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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF 100% EQUITY INTEREST IN
TONGDAO CENTURY CONCORD

THE DISPOSAL

On 27 November 2019, Yongzhou Jiepai (a wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with China Nuclear Shandong and Tongdao Century Concord, pursuant to which Yongzhou Jiepai agreed to sell and China Nuclear Shandong agreed to acquire the entire equity interest in Tongdao Century Concord, at the consideration of RMB244,380,000, payable by China Nuclear Shandong in accordance with the terms and conditions of the Equity Transfer Agreement.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transaction contemplated under the Equity Transfer Agreement exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

EQUITY TRANSFER AGREEMENT

On 27 November 2019, Yongzhou Jiepai (a wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with China Nuclear Shandong and Tongdao Century Concord, pursuant to which Yongzhou Jiepai agreed to sell and China Nuclear Shandong agreed to acquire the entire equity interest in Tongdao Century Concord, at the consideration of RMB244,380,000, payable by China Nuclear Shandong in accordance with the terms and conditions of the Equity Transfer Agreement.

Date

27 November 2019

Parties

- (1) Yongzhou Jiepai, as vendor; and
- (2) China Nuclear Shandong, as purchaser

Assets to be disposed of

Pursuant to the Equity Transfer Agreement, Yongzhou Jiepai agreed to sell and China Nuclear Shandong agreed to acquire the entire equity interest in Tongdao Century Concord.

As at the date of this announcement, Tongdao Century Concord was held as to 100% by Yongzhou Jiepai.

Consideration

The consideration of RMB244,380,000 is payable by China Nuclear Shandong in cash in the following manner:

- (a) 20% of the consideration (i.e. RMB48,876,000), as the first instalment, shall be paid into a bank account (the “**Joint Account**”) jointly set up by Yongzhou Jiepai and China Nuclear Shandong within three (3) business days upon the satisfaction of all conditions precedent of the completion of the Disposal (as stated in the paragraph headed “Conditions Precedent” below), and such amount shall be released to Yongzhou Jiepai on the day when the registration and filing of (i) the transfer of the entire equity interest in Tongdao Century Concord, (ii) the changes of legal representative(s), director(s), supervisor(s) and general manager(s) of Tongdao Century Concord, and (iii) the amendment(s) of the articles of association of Tongdao Century Concord with the relevant administration for industry and commerce are completed and the new business license of Tongdao Century Concord is issued and delivered to China Nuclear Shandong;
- (b) 30% of the consideration (i.e. RMB73,314,000), as the second instalment, shall be paid into a designated account of Yongzhou Jiepai (the “**Designated Account**”) within three (3) business days upon the date of satisfaction of the conditions set out in paragraph (a) above;
- (c) 40% of the consideration (i.e. RMB97,752,000), as the third instalment, shall be paid into the Joint Account within three (3) business days upon the date of satisfaction of the conditions set out in paragraph (a) above and the following conditions, and such amount shall be released to Yongzhou Jiepai on the next business day upon the issuance of a written confirmation by

China Nuclear Shandong to Yongzhou Jiepai evidencing that the transfer of all relevant assets documents as stipulated in the Equity Transfer Agreement is completed:

- (i) the registration and filing of the transfer of the entire equity interest in Tongdao Century Concord with the relevant tax authority is completed, and upon verification with the relevant tax authority, Tongdao Century Concord has no outstanding tax payments or overdue payments as at the date thereof; and
 - (ii) Yongzhou Jiepai has obtained a written confirmation from the relevant government authority, stating that the relevant requisitioning of land in respect of the Projects is completed;
- (d) 5% of the consideration (i.e. RMB12,219,000), as the fourth instalment, shall be paid into the Designated Account within five (5) business days upon obtaining documents evidencing that the environmental impact assessment(s), fire prevention filling(s), pre-evaluation(s) of occupational diseases, design(s) and acceptance of occupational disease prevention facilities and the filling(s) of emergency plan(s) in respect of the Projects are completed and that the grid-connected wind power generating notice in respect of the Projects is obtained; and
- (e) 5% of the consideration (i.e. RMB12,219,000), as the fifth instalment, shall be paid into the Designated Account within five (5) business days upon obtaining documents evidencing that the construction project commencement permit(s), the construction land planning permit(s) and the relevant real estate right certificate(s) in respect of the Projects are obtained.

