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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)

POSSIBLE OFF-MARKET SHARE BUY-BACK

The Board is pleased to announce that:

- (a) Huadian, which beneficially owns 880,000,000 Shares as at the date of this announcement (representing approximately 9.80% of the total number of the issued Shares), has informed the Company that it intends to dispose of the Disposal Shares, namely up to 449,000,000 Shares (representing approximately 5.0% of the total number of the issued Shares); and
- (b) subject to the fulfilment of all the Conditions and the agreement of Huadian, the Company proposes to acquire the Buy-back Shares from Huadian at the Buy-back Price and at the Completion Time.

No legally binding agreement has been or will be entered into by the Company and Huadian for the sale and purchase of the Buy-back Shares. The Company intends that after all the Conditions have been fulfilled, the Company will, subject to the then market situation, give the Expression of Interest to Huadian to seek its agreement to sell the Buy-back Shares at the Buy-back Price and at the Completion Time on or before the Longstop Date. Upon completion of the Proposed Share Buy-back, the Buy-back Shares will be cancelled. The Company reserves the right not to give any Expression of Interest notwithstanding that all the Conditions have been fulfilled.

IMPLICATIONS UNDER THE SHARE BUY-BACKS CODE

The Proposed Share Buy-back constitutes an off-market share buy-back under the Share Buy-backs Code, and is thus subject to the requirements of the Share Buy-backs Code, including the obtaining of the approval from the Executive for the Proposed Share Buy-back under Rule 2 of the Share Buy-backs Code. The Company will make an application to the Executive for such approval. The Executive's approval, if granted, will normally be conditional upon, among other things, the approval of the Proposed Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general meeting of the Company.

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian, Mr. Zhang Zhong and Ms. Li Yongli, all of whom do not have any direct or indirect interest in the Proposed Share Buy-back other than (where applicable) being Shareholders. The non-executive Director Mr. Wang Feng, who is also a Vice General Manager of Huadian New Energy (which wholly owns Huadian), is not a member of the Independent Board Committee due to conflict of interest as a result of Huadian's interest in the Proposed Share Buy-back. The Independent Board Committee will advise the Independent Shareholders on the Proposed Share Buy-back. Maxa Capital Limited has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard and in particular as to whether the Proposed Share Buy-back is, or is not, fair and reasonable and as to voting.

A circular containing, among other things: (i) details of the Proposed Share Buy-back; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Proposed Share Buy-back; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Proposed Share Buy-back, will be despatched by the Company to the Shareholders within 21 days from the date of this announcement, namely on or before 11 July, 2022.

The completion of the Proposed Share Buy-back is subject to (i) the fulfilment of the Conditions; (ii) the giving of the Expression of Interest by the Company; and (iii) the obtaining of the agreement of Huadian to the terms of the Expression of Interest. Hence, the Proposed Share Buy-back may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and the other securities of the Company.

BACKGROUND

Huadian, which beneficially owns 880,000,000 Shares as at the date of this announcement (representing approximately 9.80% of the total number of the issued Shares), has informed the Company that it intends to dispose of the Disposal Shares, namely up to 449,000,000 Shares (representing approximately 5.0% of the total number of the issued Shares), at a selling price per Disposal Share at a discount to the audited consolidated net asset value per Share as at 31 December 2021 of approximately RMB0.825 (approximately HK\$0.959 based on an exchange rate of HK\$1.0 = RMB0.86, the Company's audited consolidated net asset value attributable to Shareholders of approximately RMB7,404.87 million as at 31 December 2021 and 8,975,469,158 Shares in issue as at the date of this announcement), and the market price of the Share.

The Directors (excluding members of the Independent Board Committee whose views will be given after taking into account the independent financial adviser's opinion) consider that it will be in the interest of the Company and the Shareholders as a whole to acquire the Buy-back Shares because both the earnings per Share and the net consolidated asset value per Share are expected to be enhanced by the Proposed Share Buy-back and the consequential cancellation of the Buy-back Shares. Hence, the Company proposes to acquire the Buy-back Shares once all the Conditions have been fulfilled.

