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Concord New Energy Group Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 182)

CONNECTED TRANSACTION REGARDING THE DISPOSAL OF EQUITY INTERESTS IN THE TARGET COMPANY

On 5 April 2016, the Company and Huadian entered into the Supplemental Agreement which amends and supplements the Equity Transfer Agreement that the parties entered into on 22 December 2014. Under the Equity Transfer Agreement, the Company sold to Huadian 49% of the entire equity interests of the Target Company (the “**First Equity Transfer**”). The First Equity Transfer was completed on 31 December 2014.

Pursuant to the Equity Transfer Agreement, the Company conditionally agreed to sell and Huadian conditionally agreed to acquire additional equity interests in the Target Company from 2% up to 51% of the entire equity interests of the Target Company provided that the wind power farm has come into operation under the Project. To date, the Project is still ongoing but the Project has not yet been implemented. The parties have decided to enter into the Supplemental Agreement pursuant to which the Company agreed to sell and Huadian agreed to acquire 51% of the entire equity interests of the Target Company at a consideration of RMB44.13 million (equivalent to approximately HK\$52.96 million) (the “**Second Equity Transfer**”).

The First Equity Transfer is not classified as a notifiable transaction or a connected transaction under the Listing Rules. However, after the completion of the First Equity Transfer, Huadian which holds 49% of the entire equity interests of the Target Company (a non-wholly owned subsidiary of the Company), is regarded as a connected person of the Company. The Second Equity Transfer thus constitutes a connected transaction under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Second Equity Transfer are more than 0.1% but less than 5%, the Second Equity Transfer is subject to the reporting and announcement requirements, but is exempted from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

* *for identification purpose only*

As none of the Directors have any material interest in the transactions contemplated under the Equity Transfer Agreement and the Supplemental Agreement, they were not required to abstain from voting at the meeting during which board resolutions in relation to the relevant transactions were approved.

BACKGROUND

On 5 April 2016, the Company and Huadian entered into the Supplemental Agreement which amends and supplements the Equity Transfer Agreement that the parties entered into on 22 December 2014. Under the Equity Transfer Agreement, the Company sold to Huadian 49% of the entire equity interests of the Target Company (the “**First Equity Transfer**”). The First Equity Transfer was completed on 31 December 2014.

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SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are summarised as follows:

Date	:	5 April 2016
Parties:	:	the Company as seller Huadian Fuxin Energy Corporation Limited (華電福新能源股份有限公司) as acquirer
Subject matter:	:	51% of the entire equity interests of the Target Company
Consideration	:	RMB44.13 million (equivalent to approximately HK\$52.96 million)

The amount of the above consideration is on normal commercial terms and is agreed after arm's length negotiation principally with reference to the equity contribution in the Target Company which was made by the Company and its corresponding cost of capital.

Within 5 working days after the Supplemental Agreement takes effect, Huadian will pay to the Company 80% of the above consideration to an account designated by the Company (the “**Account**”). Within 5 working days after the completion of registration of the Second Equity Transfer at AIC, Huadian will pay to the Company the remaining 20% of the consideration to the Account. Huadian will pay the consideration with its internal resources.

INFORMATION ON THE TARGET COMPANY

The Target Company which is incorporated in the PRC on 21 November 2012 with limited liability, is engaged in the operation of the wind farm in the Jingmen city (荊門市) of the Hubei province (湖北省), the PRC under the Project. As the wind farm is still under construction, the Target Company has not generated any operating income yet.

Immediately after the completion of the Second Equity Transfer, the Company will cease to have any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

Financial information of the Target Company

The financial information of the Target Company for the two financial years ended 31 December 2015 is set out below:

	For the financial year ended 31 December			
	2014		2015	
	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit before tax and minority interest	0	0	0	0
Net profit after tax and minority interest	0	0	0	0

As at 31 December 2015, the Target Company had unaudited net asset value of approximately RMB81 million (equivalent to approximately HK\$97.20 million).

