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If you have sold or transferred all your shares in Concord New Energy Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s). This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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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)

CONNECTED TRANSACTIONS IN RELATION TO THE GRANT OF AWARDS UNDER THE SCHEME

- (1) PROPOSED ISSUE OF NEW AWARDED SHARES TO CONNECTED GRANTEEES; AND
- (2) PROPOSED ISSUE OF NEW AWARDED SHARES TO NON-CONNECTED GRANTEEES
PURSUANT TO SPECIFIC MANDATE;

AND

NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to the Independent Shareholders of the Company



SOMERLEY CAPITAL LIMITED

Capitalised terms used on this cover have the same meaning as those defined in the section headed "Definitions" in this circular.

The SGM will be held at 10:00 a.m. on Thursday, 20 June 2019 at Unit 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

A notice convening the SGM and a form of proxy for use by the Shareholders at the SGM are enclosed. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event no later than 48 hours before the appointed time for holding of the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish.

A letter from the Board is set out on pages 4 to 26 of this circular.

A letter from Somerley Capital Limited, the Independent Financial Adviser to the Independent Shareholders, containing its advice to the Independent Shareholders is set out on pages 27 to 50 of this circular.

3 June 2019

* for identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Financial Adviser	27
Appendix — General Information	I-1
Notice of Special General Meeting	SGM-1

DEFINITIONS

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

“Award”	an award of Awarded Shares to a Selected Person pursuant to the Scheme
“Awarded Shares”	the Shares awarded to a Selected Person pursuant to an Award
“Board”	the board of Directors
“Business Day”	any day (other than Saturday or Sunday) on which the Stock Exchange is open for the business of dealing in securities and banking institutions in Hong Kong are open generally for normal banking business
“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 Grantees”	the 12 Selected Persons who are either Directors or chief executive of the Company, or directors of subsidiaries of the Company, being connected persons of the Company
“Connected New Awarded Shares”	the 55,600,000 New Awarded Shares awarded to the Connected Grantees
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Grantees”	the Selected Persons who are chosen by the Board to be the grantees of the New Awarded Shares, including the Connected Grantees and the Non-connected Grantees
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	Somerley Capital Limited, a licensed corporation 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), being the independent financial adviser appointed to advise the Independent Shareholders in respect of the allotment and issue of New Awarded Shares under the Scheme
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the SGM
“Latest Practicable date” or “LPD”	24 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Awarded Shares:	an aggregate of 113,000,000 Awarded Shares awarded to the Grantees, comprising 55,600,000 Connected New Awarded Shares and 57,400,000 Non-connected New Awarded Shares
“Non-connected Grantees”	the 20 Selected Persons who are senior management of the Group and company secretary of the Company, not being connected persons of the Company
“Non-connected New Awarded Shares”	the 57,400,000 New Awarded Shares awarded to the Non-connected Grantees
“Selected Person(s)”	employee(s) of the Group selected by the Board for participation in the Scheme
“Scheme”	the share award scheme adopted by the Company on 15 June 2015 (as amended on 29 June 2017)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the grant of the Specific Mandate for the New Awarded Shares
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Specific Mandate”	the specific mandate to be obtained from the Shareholders at the SGM for the allotment and issuance of the New Awarded Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituting the Trust Deed
“Trust Deed”	the trust deed entered into between the Company and the Trustee on 15 June 2015 for the administration of the Scheme
“Trustee”	Acheson Limited, a company incorporated in Hong Kong with limited liability
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vesting Date”	the date as determined from time to time by the Board, on which an Award (or part thereof) is to vest in the relevant Selected Person pursuant to the terms of the Scheme
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Shunxing (*Chairman*)
Ms. Liu Jianhong (*Vice Chairperson*)
Mr. Yu Weizhou (*Chief Executive Officer*)
Mr. Niu Wenhui
Mr. Gui Kai
Dr. Shang Li

Non-executive Director:

Mr. Wang Feng

Independent Non-executive Directors:

Mr. Yap Fat Suan, Henry
Dr. Jesse Zhixi Fang
Ms. Huang Jian
Mr. Zhang Zhong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*

Suite 3901
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

3 June 2019

To the Shareholders,

Dear Sir/Madam,

**CONNECTED TRANSACTIONS IN RELATION TO THE GRANT OF AWARDS
UNDER THE SCHEME**

**(1) PROPOSED ISSUE OF NEW AWARDED SHARES TO CONNECTED GRANTEEES; AND
(2) PROPOSED ISSUE OF NEW AWARDED SHARES TO NON-CONNECTED GRANTEEES
PURSUANT TO SPECIFIC MANDATE;**

AND

NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

References is made to the announcement of the Company dated 2 April 2019 in relation to the grant of an aggregate of 113,000,000 New Awarded Shares to 32 Selected Persons by way of allotment and issue of the New Awarded Shares pursuant to the Specific

* *for identification purpose only*

LETTER FROM THE BOARD

Mandate, out of which (a) 55,600,000 Connected New Awarded Shares will be granted to 12 Connected Grantees and (b) 57,400,000 Non-connected New Awarded Shares will be granted to 20 Non-connected Grantees by way of allotment and issue of new Shares, subject to acceptance of the relevant Selected Persons.

The purpose of this circular is to provide you with, among other things, (i) information regarding the New Awarded Shares and the proposed Specific Mandate for the allotment and issue of the New Awarded Shares; (ii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in respect of the grant of the New Awarded Shares; and (iii) a notice convening the SGM together with the form of proxy and other information as required under the Listing Rules.

GRANT OF AWARDS UNDER THE SCHEME

Details of the Awards under the New Shares Grant

Date of grant : 2 April 2019

Number of New Awarded Shares granted and number of Grantees : 113,000,000 New Awarded Shares, comprising (i) 55,600,000 Connected New Awarded Shares to be allotted and issued to 12 Connected Grantees; and (ii) 57,400,000 Non-connected New Awarded Shares to be allotted and issued to 20 Non-connected Grantees, to be allotted and issued to the Trustee and held on trust by the Trustee for the Connected Grantees and the Non-connected Grantees before the vesting of the Awards, subject to the black-out restrictions for Directors under the Listing Rules and/or other restrictions under any applicable laws, rules and regulations.

As at the date of the Latest Practicable Date, the Trustee holds 83,800,000 Shares. The Trust is established for the administration of the Scheme and the aggregate of the Company's connected persons' interest in the Scheme was more than 30% as at the Latest Practicable Date. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of connected persons of the Company and thus a connected person of the Company. The Trustee will not have any voting right and the New Awarded Shares held by the Trustee on trust for the Selected Persons will not be counted as the Shares held by public.

LETTER FROM THE BOARD

The New Awarded Shares to be allotted and issued by the Company to the Grantees represent approximately 1.33% of the total number of Shares in issue as at the Latest Practicable Date and approximately 1.31% of the total number of Shares in issue as enlarged by the issue and allotment of the New Awarded Shares. The New Awarded Shares will rank equally with the Shares in issue on the date of their allotment and issue. 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 New Awarded Shares.

- Issue price of the New Awarded Shares : At par value of HK\$0.01 each
- Market value of the New Awarded Shares : Based on the closing price of the Shares as at 2 April 2019, as quoted on the Stock Exchange of HK\$0.405 per Share, the market values of 55,600,000 Connected New Awarded Shares and 57,400,000 Non-connected New Awarded Shares are approximately HK\$22,518,000 and HK\$23,247,000, respectively.
- Market price of the Shares : The closing price of the Shares as at 2 April 2019 as quoted on the Stock Exchange is HK\$0.405 per Share.
- The average closing price of the Shares for the five consecutive trading days immediately preceding 2 April 2019 as quoted on the Stock Exchange was HK\$0.401 per Share.
- Nominal value of the New Awarded Shares : HK\$1,130,000
- Funds to be raised : The Selected Persons are not required to pay any consideration for the grant of New Awarded Shares. No fund will be raised by the Company as a result of the allotment and issue of the New Awarded Shares.

LETTER FROM THE BOARD

Vesting : Subject to the acceptance by each of the Grantees and the black-out restrictions for Directors under the Listing Rules and/or other restrictions under any applicable laws, rules and regulations, the New Awarded Shares shall be vested on the following date as follows:

Vesting year	Vesting date	Percentage of the New Awarded Shares to be vested
2020	15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter).	25%
2021	15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter).	25%
2022	15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter).	25%
2023	15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter).	25%

There are no performance target(s) or condition(s) (other than the years of services) subject to the Grantee's fulfillment before vesting.

LETTER FROM THE BOARD

The respective New Awarded Shares would be lapsed and/or forfeited upon (i) resignation of the Selected Person; (ii) dismissal or termination of employment relationship with the Selected Person; (iii) any serious misconduct or criminal offence committed by the Selected Person; or (iv) the Board, at its discretion, is of a view that the Selected Person is no longer eligible under the Scheme.

In the event that any of the New Awarded Shares lapsed before vesting and/or are forfeited in accordance with the terms of the Scheme, the Trustee shall hold such Shares, which may be applied towards future Awards upon the approval of the Board.

Basis of the Awards

The purpose of the Scheme is to (i) recognise the contributions of the Selected Persons; (ii) provide additional incentives in order to retain the Selected Persons to continue to work for the Group; and (iii) attract suitable personnel for further development of the Group.

The Company conducted annual appraisals with employees and evaluated their performances during the assessment period. The grant of the Awarded Shares is to recognise the Selected Persons for their past contributions as well as to incentivise their continual supports to the Group and their efforts in promoting the Group's long-term growth and development. In determining the Awarded Shares, the Company has mainly considered the following factors:

- (a) the seniority and the importance of the work position, taking into account the background and working experience of the Selected Persons;
- (b) the contribution of the Selected Persons;
- (c) the individual performance of the Selected Persons; and
- (d) the Group's overall business objectives and future development plan.

LETTER FROM THE BOARD

The Company has also considered the benefits of adopting the Scheme as an incentive scheme as compared to other alternatives. According to the Company's annual report for the year ended 31 December 2018, the Group had cash and cash equivalents of approximately RMB1,353.6 million as at 31 December 2018. The allotment and issue of the New Awarded Shares will have no effect on the cash flow of the Group other than the expenses relating to the allotment and issue of the New Awarded Shares. As compared to other incentives, such as (a) cash bonuses which will impose additional pressure on the Group's cash flow position; or (b) share options, where the grantees are required to pay the exercise price upon exercising the share options and the timing of exercise of the share options will depend on the Share prices, the executive Directors consider that the grant of the New Awarded Shares to be a more effective mean for providing immediate incentives and rewards to the Grantees, which will be beneficial for the development of the Group.

