
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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 or the transferee or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR TRANSACTION DISPOSAL OF PROJECT COMPANY

AND

NOTICE OF SPECIAL GENERAL MEETING

Terms defined in the section headed “Definitions” in this circular shall have the same meaning when used in this cover page, unless the context otherwise requires.

SGM of the Company will be held at Room No. 4901, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong on Thursday, 13 March 2025 at 11:00 a.m.

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 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong as soon as practicable but in any event no later than 48 hours (i.e. 11:00 a.m. on Tuesday, 11 March 2025) 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, and in such event, the form of proxy shall be deemed revoked.

25 February 2025

* For identification purposes only

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DEFINITIONS

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

“ACWA”	ACWA (Shanghai) New Energy Co., Ltd.* (沙電(上海)新能源有限公司), a company established in the PRC with limited liability;
“Announcement”	the announcement of the Company dated 27 January 2025 in relation to the Disposal;
“Applicable Percentage Ratio”, “connected person” and “subsidiary”	have the meanings ascribed to them under the Listing Rules;
“Board”	board of Directors;
“Company”	Concord New Energy Group Limited (協合新能源集團有限公司*) (Stock Code: 182), a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange;
“Concord Wind Power”	Century Concord Wind Power Investment Co., Ltd.* (協合風電投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Disposal”	the First Tranche Disposal and the Second Tranche Disposal;
“Disposal Agreement”	the disposal agreement dated 27 January 2025 between Xinyuan Juneng, ACWA, Concord Wind Power, Taiming Company and Juting Company for the Disposal;
“First Tranche Completion”	completion of the First Tranche Disposal, which involves the registration of the industrial and commercial changes and the obtaining of new business licence (if any) in respect thereof;
“First Tranche Consideration”	the consideration payable by ACWA for the purchase of the First Tranche Sale Shares;
“First Tranche Disposal”	the disposal of the First Tranche Sale Shares by Xinyuan Juneng to ACWA;
“First Tranche Sale Shares”	the 66.67% interest in Taiming Company;
“Group”	the Company and its subsidiaries;

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Juting Company”	Tonghe County Juting New Energy Co., Ltd.* (通河縣聚霆新能源有限公司), a company established in the PRC with limited liability and a 60%-owned subsidiary of the Company;
“Latest Practicable Date”	21 February 2025, the latest practicable date before the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MW”	megawatt;
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Previous Disposals”	the previous disposals set out in the paragraph headed “Previous Disposals” in this circular;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	the First Tranche Sale Shares and the Second Tranche Sale Shares;
“Second Tranche Completion”	completion of the Second Tranche Disposal, which involves the registration of the industrial and commercial changes and the obtaining of new business licence (if any) in respect thereof;
“Second Tranche Consideration”	the consideration payable by ACWA for the purchase of the Second Tranche Sale Shares;
“Second Tranche Disposal”	the disposal of the Second Tranche Sale Shares by Xinyuan Juneng to ACWA;
“Second Tranche Sale Shares”	the 33.33% interest in Taiming Company;
“SFO”	Securities and Futures Ordinance (CAP. 571 of the laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held at Room No. 4901, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong on Thursday, 13 March 2025 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approve the Disposal;

DEFINITIONS

“Shareholder(s)”	holder(s) of the shares of the Company;
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into by Xinyuan Juneng and ACWA prior to the First Tranche Completion in the form as stipulated by the Disposal Agreement, details of which are set out in the paragraph headed “Shareholders’ Agreement” in this circular;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taiming Company”	Heilongjiang Taiming New Energy Technology Co., Ltd.* (黑龍江泰鳴新能源技術有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Target Group”	Taiming Company and Juting Company;
“Target Project”	the 300 MW wind power project situated in Tonghe County, Harbin City, Heilongjiang Province, the PRC;
“Total Consideration”	the First Tranche Consideration and the Second Tranche Consideration (subject to adjustment as mentioned below);
“Transaction Documents”	the Disposal Agreement, the new articles of association of Taiming Company, the Shareholders’ Agreement and other ancillary documents specified in any of them;
“Transitional Period”	the period from 31 August 2024 to the date of the First Tranche Completion;
“Xinyuan Juneng”	Xinyuan Juneng (Wuhan) Technology Co., Ltd.* (新源聚能(武漢)科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Yilan Century Concord”	Yilan County Century Concord Wind Power Co., Ltd.* (依蘭縣協合風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company; and
“%”	per cent.

* For identification purposes only

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. Gui Kai (*Chief Executive Officer*)
Mr. Niu Wenhui
Mr. Zhai Feng
Ms. Shang Jia
Mr. Chan Kam Kwan, Jason

Non-executive Director:

Mr. Wang Feng

Independent non-executive Directors:

Mr. Jesse Zhixi Fang
Ms. Li Yongli
Mr. Chua Pin
Ms. Huang Jian
Mr. Zhang Zhong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Rooms Nos. 4901 and 4938-4940, 49/F
Sun Hung Kai Centre
30 Harbour Road
Wan Chai
Hong Kong

25 February 2025

To the Shareholders:

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF PROJECT COMPANY AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement. The purposes of this circular is to provide you with: (a) further information on the Disposal, and other information of the Group to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the SGM; and (b) the notice of the SGM.

