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CHINA POWER NEW ENERGY LIMITED
(incorporated in Hong Kong with limited liability)

**CHINA POWER CLEAN ENERGY
DEVELOPMENT COMPANY LIMITED**
(incorporated in Hong Kong with limited liability)
(Stock Code: 0735)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE DELISTING OF CHINA POWER CLEAN ENERGY
DEVELOPMENT COMPANY LIMITED BY CHINA POWER NEW ENERGY
LIMITED BY WAY OF A SCHEME OF ARRANGEMENT (UNDER SECTION
673 OF THE COMPANIES ORDINANCE)**

**(2) IRREVOCABLE UNDERTAKING BY THE IU SHAREHOLDER TO
APPROVE THE PROPOSAL**

DESPATCH OF SCHEME DOCUMENT AND OPTION OFFER LETTER

Financial Adviser to CHINA POWER NEW ENERGY LIMITED



Reference is made to (i) the joint announcement issued by China Power New Energy Limited (the “**Offeror**”) and China Power Clean Energy Development Company Limited (the “**Company**”) on 28 March 2019 (the “**Announcement**”) in relation to, among other things, the proposal for the delisting of the Company by way of a scheme of arrangement under Section 673 of the Companies Ordinance; (ii) the joint announcement of the Offeror and the Company dated 2 May 2019 in relation to the extension of time for despatch of the Scheme Document; (iii) the joint announcement of the Offeror and the Company dated 31 May 2019 providing a monthly update on the status and progress in connection with the Proposal; and (iv) the scheme document dated 20 June 2019 jointly issued by the Offeror and the Company in relation to the Proposal, the Scheme and the Option Offer (the “**Scheme Document**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings ascribed to them in the Scheme Document.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document together with the notices of the Court Meeting and the General Meeting to be held on Friday, 12 July 2019 and the relevant forms of proxy and the Election Form will be despatched to the Shareholders on Thursday, 20 June 2019.

The Scheme Document together with the notices of the Court Meeting and the General Meeting, the Option Offer Letter and the Form of Acceptance in relation to the Option Offer will also be despatched to Optionholders on Thursday, 20 June 2019.

The Scheme Document contains, among other things, further details of the Proposal, the Scheme and the Option Offer, the expected timetable, the explanatory statement of the Scheme as required under the Companies Ordinance, financial information of Parentco and the Company, general information regarding the Offeror and the Company, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser, a notice of the Court Meeting, a notice of the General Meeting and the form of the Option Offer Letter.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Zhou Jiong, Mr. Chu Kar Wing, Dr. Li Fang, Mr. Wong Kwok Tai and Ms. Ng Yi Kum, has been established by the Board to make a recommendation to the Independent Shareholders and the Optionholders in respect of the Proposal, the Scheme and the Option Offer.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer.

The Independent Financial Adviser has advised the Independent Board Committee that it considers the terms of the Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned and the terms of the Option Offer are fair and reasonable so far as Optionholders are concerned, and accordingly, it recommends the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting to approve the Proposal and the Scheme and at the General Meeting to approve the matters as set out in the notice of General Meeting, and the Optionholders to accept the Option Offer. The Independent Financial Adviser also recommends the Independent Shareholders to accept the Cash Alternative of HK\$5.45 and not to take the Share Alternative.

The Independent Board Committee, having taken into account the opinion of the Independent Financial Adviser, considers that, as far as the Independent Shareholders are concerned, the terms of the Proposal and the Scheme are fair and reasonable, and as far as the Optionholders are concerned, the terms of the Option Offer are fair and reasonable. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the Court Meeting and the General Meeting to approve and give effect to the Scheme, and the Optionholders to accept the Option Offer. The Independent Board Committee also recommends the Independent Shareholders to elect the Cash Alternative, and not to elect the Share Alternative.

Shareholders and Optionholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser contained in the Scheme Document.

