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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)

PREPAYMENT OF CONVERTIBLE LOAN

The Board is pleased to announce that by the Prepayment Request Letter dated 24 December 2021 issued by the Company and accepted by Goldman Sachs, the Company and Goldman Sachs have agreed that the outstanding Convertible Loan in the aggregate amount of US\$18 million (approximately HK\$140.4 million), together with all accrued but unpaid interest and all other amounts then due and payable, shall be prepaid within two months from the date of the Prepayment Request Letter in consideration of the Company paying a prepayment fee of approximately US\$4.58 million (approximately HK\$35.72 million).

INTRODUCTION

As at the date hereof, the outstanding Convertible Loan is in the aggregate principal amount of US\$18 million (approximately HK\$140.4 million), and all the options to advance any additional loan referred to in the Previous Announcements have been lapsed and ceased to have any effect. The original maturity date of all the principal amount of the Convertible Loan was 1 April 2024.

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On the date of the Prepayment Request Letter, the Company has paid the Prepayment Fee, together with a repayment in part of the outstanding Convertible Loan in the amount of approximately US\$ 0.42 million to Goldman Sachs.

After the Prepayment, the outstanding principal amount of the Convertible Loan will become nil, and all the obligations of the Company under the Convertible Loan will cease.

REASONS FOR AND BENEFITS OF THE PREPAYMENT

As at the date of the Prepayment Request Letter, the Conversion Prices are (i) HK\$0.55 per Share for the Convertible Loan Tranche II, and (ii) HK\$0.6 per Share for the Convertible Loan Tranche III, representing:

- (i) a discount of approximately 35.3% (for the Convertible Loan Tranche II) and 29.4% (for the Convertible Loan Tranche III) to the closing price of HK\$0.85 per Share as quoted on the Stock Exchange on the trading day immediately before the date of the Prepayment Request Letter; and
- (ii) a discount of approximately 33.9% (for the Convertible Loan Tranche II) and 27.9% (for the Convertible Loan Tranche III) to the average closing price of HK\$0.832 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Prepayment Request Letter.

Based on the said Conversion Prices, the conversion of all the outstanding principal amount of the Convertible Loan would require the Company to issue a total of 244,636,363 Shares (the “**Conversion Shares**”), representing an approximately 2.72% of the enlarged issue capital of the Company as enlarged by issue of the Conversion Shares. Should the said number of Conversion Shares were issued based on the closing price of HK\$0.85 per Share on the trading day immediately before the day of the Prepayment Request Letter rather than the Conversion Prices, the amount of subscription price which would have been received by the Company would amount to approximately US\$26.66 million, exceeding the aggregate principal amount of the Convertible Loan by approximately US\$8.66 million (approximately HK\$67.55 million).

As at the date of the Prepayment Request Letter, the Convertible Loan is interest bearing at a rate of (i) 2% per annum until 13 December 2021; and (ii) thereafter, 5% per annum until its original maturity date of 1 April 2024.

The Directors consider that notwithstanding that the accounts of the Group would record a loss of approximately HK\$33.52 million as a result of the Prepayment, the Prepayment and the Proposed Alteration is in the interest of the Company and the Shareholders as a whole because it will eliminate the dilution effect arising from the issue of the Convertible Shares especially in view of the Conversion Prices representing a significant discount to the market price of the Shares, and will also save interest costs. The Directors also consider that the terms of the Prepayment Request Letter (including the Prepayment Fee), which have been arrived at after arm’s length negotiations between the Company and Goldman Sachs, are fair and reasonable. The Prepayment will be financed by the internal resources of the Group.

GENERAL INFORMATION

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.

Goldman Sachs is a company incorporated under the laws of Singapore with limited liability and, insofar as the Company is aware, is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc. is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in all major financial centers around the world. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Goldman Sachs and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

IMPLICATION UNDER THE LISTING RULES

The Prepayment constitutes an alteration of the Convertible Loan (the "**Proposed Alteration**") within the meaning of Rule 28.05 of the Listing Rules. Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company has applied to, and has obtained from, the Stock Exchange for its approval for the Proposed Alteration.

DEFINITIONS

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

"Board"	the board of Directors;
"Company"	Concord New Energy Group Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange;
"Conversion Price(s)"	the price(s) at which the Convertible Loan is convertible into Shares as set out this announcement;
"Convertible Loan"	the convertible loan of US\$30,000,000 granted by Goldman Sachs to the Company pursuant to the convertible loan agreement dated 13 December 2018 and entered into between the Company and Goldman Sachs, as amended on 16 January 2019, which consists of three tranches as follows: (i) Tranche I being US\$12,000,000; and (ii) Tranche II being US\$9,000,000; and (iii) Tranche III being US\$9,000,000, of which US\$18,000,000 (being the entire amount of Tranche II and Tranche III) remain outstanding as of the date hereof;

“Convertible Loan Tranche II”	part of the Convertible Loan for an aggregate principal amount of US\$9 million with a Conversion Price of HK\$0.55 per Share;
“Convertible Loan Tranche III”	part of the Convertible Loan for an aggregate principal amount of US\$9 million with a Conversion Price of HK\$0.60 per Share;
“Directors”	the directors of the Company;
“Goldman Sachs”	Goldman Sachs Asia Strategic Pte. Ltd., a company incorporated and existing under the laws of Singapore, which, insofar as the Company is aware, is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc.;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Prepayment Request Letter”	the prepayment request letter issued by the Company dated 24 December 2021 and accepted by Goldman Sachs, pursuant to which the Company and Goldman Sachs have agreed to the Prepayment;
“Previous Announcements”	the announcements of the Company dated 13 December 2018 and 16 January 2019 relating to the issue of the Convertible Loan;
“Proposed Alteration”	has the meaning ascribed to it in the paragraph headed “Implication under the Listing Rules” above;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“US\$” United States dollar(s), the lawful currency of the United States of America; and

“%” per cent.

For the purposes of this announcement, an exchange rate of US\$1.0 = HK\$7.8 has been used for currency translation. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in US\$ or HK\$ has been, could have been or may be converted at such rate.

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

Hong Kong, 24 December 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).

** For identification purposes only*