** For identification purposes only*

LETTER FROM THE BOARD

The Board hereby announces that after trading hours on 27 January 2025, several subsidiaries of the Company (namely Xinyuan Juneng, Concord Wind Power, Taiming Company and Juting Company) entered into the Disposal Agreement with ACWA for the Disposal. Details of the Disposal and the principal terms of the Disposal Agreement are set out below.

DISPOSAL AGREEMENT

Date: 27 January 2025

Parties:

- (i) Xinyuan Juneng as the seller;
- (ii) ACWA as the purchaser;
- (iii) Taiming Company as the target company;
- (iv) Juting Company as the project company, its 60% interest being owned by Taiming Company; and
- (v) Concord Wind Power as the guarantor.

Subject matter: Sale Shares, representing the 100% interest in Taiming Company, comprising the First Tranche Sale Shares (representing 66.67% interest in Taiming Company) and the Second Tranche Sale Shares (representing 33.33% interest in Taiming Company).

Consideration

The Total Consideration payable by ACWA for the purchase of the Sale Shares shall be approximately RMB636,241,000, subject to adjustment as set out below. The First Tranche Consideration is approximately RMB424,182,000 and the initial Second Tranche Consideration is approximately RMB212,059,000 (the “**Initial Second Tranche Consideration**”) subject to adjustment as set out below. 66.67% of the profit of the Target Group during the Transitional Period shall belong to ACWA.

The Total Consideration was arrived at after arm’s length negotiation between Xinyuan Juneng and ACWA with reference to (i) the unaudited consolidated net asset value of Taiming Company attributable to equity shareholders as at 31 August 2024 of approximately RMB185,078,000; (ii) the past business performance and condition of the Target Group (in particular the unaudited consolidated net profit of Taiming Company for the eight months ended 31 August 2024 of approximately RMB86,769,000 and the unaudited consolidated net profit of Taiming Company attributable to equity shareholders for the eight months ended 31 August 2024 of approximately RMB52,061,000); and (iii) the future business prospects of the Target Group (in particular the 300MW installed capacity of the Target Project, the benchmark electricity price of RMB0.374 kWh for desulfurized coal in Heilongjiang Province, and the changes and trends in the trading

LETTER FROM THE BOARD

policies of the electricity market of Heilongjiang Province. Having considered the aforementioned net asset value and net profit of Taiming Company attributable to equity shareholders, the aforementioned benchmark electricity price and trends, and the purchase prices offered by ACWA and other prospective purchasers of around RMB700,000,000 (which the Company considered to be reasonable), and after arm's length negotiations with ACWA, the Company initially agreed with ACWA that the value of the Sale Shares was RMB700,000,000. Based on the said net profit of Taiming Company, the said RMB700,000,000 represents a price-to-earnings multiple within a range of 6 to 12 (which may vary from year to year, depending on the prevailing market price in that year, and from place to place, depending on the prevailing market price in that region), which is acceptable to the Company. Thus, the said RMB700,000,000 was acceptable and reasonable to the Company. After taking into account the total dividend payments of approximately RMB63,359,000 during 2024 up to 30 November 2024 and RMB400,000 for remedying minor engineering and equipment defects, and the reasons and benefits set out in the paragraph headed "Reasons for and Benefits of the Disposal" below (in particular the total unaudited gain from the Disposal as set out in the paragraph headed "Financial Effects of the Disposal" in this circular), the Total Consideration was finally determined.

On 6 December 2023, the Group provided a guarantee (the "**Guarantee**") for the loan owed by Taiming Company to a financial institution (which is an independent third party) with a principal amount of RMB880,000,000, which shall be fully repaid by 12 October 2038 (the "**Loan**"). The outstanding amount of the Loan as at 31 December 2024 was approximately RMB826,408,000. The maximum liability of the Group under the Guarantee from time to time is the outstanding principal amount of the Loan from time to time plus all interests to be accrued thereon and, if any, other damages. Taiming Company shall arrange for the release of the Guarantee after the First Tranche Completion. In the event that the Guarantee fails to be released within the five-month period from the First Tranche Completion, Juting Company shall pay a guarantee fee to the Group for the period commencing from the expiry of the said five-month period and ending on the date of release of the Guarantee (the "**Guarantee Period**"), which is accrued on a daily basis equal to (i) the outstanding amount of the principal of the loan subject to the Guarantee multiplied by (ii) an annual rate of 2%. The guarantee fee shall be payable within 10 working days after the release of the Guarantee, and, if the Guarantee Period being more than 1 year, shall also be payable within 10 working days after the anniversary of the commencement of the Guarantee Period. The annual rate of 2% is determined based on arm's length negotiation between Xinyuan Juneng and ACWA taking into account (i) the prevailing rate of guarantee fees of 1.0% to 2.0% charged by several independent third parties engaged in the business of providing financial guarantees; and (ii) the fact that the Group is not primarily engaged in the business of providing financial guarantees. The Board considers that the said annual rate is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Under the Disposal Agreement, in the event that the Group's obligations under the Guarantee is triggered due to breach of the agreement for the Loan by ACWA or Juting Company, ACWA and/or Juting Company shall indemnify the Group for all liabilities arising from its performance of the said obligations under the Guarantee.