The Proposed Share Buy-back constitutes an off-market share buy-back by the Company under the Share Buy-backs Code, and is thus subject to the requirements of the Share Buy-backs Code, including the obtaining of the approval from the Executive for the Proposed Share Buy-back under Rule 2 of the Share Buy-backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, the approval of the Proposed Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general meeting of the Company.

No legally binding agreement has been or will be entered into by the Company and Huadian for the sale and purchase of the Buy-back Shares. The Company intends that after all the Conditions have been fulfilled, the Company will, subject to the then market situation, give the Expression of Interest to Huadian to seek its agreement to sell the Buy-back Shares by way of the Block Trade Mechanism on or before the Longstop Date. Upon completion of the Proposed Share Buy-back, the Buy-back Shares will be cancelled. The Company reserves the right not to give any Expression of Interest notwithstanding that all the Conditions have been fulfilled.

BLOCK TRADE MECHANISM

The PRC legal advisers to the Company have advised the Company that:

- (a) being a state-owned enterprise, Huadian's proposed disposal of the Disposal Shares is subject to the "Measures for the Supervision and Administration of State-owned Equity of Listed Companies"《上市公司國有股權監督管理辦法》(the "**Circular No. 36**") jointly promulgated by the SASAC, the Ministry of Finance of the PRC and the China Securities Regulatory Commission of the PRC on 16 May 2018;
- (b) under the Circular No. 36, the market-oriented methods for the transfer of shares of listed companies by state-owned shareholders shall be effected in one of the following three methods: (i) transfer through the trading system of a stock exchange (the "**Method 1**"); (ii) transfer by way of public invitation (the "**Method 2**"); and (3) transfer by way of private agreement (the "**Method 3**"):
 - (i) for the Method 1, a state-owned shareholder will dispose of its shares in the listed company through the trading system of the stock exchange, which disposal will not be subject to any requirements on the related selling price;
 - (ii) for the Method 2, the state-owned shareholder shall publicly invite potential transferees to acquire the shares in that listed company and, then, enter into a legally binding transfer agreement with the successful transferee(s). The state-owned shareholder shall notify that listed company for its adoption of the Method 2, and that listed company shall issue an announcement on the same accordingly. Under the Circular No. 36, the selling price for the said transfer shall not be lower than the higher of: (i) the daily weighted average prices for the 30 trading days prior to the publication of the said announcement by that listed company; or (ii) the audited net asset value per share of that listed company in its most recent financial year (the "**Floor Price**"); and
 - (iii) under the Circular No.36, the Method 3 has to satisfy the requirements that either (i) there are certain peculiar circumstances relating to that listed company (such as that listed company being in serious financial difficulties, or related to national security or restructuring of state-owned assets, and etc.), which circumstances are as a matter of fact not applicable to the Company; or (ii) the selling price shall be not less than the Floor Price.

If Huadian decides to adopt the Method 2 or the Method 3 to dispose of the Disposal Shares, the Company would not be interested to acquire the Buy-back Shares because the Company is only interested in acquiring the Buy-back Shares at a discount to the net asset value per Share and the market price of the Share, which is prohibited by the Method 2 and the Method 3. The Company understands that Huadian has obtained its internal approval for the disposal of the Disposal Shares by way of the Method 1.

In view of the aforesaid advice of the Company's PRC legal advisers, the Company will not enter into any legally binding agreement with Huadian for the acquisition of the Buy-back Shares, otherwise it will be subject to the requirement of the Method 3. Instead, the Company proposes to acquire the Buy-back Shares by way of the Block Trade Mechanism as set out below:

- (a) after all the Conditions have been fulfilled, it will, subject to the then market situation, instruct its stockbroker to contact the stockbroker of Huadian to give the Expression of Interest on behalf of the Company for the acquisition of the Buy-back Shares at the Buy-back Price and at the Completion Time;
- (b) if Huadian agrees to dispose of the Buy-back Shares to the Company at the Buy-back Price and at the Completion Time both specified by the Company in the Expression of Interest, the sale will be transacted via the respective stockbrokers of the Company and Huadian as a block trade;
- (c) if Huadian does not agree so, the Expression of Interest will lapse and the Proposed Share Buy-back will not proceed.