Awards to the Connected Grantees

The Awards to the Connected Grantees will be satisfied by the allotment and issue of the Connected New Awarded Shares which shall be held on trust by the Trustee before the vesting of the Awards. The grant of the Connected New Awarded Shares to the Connected Grantees are not inter-conditional to one another. The allotment and issue of such Connected New Awarded Shares to the Connected Grantees will constitute connected transactions on the part of the Company and will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Connected New Awarded Shares were awarded to the following Connected Grantees:

Name of Connected Grantees	Relationship with the Group	Number of Connected New Awarded Shares to be granted	Approximate percentage of the total number of issued Shares as at LPD (%)
Mr. Yu Weizhou	Executive Director and Chief Executive Officer	10,000,000	0.12
Mr. Niu Wenhui	Executive Director	8,000,000	0.09
Mr. Gui Kai	Executive Director	8,000,000	0.09
Dr. Shang Li	Executive Director	8,000,000	0.09

LETTER FROM THE BOARD

Name of Connected Grantees	Relationship with the Group	Number of Connected New Awarded Shares to be granted	Approximate percentage of the total number of issued Shares as at LPD (%)
Mr. Yap Fat Suan, Henry	Independent Non-executive Director	1,800,000	0.02
Dr. Jesse Zhixi Fang	Independent Non-executive Director	1,800,000	0.02
Ms. Huang Jian	Independent Non-executive Director	1,800,000	0.02
Mr. Zhang Zhong	Independent Non-executive Director	1,800,000	0.02
Mr. Jiang Yingjiu	Director of subsidiary(ies)	4,000,000	0.05
Mr. Wang Xigang	Director of subsidiary(ies)	4,000,000	0.05
Ms. Yang Xiaohong	Director of subsidiary(ies)	4,000,000	0.05
Mr. Ren Guangjin	Director of subsidiary(ies)	2,400,000	0.03

In determining the number of the Connected New Awarded Shares to be granted to each of the Connected Grantees, the Board has considered various factors, including but not limited to (i) the importance of the roles and responsibilities of the relevant Connected Grantees; (ii) the historical performance and contributions of the Connected Grantees to the overall business performance of the Group; (iii) the Connected Grantees' expected contributions to the Group from their continuous support; and (iv) their emoluments level. Each of the Connected Grantees has the intention or commitment to accept and subscribe for the Connected New Awarded Shares.

LETTER FROM THE BOARD

The grant of the Connected New Awarded Shares to each of the Connected Grantees has been approved by the Board (including the independent non-executive Directors), except for the Directors who are also Connected Grantees and abstained from voting on the Board resolution approving the grant of Connected New Awarded Shares to himself/herself.

Awards to the Non-connected Grantees

57,400,000 Non-connected New Awarded Shares were awarded to 20 Non-connected Grantees, who are senior management of the Group and the company secretary of the Company who have contributed to the development and sustainable growth of the Group. The Awards will be satisfied by the allotment and issue of the Non-connected New Awarded Shares which shall be held on trust by the Trustee before the vesting of the Awards. The allotment and issue of the Non-connected New Awarded Shares constitutes a connected transaction of the Company and shall be subject to, among others, the approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) at the SGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Non-connected Grantees are third parties independent of the Company and connected persons of the Company as at the Latest Practicable Date.

Conditions

The allotment and issue of the Connected New Awarded Shares shall be subject to: (i) the approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) at the SGM in respect of the Specific Mandate for the allotment and issue of the Connected New Awarded Shares; and (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Connected New Awarded Shares which may be allotted and issued by the Company.

The allotment and issue of the Non-connected New Awarded Shares shall be subject to: (i) the approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) at the SGM in respect of the Specific Mandate for the allotment and issue of the Non-connected New Awarded Shares; and (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Non-connected New Awarded Shares which may be allotted and issued by the Company.

LETTER FROM THE BOARD

Details of the Awarded Shares

The aggregate of 113,000,000 New Awarded Shares to be allotted and issued by the Company to the Grantees represent approximately 1.33% of the total number of Shares in issue as at the Latest Practicable Date and approximately 1.31% of the total number of Shares in issue as enlarged by the allotment and issue of the New Awarded Shares (assuming no issue or buy back of Shares other than the issue of the New Awarded Shares).

The total value of the New Awarded Shares based on the closing price of the Shares as at the Latest Practicable Date was HK\$39,550,000.

The value of the Connected New Awarded Shares based on the closing price of the Shares as at the Latest Practicable Date to each of the Connected Grantees is as follows:

Name of Connected Grantees	Number of the Connected New Awarded Shares to be granted	Value of the Connected New Awarded Shares to be granted (HK\$)
Mr. Yu Weizhou	10,000,000	3,500,000
Mr. Niu Wenhui	8,000,000	2,800,000
Mr. Gui Kai	8,000,000	2,800,000
Dr. Shang Li	8,000,000	2,800,000
Mr. Yap Fat Suan, Henry	1,800,000	630,000
Dr. Jesse Zhixi Fang	1,800,000	630,000
Ms. Huang Jian	1,800,000	630,000
Mr. Zhang Zhong	1,800,000	630,000
Mr. Jiang Yingjiu	4,000,000	1,400,000
Mr. Wang Xigang	4,000,000	1,400,000
Ms. Yang Xiaohong	4,000,000	1,400,000
Mr. Ren Guangjin	2,400,000	840,000
Total	55,600,000	19,460,000

LETTER FROM THE BOARD

The new Awarded Shares, when allotted and issued and fully paid, shall rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment and issue.

Effects on the Shareholding Structure of the Company

The shareholding structure of the Company as at the Latest Practicable Date and immediately after the allotment and issue of the New Awarded Shares (assuming no other change in the issued share capital of the Company other than the allotment and issue of the New Awarded Shares) is as follows:

Name of shareholders	As at Latest Practicable Date		Immediately after the issuance of the New Awarded Shares (assuming no other change in the issued share capital of the Company)	
	Number of Shares held	Approximate percentage of the issued share capital of the Company	Number of Shares held	Approximate percentage of the issued share capital of the Company
<i>Directors/directors of subsidiary(ies) of the Company</i>				
Mr. Liu Shunxing (Note 1)	724,607,087	8.512%	724,607,087	8.401%
Ms. Liu Jianhong (Note 2)	173,710,000	2.041%	173,710,000	2.014%
Mr. Yu Weizhou	25,130,000	0.295%	35,130,000	0.407%
Mr. Niu Wenhui	4,000,000	0.047%	12,000,000	0.139%
Mr. Gui Kai	3,600,000	0.042%	11,600,000	0.134%
Mr. Yap Fat Suan, Henry	200,000	0.002%	2,000,000	0.023%
Dr. Shang Li	—	—	8,000,000	0.093%
Dr. Jesse Zhixi Fang	—	—	1,800,000	0.021%
Ms. Huang Jian	—	—	1,800,000	0.021%
Mr. Zhang Zhong	—	—	1,800,000	0.021%
Mr. Jiang Yingjiu	2,000,000	0.023%	6,000,000	0.070%
Mr. Wang Xigang	—	—	4,000,000	0.046%
Ms. Yang Xiaohong	1,500,000	0.018%	5,500,000	0.064%
Mr. Ren Guangjin	—	—	2,400,000	0.028%

LETTER FROM THE BOARD

Name of shareholders	As at Latest Practicable Date		Immediately after the issuance of the New Awarded Shares (assuming no other change in the issued share capital of the Company)	
	Number of Shares held	Approximate percentage of the issued share capital of the Company	Number of Shares held	Approximate percentage of the issued share capital of the Company
<i>Substantial Shareholders</i>				
China Wind Power Investment Limited (Note 3)	1,147,877,155	13.484%	1,147,877,155	13.308%
Huadian Fuxin International Investment Company Limited	880,000,000	10.337%	880,000,000	10.202%
<i>Other Selected Persons (including the Trustee) (Note 4)</i>				
	93,760,000	1.101%	151,160,000	1.752%
<i>Other public shareholders</i>				
Total	5,489,330,723	64.484%	5,489,330,723	63.639%
	8,512,714,965	100.00%	8,625,714,965	100.00%

Notes:

- Mr. Liu Shunxing (“**Mr. Liu**”) beneficially holds 9,000,000 Shares. 697,607,087 Shares are held by Splendor Power Limited, of which Mr. Liu holds 99% of the issued share capital. 18,000,000 Shares have been granted to Mr. Liu Shunxing under the Scheme held by the Trustee before vesting, among which, 25% will be vested on 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter) and the remaining 25% will be vested on 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter).
- Ms. Liu Jianhong (“**Ms. Liu**”) beneficially holds 8,710,000 Shares. 150,000,000 Shares are held by a discretionary trust for which Ms. Liu is the founder and settlor and can influence how the trustee exercises its discretion. 15,000,000 Shares have been granted to Ms. Liu Jianhong under the Scheme held by the Trustee before vesting, among which, 25% will be vested on 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter) and the remaining 25% will be vested on 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter).
- The Shares are held by China Wind Power Investment Limited, which is wholly owned by Permanent Growth Limited, of which Mr. Liu holds 46.77% of the issued share capital.

LETTER FROM THE BOARD

4. Among the 83,800,000 Shares held by the Trustee, 18,000,000 Shares and 15,000,000 Shares have been granted to Mr. Liu and Ms. Liu respectively as Awarded Shares under the Scheme but not yet vested.

REASONS FOR AND BENEFITS IN THE GRANT OF THE AWARDS UNDER THE SCHEME

Reasons for the Awards

The Scheme was adopted by the Board on 15 June 2015 (as amended on 29 June 2017) to (i) recognise 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 Selected Persons who are selected to be 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 Board determined to remunerate the Selected Persons (i.e. Connected Grantees and Non-connected Grantees) with the New Awarded Shares after considering their respective roles, contributions and remuneration packages.

The information of the professional expertise, experience and business network of each of the Connected Grantees is as follows:

Mr. Yu Weizhou joined the Group in April 2009 and was appointed as the chief executive officer of the Company with effect from 13 January 2016. He is also a director of various subsidiaries of the Group. He holds a bachelor degree in statistics and a master degree in finance from Renmin University of China and a Ph.D degree of Engineering Management from Xi'an University of Technology. Mr. Yu once worked in State Economic & Trade Commission, State Power Management Commission and China Shenhua-Guohua Energy Investment Ltd. He has more than 25 years of experience in development, construction, operational management and strategic management of new energy power stations.

Mr. Niu Wenhui joined the Group in January 2015 and was appointed as an executive Director with effect from 23 January 2017. He holds a master degree in business administration of Beihang University. He had served as vice president of China Ruilian Industrial Group and chief financial officer of Rainbow Group Shenzhen Branch. He has more than 20 years of experience in formulation and implementation of financial strategy, financial management and investment.