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Conditions Precedent and Completion

The First Tranche Completion shall take place within 10 working days or such other longer period as agreed by the parties after the fulfillment or waiver by ACWA of the conditions as described below (“**Conditions I**”):

- a. the shareholders’ agreement in respect of Taiming Company having been duly signed by ACWA and Xinyuan Juneng in the form as stipulated in the Disposal Agreement;
- b. Xinyuan Juneng having procured Juting Company to obtain a consent letter in relation to the First Tranche Disposal from a financial institution (being an independent third party), and the said consent letter consents to the continuous performance of the existing financing documents without any unfavorable additional requirements or conditions;
- c. Juting Company having obtained the written consent letter from the holder of the environmental interest (which is an independent third party) consenting to the acquisition of control of Juting Company by ACWA;
- d. Juting Company having agreed with the existing service provider (which is principally engaged in the provision of operation and maintenance services to wind and solar power plants in the PRC, and is not a connected person of the Company) on the termination of the operation & maintenance contract; and Xinyuan Juneng having procured the said service provider to agree on the new operation & maintenance contract with ACWA’s related party as designated by ACWA (being an independent third party);
- e. Xinyuan Juneng and its affiliates having settled all outstanding payables and receivables between them and the Target Group; and as at the date of the First Tranche Completion, there being no outstanding disputes or claims between the Target Group and its historical and/or existing related parties;
- f. the representations and warranties of Xinyuan Juneng and the Target Group being true, accurate and complete in all respects and free from all omissions and not misleading in any material respects, and Xinyuan Juneng and the Target Group having performed and complied with all their covenants, undertakings and obligations on or prior to the date of the First Tranche Completion;
- g. the Target Group not having experienced any significant adverse effect under the Disposal Agreement during the Transitional Period (or, although such a significant adverse effect has occurred, it has been remedied within thirty days from the date of its occurrence, or the parties have reached an agreement in writing to address such significant adverse effect (or an event related to such significant adverse effect)); and
- h. Xinyuan Juneng having procured designated agreements having been signed by Juting Company with the suppliers of wind power turbines and tower tubes (being independent third parties), which shall provide warranty services to Juting Company for the wind power turbines and tower tubes of Juting Company.

LETTER FROM THE BOARD

In respect of condition (e) above, as at 31 December 2024, the amount of outstanding payables due from Xinyuan Juneng and its affiliates to the Target Group was approximately RMB174,594,200, and there were no outstanding receivables due from the Target Group to Xinyuan Juneng and its affiliates.

In the event that any of the Conditions I is not fulfilled, or waived by ACWA, by 30 June 2025 or such other date as agreed in writing by the parties, each of Xinyuan Juneng and ACWA has the right to terminate the Disposal Agreement, whereupon the First Tranche Completion and the Second Tranche Completion shall not take place and the Disposal Agreement shall no longer have any effect or be binding on any of the parties thereto. As at the Latest Practicable Date, condition (a) above had been fulfilled, and none of the other Conditions I had been fulfilled or waived.

After three years having passed since the First Tranche Completion and the obtaining of all necessary consent from the financial institution (if any), the Second Tranche Completion shall take place within 10 working days or such other longer period as agreed by the parties after the fulfillment or waiver by ACWA of the conditions as described below (“**Conditions II**”):

- a. there being no circumstances (such as non-fulfillment of the Conditions I, force majeure, etc.) having occurred which entitles ACWA to terminate the Disposal Agreement and/or to require Xinyuan Juneng to purchase the First Tranche Sale Shares as mentioned below; and
- b. there being no serious breaches by Xinyuan Juneng of its obligations or warranties under any of the Transaction Documents.

All of the Conditions I and Conditions II are waivable by ACWA.

Payment

The First Tranche Consideration shall be paid by ACWA to Xinyuan Juneng in cash in the following manner:

1. Within 7 working days after the following conditions having been fulfilled or waived by ACWA, which is expected to be before mid-April 2025, 50% of the First Tranche Consideration (i.e. approximately RMB212,091,000) shall be paid to Xinyuan Juneng:
 - a. the First Tranche Completion having been completed; and
 - b. Xinyuan Juneng having completed the handover to ACWA of the Target Group’s commerce materials and financial materials (such as business licence and other certificates, company seal and etc.) (the “**First Batch Materials**”).
2. Within 7 working days after Xinyuan Juneng having completed the handover of the documents and records relating to the Target Group or the Target Project other than the First Batch Materials, or such condition having been waived by ACWA, which is expected to be before early May 2025, 30% of the First Tranche Consideration (i.e. approximately RMB127,255,000) shall be paid to Xinyuan Juneng.