The PRC legal advisers to the Company are of the view that as the Block Trade Mechanism does not involve the Company and Huadian entering into any legally binding agreement for the sale and purchase of the Buy-back Shares, the above mechanism falls within the Method 1 and is not in breach of the requirement of the Circular 36.

TERMS OF THE PROPOSED SHARE BUY-BACK

The terms and conditions of the Buy-back Shares are as follows:

Parties

Seller: Huadian

Purchaser: the Company

Buy-back Shares

Such number of the Buy-back Shares to be specified by the Company in the Expression of Interest, which shall not exceed the number of the Disposal Shares, i.e. up to 449,000,000 Shares.

Buy-back Price

The Buy-back Price for each Buy-back Share shall be a price to be specified by the Company in the Expression of Interest provided that the Buy-back Price shall not exceed the lower of the following two amounts (the “Ceiling Price”):

- (a) 95% of the average closing price per Share quoted on the Stock Exchange for the five trading days immediately preceding the day on which the Expression of Interest is given to Huadian, and 95% of the said average closing price would be approximately HK\$0.703 if the date of the Expression of Interest were the date of this announcement; and
- (b) 95% of the audited consolidated net asset value per Share as at 31 December 2021 based on the Company’s audited consolidated net asset value attributable to Shareholders of approximately RMB7,404.87 million as at 31 December 2021 and the number of the total issued Shares as at the day on which the Expression of Interest is given to Huadian, which will be approximately RMB0.784 (approximately HK\$0.911 based on an exchange rate of HK\$1.0 = RMB0.86, and assuming that the total issued Shares as at the date of the Expression of Interest is the same as the total issued Shares of 8,975,469,158 Shares as at the date of this announcement).

If the Company were to give the Expression of Interest to Huadian on the date of this announcement, the Ceiling Price would have been approximately HK\$0.703.

During the six-month period immediately preceding and including the date of this announcement, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.86 on 24 December 2021 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.62 on 15 March 2022.

For illustrative purposes, if the Buy-back Price equals to the Ceiling Price of HK\$0.703 assuming that the Company were to give the Expression of Interest to Huadian on the date of this announcement, such Buy-back Price represents:

- (a) a discount of approximately 3.7% to the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 5.0% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day of approximately HK\$0.74 per Share;
- (c) a discount of approximately 6.3% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$0.75 per Share;

- (d) a discount of approximately 26.7% to the audited consolidated net asset value per Share of approximately RMB0.825 (approximately HK\$0.959 based on an exchange rate of HK\$1.0 = RMB0.86) as at 31 December 2021, calculated based on the Company's audited consolidated net asset value attributable to Shareholders of approximately RMB7,404.87 million as at 31 December 2021 and 8,975,469,158 Shares in issue as at the date of this announcement.

The Buy-back Price shall not exceed the Ceiling Price, and will be determined following arms' length negotiations between the Company and Huadian taking into account the market conditions, the market price of the Shares and the financial position of the Company as at the time of the Expression of Interest. The Buy-back Price will be financed by the Company's internal resources.

As at the date of this announcement, there are declared but unclaimed dividends in respect of the Shares amounting to approximately HK\$2,633, and, save for the said unclaimed dividends, the Company does not have any declared but unpaid dividend. As set out in the circular of the Company dated 25 May 2022, the Board has recommended the payment of a final dividend of HK\$0.03 per Share for the year ended 31 December 2021 (the "**Proposed Final Dividends**") to Shareholders whose names appear on the register of members of the Company on 12 July 2022. The Proposed Final Dividend is subject to the approval by the Shareholders at the annual general meeting of the Company to be held on 24 June 2022. If so approved, the Proposed Final Dividend will be paid on or about 29 July 2022. In determining the Buy-back Price, the Company will take into account whether the Buy-back Shares will be entitled to the Proposed Final Dividend.

Conditions

The completion of the Proposed Share Buy-back will be subject to and conditional upon the fulfilment of the following Conditions:

- (a) the approval by the Executive of the Proposed Share Buy-back under the Share Buy-backs Code (and such approval not having been withdrawn) and the condition(s) of such approval, if any, having been satisfied;
- (b) the approval by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the SGM duly convened and held in accordance with the Share Buy-backs Code; and
- (c) the independent financial adviser to the Independent Board Committee confirming that the Proposed Share Buy-back is fair and reasonable so far as the Independent Shareholders are concerned.