LETTER FROM THE BOARD

Mr. Gui Kai joined the Group in September 2015 and was appointed as an executive Director with effect from 13 June 2016. He holds a master degree of China University of Mining & Technology. He had served as general manager of Shenhua Trading Group and Shenhua Science and Technology Development Co., Limited. He has more than 30 years of experience in business management, development and construction of power station projects, procurement management of equipment and construction.

Dr. Shang Li was re-designated from independent non-executive Director to an executive Director with effect from 2 January 2018. He holds a Ph.D degree in computer engineering from Princeton University, USA. He was an associate professor of the Department of Electrical, Computer and Energy Engineering in University of Colorado at Boulder and the chair professor in Tongji University. He was formerly the vice president and Chief Architect of Intel China Research. Dr. Shang has extensive experience and knowledge in cyber-physical systems, embedded systems, computer systems and nanotechnologies & etc. and has extensive experience in information technology innovation application, energy storage and new business development.

Mr. Yap Fat Suan, Henry has been an independent non-executive Director since December 2006. He holds a master degree in business administration from the University of Strathclyde, Glasgow, the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Yap is also an independent non-executive director of Frontier Services Group Limited, which is listed on the Stock Exchange, and Brockman Mining Limited, which is listed on the Stock Exchange and the Australian Securities Exchange.

Dr. Jesse Zhixi Fang has been an independent non-executive Director since January 2018. He holds a doctorate degree from the University of Nebraska-Lincoln. He was the global vice president of Intel and founded Intel Labs China, ILC as its first dean.

Ms. Huang Jian has been an independent non-executive Director since December 2012. Ms. Huang holds a master degree from the Central University of Finance and Economics of the PRC. She is also a certified public accountant in the PRC. Ms. Huang has over 20 years of professional experience in accounting, auditing and taxation. Ms. Huang is the partner of ShineWing Certified Public Accountants and was a full time member of SME Board Public Offering Review Committee of the China Securities Regulatory Commission.

LETTER FROM THE BOARD

Mr. Zhang Zhong was appointed as an independent non-executive Director with effect from 4 June 2018. Mr. Zhang received a master of laws degree from Renmin University of China. Mr. Zhang is currently a partner of Zhong Lun Law Firm and an independent non-executive director of Weichai Power Co., Ltd. (000338.sz, 02338.hk), Beijing Dalong Weiye Real Estate Development Co., Ltd. (600159.ss), and Keda Group Co., Ltd. (600986.ss). Mr. Zhang was a member of the 4th, 5th and 6th GEM issuance verification committee of the China Securities Regulatory Commission.

Mr. Jiang Yingjiu, the vice president of the Company, joined the Group in December 2007. He holds a bachelor degree of Renmin University of China. Mr. Jiang has worked for Beijing Urban and Rural Construction Committee and China Energy Conservation Investment Corporation. He has more than 20 years of experience in new energy industry and electricity distribution business development.

Mr. Wang Xigang, the vice president of operation of the Company, joined the Group in September 2009. He holds a master degree of business management from Peking University, the PRC. He has worked for Aviation Industry Corporation of China. Mr. Wang has extensive experience in strategic planning, enterprise management and relevant business operation planning.

Ms. Yang Xiaohong is the financial director of the Group, joined the Group in December 2006. She graduated from Renmin University of China. Before joining the Group, she had worked as financial manager for several companies in Beijing. Ms. Yang has more than 20 years of experience in accountants cost and budget management, financial planning and financial management.

Mr. Ren Guangjin is the assistant to the chief executive officer of the Company, joined the Group in August 2010. Mr. Ren obtained a master degree of engineering management from Renmin University of China. He has more than 10 years of experience in development, operation and maintenance of power plants.

LETTER FROM THE BOARD

The responsibilities of the Connected Grantees in the Group are set out as follows:

Name of Connected Grantees	Position	Years of services up to the LPD	Responsibilities & contributions
Mr. Yu Weizhou	Executive Director and chief executive officer	10 years	Responsible for the Group's overall investment development, strategic planning, supervision of the operation of power plants projects, joint venture and cooperation discussion and monitoring of the Group's safety quality and administrative management. As the chief executive officer of the Group, Mr. Yu Weizhou has provided invaluable advice in the formulation of the Group's overall development strategy and the implementation of the strategic objectives, ensuring the smooth development of the whole process of operation of the power plants projects of the Group and the significant increase of the installed capacity and the power generation output attributable to the Group. Mr. Yu Weizhou has made outstanding contribution to the development of the Group.
Mr. Niu Wenhui	Executive Director	4 years 5 months	Responsible for the Group's financial and fund management, capital operations and investor relations. As the chief financial officer of the Group, Mr. Niu Wenhui has participated in the overall financial strategy planning of the Group and played an important role in building a strong financial management system of the Group and carrying out various fund raising activities.

LETTER FROM THE BOARD

Name of Connected Grantees	Position	Years of services up to the LPD	Responsibilities & contributions
Mr. Gui Kai	Executive Director	3 years 8 months	Responsible for the Group's engineering construction and technological management. As the vice president of engineering construction, Mr. Gui Kai has assisted the chief executive officer of the Company in managing the Group's engineering construction, procurement tendering and technological management, and made material contribution to the construction of the Group's engineering management system and project.
Dr. Shang Li	Executive Director	1 year 5 months	As chief technology officer of the Group, Dr. Shang Li is responsible for the Group's information technology innovation and application, electricity allocation and sales and venture investment activities. Dr. Shang Li has established a well-structured technical team and is exploring the large-scale application of information technology in power plants operation management. Dr. Shang Li has made material contribution to the Group's new business development.
Mr. Yap Fat Suan, Henry	Independent non-executive Director	12 years 5 months	Mr. Yap Fat Suan, Henry has been the independent non-executive Director for 13 years. He provides independent opinions in the Board's decision-making process, ensures proper functioning of the Company's audit committee, nomination committee and remuneration committee, and monitors appropriate corporate governance and internal control of the Group.

LETTER FROM THE BOARD

Name of Connected Grantees	Position	Years of services up to the LPD	Responsibilities & contributions
Dr. Jesse Zhixi Fang	Independent non-executive Director	1 year 5 months	Provide independent opinions in the Board's decision-making process, ensure proper functioning of the Company's remuneration committee, and monitor appropriate corporate governance and internal control of the Group.
Ms. Huang Jian	Independent non-executive Director	6 years 5 months	Ms. Huang Jian has been the independent non-executive Director for more than six years. She provides independent opinions in the Board's decision-making process, ensures proper functioning of the Company's audit committee and nomination committee, and monitors appropriate corporate governance and internal control of the Group.
Mr. Zhang Zhong	Independent non-executive Director	1 year	Provide independent opinions in the Board's decision-making process, ensure proper functioning of the Company's audit committee, nomination committee and the remuneration committee, and monitor appropriate corporate governance and internal control of the Group.
Mr. Jiang Yingjiu	Director of subsidiary(ies)	11 years 6 months	As the vice president of the Group, Mr. Jiang Yingjue is responsible for managing the Group's electricity allocation and sales. He has also made material contribution to the maintenance of the stock assets of the Group.

LETTER FROM THE BOARD

Name of Connected Grantees	Position	Years of services up to the LPD	Responsibilities & contributions
Mr. Wang Xigang	Director of subsidiary(ies)	9 years 8 months	Responsible for strategic planning, corporate management, business performance assessment, administrative management, joint venture and cooperation discussion, monitoring of the project cost and safety quality, social responsibility and environmental protection review and identification of suitable international business opportunities. Mr. Wang Xigang has played an important role on the corporate management and project cost and safety quality issues.
Ms. Yang Xiaohong	Director of subsidiary(ies)	12 years 6 months	Responsible for the general financial management of the Group. Ms. Yang Xiaohong made material contribution in establishing and managing the Group's financial system and financial risk management and report management, fund management, tax planning and foreign exchange management.
Mr. Ren Guangjin	Director of subsidiary(ies)	8 years 10 months	Responsible for the Group's operation and maintenance. Mr. Ren Guangjin has supervised the operation of the Group's wind power plants and has played an important role in the market development of the external operation and maintenance projects.

LETTER FROM THE BOARD

The talented personnel for the energy power generation sector are difficult to find. The Company should provide a better remuneration package to those employees for the purpose of retaining them. The Company considers that the grant of the Connected New Awarded Shares to the above Connected Grantees will further align their interests as key management members, and would further motivate them to devote their efforts to the Group's development.

Financial effects of the grant of the New Awarded Shares

The financial effect on the Group's consolidated financial statements is based on the fair value of approximately HK\$45,765,000 as at the date of grant in respect of the New Awarded Shares (except for the financial effect on cash flow). Details of the financial effect are set out below:

Earnings

According to the latest published audited financial statements of the Company for the year ended 31 December 2018, the Group recorded consolidated audited net profit attributable to the owners of the Company of approximately RMB502,406,000 for the year ended 31 December 2018. The allotment and issue of the New Awarded Shares will further decrease the net profit of the Group after deducting the expenses relating to the allotment and issue of the New Awarded Shares of approximately HK\$45,765,000 in aggregate, which is calculated using the closing price of the Shares of HK\$0.405 per Share as at the date of grant (i.e. 2 April 2019).

Net asset value

According to the latest published audited financial statements of the Company for the year ended 31 December 2018, the Group's net asset value attributable to owners of the Company of was approximately RMB5,518,228,000, and the Group's net asset value per Share attributable to owners of the Company was approximately RMB0.648 as at the Latest Practicable Date. Upon the allotment and issue of the New Awarded Shares, the share capital and the reserves of the Group would increase by the amount equivalent to the fair value in respect of the New Awarded Shares, and the same amount will be recognised in the Group's consolidated statement of profit and loss as expenses. The total assets of the Company would remain unchanged.

The consolidated net asset value per Share attributable to owners of the Company immediately after the issuance of the New Awarded Shares would decrease to approximately RMB0.640 subject to all other things remaining unchanged.

LETTER FROM THE BOARD

Gearing ratio

According to the latest published audited financial statements of the Company for the year ended 31 December 2018, the Group's gearing ratio was 69.88%. The allotment and issue of the New Awarded Shares will have no material effect on the gearing ratio of the Company.

Cash flow

According to the latest published audited financial statements of the Company for the year ended 31 December 2018, the Group had cash and cash equivalents of approximately RMB1,353,613,000 as at 31 December 2018. The allotment and issue of the New Awarded Shares will have no effect on the cash flow of the Group other than the expenses relating to the allotment and issue of the New Awarded Shares.

The Directors are of the view that the terms of the grant of the New Awarded Shares are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors who are the relevant Connected Grantees have abstained from voting on the board resolutions to approve the grant of the Connected New Awarded Shares to himself/herself.