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3. Within 7 working days after ACWA and Xinyuan Juneng having agreed on the financial position of the Target Group for the Transitional Period as verified and confirmed by an accounting firm appointed by ACWA, or such condition having been waived by ACWA, which is expected to be before mid-June 2025, approximately RMB18,736,000 (minus all deductions (if any) from the First Tranche Consideration entitled by ACWA under the Disposal Agreement) shall be paid to Xinyuan Juneng.
4. Within 7 working days after each defect stipulated in the Disposal Agreement having been rectified (including obtaining compliance documentation, completing certain technical tests and installations, extending the warranty period for gearboxes, turbine blades and gears and etc.), or waived by ACWA, a specified sum shall be paid to Xinyuan Juneng totalling RMB66,100,000 for all defects.

The Second Tranche Consideration shall be paid by ACWA to Xinyuan Juneng in cash within 10 working days after the Second Tranche Completion. The Second Tranche Consideration is to be adjusted based on the following formula:

$$P = S - D + A - C$$

Notes:

“P” means the final amount of the Second Tranche Consideration.

“S” means the Initial Second Tranche Consideration.

“D” means the dividends received by Xinyuan Juneng from the Target Group or dividends declared but not yet paid by the Target Group to Xinyuan Juneng during the period from the date of the First Tranche Completion to the date of the Second Tranche Completion.

“A” means the difference between A1 and A2: “A1” being the capital utilization fee in respect of the Initial Second Tranche Consideration accrued on a daily basis at a simple interest rate of 3.5% per annum, and “A2” being the capital utilization fee in respect of all the dividends paid by the Target Group to Xinyuan Juneng between the date of the First Tranche Completion and the date of the Second Tranche Completion plus C accrued on a daily basis at a simple interest rate of 3.5% per annum.

“C” means all deductions from the Second Tranche Consideration entitled by ACWA under the Disposal Agreement.

It is expected that the Second Tranche Conditions will be fulfilled before June 2028, and the final amount of the Second Tranche Consideration will not exceed RMB236,000,000. Accordingly, the Total Consideration is expected to be not exceeding RMB660,182,000.

Shareholders’ Agreement

The Shareholders’ Agreement will take effect on the date of the First Tranche Completion, which governs the management and corporate affairs of Taiming Company and the rights of its shareholders, and its principal terms are as follows:

- a. Taiming Company shall have one director to be nominated by ACWA;
- b. the voting power of each shareholder of Taiming Company at its shareholders’ meetings shall be in proportion to the contributed capital in Taiming Company owned by each shareholder;

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- c. apart from certain important corporate matters (such as changes in registered capital and articles of association, and the dissolution and merger of Taiming Company, provision of material guarantees and loans, and etc.) requiring the approval of not less than two-third of the voting power, the remaining matters at shareholders' meetings of Taiming Company require the approval of more than half of the voting power at shareholders' meetings;
- d. if any shareholder of Taiming Company proposes to transfer its interest to any third party, other shareholders of Taiming Company shall have a pre-emptive right to acquire the same;
- e. if Taiming Company proposes to increase its registered capital, its shareholders shall have the pre-emptive right to acquire portions of the amount of the registered capital to be increased in proportion to the registered capital in Taiming Company owned by them;
- f. there are no capital commitments imposed on any of the shareholders of Taiming Company; and
- g. the total annual salary and other remuneration of the Target Group shall not exceed RMB1.5 million, and where this limit is exceeded, Xinyuan Juneng shall have the right to veto.

Termination and Rescission

ACWA has the right to terminate and rescind the Disposal Agreement by requiring Xinyuan Juneng to purchase the First Tranche Sale Shares and/or the Second Tranche Sale Shares (the “**Returned Shares**”) from ACWA if any of the following events occurs after the First Tranche Completion:

- 1. the following events occurs, for which Xinyuan Juneng fails to remedy or pay compensation to ACWA within 180 days after receiving the relevant notice from ACWA:
 - a. Xinyuan Juneng having committed a material breach of any of its obligations or warranties under any of the Transaction Documents, which materially affects the continuous operation of the Target Project or results in the dismantling of more than 20% of the Target Project's approved capacity;
 - b. the occurrence of any cause or event prior to the date of the First Tranche Completion resulting in a material adverse effect on the Target Group or Juting Company being demanded to pay a total sum of RMB50 million or more by the relevant governmental authorities or other third parties for the use of land by the Target Group after the First Tranche Completion (other than as a result of changes in laws, regulations or policies after the date of the First Tranche Completion);
 - c. due to the use of land by the Target Project, the relevant government authorities requiring the dismantling of the tower foundations involving more than 20% of the Target Project's approved capacity, or causing continuous shutdown of wind turbines accounting for more than 20% of the Target Project's approved capacity for more than 30 consecutive days, or Juting Company incurring a total loss of more than RMB50 million (other than as a result of changes in laws, regulations or policies after the date of the First Tranche Completion); and

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2. the use of land by the Target Project being subject to criminal investigation or sanction.