Financial impact of the Second Equity Transfer on the Company

Based on the consideration payable by Huadian to the Company under the Supplemental Agreement, it is estimated that the Company will recognize a gain from the Second Equity Transfer of approximately HK\$3.38 million (before tax and expenses and subject to audit), which is calculated by reference to the amount of consideration as set out above and 51% the unaudited net asset value of the Target Company as at 31 December 2015 as set out above.

INFORMATION ON HUADIAN

Huadian and its subsidiaries are primarily engaged in the development, management and operation of hydropower projects and coal-fired power plants in Fujian province and wind power and other clean energy projects throughout the PRC.

REASONS FOR AND BENEFIT OF THE TRANSACTION

The Company is principally engaged in (i) investing in various wind and solar power projects and (ii) offering professional technical services and integrated solution to the wind and solar power generation projects.

The Equity Transfers will strengthen the Company's cash resources and working capital position for the development of the Group's solar and wind power businesses. The Company intends to use the proceeds from the Second Equity Transfer for wind and solar power project development.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

The First Equity Transfer is not classified as a notifiable transaction or a connected transaction under the Listing Rules. However, after the completion of the First Equity Transfer, Huadian which holds 49% of the entire equity interests of the Target Company (a non-wholly owned subsidiary of the Company), is regarded as a connected person of the Company. The Second Equity Transfer thus constitutes a connected transaction under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Second Equity Transfer are more than 0.1% but less than 5%, the Second Equity Transfer is subject to the reporting and announcement requirements, but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As none of the Directors have any material interest in the transactions contemplated under the Equity Transfer Agreement and the Supplemental Agreement, they were not required to abstain from voting at the meeting during which board resolutions in relation to the relevant transactions were approved.

DEFINITIONS

“AIC”	State Administration for Industry & Commerce of the People’s Republic of China or its competent local branch
“Company”	Concord New Energy Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it by the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it by the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Company and Huadian on 22 December 2014 in relation to the transfer of the equity interests in the Target Company (as amended and supplemented by the Supplemental Agreement)
“Equity Transfers”	the First Equity Transfer and the Second Equity Transfer
“Group”	the Company and its subsidiaries
“First Equity Transfer”	the transfer of the 49% equity interests in the Target Company pursuant to the Equity Transfer Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huadian”	Huadian Fuxin Energy Corporation Limited (華電福新能源股份有限公司) (stock code: 816), a joint stock company incorporated under the laws of the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange
“Independent Third Party”	any person/entity who/which is a third party independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“notifiable transaction(s)”	has the meaning ascribed to it by the Listing Rules

“percentage ratio(s)”	the percentage ratio(s) as defined in Chapter 14 of the Listing Rules
“PRC”	The People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Project”	a wind power generation project of the Target Company in the Jingmen city (荊門市) of the Hubei province (湖北省), the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Second Equity Transfer”	the transfer of the 51% equity interests in the Target Company pursuant to the Equity Transfer Agreement and the Supplemental Agreement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it by the Listing Rules
“Supplemental Agreement”	the agreement supplemental to the Equity Transfer Agreement which was entered into between the Company and Huadian on 5 April 2016
“Target Company”	Hubei Jinquan Wind Power Electricity Co., Ltd.* (湖北金泉風力發電有限公司), a company incorporated under the laws of the PRC with limited liability and wholly owned by the Company
“%”	per cent

The translation of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.2, and are provided for information purposes only.

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

Hong Kong, 5 April 2016

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As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Mr. Yang Zhifeng and Ms. Liu Jianhong (Co-Vice Chairpersons), Mr. Yu Weizhou (Chief Executive Officer), Mr. Gao Fuchun (who is non-executive Director), Dr. Wong Yau Kar, David, BBS, JP, Mr. Yap Fat Suan, Dr. Shang Li and Ms. Huang Jian (who are independent non-executive Directors).