INFORMATION OF THE GROUP

The Company is a limited liability company incorporated in Bermuda and 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 solution to the wind and solar power generation projects.

LISTING RULES IMPLICATIONS

The Trust is established for the administration of the Scheme and the aggregate of the Company's connected persons' interest in the Scheme was more than 30% as at the Latest Practicable Date. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of connected persons of the Company and thus a connected person of the Company. The allotment and issue of the New Awarded Shares to be held by the Trustee on trust for the Grantees before the vesting of the Awards constitute connected transactions on the part of the Company and will be subject to the reporting, announcement and approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As the Connected Grantees are either Directors or directors of certain subsidiaries of the Company and are connected persons of the Company, the allotment and issue of the Connected New Awarded Shares to those 12 Connected Grantees constitutes connected transactions on the part of the Company and will be subject to the reporting, announcement and approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) 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 of 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 issue of the New Awarded Shares under the Scheme. Accordingly, no independent board committee has been formed. The Independent Financial Advisor 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, passing the ordinary resolutions to approve, among other matters, the Specific Mandate for the allotment and issue of the New Awarded Shares.

Pursuant to Chapter 14A of the Listing Rules, the Trustee, the Selected Persons and their respective associates are required to abstain from voting on the relevant resolutions at the SGM to approve the allotment and issue of the New Awarded Shares. As at the Latest Practicable Date, the identities and the respective shareholding for Connected Grantees, Non-connected Grantees, the Trustee and their respective associates who are required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the allotment and issue of the New Awarded Shares are as follows:

LETTER FROM THE BOARD

	Number of Shares abstain from voting	Approximate percentage of Shares in issue
Connected Grantees		
Mr. Yu Weizhou	25,130,000	0.295%
Mr. Niu Wenhui	4,000,000	0.047%
Mr. Gui Kai	3,600,000	0.042%
Dr. Shang Li	—	—
Mr. Yap Fat Suan, Henry	200,000	0.002%
Dr. Jesse Zhixi Fang	—	—
Ms. Huang Jian	—	—
Mr. Zhang Zhong	—	—
Mr. Jiang Yingjiu	2,000,000	0.023%
Mr. Wang Xigang	—	—
Ms. Yang Xiaohong	1,500,000	0.018%
Mr. Ren Guangjin	—	—
Non-connected Grantees	9,960,000	0.117%
Trustee	83,800,000	0.984%

Save as the Trustee, the Selected Persons and their respective associates, no other Shareholder is required to abstain from voting on the resolutions relating to the Specific Mandate for the allotment and issue of the New Awarded Shares at the SGM.

Details of the Connected New Awarded Shares will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

SGM

The SGM will be held at 10:00 a.m. on Thursday, 20 June 2019 at Unit 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for the purpose of considering and, if thought fit, approving, among other things, the Specific Mandate for the allotment and issue of the New Awarded Shares.

The notice of SGM is set out on pages SGM-1 to SGM-4 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so desire.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution set out in the notice of the SGM will be put to vote by way of poll at the SGM. An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that although the allotment and issue of the New Awarded Shares to the Grantees and the transactions contemplated thereunder are not in the ordinary and usual course of business of the Group, it is incidental to the Group's development of its ordinary and usual course of business and are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the grant of the Specific Mandate for the allotment and issue of the New Awarded Shares to the Grantees.

Your attention is drawn to the letter from Somerley Capital Limited, which contains its advice to the Independent Shareholders in relation to the grant of the New Awarded Shares and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from Somerley Capital Limited is set out on pages 27 to 50 of this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out elsewhere in this circular and in the appendices to it.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser, Somerley Capital Limited, to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

20th Floor, China Building
29 Queen's Road Central
Hong Kong

3 June 2019

To: the Independent Shareholders

Dear Sirs,

**CONNECTED TRANSACTIONS IN RELATION TO
THE GRANT OF AWARDS UNDER THE SCHEME
(1) PROPOSED ISSUE OF NEW AWARDED SHARES TO
CONNECTED GRANTEES; AND
(2) PROPOSED ISSUE OF NEW AWARDED SHARES TO
NON-CONNECTED GRANTEES
PURSUANT TO SPECIFIC MANDATE**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Shareholders in respect of the grant of the New Awarded Shares, details of which are set out in the “Letter from the Board” contained in the circular of the Company to the Shareholders dated 3 June 2019 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Trust is established for the administration of the Scheme and the aggregate of the Company's connected persons' interest in the Scheme was more than 30% as at the Latest Practicable Date. As such, pursuant to Rule 14A.12(1)(b) of the Listing Rules, the Trustee (in its capacity as trustee of the Trust) is an associate of connected persons of the Company and thus a connected person of the Company. The allotment and issue of the New Awarded Shares to be held by the Trustee on trust for the Grantees before the vesting of the Awards constitute connected transactions on the part of the Company and will be subject to the reporting, announcement and approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the Connected Grantees are either Directors, chief executive of the Company, or directors of certain subsidiaries of the Company and are connected persons of the Company, the allotment and issue of the Connected New Awarded Shares to those 12 Connected Grantees constitutes connected transactions on the part of the Company and will be subject to the reporting, announcement and approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) under Chapter 14A of the Listing Rules. Specific Mandate will be sought for the allotment and issuance of the New Awarded Shares at the SGM.

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 of 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 issue of the New Awarded Shares under the Scheme. Accordingly, no independent board committee has been formed. We, Somerley Capital Limited, have been appointed to advise the Independent Shareholders as to whether (1) the grant of the New Awarded Shares is conducted in the ordinary and usual course of business of the Group; (2) the terms of the grant of the New Awarded Shares are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (3) the grant of the New Awarded Shares is in the interests of the Company and the Shareholders as a whole.

During the past two years, there have been no engagements between the Company and Somerley Capital Limited. As at the Latest Practicable Date, there have been no relationships or interests existing between (a) Somerley Capital Limited and (b) the Group, the Trustee and the Connected Grantees that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Shareholders in respect of the grant of the New Awarded Shares as detailed in the Circular.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the SGM. We have also sought and received confirmation from the executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, the Trustee and the Connected Grantees, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into account the following principal factors and reasons:

1. Background of the Group and the grant of the New Awarded Shares

The Group is principally engaged in (i) investing in wind and solar power projects and (ii) offering professional technical services and integrated solution to the wind and solar power generation projects. As set out in the Company's 2018 annual report (the "2018 Annual Report"), the Group recorded revenue of approximately RMB1,414.1 million and profit attributable to owners of the Company of approximately RMB502.4 million for the year ended 31 December 2018, representing an increase of approximately 36.5% and 151.2% as compared to that of 2017, respectively.

As further stated in the 2018 Annual Report, during 2018, the Group continued to optimise the structure of its power generation assets and steadily implement the construction of its projects. In 2019, the Group will, among other things, accelerate the construction of the Group's existing projects; continue to strengthen the management of safety in power plants' production and uplift the economic efficiencies of power plants; continue to promote intelligent operation and maintenance of power plants through high-tech measures; and continue to nurture new businesses, develop and construct a number of projects on the power generation supply-side as well as the user-side.

The Group has accumulated rich experience in project development, construction, operation and maintenance, and has trained a team of high quality and dedicated talents. As part of its incentive scheme, the Company has adopted the Scheme on 15 June 2015 (as amended on 29 June 2017) with the aim to (a) recognise the contributions of any employee or director of any member of the Group; (b) provide additional incentives in order to retain such personnel to continue to work for the Group; and (c) attract suitable personnel for further development of the Group. Further details of the Scheme are set out in the Company's announcements dated 15 June 2015 and 29 June 2017.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In order to recognise the Selected Persons for their past contributions as well as to incentivise their continual support to the Group and their efforts in promoting the Group's long-term growth and development, on 2 April 2019, the Board resolved to grant 113,000,000 New Awarded Shares to 32 Selected Persons by way of allotment and issue of the New Awarded Shares pursuant to the Specific Mandate, out of which (a) 55,600,000 Connected New Awarded Shares will be granted to 12 Connected Grantees; and (b) 57,400,000 Non-connected New Awarded Shares will be granted to 20 Non-connected Grantees, subject to acceptance of the relevant Selected Persons. Further details of the grant of the New Awarded Shares and the Grantees are set out in the "Letter from the Board" contained in the Circular and this letter below.

2. Details of the grant of the New Awarded Shares

The key features of the grant of the New Awarded Shares are summarised below. Further details are set out in the section headed "Details of the Awards under the New Shares Grant" in the "Letter from the Board" contained in the Circular.

(i) *Number of the New Awarded Shares*

The aggregate of 113,000,000 New Awarded Shares to be allotted and issued by the Company to the Grantees represent approximately 1.33% of the total number of Shares in issue as at the Latest Practicable Date and approximately 1.31% of the total number of Shares in issue as enlarged by the allotment and issue of the New Awarded Shares (assuming no issue or buy-back of Shares other than the issue of the New Awarded Shares). Out of 113,000,000 New Awarded Shares, (a) 55,600,000 Connected New Awarded Shares (representing approximately 0.65% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.64% of the total number of Shares in issue as enlarged by the allotment and issue of the New Awarded Shares) will be granted to 12 Connected Grantees; and (b) 57,400,000 Non-connected New Awarded Shares (representing approximately 0.67% of the total number of Shares in issue as at the Latest Practicable Date and approximately 0.67% of the total number of Shares in issue as enlarged by the allotment and issue of the New Awarded Shares) will be granted to 20 Non-connected Grantees, subject to acceptance of the relevant Selected Persons.

The Awards to the Grantees will be satisfied by the allotment and issue of the New Awarded Shares to the Trustee under the Scheme which shall be held on trust by the Trustee before the vesting of the Awards, subject to the black-

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

out restrictions for Directors under the Listing Rules and/or other restrictions under any applicable laws, rules and regulations. The New Awarded Shares will rank equally with the Shares in issue on the date of their allotment and issue. 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 New Awarded Shares.

The Selected Persons are not required to pay any consideration for the grant of the New Awarded Shares. No fund will be raised by the Company as a result of the issue and allotment of the New Awarded Shares.

(ii) Market value of the New Awarded Shares

Based on the closing price of HK\$0.405 per Share as quoted on the Stock Exchange as at the date of grant (i.e. 2 April 2019), the market value of 113,000,000 New Awarded Shares is HK\$45,765,000, whereas the market value of 55,600,000 Connected New Awarded Shares and 57,400,000 Non-connected New Awarded Shares is HK\$22,518,000 and HK\$23,247,000 respectively. Based on HK\$0.350 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of 113,000,000 New Awarded Shares is HK\$39,550,000, whereas the market value of 55,600,000 Connected New Awarded Shares and 57,400,000 Non-connected New Awarded Shares is HK\$19,460,000 and HK\$20,090,000 respectively.