COURT MEETING AND GENERAL MEETING

The Court Meeting and the General Meeting are scheduled to be held at 10:30 a.m. and 11:00 a.m. (or immediately after the conclusion or adjournment of the Court Meeting), respectively, on Friday, 12 July 2019 at Tianshan & Lushan Rooms, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong.

The High Court has directed that the Court Meeting be convened for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

Immediately following the conclusion of the Court Meeting, the General Meeting will be held for the purpose of considering and, if thought fit, passing the special resolution to give effect to the Scheme, including the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled.

Notices of the Court Meeting and the General Meeting are contained in the Scheme Document.

An announcement will be made by the Company and the Offeror in relation to the results of the Court Meeting and the General Meeting on Friday, 12 July 2019.

CLOSURE OF REGISTER OF MEMBER FOR DETERMINATION OF ENTITLEMENTS TO VOTE

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Tuesday, 9 July 2019 to Friday, 12 July 2019 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Monday, 8 July 2019.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

Shareholders and potential investors should be aware that the implementation of the Scheme and the Proposal is subject to the fulfilment or waiver, as applicable, of the Conditions as described in the section headed “3. Conditions of the Proposal and the Scheme” in the Explanatory Statement of the Scheme Document, and therefore the Proposal and the Scheme may or may not be implemented. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and Scheme will lapse.

Assuming that the Conditions are fulfilled or, as applicable, waived, the Proposal and the Scheme will become effective on the Effective Date, which is expected to be Monday, 19 August 2019, and the listing of the Shares on the Stock Exchange is expected to be withdrawn at 4:00 p.m. on Tuesday, 20 August 2019 pursuant to Rule 6.15(2) of the Listing Rules.

Further announcements will be made regarding the Proposal and the Scheme in accordance with the requirements of the Takeovers Code and the Listing Rules, including in relation to the results of the hearing of the petition to sanction the Scheme by the High Court, the Scheme Record Date, the Effective Date and the date of withdrawal of the listing of the Shares from the Stock Exchange.

EXPECTED TIMETABLE

The expected timetable for the Proposal is as follows:

	Hong Kong Time
Date of despatch of the Scheme Document	Thursday, 20 June 2019
Date of despatch of the Option Offer Letter for the Option Offer	Thursday, 20 June 2019
Latest time for lodging transfers of Shares in order to become entitled to the 2018 Company Dividend	Friday, 21 June 2019
Register of members of the Company closed for determination of entitlements of Shareholders to the 2018 Company Dividend (<i>Note 1</i>).	from Monday, 24 June 2019 to Thursday, 27 June 2019 (both days inclusive)
Latest time for Optionholders to lodge notices of exercise (accompanied by full payment of the exercise price) of their Share Options in order to become entitled to attend and vote at the Court Meeting and the General Meeting (<i>Note 12</i>).	4:30 p.m. on Friday, 5 July 2019
Latest time for lodging transfers of Shares in order to become entitled to attend and vote at the Court Meeting and the General Meeting.	4:30 p.m. on Monday, 8 July 2019

Register of members of the Company closed for determination of entitlements of holders of Scheme Shares to attend and vote at the Court Meeting and of Shareholders to attend and vote at the General Meeting (*Note 1*) from Tuesday, 9 July 2019 to Friday, 12 July 2019 (both days inclusive)

Latest time for lodging forms of proxy in respect of (*Note 2*)

- Court Meeting 10.30 a.m. on Wednesday, 10 July 2019
- General Meeting 11.00 a.m. on Wednesday, 10 July 2019

Meeting Record Date Friday, 12 July 2019

Court Meeting (*Note 3*) 10.30 a.m. on Friday, 12 July 2019

General Meeting (*Note 3*) 11.00 a.m. on Friday, 12 July 2019 (or immediately after the conclusion or adjournment of the Court Meeting)

Announcement of the results of the Court Meeting and the General Meeting posted on the website of the Stock Exchange and the website of the Company. Friday, 12 July 2019