In the event of the said termination and rescission, Xinyuan Juneng shall return all amounts paid by ACWA within 30 days after receiving the written notice from ACWA. The returned amount shall be: the consideration paid by ACWA, the capital increase paid to the Target Group, the fees paid for resolving the issues of the Target Project, and the related capital utilisation fee for each payment calculated at a simple interest rate of 6% per annum; minus the actual dividends received by ACWA (or its designated related parties) from the Target Group, the actual compensation amount paid by Xinyuan Juneng directly to ACWA, and the related capital utilisation fee for each payment calculated at a simple interest rate of 6% per annum. On the date of return of all amounts by Xinyuan Juneng to ACWA, ACWA shall return the Returned Shares to Xinyuan Juneng, and Xinyuan Juneng and ACWA shall cooperate to complete the relevant filing and registration procedures. Further announcement will be made if the said right to terminate/rescind is exercised by ACWA.

Agreement Effective Date

The Disposal Agreement shall not take effect until the Company having published an announcement disclosing that the Disposal Agreement having been approved by the Shareholders at the special general meeting of the Company. If the Shareholders do not approve the said agreement at the said special general meeting, the Disposal Agreement will have no legal effect, and will thus not be legally binding against the parties.

INFORMATION ON THE TARGET GROUP

Juting Company is principally engaged in the operation of a 300 MW wind power plant project located in Tonghe County, Harbin City, Heilongjiang Province, the PRC, and was established as a limited liability company in the PRC on 9 September 2020 with a contributed registered capital of RMB160,000,000, which is owned as to 60% by Taiming Company. As at the Latest Practicable Date, the remaining 40% interest in Juting Company was ultimately owned by 11 individuals respectively, the largest of which indirectly owned a 4.64% interest in Juting Company. Juting Company had no revenue for the year ended 31 December 2023 as the Target Project has only been operational since January 2024.

Taiming Company was established as a limited liability company in the PRC on 23 April 2021 with a registered capital of RMB96,012,000. Taiming Company does not carry on any other business other than holding of a 60% interest in Juting Company. The unaudited consolidated net profit/(loss) before and after taxation of Taiming Company for the two financial years ended 31 December 2024 were approximately RMB7,300 (loss) (2023 before and after tax), RMB133,502,000 (2024 before tax) and RMB131,750,000 (2024 after tax) respectively. The unaudited consolidated net profit/(loss) before and after taxation of Taiming Company attributable to equity shareholders for the two financial years ended 31 December 2024 were approximately RMB4,380 (loss) (2023 before and after tax), RMB80,101,000 (2024 before tax) and RMB79,050,000 (2024 after tax) respectively. The unaudited consolidated net asset value of Taiming Company attributable to equity shareholders as at 31 August 2024 was approximately RMB185,078,000.

LETTER FROM THE BOARD

GENERAL INFORMATION

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

Xinyuan Juneng is a wholly-owned subsidiary of the Company and is principally engaged in the investment and holding of wind power projects in the PRC.

Concord Wind Power is principally engaged in investing in wind and solar power projects in the PRC.

ACWA is principally engaged in the businesses of development and investment in new energy, seawater desalination and green hydrogen. Insofar as the Company is aware, as at the date of this circular, ACWA is wholly-owned by ACWA Power Global Services Limited, a company wholly-owned by the Saudi Arabian government through the Saudi Arabia sovereign wealth fund. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, ACWA and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

FINANCIAL EFFECTS OF THE DISPOSAL

After the First Tranche Completion, Taiming Company will be held as to 66.67% by ACWA and as to 33.33% by Xinyuan Juneng. According to the accounting standards applicable to the Company, the Second Tranche Sale Shares will be treated as if they are being disposed of simultaneously with the First Tranche Sale Shares at a consideration equal to the Initial Second Tranche Consideration. Thus, having discussed with the Company's auditor, the Group will account for as if the Group having completely disposed of all its interest in the Target Group in its consolidated financial statements after the First Tranche Completion and account for the Initial Second Tranche Consideration as a financial asset.

The Company estimates that it will recognise a total unaudited gain of approximately RMB457,224,000 from the Disposal in the financial year in which the First Tranche Completion takes place (which is expected to be 2025), being the amount equal to (i) the First Tranche Consideration of approximately RMB424,182,000; plus (ii) the Initial Second Tranche Consideration of approximately RMB212,059,000; minus (iii) the unaudited net asset value of the Target Group at the consolidated statement level as at 31 December 2024 attributable to the Company of approximately RMB179,017,000. The actual gain arising from the Disposal is subject to audit. The capital utilization fee in respect of the Initial Second Tranche Consideration (which is accrued on a daily basis at a simple interest rate of 3.5% per annum) will be accounted for as other income in each of the financial years from the date of the First Tranche Completion to the date of the Second Tranche Completion (which is expected to be 2028).