The Conditions set out above cannot be waived by the Company. The Company will not give any Expression of Interest before all the Conditions have been and remained to be fulfilled. If the Company is unable to acquire the Buy-back Shares on or before the Longstop Date, the approval of the Independent Shareholders for the Proposed Share Buy-back referred to in sub-paragraph (b) above shall lapse, whereupon the Proposed Share Buy-back will not proceed.

Completion

The Company intends that after all the Conditions have been fulfilled, it will, subject to the then market situation, instruct its stockbroker to contact the stockbroker of Huadian to give the Expression of Interest on behalf of the Company to seek Huadian's agreement to sell the Buy-back Shares at the Buy-back Price and at the Completion Time. The Expression of Interest shall set out the terms of the Proposed Share Buy-back, namely the actual number of the Buy-back Shares, the actual amount of the Buy-back Price and the Completion Time. The Completion Time shall be on or before the Longstop Date.

If Huadian agrees to the said terms of the Proposed Share Buy-Back, the sale and purchase of the Buy-back Shares will be transacted via the respective stockbrokers of the Company and Huadian as a block trade based on the terms of the Expression of Interest. If Huadian does not agree so, the Expression of Interest will lapse and the Proposed Share Buy-back will not proceed.

After completion of the Proposed Share Buy-back, the Buy-back Shares will be cancelled.

REASONS FOR AND BENEFITS OF THE PROPOSED SHARE BUY-BACK

The Directors consider that the Proposed Share Buy-back offers a good opportunity for the Company to enhance its earnings per Share and net consolidated asset value per Share. Hence, the Directors (excluding members of the Independent Board Committee whose views will be given after taking into account the independent financial adviser's opinion) are of the view that the terms and conditions of the Proposed Share Buy-back are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

No Director has any material interest in the Proposed Share Buy-back save that the non-executive Director Mr. Wang Feng, who is also a Vice General Manager of Huadian New Energy (which wholly owns Huadian), has a conflict of interest as a result of Huadian's interest in the Proposed Share Buy-back. Accordingly, no Directors (other than Mr. Wang Feng) were required to abstain from voting at the Board meeting approving the Proposed Share Buy-back and the transactions contemplated thereunder.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

After the completion of the Proposed Share Buy-back, the Buy-back Shares will be cancelled. The then percentage interest of all the Shareholders in the issued share capital of the Company will be proportionally increased following the cancellation of the Buy-back Shares. Set out below for illustrative purposes is the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Proposed Share Buy-back and the cancellation of the Buy-back Shares assuming that (i) there is no other change in the shareholdings of the Company before completion of the Proposed Share Buy-back and the cancellation of the Buy-back Shares; and (ii) the number of the Buy-back Shares is 449,000,000 Shares:

Name of Shareholders	As at the date of this announcement		Immediately after the completion of the Proposed Share Buy-back and the cancellation of the Buy-back Shares	
	No. of Shares	Percentage of total issued Shares (%)	No. of Shares	Percentage of total issued Shares (%)
Non-public Shareholders				
<i>Company Concert Group —</i>				
<i>Directors:</i>				
Mr. Liu Shunxing (Note 1)	1,728,994,242	19.26	1,728,994,242	20.28
Ms. Liu Jianhong (Note 2)	170,250,000	1.90	170,250,000	2.00
Mr. Gui Kai	10,600,000	0.12	10,600,000	0.12
Mr. Niu Wenhui	11,000,000	0.12	11,000,000	0.13
Mr. Zhai Feng	1,000,000	0.01	1,000,000	0.01
Ms. Shang Jia	4,000,000	0.04	4,000,000	0.05
Mr. Yap Fat Suan, Henry	1,800,000	0.02	1,800,000	0.02
Dr. Jesse Zhixi Fang	1,600,000	0.02	1,600,000	0.02
Ms. Huang Jian	1,600,000	0.02	1,600,000	0.02
Mr. Zhang Zhong	1,600,000	0.02	1,600,000	0.02
<i>Company Concert Group — Other:</i>				
Trustee (Note 3)	128,600,000	1.43	128,600,000	1.51
<i>Company Concert Group sub-total:</i>	2,061,044,242	22.96	2,061,044,242	24.17
<i>Other connected persons:</i>				
Directors of the Subsidiaries	29,480,000	0.33	29,480,000	0.35
<i>Non-public Shareholders sub-total:</i>	2,090,524,242	23.29	2,090,524,242	24.52
Public Shareholders				
Huadian	880,000,000	9.80	431,000,000	5.05
Other public Shareholders	6,004,944,916	66.90	6,004,944,916	70.43
<i>Public Shareholders sub-total:</i>	6,884,944,916	76.71	6,435,944,916	75.48
Total	8,975,469,158	100	8,526,469,158	100