Latest Options Exercise Date (*Note 5 and Note 11*) 4:30 p.m. on Monday, 15 July 2019

Expected last day for trading in the Shares on the Stock Exchange Tuesday, 16 July 2019

Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme 4:30 p.m. on Friday, 19 July 2019

Register of members of the Company closed for determining entitlements to qualify under the Scheme (*Note 4 and Note 5*) From Monday, 22 July 2019 onwards

Latest time and date for lodging the Form of Acceptance in relation to the Option Offer (*Note 7*) 4:30 p.m. on Wednesday, 7 August 2019

Share Option Record Date (*Note 5 and Note 7*) Wednesday, 7 August 2019

Scheme Record Date Thursday, 8 August 2019

Lapse of all Share Options (*Note 12*) Thursday, 8 August 2019

Latest time for lodging the Election Form for election of the Cash Alternative or the Share Alternative (*Note 6*) 4:30 p.m. on Thursday, 15 August 2019

Court hearing of the petition to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the SchemeThursday, 15 August 2019

Announcement of the results of the court hearing of the petition to sanction the Scheme and to confirm the reduction of the share capital of the Company involved in the Scheme, the expected Effective Date and the expected date of withdrawal of listing of Shares on the Stock ExchangeThursday, 15 August 2019

Effective Date (*Note 8*)Monday, 19 August 2019

Announcement of the Effective Date, the withdrawal of the listing of the Shares on the Stock Exchange and the results of the Option OfferMonday, 19 August 2019

Expected withdrawal of the listing of Shares on the Stock Exchange becomes effective (*Note 9*). 4:00 p.m. on Tuesday, 20 August 2019

Latest time to despatch cheques for cash entitlements and share certificates for share entitlements under the Scheme, and cheques for cash payment for acceptances under the Option Offer in respect of Share Options that have vested as at the Share Option Record Date but in respect of which the underlying Shares have not been registered in the name of the relevant holder (or its nominee) as at the Scheme Record Date (*Note 10 and Note 11*) Wednesday, 28 August 2019

Shareholders and Optionholders should note that the above timetable is subject to change. Further announcement(s) will be made in the event that there is any change.

Notes:

- (1) The register of members of the Company will be closed during such period for the purpose of determining (i) the entitlements of the Shareholders to the 2018 Company Dividend as announced in the 2018 Results Announcement and (ii) the entitlements of the holders of Scheme Shares to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the General Meeting. This book closure period is not for determining entitlements under the Scheme.
- (2) Forms of proxy should be lodged with the office of the Share Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event no later than the times and date(s) stated above. In order to be valid, the pink form of proxy for the Court Meeting and the white form of proxy for the General Meeting must be lodged no later than the latest times and date(s) stated above. Each holder of Scheme Shares is only entitled to submit one proxy form for the Court Meeting. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote both FOR and AGAINST the Scheme, the proxy forms will not be accepted. If more than one proxy form for the Court Meeting is submitted by a holder of Scheme Shares and the voting instructions require the proxies to vote either FOR or AGAINST the Scheme but not both FOR and AGAINST the Scheme, the Chairman shall have absolute discretion as to whether or not to accept those proxy forms. Completion and return of a form of proxy for the Court Meeting or the General Meeting will not preclude a holder of Scheme Shares and a Shareholder, respectively, from attending the relevant meeting and voting in person. In the event that the member attends and votes at the relevant meeting or any adjournment thereof after having lodged his form of proxy, the returned form of proxy shall be deemed to have been revoked by operation of law.