The proceeds generated from the Disposal will be used to finance the business operation and activities of the Group within its ordinary course of business, including to invest in wind and solar power plant equipment in its ordinary course of business. The proceeds will also be used to strengthen the cash flow of the Group and as the Group's working capital, including administrative expenses and other operating expenses.

LETTER FROM THE BOARD

The excess of the Total Consideration (assuming the final amount of the Second Tranche Consideration being equal to the Initial Second Tranche Consideration) over the unaudited consolidated net asset value of Taiming Company attributable to equity shareholders as at 31 August 2024 is approximately RMB451,163,000. After completion of the Disposal, the total assets and liabilities of the Company are expected to decrease by approximately RMB1,317 million and RMB1,038 million respectively (subject to audit). After the First Tranche Completion, the earnings of the Target Group will no longer be accounted for in the accounts of the Company. The capital utilization fee in respect of the Initial Second Tranche Consideration as mentioned above to be accrued in each financial year will be accounted as other income during such financial year.

PREVIOUS DISPOSALS

On 15 January 2025, several wholly-owned subsidiaries of the Company (namely Xinyuan Juneng, Yilan Century Concord and Concord Wind Power) entered into a disposal agreement with ACWA to dispose of the 100% interest in Yilan Century Concord to ACWA at a total consideration of approximately RMB506,107,000, details of which are set out in the announcement of the Company dated 15 January 2025 (the “**Yilan Disposal**”).

On 17 January 2025, several wholly-owned subsidiaries of the Company (namely, Hubei Yinhe New Energy Technology Co., Ltd.* (湖北銀合新能源技術有限公司) (“**Hubei Yinhe**”), Qinghai Shunting New Energy Technology Co., Ltd.* (青海順霆新能源技術有限公司) (“**Qinghai Shunting**”), Dachaidan Century Concord Wind Power Co., Ltd.* (大柴旦協合風力發電有限公司) and Concord Wind Power) entered into a disposal agreement with ACWA, pursuant to which Hubei Yinhe has disposed of the 100% interest in Qinghai Shunting to ACWA (the “**Qinghai Disposal**”) in two tranches at a consideration of RMB65,000,000 (which is subject to adjustment, the adjusted consideration expected to be not exceeding RMB68,000,000). The registration of the industrial and commercial changes with the relevant government authority and the obtaining of new business license (if any) for the two tranches of the said disposal is expected to take place before end of March 2025 and April 2028 respectively.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Group has adopted a “build and transfer” strategy for a small number of its power plants, whereby the Group builds those power plants and disposes of its interests therein upon completion or commencement of the operation of the power plants. The Directors consider that the “build and transfer” strategy allows the Group to fully leverage its strengths in wind and solar power plant development and power plant construction, to achieve more attractive investment returns and improve the Group’s cash flow returns, thus reducing the debt ratio to support the stable and rapid growth of the Group.

Having considered: (1) the purchase prices offered by ACWA and other prospective purchasers of around RMB700,000,000 (which the Company considers to be reasonable); (2) the price-to-earnings multiple calculated based on the unaudited consolidated net profit of Taiming Company attributable to equity shareholders for the eight months ended 31 August 2024, which falls within a range acceptable to the Company based on its previous experience and market knowledge; (3) the price-to-earnings multiples of comparable disposals of power plants; and (4) the disposal gain mentioned in the paragraph headed “Financial Effects of the Disposal” in this circular, the Company considers that the said RMB700,000,000 was acceptable and reasonable to the Company.

LETTER FROM THE BOARD

As at 30 June 2024, the attributable installed capacity for power plants of the Target Group as a percentage of the attributable installed capacity for power plants of the Group was 4.44%, and the attributable net asset value of the Target Group as a percentage of the attributable net asset value of the Group was 2.15%. Hence, the Disposal will not materially scale down the Group's existing principal business of investing in and operating wind and solar power projects.

The Board considers that the terms of the Disposal, which will result in the disposal of the Company's 60% interest in Juting Company, are fair and reasonable, and will provide an additional capital resource to the Company so as to support other investment opportunities, and is in the interests of the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The highest Applicable Percentage Ratio for the Disposal is more than 5% but less than 25%. The highest Applicable Percentage Ratio for the Qinghai Disposal is less than 5%. The highest Applicable Percentage Ratio for the Yilan Disposal and the Qinghai Disposal on an aggregated basis is more than 5% but less than 25%. As the agreements for the Previous Disposals were entered into within a 12-month period before the date of the Disposal Agreement, the Disposal and the Previous Disposals shall be aggregated under Chapter 14 of the Listing Rules resulting in the highest Applicable Percentage Ratio on an aggregated basis exceeding 25% but less than 75%. Hence, the Disposal and the Previous Disposals on an aggregated basis constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and the Disposal Agreement is thus subject to the notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be convened by the Company to consider and, if thought fit, approve the Disposal by the Shareholders.