(iii) Vesting period of the New Awarded Shares

Subject to the acceptance by each of the Grantees and the black-out restrictions for Directors under the Listing Rules and/or other restrictions under any applicable laws, rules and regulations, the New Awarded Shares shall be vested on the following date as follows:

Vesting Year	Vesting Date	Percentage of the New Awarded Shares to be vested
2020	15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter).	25%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Vesting Year	Vesting Date	Percentage of the New Awarded Shares to be vested
2021	15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter).	25%
2022	15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter).	25%
2023	15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter).	25%

As set out in the section headed “Details of the Awards under the New Shares Grant” in the “Letter from the Board” contained in the Circular, there are no performance target(s) or condition(s) (other than the years of services) subject to the Grantee’s fulfilment before vesting. Further details on the circumstances where the New Awarded Shares held by respective Grantees would be lapsed and/or forfeited are set out in the abovementioned section.

(iv) Conditions

The allotment and issue of the New Awarded Shares shall be subject to: (i) the approval by the Independent Shareholders (other than the Trustee, the Selected Persons and their respective associates) at the SGM in respect of the Specific Mandate for the issue and allotment of the New Awarded Shares; and (ii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the New Awarded Shares which may be allotted and issued by the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(v) *List of the New Awarded Shares awarded to the Grantees*

The New Awarded Shares were awarded to the following Grantees:

Grantees	Relationship with the Group	Number of the New Awarded Shares to be granted	Approximate percentage of the total number of issued Shares as at the Latest Practicable Date (%)
<u>Name of Connected Grantees</u>			
Mr. Yu Weizhou	Executive Director and Chief Executive Officer	10,000,000	0.12
Mr. Niu Wenhui	Executive Director	8,000,000	0.09
Mr. Gui Kai	Executive Director	8,000,000	0.09
Dr. Shang Li	Executive Director	8,000,000	0.09
Mr. Yap Fat Suan, Henry	Independent non-executive Director	1,800,000	0.02
Dr. Jesse Zhixi Fang	Independent non-executive Director	1,800,000	0.02
Ms. Huang Jian	Independent non-executive Director	1,800,000	0.02
Mr. Zhang Zhong	Independent non-executive Director	1,800,000	0.02
Mr. Jiang Yingjiu	Director of subsidiary(ies)	4,000,000	0.05
Mr. Wang Xigang	Director of subsidiary(ies)	4,000,000	0.05
Ms. Yang Xiaohong	Director of subsidiary(ies)	4,000,000	0.05
Mr. Ren Guangjing	Director of subsidiary(ies)	2,400,000	0.03
Sub-total		55,600,000	0.65
20 Non-connected Grantees	Senior management of the Group and the company secretary of the Company	57,400,000	0.67
Total		113,000,000	1.33

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the section headed “Awards to the Connected Grantees” in the “Letter from the Board” contained in the Circular, the grant of the Connected New Awarded Shares to the Connected Grantees are not inter-conditional to one another.

3. Background of the Grantees

Details of the professional expertise, experience and business network of each of the Connected Grantees are set out in the section headed “Reasons for and benefits in the grant of the Awards under the Scheme” in the “Letter from the Board” contained in the Circular. The Connected Grantees are either Directors or chief executive of the Company, or directors of subsidiaries of the Company. As set out in the abovementioned section, Mr Yu Weizhou (“**Mr. Yu**”), the executive Director and chief executive officer of the Company, has more than 25 years of experience in development, construction, operational management and strategic management of new energy power stations. He has been with the Group for over 10 years and is responsible for the Group’s overall investment development, strategic planning, supervision of the operation of power plant projects, joint venture and cooperation discussion, and monitoring of the Group’s safety quality and administrative management. Mr. Yu has provided invaluable advice in the formulation of the Group’s overall development strategy and the implementation of the strategic objectives. It is further noted that other executive Directors and directors of subsidiary(ies) of the Company are responsible for areas including the Group’s financial and fund management, engineering construction and technological management, information technology innovation and application, strategic planning, corporate management, operation and maintenance.

As set out in the section headed “Details of the Awards under the New Shares Grant” in the “Letter from the Board” contained in the Circular, the Non-connected Grantees are senior management of the Group and the company secretary of the Company, who have contributed to the development and sustainable growth of the Group. We have reviewed the background and work experience of the Non-connected Grantees provided by the Company and note that the Non-connected Grantees are responsible for areas such as engineering, power station operation, accounting and internal control, legal and general corporate management etc.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Benefits for and rationale of the grant of the New Awarded Shares

As set out in the sub-section headed “Background of the Group and the grant of the New Awarded Shares” of this letter above, over the years, the Group has accumulated rich experience in project development, construction, operation and maintenance, and has trained a team of high quality and dedicated talents. The executive Directors believe that the future success and continual development of the Group is closely tied to the commitment and efforts of its personnel and the Awards were made to the Selected Persons in recognition of their past contributions 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. In determining the Awarded Shares to be granted to the Grantees, the Company has mainly considered (i) the seniority and importance of the work position, taking into account the background and work experience of the Grantees; (ii) their contribution; (iii) the individual performance; and (iv) the Group’s overall business objectives and future development plan. Each of the Grantees, with his/her expertise in different areas, is playing a significant role in driving the success and the business expansion of the Group.

We have enquired the Company as to the experience, roles and responsibilities of the Grantees and note from the background and work experience of each of the Grantees that each of them possesses expertise and experience in his/her own area which is relevant to the Group’s operations. We further note that the Grantees have years of services of up to 13 years with an average of approximately 7 years. Further details of the position and responsibilities of the Connected Grantees are set out in the section headed “Reasons for and benefits in the grant of the Awards under the Scheme” in the “Letter from the Board” contained in the Circular. The New Awarded Shares shall vest in tranches over a four-year period, the grant of which shall motivate the Grantees’ continuing services in the Group and ensure stability in the Group’s operations. We consider that, the retention of valuable personnel including the Grantees is critical for maintaining a stable and experienced senior management team, which in turn is crucial for the development and expansion of the Group. Also it is beneficial for the Group to minimise any potential disruption to the existing operations of the Group resulting from lack of continuity of an experienced senior management team. The New Awarded Shares issued to the Grantees will provide them with a direct economic interest in attaining a long-term relationship with the Group. We further understand from the Company that the reason for issuing the New Awarded Shares to independent non-executive Directors is to express the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company's gratitude towards their work. The total Connected New Awarded Shares granted to the four independent non-executive Directors represent less than 0.1% of the issued share capital of the Company as at the Latest Practicable Date. As set out in the section headed "Grant of Awards Under the Scheme" in the "Letter from the Board" contained in the Circular, there are certain circumstances that the New Awarded Shares held by respective Grantees would be lapsed and/or forfeited including, among others, (i) resignation of the Selected Person; and (ii) dismissal or termination of employment relationship between the Company and the Selected Person. We consider these are features designed to retain valuable employees of the Company. As further discussed in the sub-section headed "Comparable grants of share awards and restricted share units" of this letter below, the percentage of the New Awarded Shares to be vested in each year is 25%, which falls within the range of the Comparable Grants (as defined below). Considering the benefits of the grant of the New Awarded Shares to the Company as mentioned in the sub-section headed "Benefits for and rationale of the grant of the New Awarded Shares" of this letter above, we are of the view that, although there are no performance target(s) or condition(s) subject to the Grantee's fulfilment before vesting, the granting of the New Awarded Shares (with vesting period and other features as set out above) is linked to the continuing commitment and contribution of the Grantees towards the development of the Group. On this basis, we consider the grant of the New Awarded Shares is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

As further set out in the section headed "Grant of Awards under the Scheme" in the "Letter from the Board" contained in the Circular, in determining the number of the Connected New Awarded Shares to be granted to each of the Connected Grantees, the Board has considered various factors, including but not limited to (i) the importance of the roles and responsibilities of the relevant Connected Grantees; (ii) the historical performance and contributions of the Connected Grantees to the overall business performance of the Group; (iii) the Connected Grantees' expected contributions to the Group from their continuous support; and (iv) their emoluments level. We have obtained and reviewed the Company's internal remuneration policy which sets out, among others, (i) salary determination strategy of the Company; (ii) salary structure of senior management, mid-level employees and other employees; and (iii) details of share award schemes. As set out in such internal remuneration policy, share award forms part of the total remuneration package of senior management. We noted that the policy further sets out the factors to be considered when determining the number of award shares to be granted to the Company's senior management, which is consistent with the assessment criteria described above. In addition, we have also discussed with the management of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company and understood that, before determining the number of New Awarded Shares to be Granted to each of the Grantees, including the Connected Grantees and Non-connected Grantees, a performance appraisal would be completed. We have obtained and reviewed 4 samples of completed performance appraisal forms each for the Connected Grantees and Non-connected Grantees, which in our view is sufficient for this purpose given there are 12 Connected Grantees and 20 Non-connected Grantees. These performance appraisal forms set out, among others, specific goals, performance assessment criteria and performance rating of each appraisee. We note from the samples and further understand from the management of the Company that the same appraisal form is used for evaluating performance of both the Connected Grantees and Non-connected Grantees with the same criteria including, among others, description of specific tasks, quality of work and work efficiency, and specific goals, tasks and performance assessment criteria may vary depending on the role and responsibilities of each individual. As we note from the samples of the completed performance appraisal forms, performance ratings of all the appraisees are classified under the top category on a three-tier rating scale.

We further understand from the Company that it has also considered the benefits of adopting the Scheme as an incentive scheme as compared to other alternatives. As further sets out in the paragraph headed “Financial effects of the grant of the New Awarded Shares” below, the allotment and issue of the New Awarded Shares will have no effect on the cash flow of the Group other than the expenses relating to the allotment and issue of the New Awarded Shares. As compared to other incentives, such as (a) cash bonuses which will impose additional pressure on the Group’s cash flow position; or (b) share options, where the grantees are required to pay the exercise price upon exercising the share options and the timing of exercise of the share options will depend on the Share prices, the executive Directors consider, and we concur, that the grant of the New Awarded Shares to be a more effective mean for providing immediate incentives and rewards to the Grantees which will be beneficial for the development of the Group.