Notes:

- (1) 1,002,877,155 Shares are held by China Wind Power Investment Limited (“**CWPI**”). CWPI is wholly-owned by Permanent Growth Limited, which is in turn owned as to 46.77% by Mr. Liu Shunxing. 701,617,087 Shares are held by Splendor Power Limited, which is in turn owned as to 99% by Mr. Liu Shunxing. Mr. Liu Shunxing beneficially holds 24,500,000 Shares.
- (2) 150,000,000 Shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor. Ms. Liu Jianhong beneficially holds 20,250,000 Shares.
- (3) The Company has granted Award Shares under the Share Award Scheme to provide incentives to officers and employees of the Group for their contributions to the Group. All the Award Shares (save for those Award Shares already vested and transferred to the grantees thereof) are held by the Trustee, being a third party independent of Huadian. Under the Share Award Scheme, the Trustee shall not exercise the voting rights in respect of any Award Shares held by it.
- (4) Certain percentage figures included in the above table have been subject to rounding adjustment so that figures shown as totals in the above tables may not be an arithmetic aggregation of the figures above or preceding them.

ARRANGEMENTS RELATING TO SHARES

As at the date of this announcement, other than (a) 2,061,044,242 Shares being held by the Company Concert Group (representing approximately 22.96% of the existing total issued Shares); and (b) 880,000,000 Shares being held by Huadian (representing approximately 9.80% of the existing total issued Shares), details of the above shareholdings are set out in the paragraph headed “Effect on the Shareholding Structure of the Company” in this announcement, none of the Huadian Concert Group and the Company Concert Group:

- (a) holds, owns, controls or directs any Shares, outstanding warrants, options, derivatives or securities convertible into Shares;
- (b) has secured any irrevocable commitment to vote in favour of or against the Proposed Share Buy-back at the SGM;
- (c) has any arrangement (whether by way of option, indemnity or otherwise) or contract under Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of Huadian which might be material to the Proposed Share Buy-back;
- (d) has any agreement or arrangement to which any member of the Huadian Concert Group or any member of the Company Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke any pre-condition or condition to the Proposed Share Buy-back;

- (e) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (f) has acquired or disposed of any voting rights of the Company or has dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Company in the six-month period prior to and including the date of this announcement save as disclosed below.

In December 2021 and March 2022, the Company repurchased 49,080,000 Shares in aggregate on the market at an average price of approximately HK\$0.7 per Share. In the past years, the Company granted the Award Shares to the Directors at nil consideration under the Share Award Scheme. In the six-month period prior to and including the date of this announcement, the following Award Shares were vested and acquired by the Directors:

Name of Director	Number of vested Award Shares held by Directors (Notes 1 and 2)
Mr. Liu Shunxing	6,500,000
Ms. Liu Jianhong	5,250,000
Mr. Gui Kai	3,000,000
Mr. Niu Wenhui	3,000,000
Mr. Zhai Feng	1,000,000
Ms. Shang Jia	2,000,000
Mr. Yap Fat Suan, Henry	700,000
Dr. Jesse Zhixi Fang	700,000
Ms. Huang Jian	700,000
Mr. Zhang Zhong	700,000

Notes:

- (1) The vested Award Shares were vested and acquired by the Directors at nil consideration on 15 February 2022.
- (2) All the unvested Award Shares are held by the Trustee, being a third party independent of Huadian. Under the Share Award Scheme, the Trustee shall not exercise the voting rights in respect of any Award Shares held by it.