As at the date of the Announcement, the highest Applicable Percentage Ratio for the Disposal on an aggregated basis was the consideration ratio of approximately 34.9%. To result in a higher classification of the Disposal (namely being a very substantial disposal), the consideration ratio must be not less than 75%, which corresponds to a consideration of approximately HK\$2,879 million, and is more than twice the expected maximum total consideration of the Disposal and the Previous Disposal on an aggregated basis. The Company considers that it is impracticable that the actual amount of such total consideration on an aggregated basis will result in the classification of the Disposal as a very substantial disposal. Nonetheless, if the actual amount of such total consideration on an aggregated basis results in the classification of the Disposal as a very substantial disposal, the Company will re-comply with the notification, publication and shareholders' approval requirements for very substantial disposals under Chapter 14 of the Listing Rules.

SPECIAL GENERAL MEETING

The SGM will be held at Room No. 4901, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong on Thursday, 13 March 2025 at 11:00 a.m. for the Shareholders to consider and, if thought fit, approve, the Disposal. A notice convening the SGM and a form of proxy for use at the SGM are enclosed herewith. 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 17th Floor, Far East Finance Centre, No. 16 Harcourt

LETTER FROM THE BOARD

Road, Admiralty, Hong Kong not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 11 March 2025) 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.

In compliance with the Listing Rules, the resolutions put to vote at the SGM will be decided by way of poll. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders have any material interests in the Disposal, and are required to abstain from voting on the relevant resolutions at the SGM.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolutions in relation to the Disposal to be proposed at the SGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Concord New Energy Group Limited
Liu Shunxing
Chairman

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2023 AND THE SIX MONTHS ENDED 30 JUNE 2024

Consolidated financial information of the Group for each of the three years ended 31 December 2023, and the six months ended 30 June 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnegroup.com) respectively:

- Interim Report 2024 (pages 42 to 80):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092702279.pdf>
- Annual Report 2023 (pages 93 to 304):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024042200343.pdf>
- Annual Report 2022 (pages 93 to 292):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042805169.pdf>
- Annual Report 2021 (pages 95 to 300):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0401/2022040104047.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 31 December 2024, being the latest practicable date for ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank borrowings of approximately RMB5,735 million (the interest rates for such bank borrowings being between 2.2% and 5%). Among these bank borrowings, there were (i) unsecured and guaranteed bank loans of approximately RMB430 million, and (ii) secured and guaranteed bank loans of approximately RMB5,304 million, which were secured by fixed assets with net carrying value of approximately RMB85 million, account receivables with carrying value of approximately RMB192 million and share capital with net carrying value of approximately RMB790 million. Guarantees for the said bank loans were provided by the Company, Concord Wind Power and/or Yongzhou Jiepai Century Concord Wind Power Co., Ltd.* (永州界牌協合風力發電有限公司), a wholly-owned subsidiary of the Company.

Besides, the Group had outstanding finance leases from third parties of approximately RMB10,463 million (the interest rates for such finance leases being between 3.2% and 5.64%), which was guaranteed by the Company and/or subsidiaries of the Company, and was secured by fixed assets with net carrying value of approximately RMB5,962 million, account receivables with carrying value of approximately RMB1,180 million and share capital with net carrying value of approximately RMB2,927 million. There was a contingent liability of approximately RMB466 million, which was guaranteed by the Company and/or subsidiaries of the Company and was unsecured.

Save as disclosed above and apart from intra-group liabilities, as at 31 December 2024, the Group did not have any other outstanding mortgages, charges, debentures, loan capital, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance creditors, or guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that taking into account the financial resources available to the Group including internally generated funds and the available banking facilities and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position or outlook of the Company since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group's installed capacity of power plants is primarily contributed by wind farms, which account for the majority of electricity generation. Although solar farms contribute to a relatively small portion of installed capacity, it is growing rapidly.

In 2024, the Group's attributable power generation, largely from its wind farms, achieved steady growth, and project development saw further successes in China and in international markets. The scale of projects under construction remained high with strong project pipeline in China and in international markets. Operational efficiencies have been consistently improved through strengthening budget management and enhancing cost awareness. The financing structure was continually optimized through power generation assets transaction and refinancing of existing debt of operational assets. The Group's key performance indicators reflected a positive trajectory, with installed capacity and revenue showing sustained growth.

In 2024, the Group's green power trading volume demonstrated an increase that contributed to revenue and profitability growth. Meanwhile, we intensified our marketing efforts for green certificates, and increased green certificate revenue. Additionally, the Group expanded long-term green certificate sales agreements with key customers, making future revenue more predictable.

As the global economy grows, the renewable energy sector will continue to thrive rapidly. At the same time, technological innovations will further accelerate the energy transition. Many countries are entering a global rate-cutting cycle, and a further decline in the PRC's reserve requirement ratio and financing rates is anticipated. These developments are likely to reduce financing costs for renewable energy projects and thereby foster sustained growth in renewable energy investment.