The consideration for the Disposal was agreed after arm's length negotiations among the parties to the Equity Transfer Agreement on common commercial terms with reference to, among other things, (i) the prevailing market value of entire equity interest of Tongdao Century Concord; and (ii) the unaudited net asset value of Tongdao Century Concord of approximately RMB143,716,724 as at 30 September 2019.

Conditions Precedent

The completion of the Disposal is subject to and conditional upon the fulfilment of, among others, the following conditions precedent:

- (a) a written confirmation evidencing that there was no non-compliance issue in respect of the Disposal as at the date thereof is obtained by Yongzhou Jiepai;
- (b) a written confirmation evidencing the legal ownerships of the equipment and facilities currently used by Tongdao Century Concord is obtained;
- (c) all internal approvals required for the Disposal are obtained by Yongzhou Jiepai and China Nuclear Shandong, respectively;

- (d) an explanatory letter stating the progress of the approvals of land of the Projects is issued by the relevant land and resources bureau; and
- (e) Tongdao Century Concord and the operation and maintenance service provider has agreed that the operation and maintenance service agreement will be terminated two (2) months after the completion of the Disposal.

In the event that the above conditions precedent cannot be fulfilled within thirty (30) days upon signing the Equity Transfer Agreement, China Nuclear Shandong shall serve a written confirmation to Yongzhou Jiepai within five (5) business days upon receiving the waiver application from Yongzhou Jiepai, stating that all conditions precedent set out in the Equity Transfer Agreement have been fulfilled or waived (as the case may be). In the event that the conditions precedent cannot be waived, either party can terminate the Equity Transfer Agreement by serving a written notice on the other party, which will be effective immediately. Without prejudice to the obligations of any party against the other party in relation to breach of any terms of the Equity Transfer Agreement prior to the termination and except otherwise stated in the Equity Transfer Agreement, the parties thereto shall be released from all obligations thereunder.

Completion

The completion shall take place upon the completion notice is provided by China Nuclear Shandong to Yongzhou Jiepai, stating that all conditions precedent set out in the Equity Transfer Agreement have been fulfilled.

Upon the completion of the Disposal, Tongdao Century Concord will be held as to 100% by China Nuclear Shandong. Tongdao Century Concord will cease to be a subsidiary of the Company and its financial results will not be consolidated into the financial results of the Group.

INFORMATION OF TONGDAO CENTURY CONCORD AND THE PROJECTS

Tongdao Century Concord is a company established in the PRC with limited liability. It is principally engaged in the development and operation of the Projects. As at the date of this announcement, Tongdao Century Concord was held as to 100% by Yongzhou Jiepai and is an indirectly wholly-owned subsidiary of the Company.

The Chuansu Project was permitted by the Development and Reform Bureau of Tongdao Dongzu Autonomous County on 5 June 2014. The approved installed capacity of the Chuansu Plant is 48MW.

The Linkou Project was permitted by the Development and Reform Commission of Hunan Province on 21 October 2013. The approved installed capacity of the Linkou Plant is 48MW.

Financial Information of Tongdao Century Concord

Set out below is the unaudited financial information of Tongdao Century Concord for the two years ended 31 December 2018 prepared according to the PRC accounting standards:

| | For the year ended | |
|------------------------------|--------------------|------------|
| | 31 December | |
| | 2018 | 2017 |
| | <i>RMB</i> | <i>RMB</i> |
| Net profit/(loss) before tax | 22,461,387 | 0 |
| Net profit/(loss) after tax | 22,461,387 | 0 |

The unaudited net asset value of Tongdao Century Concord as at 30 September 2019 was approximately RMB143,716,724.