OTHER ARRANGEMENTS

As at the date of this announcement:

- (a) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any member of the Huadian Concert Group of the one part, and any member of the Company Concert Group of the other part;
- (b) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) any member of the Huadian Concert Group; or (b) the Company, its subsidiaries or associated companies; and
- (c) other than the Buy-back Price, no consideration, compensation or benefit in any form has been or will be paid by any member of the Company Concert Group to any member of the Huadian Concert Group in connection with the Proposed Share Buy-back.

GENERAL INFORMATION

The Company

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.

Huadian

As at the date of this announcement, Huadian beneficially owns 880,000,000 Shares (representing approximately 9.80% of the total number of the issued Shares). Huadian is wholly-owned by Huadian New Energy, which is in turn owned as to approximately 52.40% by Huadian Furui, and as to approximately 31.03% by Huadian International. China Huadian owns a 100% interest in Huadian Furui, and an approximately 46.84% interest in Huadian International, which is a company listed in Shanghai. China Huadian is a state-owned enterprise wholly owned by the SASAC.

Huadian and its subsidiaries are primarily engaged in the development, management and operation of wind power and other clean energy projects throughout the PRC.

IMPLICATIONS UNDER THE SHARE BUY-BACKS CODE

The Proposed Share Buy-back constitutes an off-market share buy-back under the Share Buy-backs Code, and is thus subject to the requirements of the Share Buy-backs Code, including the obtaining of the approval from the Executive for the Proposed Share Buy-back under Rule 2 of the Share Buy-backs Code. The Company will make an application to the Executive for such approval. The Executive's approval, if granted, will normally be conditional upon, among other things, the approval of the Proposed Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general meeting of the Company.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprises all the independent non-executive Directors, namely Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian, Mr. Zhang Zhong and Ms. Li Yongli, all of whom do not have any direct or indirect interest in the Proposed Share Buy-back other than (where applicable) being Shareholders. The non-executive Director Mr. Wang Feng, who is also a Vice General Manager of Huadian New Energy (which wholly owns Huadian), is not a member of the Independent Board Committee due to conflict of interest as a result of Huadian's interest in the Proposed Share Buy-back. The Independent Board Committee will advise the Independent Shareholders on the Proposed Share Buy-back.

Maxa Capital Limited has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard and in particular as to whether the Proposed Share Buy-back is, or is not, fair and reasonable and as to voting.

SGM AND DESPATCH OF CIRCULAR

The SGM will be held to consider and approve, among other things, the Proposed Share Buy-back. As required by the Share Buy-backs Code, the Huadian Concert Group (which beneficially hold in aggregate 880,000,000 Shares as at the date of this announcement, representing approximately 9.80% of the total number of the issued Shares) will abstain from voting on the resolution to be proposed at the SGM to approve the Proposed Share Buy-back. Save for the Huadian Concert Group, no Shareholder is required to abstain from voting on the resolution approving the Proposed Share Buy-back.

A circular containing, among other things: (i) details of the Proposed Share Buy-back; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Proposed Share Buy-back; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Proposed Share Buy-back, and (iv) the notice of the SGM, will be despatched by the Company within 21 days from the date of this announcement, namely on or before 11 July, 2022.

The completion of the Proposed Share Buy-back is subject to (i) the fulfilment of the Conditions; (ii) the giving of the Expression of Interest by the Company; and (iii) the obtaining of the agreement of Huadian to the terms of the Expression of Interest. Hence, the Proposed Share Buy-back may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and the other securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

- “Award Shares”** Shares which are the subject of those share awards that may be granted by the Company from time to time under the Share Award Scheme to provide incentives to officers and employees of the Group for their contributions to the Group;
- “Block Trade Mechanism”** the mechanism in which the Company will, subject to the fulfilment of all the Conditions and the agreement of Huadian, acquire the Buy-back Shares by way of block trade to be conducted by the respective brokers of the Company and Huadian, details of which are set out in the paragraph headed “Block Trade Mechanism” in this announcement;
- “Board”** the board of Directors;
- “Buy-back Price”** the purchase price to be paid by the Company for the acquisition of the Buy-back Shares, details of which are set out in the paragraph headed “Terms of the Proposed Share Buy-back — Buy-back Price” in this announcement;
- “Buy-back Shares”** such number of the Disposal Shares proposed to be acquired by the Company under the Proposed Share Buy-back to be specified by the Company in the Expression of Interest, which shall not exceed the number of the Disposal Shares;
- “China Huadian”** China Huadian Corporation Limited* (中國華電集團有限公司), a company established in the PRC with limited liability;
- “Company”** Concord New Energy Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange;