The Group will steadfastly adhere to its established development strategy direction, accurately identify and capitalize on new industry trends, and continue to adapt to market changes while capitalizing on our core strengths.

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 Practicable Date, save as disclosed below, none of the Directors had any interests in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were 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 set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares:

Name of the Directors	Nature of interest				Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate/Trust	Total	
Liu Shunxing	37,500,000 ⁽¹⁾	–	1,754,714,242 ⁽¹⁾	1,792,214,242	22.45
Liu Jianhong	29,710,000 ⁽²⁾	–	150,000,000 ⁽²⁾	179,710,000	2.25
Gui Kai	15,600,000 ⁽³⁾	–	–	15,600,000	0.20
Niu Wenhui	16,000,000 ⁽³⁾	–	–	16,000,000	0.20
Zhai Feng	4,000,000 ⁽³⁾	–	–	4,000,000	0.05
Shang Jia	8,000,000 ⁽³⁾	–	–	8,000,000	0.10
Chan Kam Kwan, Jason	3,800,000 ⁽³⁾	–	–	3,800,000	0.05
Jesse Zhixi Fang	2,800,000 ⁽³⁾	–	–	2,800,000	0.04
Huang Jian	2,800,000 ⁽³⁾	–	–	2,800,000	0.04
Zhang Zhong	2,800,000 ⁽³⁾	–	–	2,800,000	0.04

Notes:

- (1) As at the Latest Practicable Date: (i) 1,002,877,155 Shares were held by China Wind Power Investment Limited (“**CWPI**”) and 751,837,087 Shares were held by Splendor Power Limited; (ii) CWPI was wholly-owned by CNE Group Limited (formerly known as Permanent Growth Limited); (iii) Mr. Liu Shunxing held 46.77% of the total issued shares of CNE Group Limited and held 99% of the total issued shares of Splendor Power Limited; and (iv) Mr. Liu Shunxing had interest in 37,500,000 Shares as beneficial owner under the SFO.
- (2) As at the Latest Practicable Date: (i) 150,000,000 Shares were held by a discretionary trust for which Ms. Liu Jianhong was the founder and settlor; and (ii) Ms. Liu Jianhong had interest in 29,710,000 Shares as beneficial owner under the SFO.
- (3) As at the Latest Practicable Date, the Director had interest as beneficial owner under the SFO in respect of such number of the Shares.

(ii) Directors’ other interests

- (a) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 December 2023, 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 were proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As at 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 significant in relation to the business of the Group.
- (c) As at 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.
- (d) As at the Latest Practicable Date, save for Mr. Liu Shunxing (“**Mr. Liu**”) and Ms. Liu Jianhong being the directors of China Wind Power Investment Limited and CNE Group Limited, and Mr. Liu being a director of Splendor Power Limited, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACT

As at the Latest Practicable Date, the Group had not entered into any material contracts (not being contracts entered into in the ordinary course of business of the Group) within the two years preceding the date of this circular.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, 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.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of any compensation (other than statutory compensation)).

6. SECRETARY OF THE COMPANY

The secretary of the Company is Mr. Chan Kam Kwan, Jason. Mr. Chan holds a certificate of Certified Public Accountant issued by the Washington State Board of Accountancy in the United States, and has extensive experience acting as a company secretary for listed companies.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnegroup.com) for a period of 14 days from the date of this circular:

- the Disposal Agreement.

8. MISCELLANEOUS

The Company's Hong Kong branch share registrar and transfer office is Tricor Tengis Limited, 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong.

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

NOTICE OF SGM



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 IS HEREBY GIVEN that the special general meeting (the “SGM”) of Concord New Energy Group Limited (the “Company”) will be held at Room No. 4901, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong on Thursday, 13 March 2025 at 11:00 a.m. to consider and, if thought fit, pass the following ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the Disposal Agreement (as defined in the circular of the Company dated 25 February 2025), a copy of which is tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two directors of the Company be and are hereby authorised to execute all such documents and to do all such acts as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient.”

For and on behalf of
Concord New Energy Group Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 25 February 2025

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or (in respect of any shareholder of two or more shares) more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. 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 or a notarially certified copy thereof must be deposited at the Company's branch share registrar, Tricor Tengis Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. 11:00 a.m. on Tuesday, 11 March 2025) before the time fixed for holding the meeting or adjourned meeting (as the case may be). Proxy forms sent electronically or by any other data transmission process will not be accepted.

** For identification purposes only*

NOTICE OF SGM

3. Completion and return of the form of proxy will not preclude a member from attending the SGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. If tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons or a black rainstorm warning is in effect at any time after 8:00 a.m. on Thursday, 13 March 2025, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
5. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date hereof, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Mr. Zhai Feng, Ms. Shang Jia and Mr. Chan Kam Kwan, Jason (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director), and Mr. Jesse Zhixi Fang, Ms. Li Yongli, Mr. Chua Pin, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).