- (3) The Court Meeting and the General Meeting will be held at Tianshan & Lushan Rooms, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong at the times and date specified above. Please see the notice of Court Meeting set out in Appendix VII to the Scheme Document and the notice of General Meeting set out in Appendix VIII to the Scheme Document for details. If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or a black rainstorm warning signal is or is expected to be in force at any time after 7:00 a.m. on the date of the Court Meeting and the General Meeting, the Court Meeting and the General Meeting will be postponed. The Company will post an announcement on the respective websites of the Hong Kong Exchanges and Clearing Limited and the Company to notify the members of the date, time and venue of the rescheduled meetings.
- (4) The register of members of the Company will be closed as from such time and on such date for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- (5) If holders of vested Share Options wish to qualify for entitlements under the Scheme, they must exercise their Share Options and lodge their notices of exercise before the time specified above on the Latest Options Exercise Date and, subject to the customary process for allotment and issue of Shares by the Company, become registered holders of Shares by the time of the Scheme Record Date.
- (6) The Election Form, duly completed in accordance with the instructions thereon, must be lodged with the Share Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which will be relocated to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019), not later than the time and date stated above (or such later time and/or date as may be notified through announcement(s)), failing which an Election Form shall not be treated as valid and the Shareholders (other than the IU Shareholder which has undertaken to elect the Share Alternative only) purporting to make the election shall not, for any purpose, be entitled to receive the Share Alternative but shall instead receive the Cash Alternative if the Scheme becomes effective.
- (7) Forms of Acceptance, duly completed in accordance with the instructions on them, must be lodged with the Offeror, care of China Power Clean Energy Development Company Limited at Rooms 3801-05, 38/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for the attention of the Company Secretarial Department of the Company not later than 4:30 p.m. on Wednesday, 7 August 2019 (or such later date as may be notified by the Offeror, UBS and the Company or by way of joint announcement by the Offeror and the Company on the website of the Stock Exchange).
- (8) The Scheme shall become effective upon all the Conditions set out in the paragraph headed "3. Conditions of the Proposal and the Scheme" in Part VII – Explanatory Statement of the Scheme Document having been fulfilled or (to the extent permitted) waived (as the case may be).
- (9) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at or before 4:00 p.m. on Tuesday, 20 August 2019.
- (10) Cheques for cash entitlements in respect of the Cash Alternative or share certificates for Offeror Shares in respect of the Share Alternative under the Scheme and payment pursuant to the Option Offer to the Optionholders will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of the Company and to the last known addresses of the Optionholders as notified by the Optionholders to the Company on or before Wednesday, 28 August 2019.
- (11) These denote the recommended latest dates, which are based on the time estimated by the Company to complete the required processes to issue the underlying Shares before the Meeting Record Date or the Scheme Record Date (as the case may be). For any Share Options being exercised (as the case may be) after the specified time on the Latest Options Exercise Date but before the Scheme Record Date, the Offeror and the Company may at their sole discretion issue or transfer (as the case may be) the underlying Shares to the holders so that they can qualify for entitlements under the Scheme before the Scheme Record Date.
- (12) Pursuant to the terms of the Share Option Scheme, all Share Options shall lapse automatically on the Scheme Record Date and will no longer be exercisable as from such date.

All references to times and dates in this Announcement are references to Hong Kong times and dates, unless otherwise stated.

Warnings:

Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action should consult their stockbroker, bank manager, solicitor or other professional advisers.

By Order of the board of
China Power New Energy Limited
Ms. Xu Wei
Director

By Order of the board of
**China Power Clean Energy Development
Company Limited**
Mr. Sun Guigen
Director

Hong Kong, 20 June 2019

As at the date of this announcement, the directors of the Offeror are Mr. TIAN Jun and Ms. XU Wei.

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

As at the date of this announcement, the directors of the Parentco are Mr. TIAN Jun, Mr. GAO Guangfu, Mr. GUAN Qihong, Mr. WANG Xianchun and Mr. CAO Yan.

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

As at the date of this announcement, the executive Directors of the Company are Mr. HE Hongxin, Mr. HE Lianhui, Mr. SUN Guigen and Mr. QI Tengyun, the non-executive Directors of the Company are Mr. TIAN Jun and Mr. ZHOU Jiong, and the independent non-executive Directors of the Company are Mr. CHU Kar Wing, Dr. LI Fang, Mr. WONG Kwok Tai and Ms. NG Yi Kum.

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