October 2021
Number of Award Shares granted and number of Grantees	:	59,100,000 Award Shares, comprising (i) 31,900,000 Connected Award Shares and (ii) 27,200,000 Non-connected Award Shares. The Award Shares to be issued by the Company represent approximately 0.691% of the total number of Shares in issue at the date of this announcement and approximately 0.686% of the total number of Shares in issue as enlarged by the issue of the Award Shares. The Award Shares will rank equally with the Shares in issue on the date of their issue. Once any Awards become unconditional, application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the related Award Shares.
Market price of the Shares	:	The closing price of the Shares as at the date of this announcement as quoted on the Stock Exchange is HK\$0.81 per Share. The average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange was HK\$0.874 per Share.
Market value of the Award Shares	:	Based on the closing price of the Shares as at the date of this announcement, the market values of 31,900,000 Connected Award Shares and 27,200,000 Non-connected Award Shares are approximately HK\$25.84 million and HK\$22.03 million, respectively.

Funds to be raised : The Grantees are not required to pay any consideration for the grant of the Award Shares. No fund will be raised by the Company as a result of the issue of the Award Shares. The Company has not engaged in any fund raising exercise in the 12 months immediately preceding the date of this announcement.

Vesting : Subject to the fulfilment of the conditions mentioned in the paragraph headed “Conditions” below, the Award Shares shall be vested on the following dates:

Vesting date	Percentage of the Award Shares to be vested
15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%
15 February 2024 (or in the event that 15 February 2024 is not a Business Day, the first Business Day thereafter)	25%
15 February 2025 (or in the event that 15 February 2025 is not a Business Day, the first Business Day thereafter)	25%

Conditions

The grant of the Connected Awards shall be subject to the fulfilment of the following conditions: (i) the approval by the Independent Shareholders at the SGM for the Connected Awards and the Specific Mandate for the issue of the Connected Award Shares having been obtained; and (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Connected Award Shares which may be issued by the Company.

The grant of the Non-connected Awards shall be subject to the fulfilment of the following conditions: (i) the approval by the Shareholders at the SGM for the Specific Mandate for the issue of the Non-connected Award Shares having been obtained; and (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Non-connected Award Shares which may be issued by the Company.

REASONS FOR AND BENEFITS OF THE GRANT OF THE AWARDS

The Scheme was adopted by the Board on 15 June 2015 (as amended on 29 June 2017) to (i) recognize the contributions of the employees of the Group; (ii) provide additional incentives in order to retain the employees of the Group to continue to work for the Group; and (iii) attract suitable personnel for further development of the Group.

The Directors believe that the future success of the Group is closely tied to the commitment and efforts of the Grantees, and the Awards were made to them in recognition of their past contribution to the development and business performance of the Group and as an incentive for their continuing commitment and contribution towards the sustainable growth of the Group. The Directors are of the view that the terms of the Awards are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The grant of the Connected Award Shares to each of the Connected Grantees has been approved by the Board (including the independent non-executive Directors) except that the Director who is the subject of the board resolution approving the grant of Connected Award Shares to him/her (or his associate) abstained from voting on such resolution.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in (i) investing in wind and solar power projects and (ii) offering professional technical services and integrated solutions to the wind and solar power generation projects.

LISTING RULES IMPLICATIONS

As the Connected Grantees are directors of the Company or its significant subsidiaries of the Company, or an associate of a Director, they are connected persons of the Company. Hence, the Connected Awards constitute connected transactions for the Company under the Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 13.39(6)(c) of the Listing Rules, in the event that all independent non-executive directors of an issuer have a material interest in the relevant transaction or arrangement, no independent board committee can be formed. As all the independent non-executive Directors are Connected Grantees, the Company is of the view that each of the independent non-executive Directors is regarded as having a material interest in the Connected Awards. Accordingly, no independent board committee will be formed for the Connected Awards. The Independent Financial Adviser has been appointed by the Company to advise the Independent Shareholders in this regard.

The SGM will be held to consider and, if thought fit, pass the ordinary resolutions to approve the Connected Awards and the Specific Mandates. A circular containing, among other matters, (i) information regarding the Awards and the Specific Mandates; (ii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in respect of the Connected Awards; and (iii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 15 November 2021.

DEFINITIONS

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

“associate”, “connected person(s)” and “insignificant subsidiary(ies)”	have the meaning ascribed to them by the Listing Rules
“Award Shares”	new Shares conditionally granted to the Grantees under the Scheme, comprising Connected Award Shares and Non-connected Award Shares
“Awards”	collectively the Connected Awards and the Non-connected Awards, and an “Award” means any one of them
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of trading in securities
“Company”	Concord New Energy Group Limited, a company incorporated in Bermuda with limited liability, and the Shares of which are listed on the Stock Exchange
“Connected Award Shares”	the Award Shares conditionally granted to the Connected Grantees
“Connected Awards”	the conditional grant of the Connected Award Shares to the Connected Grantees mentioned in this announcement
“Connected Grantees”	the Grantees who are directors of the Company or its significant subsidiaries, or an associate of a Director
“Directors”	the directors of the Company

“Grantee(s)”	grantee(s) of the Award(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Independent Shareholders”	the Shareholders other than those who are required to abstain from voting at the relevant resolutions at the SGM under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-connected Award Shares”	the Award Shares conditionally grant to the Non-connected Grantees
“Non-connected Awards	the conditional grant of the Non-connected Award Shares to the Non-connected Grantees mentioned in this announcement
“Non-connected Grantees”	the Grantees, who are senior management and key employees of the Group, not being connected persons of the Company
“Scheme”	the share award scheme adopted by the Company on 15 June 2015 (as amended on 29 June 2017)
“SGM”	the special general meeting of the Company to be convened for the purposes of considering and, if thought fit, approving the grant of the Connected Awards and the Specific Mandates for the issue of the Award Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares;
“Significant Subsidiary”	subsidiary of the Company other than an insignificant subsidiary of the Company

“Specific Mandates”	the specific mandates to be obtained from the Independent Shareholders and the Shareholders respectively at the SGM for the issue of the Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	Acheson Limited, a company incorporated in Hong Kong with limited liability, which is the trustee having been appointed by the Company on 15 June 2015 for the administration of the Scheme
“%”	per cent.

For and on behalf of
Concord New Energy Group Limited
Liu Shunxing
Chairman

Hong Kong, 15 October 2021

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Mr. Zhai Feng and Ms. Shang Jia (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).