5. Comparable grants of share awards and restricted share units

In order to assess the reasonableness and fairness of the grant of the New Awarded Shares, we have compared it with share awards or restricted share units granted to individual director/senior management/employee of other companies as disclosed in their respective latest annual reports or relevant circulars (where relevant details of the grants were disclosed). These companies (i) are listed on the Main Board of the Stock Exchange and are principally engaged in the renewable electricity/utilities/energy sector under the Global Industry Classification Standard (GICS) sourced from Bloomberg; (ii) have a share award or restricted share units scheme and have granted share awards or restricted share units to directors/senior management/employees; and (iii) have market capitalisation between HK\$600 million and HK\$20 billion as at the Latest Practicable Date (the “**Comparable Grants**”). We have identified those companies with comparable size (in terms of market capitalisation), which we consider to be a reasonable range while still obtaining a sufficient number of Comparable Grants for this purpose.

We are of the view that the Comparable Grants represent a sufficient sample size for a meaningful comparison with other companies engaged in the renewable electricity/utilities/energy sector listed on the Stock Exchange. Details with respect to each individual grantee and/or the Comparable Grants such as responsibilities and service terms of each individual grantee, date of grant, business nature and scale of each company may vary. However, the Comparable Grants are considered to be general references for common market practice in granting share awards or restricted share units to directors/senior management/employees of other listed companies in the abovementioned sectors. Based on the aforementioned criteria, we have identified 30 Comparable Grants to connected persons of the respective company (the “**Connected Comparable Grants**”), which provide a relevant benchmark for the purpose of assessing the reasonableness of the grant of the Connected New Awarded Shares. We have compared the grant of the Connected New Awarded Shares with the Connected Comparable Grants in terms of vesting period and value of share awards or restricted share units granted to each individual director/senior management. The results are explained further below.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following table sets out the details of the Connected Comparable Grants and the grant of the Connected New Awarded Shares. The Connected Comparable Grants set out in the table below represent an exhaustive list of grants comparable to the grant of the Connected New Awarded Shares based on the above criteria.

Company name and stock code	Market capitalisation as at the date immediately before the Latest Practicable Date <i>(Note 1)</i> <i>(HK\$ million)</i>	Principal activities	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to directors and/or senior management <i>(A)</i>	Percentage of total number of share award or restricted share units to the total issued share capital <i>(Note 2)</i>	Position of individual grantees	Vesting status	Theoretical vesting for each year <i>(B)</i>	Fair value of the share award or restricted share units as at the date of grant <i>(C)</i> <i>(HK\$)</i>	Theoretical annualised fair value of the share award or restricted share units vested <i>(D = A x B x C)</i> <i>(HK\$)</i>
Brightoil Petroleum (Holdings) Limited (933)	15,263	Oil and gas exploration, development and production, international trading and bunkering, marine transportation, oil storage and terminal facilities as well as E-commerce business	13 June 2014	600,000	0.007%	Executive director	Vesting period in five tranches of 20% each of its awarded shares granted from the grant date to 12 June 2015, 12 June 2016, 12 June 2017, 12 June 2018 and 12 June 2019 respectively	20%	2.38	285,600
			13 June 2014	600,000	0.007%	Executive director	Same as above	20%	2.38	285,600
			13 June 2014	200,000	0.002%	Executive director	Same as above	20%	2.38	95,200
			13 June 2014	150,000	0.002%	Non-executive director	Same as above	20%	2.38	71,400
			13 June 2014	150,000	0.002%	Independent non-executive director	Same as above	20%	2.38	71,400
			13 June 2014	150,000	0.002%	Independent non-executive director	Same as above	20%	2.38	71,400
			13 June 2014	150,000	0.002%	Independent non-executive director	Same as above	20%	2.38	71,400
				<u>2,000,000</u>	<u>0.023%</u>				<u>952,000</u>	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name and stock code	Market capitalisation as at the date immediately before the Latest Practicable Date <i>(Note 1)</i> <i>(HK\$ million)</i>	Principal activities	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to directors and/or senior management <i>(A)</i>	Percentage of total number of share award or restricted share units to the total issued share capital <i>(Note 2)</i>	Position of individual grantees	Vesting status	Theoretical vesting for each year <i>(B)</i>	Fair value of the share award or restricted share units as at the date of grant <i>(C)</i> <i>(HK\$)</i>	Theoretical annualised fair value of the share award or restricted share units vested <i>(D = A x B x C)</i> <i>(HK\$)</i>
Brightoil Petroleum (Holdings) Limited (933)	15,263	Oil and gas exploration, development and production, international trading and bunkering, marine transportation, oil storage and terminal facilities as well as E-commerce business	13 June 2015	585,000	0.006%	Executive director	Vesting period in five tranches of 20% each of its awarded shares granted from the grant date to 12 June 2016, 12 June 2017, 12 June 2018, 12 June 2019 and 12 June 2020 respectively	20%	4.47	522,990
			13 June 2015	585,000	0.006%	Executive director	Same as above	20%	4.47	522,990
			13 June 2015	385,000	0.004%	Executive director	Same as above	20%	4.47	344,190
			13 June 2015	40,000	0.000%	Non-executive director	Same as above	20%	4.47	35,760
			13 June 2015	40,000	0.000%	Independent non-executive director	Same as above	20%	4.47	35,760
			13 June 2015	40,000	0.000%	Independent non-executive director	Same as above	20%	4.47	35,760
			13 June 2015	40,000	0.000%	Independent non-executive Director	Same as above	20%	4.47	35,760
			<u>1,715,000</u>	<u>0.017%</u>					<u>1,533,210</u>	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name and stock code	Market capitalisation as at the date immediately before the Latest Practicable Date <i>(Note 1)</i> <i>(HK\$ million)</i>	Principal activities	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to directors and/or senior management <i>(A)</i>	Percentage of total number of share award or restricted share units to the total issued share capital <i>(Note 2)</i>	Position of individual grantees	Vesting status	Theoretical vesting for each year <i>(B)</i>	Fair value of the share award or restricted share units as at the date of grant <i>(C)</i> <i>(HK\$)</i>	Theoretical annualised fair value of the share award or restricted share units vested <i>(D = A x B x C)</i> <i>(HK\$)</i>
AAG Energy Holdings Limited <i>(2686)</i> <i>(Note 3)</i>	4,850	Exploration, development and production of coalbed methane and focuses on developing and optimising the value of unconventional gas resources to supply clean energy in the PRC	24 March 2017	2,014,488	0.061%	Chairman and executive director	One fourth (1/4) for each 12-month period commencing from 31 March 2017	25%	1.28	644,636
			24 March 2017	281,250	0.008%	Independent non-executive director	40% will be vested immediately and 60% shall vest at one-third (1/3) for each 12-month period commencing from 31 March 2017	60% <i>(Note 4)</i>	1.28	216,000
			24 March 2017	281,250	0.008%	Independent non-executive director	40% will be vested immediately and 60% shall vest at one-third (1/3) for each 12-month period commencing from 31 March 2017	60% <i>(Note 4)</i>	1.28	216,000
			24 March 2017	281,250	0.008%	Independent non-executive director	40% will be vested immediately and 60% shall vest at one-third (1/3) for each 12-month period commencing from 31 March 2017	60% <i>(Note 4)</i>	1.28	216,000
			24 March 2017	281,250	0.008%	Independent non-executive director	40% will be vested immediately and 60% shall vest at one-third (1/3) for each 12-month period commencing from 31 March 2017	60% <i>(Note 4)</i>	1.28	216,000
			24 March 2017	2,538,979	0.076%	Chief executive officer and president	One fourth (1/4) for each 12-month period commencing from 31 March 2017	25%	1.28	812,473
				<u>5,678,467</u>	<u>0.171%</u>					<u>2,321,109</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name and stock code	Market capitalisation as at the date immediately before the Latest Practicable Date <i>(Note 1)</i> <i>(HK\$ million)</i>	Principal activities	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to directors and/or senior management <i>(A)</i>	Percentage of total number of share award or restricted share units to the total issued share capital <i>(Note 2)</i>	Position of individual grantees	Vesting status	Theoretical vesting for each year <i>(B)</i>	Fair value of the share award or restricted share units as at the date of grant <i>(C)</i> <i>(HK\$)</i>	Theoretical annualised fair value of the share award or restricted share units vested <i>(D = A x B x C)</i> <i>(HK\$)</i>
AAG Energy Holdings Limited <i>(2686) (Note 3)</i>	4,850	Exploration, development and production of coalbed methane and focuses on developing and optimising the value of unconventional gas resources to supply clean energy in the PRC	18 December 2015	3,310,867	0.100%	Chairman and executive director	One fourth (1/4) for each 12-month period commencing from 31 March 2016	25%	1.49	1,233,298
			18 December 2015	3,310,867	0.100%	Co-chief executive officer and president	Same as above	25%	1.49	1,233,298
			18 December 2015	3,310,867	0.100%	Co-chief executive officer and chief operating officer	Same as above	25%	1.49	1,233,298
				<u>9,932,600</u>	<u>0.299%</u>					<u>3,699,894</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name and stock code	Market capitalisation as at the date immediately before the Latest Practicable Date <i>(Note 1)</i> <i>(HK\$ million)</i>	Principal activities	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to directors and/or senior management <i>(A)</i>	Percentage of total number of share award or restricted share units to the total issued share capital <i>(Note 2)</i>	Position of individual grantees	Vesting status	Theoretical vesting for each year <i>(B)</i>	Fair value of the share award or restricted share units as at the date of grant <i>(C)</i> <i>(HK\$)</i>	Theoretical annualised fair value of the share award or restricted share units vested <i>(D = A x B x C)</i> <i>(HK\$)</i>
Chinese People Holdings Company Limited <i>(681) (Note 5)</i>	625	Sales and distribution of fuel gas including the provision of piped gas, sales and distribution of cylinder gas and production and sales of barrelled drinking water in the PRC	27 July 2016	15,000,000	0.216%	Deputy chairman of the board and executive director	Vested on 30 September 2017	100%	0.115	1,725,000
			27 July 2016	69,000,000	0.994%	Deputy chairman of the board and executive director	Vested on 30 September 2017	100%	0.115	7,935,000
			27 July 2016	22,000,000	0.317%	Managing Director and executive director	Vested on 30 September 2017	100%	0.115	2,530,000
			27 July 2016	20,000,000	0.288%	Chief strategy officer, retired as a non-executive director after the conclusion of annual general meeting of the company held on 9 September 2016	Vested on 30 September 2017	100%	0.115	2,300,000
			27 July 2016	5,000,000	0.072%	Independent non-executive director	Vested on 30 September 2017	100%	0.115	575,000
			27 July 2016	5,000,000	0.072%	Independent non-executive director	Vested on 30 September 2017	100%	0.115	575,000
			27 July 2016	5,000,000	0.072%	Independent non-executive director	Vested on 30 September 2017	100%	0.115	575,000
				<u>141,000,000</u>	<u>2.030%</u>				<u>16,215,000</u>	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name and stock code	Market capitalisation as at the date immediately before the Latest Practicable Date <i>(Note 1)</i> <i>(HK\$ million)</i>	Principal activities	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to directors and/or senior management <i>(A)</i>	Percentage of total number of share award or restricted share units to the total issued share capital <i>(Note 2)</i>	Position of individual grantees	Vesting status	Theoretical vesting for each year <i>(B)</i>	Fair value of the share award or restricted share units as at the date of grant <i>(C)</i> <i>(HK\$)</i>	Theoretical annualised fair value of the share award or restricted share units vested <i>(D = A x B x C)</i> <i>(HK\$)</i>
							The Connected Comparable Grants			
							Maximum	100%		7,935,000
							Minimum	20%		35,760
							Average			916,810
The Company	2,979	Operating and investment in power plants, provision of power plant operation and maintenance services, provision of design, technical and consultation services	2 April 2019	10,000,000	0.120%	Executive Director and Chief Executive Officer	25% of the New Awarded Shares should be vested on 15 February 2020, 2021, 2022 and 2023 (or in the event that such date is not a Business Day, the first Business Day thereafter)	25%	0.405	1,012,500
			2 April 2019	8,000,000	0.090%	Executive Director	Same as above	25%	0.405	810,000
			2 April 2019	8,000,000	0.090%	Executive Director	Same as above	25%	0.405	810,000
			2 April 2019	8,000,000	0.090%	Executive Director	Same as above	25%	0.405	810,000
			2 April 2019	1,800,000	0.020%	Independent non-executive Director	Same as above	25%	0.405	182,250
			2 April 2019	1,800,000	0.020%	Independent non-executive Director	Same as above	25%	0.405	182,250
			2 April 2019	1,800,000	0.020%	Independent non-executive Director	Same as above	25%	0.405	182,250
			2 April 2019	1,800,000	0.020%	Independent non-executive Director	Same as above	25%	0.405	182,250