“Company Concert Group”	refers to, collectively, the Company, the Directors (except Mr. Wang Feng, who does not hold any Shares), a trust established by Ms. Liu Jianhong (a Director), their respective controlled corporations (including China Wind Power Investment Limited and Splendor Power Limited), and the Trustee, details of their holding in Shares are set out in the paragraph headed “Effect on the Shareholding Structure of the Company” in this announcement, and “any member of the Company Concert Group” means any one of them;
“Completion Time”	the time at which the acquisition of the Buy-back Shares by the Company is completed;
“Conditions”	the conditions precedent to be fulfilled before the Company can give the Expression of Interest to Huadian and to acquire the Buy-back Shares under the Proposed Share Buy-back, details of which are set out in the paragraph headed “Terms of the Proposed Share Buy-back — Conditions” in this announcement;
“Directors”	the directors of the Company;
“Disposal Shares”	up to 449,000,000 Shares proposed to be disposed of by Huadian;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegates;
“Expression of Interest”	the expression of interest which may be given by the Company (or on its behalf) to Huadian setting out the Company’s interest in acquiring the Buy-back Shares under the Proposed Share Buy-back at the Buy-back Price and at the Completion Time both as specified therein;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Huadian”	Huadian Fuxin International Investment Company Limited (華電福新國際投資有限公司), a company established in Hong Kong with limited liability;

“Huadian Concert Group”	refers to, collectively, Huadian and parties acting in concert with it, and “any member of the Huadian Concert Group” means any of one them;
“Huadian Furui”	Fujian Huadian Furui Energy Development Corporation Limited* (福建華電福瑞能源發展有限公司), a company established in the PRC with limited liability;
“Huadian International”	Huadian Power International Corporation Ltd.*(華電國際電力股份有限公司), a joint stock company established in the PRC with limited liability, the A shares of which are listed on the stock exchange in Shanghai (stock code: 600027.SH) and the H shares of which are listed on the Stock Exchange (stock code: 1071.HK);
“Huadian New Energy”	Huadian New Energy Corporation Limited*(華電新能源集團股份有限公司), a company established in the PRC with limited liability, which wholly owns Huadian;
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian, Mr. Zhang Zhong and Ms. Li Yongli;
“Independent Shareholders”	Shareholders other than (i) the Huadian Concert Group; and (ii) any other Shareholder who has a material interest in the Proposed Share Buy-back which is different from the interests of all other Shareholders;
“Last Trading Day”	20 June, 2022, being the last trading day on which the Shares were traded on the Stock Exchange prior to the issue and publication of this announcement;
“Longstop Date”	the last day of the 3-month period commencing immediately from the date of obtaining the approval of the Independent Shareholders for the Proposed Share Buy-back;
“Proposed Share Buy-back”	the proposed acquisition of the Buy-back Shares by the Company from Huadian as described in this announcement;
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC(國務院國有資產監督管理委員會);

“SFC”	the Securities and Futures Commission of Hong Kong;
“SGM”	the special general meeting of the Company to be convened to consider and approve, among other things, the Proposed Share Buy-back;
“Share Award Scheme”	the share award scheme adopted by the Company on 15 June 2015 (as amended on 29 June 2017), details of which are set out in the announcements of the Company issued on the said two dates;
“Share Buy-backs Code”	the Code on Share Buy-backs issued by the SFC;
“Shareholder(s)”	holder(s) of the Shares;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiaries”	subsidiaries of the Company;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC;
“Trustee”	Acheson Limited, a company incorporated in Hong Kong with limited liability, which is the trustee appointed by the Company for the administration of the Share Award Scheme; and
“%”	per cent.

For the purposes of this announcement, an exchange rate of HK\$1 = RMB0.86 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in RMB 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, 21 June 2022

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, Mr. Zhang Zhong and Ms. Li Yongli (who are independent non-executive Directors).

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.