INFORMATION OF THE PARTIES TO THE DISPOSAL

The Company and Yongzhou Jiepai

The Company is a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) investing in wind and solar power projects; and (ii) offering professional technical services and integrated solutions to the wind and solar power generation projects.

Yongzhou Jiepai is an indirectly wholly-owned subsidiary of the Company and is principally engaged in wind power generation projects in the PRC.

China Nuclear Shandong

China Nuclear Shandong is a limited liability company established in the PRC and is principally engaged in the pre-development of nuclear power projects, nuclear power operation safety technology research and related technical services and consulting services, investment and operation management of supporting facilities for nuclear power projects, investment and management of power sales and transmission and distribution projects, investment and development and operation management of wind power, photoelectric, and pumped energy storage clean energy projects. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, China Nuclear Shandong and its ultimate beneficial owner, China National Nuclear Power Co., Ltd.* (中國核能電力股份有限公司) are third parties independent to the Company and its connected persons (as defined under the Listing Rules). China National Nuclear Power Co., Ltd.* (中國核能電力股份有限公司) is a centrally-administered state-owned enterprise of the PRC, with the approval of the State Council of the PRC.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Group has adopted a “build and sell” strategy whereby the Group builds power plants and disposes of its interests in the power plants upon completion or operation of the power plants. The Directors consider that the “build and sell” strategy allows the Group to fully leverage on its strengths of wind power development and power plant construction so as to attain a more reasonable return on its investments, achieve the Group’s cash flow return, reduce the debt ratio to support the Company’s subsequent healthy and rapid development.

The Directors consider that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

It is expected that the Company would recognise an unaudited accounting gain of approximately RMB100,663,276 after the Disposal, being the difference between the consideration of RMB244,380,000 and the net asset value of Tongdao Century Concord as at 30 September 2019 of approximately RMB143,716,724.

The Directors expect that the net proceeds from the Disposal, after deducting the expenses directly attributable thereto, will be approximately RMB100,663,276, which will be used as general working capital of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transaction contemplated under the Equity Transfer Agreement exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

| | |
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| “Board” | the board of Directors |
| “business day(s)” | a day on which banks in Hong Kong and PRC are open for normal business (excluding Saturday, Sunday, public holidays in Hong Kong or PRC) |

| | |
|-----------------------------|---|
| “China Nuclear Shandong” | China Nuclear Shandong Energy Co., Ltd. * (中核山東能源有限公司), a limited liability company established in the PRC |
| “Chuansu Plant” | Chuansu wind power plant (傳素風電場), which is developed and operated by Tongdao Century Concord and located at Tongdao Dongzu Autonomous County, Huaihua City, Hunan Province, the PRC |
| “Chuansu Project” | the project of operation and maintenance of the Chunasu Plant |
| “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 |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the proposed disposal of the entire equity interest in Tongdao Century Concord pursuant to the Equity Transfer Agreement |
| “Equity Transfer Agreement” | the equity transfer agreement dated 27 November 2019 entered into among Yongzhou Jiepai, China Nuclear Shandong and Tongdao Century Concord, pursuant to which China Nuclear Shandong agreed to purchase the entire equity interest of Tongdao Century Concord from Yongzhou Jiepai |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Linkou Plant” | Linkou wind power plant (臨口風電場), which is developed and operated by Tongdao Century Concord and located at Tongdao Dongzu Autonomous County, Huaihua City, Hunan Province, the PRC |
| “Linkou Project” | the project of operation and maintenance of the Linkou Plant |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China (which for the purpose of this announcement excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China) |

| | |
|---------------------------|---|
| “Projects” | collectively, the Chuansu Project and the Linkou Project |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tongdao Century Concord” | Tongdao Century Concord Wind Power Co., Ltd.* (通道協合風力發電有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company as at the date of this announcement |
| “Yongzhou Jiepai” | Yongzhou Jiepai Century Concord Wind Power Co., Ltd.* (永州界牌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 |
| % | per cent |

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

Hong Kong, 27 November 2019

As at the date of this announcement, the Board 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 a nonexecutive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).

* *For identification purposes only*