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name and stock code	Market capitalisation as at the date immediately before the Latest Practicable Date <i>(Note 1)</i> <i>(HK\$ million)</i>	Principal activities	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to directors and/or senior management <i>(A)</i>	Percentage of total number of share award or restricted share units to the total issued share capital <i>(Note 2)</i>	Position of individual grantees	Vesting status	Theoretical vesting for each year <i>(B)</i>	Fair value of the share award or restricted share units as at the date <i>(C)</i> <i>(HK\$)</i>	Theoretical annualised fair value of the share award or restricted share units vested <i>(D = A x B x C)</i> <i>(HK\$)</i>
			2 April 2019	4,000,000	0.050%	Director of subsidiary(ies)	Same as above	25%	0.405	405,000
			2 April 2019	4,000,000	0.050%	Director of subsidiary(ies)	Same as above	25%	0.405	405,000
			2 April 2019	4,000,000	0.050%	Director of subsidiary(ies)	Same as above	25%	0.405	405,000
			2 April 2019	2,400,000	0.030%	Director of subsidiary(ies)	Same as above	25%	0.405	405,000
				55,600,000	0.650%					5,629,500
						The Company				
										Maximum 1,012,500
										Minimum 182,250

Source: annual reports and circulars of the companies

Notes:

1. Closing market capitalisation of the companies are sourced from Bloomberg as at the date immediately before the Latest Practicable Date.
2. The percentage is calculated with reference to the total issued share capital as disclosed in the then latest monthly return published on the website of the Stock Exchange immediately before the date of grant.
3. For comparison purpose, KPI-linked restricted share units are not taken into account.
4. As the awarded units are not vested evenly over the vesting period, theoretical vesting for each year is assumed to be the portion of awarded units vested in the first year after the grant.
5. The vesting period represents the period from the date of fulfilment of the conditions precedent (mainly include approval by independent shareholders) of the grant of award shares to 30 September 2017. The grant was approved by independent shareholders at the special general meeting held on 14 October 2016. For comparison purpose, theoretical vesting for each year is assumed to be 100%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The percentage of the Connected New Awarded Shares to be vested in each year is 25%, which falls within the range shown by the Connected Comparable Grants in the table above. The annualised value of the Connected New Awarded Shares granted to each of the Connected Grantees ranging from approximately HK\$0.18 million to HK\$1 million falls within the range shown by the Connected Comparable Grants and is below the average of approximately HK\$0.9 million in general (except for one individual Connected Grantee (i.e. Mr. Yu Weizhou, executive Director and chief executive officer of the Company) whose annualised value of the Connected New Awarded Shares is slightly above the average). On this basis, we considered the vesting period and monetary value of the grant of the Connected New Awarded Shares to be acceptable.

In addition, we have obtained and reviewed schedules of total remuneration package of the Connected Grantees. We have compared the total remuneration package of the Connected Grantees who are Directors to directors of the 3 relevant companies set out in the table of the Connected Comparable Grants above. Based on (i) the schedules of total remuneration package of the Connected Grantees provided by the Company; and (ii) the latest annual reports of the relevant companies, we noted that the total remuneration package of the Connected Grantees who are Directors (calculated mainly based on the sum of salary, retirement benefit and the annualised value of the New Awarded Shares) range from approximately HK\$1.5 million to HK\$4.1 million, whereas the total remuneration package of directors of the relevant companies as disclosed in respective annual reports range from nil to approximately HK\$27.9 million. We note that the total remuneration package of the Connected Grantees who are Directors is within the range of the total remuneration package of directors of the relevant companies. On this basis, we considered the total remuneration of the Connected Grantees is within the market range as set out above.

Further, we have compared the grant of the Non-connected New Awarded Shares to the Comparable Grants to employees who are not connected persons of the respective companies (the “**Non-connected Comparable Grants**”). The following table sets out the details of the Non-connected Comparable Grants and the grant of the Non-connected New Awarded Shares. The Non-connected Comparable Grants set out in the table below represent an exhaustive list of grants comparable to the grant of the Non-connected New Awarded Shares based on the above criteria.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company name and stock code	Date of grant of awarded shares or restricted share units	Number of share award or restricted share units to employees who are not connected persons (A)	Percentage of total number of share award or restricted share units to the total issued share capital (Note 1)	Number of non- connected grantees (B)	Vesting status	Theoretical vesting for each year (C)	Fair value of the share award or restricted share units per share/unit as at the date of grant (D) (HK\$)	Theoretical average annualised fair value of the share award or restricted share units vested for each of the non- connected grantee (E = A/B x C x D) (HK\$)
Brightoil Petroleum (Holdings) Limited (933)	13 June 2014	5,765,000	0.066%	Not disclosed	Vesting period in five tranches of 20% each of its awarded shares granted from the grant date to 12 June 2015, 12 June 2016, 12 June 2017, 12 June 2018 and 12 June 2019 respectively	20%	2.38	N/A
Brightoil Petroleum (Holdings) Limited (933)	13 June 2015	6,570,000	0.065%	Not disclosed	Vesting period in five tranches of 20% each of its awarded shares granted from the grant date to 12 June 2016, 12 June 2017, 12 June 2018, 12 June 2019 and 12 June 2020 respectively	20%	4.47	N/A
AAG Energy Holdings Limited (2686) (Note 2)	24 March 2017	7,713,125	0.232%	64	One fourth (1/4) for each 12-month period commencing from 31 March 2017	25%	1.28	38,566
AAG Energy Holdings Limited (2686) (Note 2)	18 December 2015	10,684,749	0.321%	78	One fourth (1/4) for each 12-month period commencing from 31 March 2016	25%	1.49	51,027
Chinese People Holdings Company Limited (681) (Note 3)	27 July 2016	67,000,000	0.965%	7	Vested on 30 September 2017	100%	0.115	1,100,714
The Non-connected Comparable Grants								
						Maximum	100%	1,100,714
						Minimum	20%	38,566
The Company	2 April 2019	57,400,000 (ranging from 1,800,000 to 4,000,000 for each Non- connected Grantee)	0.674%	20	25% of the New Awarded Shares should be vested on 15 February 2020, 2021, 2022 and 2023 (or in the event that such date is not a Business Day, the first Business Day thereafter)	25%	0.405	290,588 (ranging from HK\$182,250 to HK\$405,000 for each Non- connected Grantee)

Source: annual reports and circulars of the companies

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. The percentage is calculated with reference to the total issued share capital as disclosed in the then latest monthly return published on the website of the Stock Exchange.
2. For comparison purpose, KPI-linked restricted share units are not taken into account.
3. The vesting period represents the period from the date of fulfilment of the conditions precedent (mainly include approval by independent shareholders) of the grant of award shares to 30 September 2017. The grant was approved by independent shareholders at the special general meeting held on 14 October 2016. For comparison purpose, theoretical vesting for each year is assumed to be 100%.

We have compared the grant of the Non-connected New Awarded Shares with the Non-connected Comparable Grants in terms of vesting period and averaged value of share awards or restricted share units granted per employee (where details of number of non-connected grantees are disclosed). The percentage of the Non-connected New Awarded Shares to be vested in each year is 25%, which falls within the range of vesting period of the Comparable Grants to non-connected persons from 20% to 100% each year. We have obtained and reviewed a schedule which sets out the number of New Awarded Shares granted to each of the Non-connected Grantees. We note that the annualised value of the Non-connected New Awarded Shares granted to each of the Non-connected Grantees, ranging from approximately HK\$0.18 million to HK\$0.41 million, falls within the range of the average annualised value of the Non-connected Comparable Grants from approximately HK\$0.04 million to HK\$1.1 million. On this basis, we considered the vesting period and monetary value of the grant of the Non-connected New Awarded Shares to be acceptable.

6. Dilution effect to the Shareholders

Assuming the Grantees become fully entitled to all the New Awarded Shares after the vesting period, the number of Shares to be issued during the four-year period would be limited to 113,000,000 Shares, or approximately 1.33% of the total issued share capital of the Company as at the Latest Practicable Date. The shareholding interests of public Shareholders (other than the Non-connected Grantees and the Trustee) will be diluted from approximately 64.484% as at the Latest Practicable Date to approximately 63.639% immediately after the allotment and issuance of the New Awarded Shares (assuming no other change in the issued share capital of the Company). This is considered immaterial in percentage terms and, in our view, acceptable so far as the Independent Shareholders are concerned in view of the expected benefits to the Group as set out in this letter above. Further details with respect to the effects on the shareholding structure of the Company are set out in the sub-section headed “Effects on the Shareholding Structure of the Company” under the section headed “Grant of Awards under the Scheme” in the “Letter from the Board” contained in the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Financial effects of the grant of the New Awarded Shares

According to the 2018 Annual Report, the Group had cash and cash equivalents of approximately RMB1,353.6 million as at 31 December 2018. The allotment and issue of the New Awarded Shares will have no effect on the cash flow of the Group other than the expenses relating to the allotment and issue of the New Awarded Shares.

As set out in the sub-section headed “Financial effects of the grant of the New Awarded Shares” under the section headed “Reasons for the benefits in the grant of the Awards under the Scheme” in the “Letter from the Board” contained in the Circular, the allotment and issue of the New Awarded Shares will decrease the net profit of the Group after deducting the expenses relating to the allotment and issue of the New Awarded Shares of approximately HK\$45,765,000 in aggregate, which is calculated using the closing price of the Shares of HK\$0.405 per Share as at the date of grant (i.e. 2 April 2019).

Further details with respect to the financial effects of the grant of the New Awarded Shares are set out in the abovementioned sub-section.

DISCUSSION

The grant of the New Awarded Shares is conducted with the aim to recognise the Grantees for their past contributions as well as to incentivise their continual support to the Group. We consider that, the retention of a stable and experienced senior management team is crucial for the long-term development and expansion of the Group. The grant of the New Awarded Shares, as compared to other incentive alternatives, is considered effective in achieving the above purpose without imposing additional pressure on the Group’s cash flow position.

We consider that the grant of the New Awarded Shares is not significant in terms of their dilution effect to the Shareholders. The percentage of the New Awarded Shares to be vested in each year is 25%, which falls within the range of the Comparable Grants. Further, as set out in the sub-section headed “Comparable grants of share awards and restricted share units” of this letter above, based on the closing price of the shares of the Company on the date of grant, the annualised fair value of the New Awarded Shares granted to each of the Grantees is within the range of the Comparable Grants, which we consider to be acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATION

Having taken into account the above principal factors, we consider that (1) although the grant of the New Awarded Shares is not conducted in the ordinary and usual course of business of the Group, it is in line with the Group's development strategy; (2) the terms of the grant of the New Awarded Shares are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (3) the grant of the New Awarded Shares is in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the grant of the New Awarded Shares.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Stephanie Chow
Director

Ms. Stephanie Chow is a licensed person registered with the SFC and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. She has over ten years' experience in the corporate finance industry.

Certain percentages in this letter have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executives' interests and/or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation

As at the Latest Practical Date, the following Directors had interests in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which he/she was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Listing Rules to be notified to the Company and the Stock Exchange:

Long positions in the Shares

Name of the Director	Name of Shareholders and nature of interest				Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate	Total	
Liu Shunxing	27,000,000 ⁽¹⁾	—	1,845,484,242 ⁽²⁾	1,872,484,242	22.00
Liu Jianhong	23,710,000 ⁽³⁾	—	150,000,000 ⁽⁴⁾	173,710,000	2.04
Yu Weizhou	25,130,000	—	—	25,130,000	0.30
Niu Wenhui	4,000,000	—	—	4,000,000	0.05
Gui Kai	3,600,000	—	—	3,600,000	0.04
Yap Fat Suan, Henry	200,000	—	—	200,000	0.002

Notes:

1. Mr. Liu beneficially holds 9,000,000 Shares. 18,000,000 Shares have been granted to Mr. Liu Shunxing under the Scheme, among which, 25% will be vested on 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter) and the remaining 25% will be vested on 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)
2. 1,147,877,155 Shares are held by China Wind Power Investment Limited, which is wholly owned by Permanent Growth Limited. Mr. Liu holds as to 46.77% of the issued share capital of Permanent Growth Limited. 697,607,087 Shares are held by Splendor Power Limited, of which Mr. Liu holds 99% of the issued share capital.
3. Ms. Liu beneficially holds 8,710,000 Shares. 15,000,000 Shares have been granted to Ms. Liu Jianhong under the Scheme, among which, 25% will be vested on 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter), 25% will be vested on 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter) and the remaining 25% will be vested on 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter).
4. 150,000,000 Shares are held by a discretionary trust for which Ms. Liu is the founder and settlor and can influence how the trustee exercises its discretion.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Directors' other interests

- (a) As of the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 December 2018, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As of the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting at the date of this circular, and which was significant in relation to the business of the Group.
- (c) As of the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

(iii) Substantial Shareholders

As of the Latest Practicable Date, so far as is known to the Directors or the chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly interested in 5% or more of the issued voting shares of any other member of the Group:

(a) Long positions in the Shares

Name of Shareholder	Number of Shares held	Approximate percentage of the total issued share capital (%)
China Wind Power Investment Limited ⁽¹⁾	1,147,877,155	13.48
Huadian Fuxin International Investment Company Limited	880,000,000	10.34
Splendor Power Limited ⁽²⁾	697,607,087	8.19
Goldman Sachs Asia Strategic Pte. Ltd. ("Goldman Sachs")	58,562,998	0.69

(b) Long positions in the underlying Shares

Name of shareholder	Number of the underlying Shares held	Approximate percentage of the total issued share capital (%)
Goldman Sachs ⁽³⁾	432,390,000	5.08

Note:

- The Shares are held by China Wind Power Investment Limited, which is wholly owned by Permanent Growth Limited. Mr. Liu Shunxing held as to 46.77% of the issued shares of Permanent Growth Limited.
- The Shares are held by Splendor Power Limited. Mr. Liu Shunxing held as to 99% of the issued share capital of Splendor Power Limited.
- On 13 December 2018, the Company entered into the convertible loan agreement (the "**Convertible Loan Agreement**") with Goldman Sachs, pursuant to which Goldman Sachs agreed to lend and the Company agreed to borrow the convertible loan (the "**Convertible Loan**") in a principal amount of US\$30,000,000. Goldman Sachs has the right to convert all or any part of the outstanding principal amount of their respective participation in the Convertible Loan into Shares (the "**Conversion Shares**"). Assuming a conversion price (the "**Conversion Price**")

of (i) HK\$0.5 per Share (for tranche I); (ii) HK\$0.55 per Share (for tranche II); and (iii) HK\$0.6 per Share (for tranche III) and there is no adjustment to the Conversion Price pursuant to the terms of the Convertible Loan Agreement, the aggregate principal amount of the Convertible Loan of US\$30,000,000 is convertible into approximately 432,390,000 Conversion Shares. Details can be referred to the announcements dated 13 December 2018 and 16 January 2019 and the circular dated 25 February 2019.

Saved as disclosed above, as at the Latest Practicable Date, there were no other persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

3. SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was not any material adverse change in the financial or trading position of the Group since 31 December 2018, the date to which the latest published audited consolidated financial statements of the Company were made up.

5. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

6. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Somerley Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Somerley Capital Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

Somerley Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

7. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) a copy of the Scheme;
- (b) the letter from Somerley Capital Limited to the Independent Shareholders in respect of the allotment and issue of the New Awarded Shares under the Scheme; and
- (c) the letter of consent referred to the paragraph headed "Qualification and Consent of Expert" in this appendix.

8. MISCELLANEOUS

The correspondence address of the Company is at Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong; and

The English texts of this circular and the accompanying form of proxy shall prevail over the Chinese texts.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of Concord New Energy Group Limited (the “Company”) will be held at 10:00 a.m. on Thursday, 20 June 2019 at Unit 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong to consider and, if thought fit, pass the following resolutions of the Company:

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 3 June 2019.

ORDINARY RESOLUTIONS

1. “THAT

- (a) conditional upon The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in an aggregate of a maximum of 113,000,000 new shares of the Company (the “New Awarded Shares”), the directors of the Company (the “Directors”) be and are hereby granted a specific mandate (the “Specific Mandate”) for the allotment and issue of the New Awarded Shares to Acheson Limited (the “Trustee”) to hold on trust for 32 selected persons (the “Selected Persons”) who are selected by the Board for participation in the share award scheme adopted by the Company on 15 June 2015 (as amended on 29 June 2017) (the “Scheme”) (a copy of which has been produced at the SGM marked “A” and signed by the chairman of the SGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved and confirmed;
- (b) the grant of 10,000,000 New Awarded Shares pursuant to the Scheme to Mr. Yu Weizhou be and is hereby approved and confirmed;

* *for identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

- (c) the grant of 8,000,000 New Awarded Shares pursuant to the Scheme to Mr. Niu Wenhui be and is hereby approved and confirmed;
- (d) the grant of 8,000,000 New Awarded Shares pursuant to the Scheme to Mr. Gui Kai be and is hereby approved and confirmed;
- (e) the grant of 8,000,000 New Awarded Shares pursuant to the Scheme to Dr. Shang Li be and is hereby approved and confirmed;
- (f) the grant of 1,800,000 New Awarded Shares pursuant to the Scheme to Mr. Yap Fat Suan, Henry be and is hereby approved and confirmed;
- (g) the grant of 1,800,000 New Awarded Shares pursuant to the Scheme to Dr. Jesse Zhixi Fang be and is hereby approved and confirmed;
- (h) the grant of 1,800,000 New Awarded Shares pursuant to the Scheme to Ms. Huang Jian be and is hereby approved and confirmed;
- (i) the grant of 1,800,000 New Awarded Shares pursuant to the Scheme to Mr. Zhang Zhong be and is hereby approved and confirmed;
- (j) the grant of 4,000,000 New Awarded Shares pursuant to the Scheme to Mr. Jiang Yingjiu be and is hereby approved and confirmed;
- (k) the grant of 4,000,000 New Awarded Shares pursuant to the Scheme to Mr. Wang Xigang be and is hereby approved and confirmed;
- (l) the grant of 4,000,000 New Awarded Shares pursuant to the Scheme to Ms. Yang Xiaohong be and is hereby approved and confirmed;
- (m) the grant of 2,400,000 New Awarded Shares pursuant to the Scheme to Mr. Ren Guangjin be and is hereby approved and confirmed;
- (n) the grant of an aggregate of 57,400,000 New Awarded Shares pursuant to the Scheme to 20 independent Selected Persons who are senior management of the Group and company secretary of the Company, not being connected persons of the Company be and is hereby approved and confirmed; and

NOTICE OF SPECIAL GENERAL MEETING

- (o) any one of the Directors be and is hereby authorised for and on behalf of the Company to take any action and execute such other documents as he/she considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the allotment and issue of the New Awarded Shares under the Specific Mandate and/or the purchase of Shares by the Trustee on the market to satisfy the New Awarded Shares and the transactions contemplated thereunder.”

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

Hong Kong, 3 June 2019

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. The resolutions 1(b) to 1(m) are not inter-conditional to one another and will be passed as separate resolutions.
2. Any Shareholder entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder.
3. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the branch share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the SGM. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the SGM or any adjournment thereof, should he/she so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.
4. As at the date of this notice, the board of Directors comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Yu Weizhou (Chief Executive Officer), Mr. Niu Wenhui, Mr. Gui Kai and Dr. Shang Li (all of above are executive Directors), Mr. Wang Feng (who is 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).
5. As required under the Listing Rules, the above resolutions will be decided by way of poll.