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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
FINANCE LEASE ARRANGEMENTS

FINANCE LEASE ARRANGEMENTS

The Company is pleased to announce that on 26 August 2019 (after trading hours), (a) Shangcheng Century Concord (as lessee), Tianjin Century Concord (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into the Shangcheng Finance Lease Arrangement, pursuant to which (i) Huaneng Tiancheng has agreed to purchase the Shangcheng Equipment from Tianjin Century Concord, at the consideration of RMB250,000,000 (equivalent to approximately HK\$275,000,000); and (ii) Huaneng Tiancheng has agreed to lease the Shangcheng Equipment to Shangcheng Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB384,977,994 (equivalent to approximately HK\$423,475,793); and (b) Tongyu Century Concord (as lessee), Haotai New Energy (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into the Tongyu Finance Lease Arrangement, pursuant to which (i) Huaneng Tiancheng has agreed to purchase the Tongyu Equipment from Haotai New Energy, at the consideration of RMB460,000,000 (equivalent to approximately HK\$506,000,000); and (ii) Huaneng Tiancheng has agreed to lease the Tongyu Equipment to Tongyu Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB693,890,653 (equivalent to approximately HK\$763,279,718).

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 Shangcheng Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the Shangcheng Finance Lease Arrangement constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 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 Tongyu Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the Tongyu Finance Lease Arrangement constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 21 December 2018 in relation to the 2018 December First Finance Lease Arrangement and the 2018 December Second Finance Lease Arrangement. As the transactions contemplated under the 2019 August Finance Lease Arrangements and the 2018 December Finance Lease Arrangements are conducted within a 12-month period, the transactions shall be aggregated under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the 2019 August Finance Lease Arrangements and the 2018 December Finance Lease Arrangements exceed(s) 25% but is/are less than 100%, the transactions under the 2019 August Finance Lease Arrangements and the 2018 December Finance Lease Arrangements in aggregate constitute a major transaction of the Company and are thus subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A special general meeting will be convened by the Company to consider and, if thought fit, approve the 2019 August Finance Lease Arrangements by the shareholders of the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no shareholders of the Company has a material interest in the transactions contemplated under the 2019 August Finance Lease Arrangements and is required to abstain from voting on the relevant resolution(s) at the special general meeting of the Company.

A circular containing, among others, details of the 2019 August Finance Lease Arrangements, the financial information of the Group and other information as required to be disclosed under the Listing Rules and the notice of the special general meeting is expected to be despatched to the shareholders of the Company on or before 25 September 2019.

FINANCE LEASE ARRANGEMENTS

Shangcheng Finance Lease Arrangement

On 26 August 2019 (after trading hours), Shangcheng Century Concord (as lessee), Tianjin Century Concord (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into the Shangcheng Finance Lease Arrangement, pursuant to which (i) Huaneng Tiancheng has agreed to purchase the Shangcheng Equipment from Tianjin Century Concord, at the consideration of RMB250,000,000 (equivalent to approximately HK\$275,000,000); and (ii) Huaneng Tiancheng has agreed to lease the Shangcheng Equipment to Shangcheng Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB384,977,994 (equivalent to approximately HK\$423,475,793).

All Shangcheng Equipment under the Shangcheng Finance Lease Arrangement are/will be used by the Group for the operation of the wind power projects of the Group in Henan Province, the PRC.

(i) The Shangcheng Sale and Purchase Agreement

The principal terms of the Shangcheng Sale and Purchase Agreement are set out below:

Date of agreement	26 August 2019
Parties to the agreement	Purchaser and lessor: Huaneng Tiancheng; Lessee: Shangcheng Century Concord; and Supplier: Tianjin Century Concord
Subject assets	The Shangcheng Equipment

Consideration payable by the lessor to the supplier

The consideration shall be settled by Huaneng Tiancheng by five installments.

- (a) The first installment shall be no more than RMB62,500,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the Shangcheng Sale and Purchase Agreement, the Shangcheng Finance Lease Agreement and the relevant ancillary documents and agreements have been duly executed and effective; (ii) the representations and warranties made by Shangcheng Century Concord under the Shangcheng Finance Lease Agreement are true, accurate and not misleading; (iii) relevant guarantors under the Shangcheng Finance Lease Arrangement have obtained the approvals/authorisations for the provisions of guarantees from internal and external authorised institutions, as required by Huaneng Tiancheng, and the Shangcheng Security Agreements and the relevant ancillary documents have been duly executed and effective, and the filings and registration procedures at the relevant authorities have been completed; (iv) the Shangcheng Designated Account (as defined in the subsection headed “Shangcheng Finance Lease Arrangement — (iii) The Shangcheng Security Agreements” in this announcement) has been set up under the Shangcheng Designated Account Agreement (as defined in the subsection headed “Shangcheng Finance Lease Arrangement — (iii) The Shangcheng Security Agreements” in this announcement), which has become effective; (v) for the increase to RMB100,000,000 in the registered capital of Shangcheng Century Concord, the filings and registration procedure at the relevant authorities have been completed, and not less than RMB25,000,000 has been paid up; and (vi) Huaneng Tiancheng has received the full security deposit and the first tranche handling fee from Shangcheng Century Concord.

- (b) The second installment shall be no more than RMB50,000,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the conditions for the first installment have been fulfilled; and (ii) an accumulated amount of not less than RMB45,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord.
- (c) The third installment shall be no more than RMB75,000,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the conditions for the first and second installments have been fulfilled; and (ii) an accumulated amount of not less than RMB75,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord.
- (d) The fourth installment shall be no more than RMB37,500,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the conditions for the first, second and third installments have been fulfilled; and (ii) an accumulated amount of not less than RMB90,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord.
- (e) The fifth installment shall be no more than RMB25,000,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the conditions for the first, second, third and fourth installments have been fulfilled; and (ii) an accumulated amount of not less than RMB100,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord.

Basis of the Consideration

The consideration is determined after arm's length negotiations with reference to the purchase price payable by Tianjin Century Concord to the original supplier(s) of the Shangcheng Equipment.

(ii) The Shangcheng Finance Lease Agreement

The principal terms of the Shangcheng Finance Lease Agreement are set out below:

Date of agreement	26 August 2019
Parties to the agreement	Lessor: Huaneng Tiancheng; and Lessee: Shangcheng Century Concord
Period of the lease term	12 years (commencing from middle of October 2019)
Total lease amount payable by the lessee to the lessor	RMB384,977,994 (equivalent to approximately HK\$423,475,793), being the total sum of the lease cost of RMB250,000,000 (which is consistent with the consideration) and the estimated aggregate interest of approximately RMB104,637,254, which are payable in 48 quarterly installments, the handling fee of RMB20,340,740 and the security deposit of RMB10,000,000.
Lease interest and adjustment	The estimated aggregate interest is approximately RMB104,637,254 (equivalent to approximately HK\$115,100,979). Interest (which forms part of the total lease amount) is calculated at a floating rate and shall be adjusted with reference to the benchmark interest rate for RMB loans with a maturity of above 5 years as promulgated by the People's Bank of China from time to time (the " Benchmark Interest Rate ") plus a premium.
Handling fee payable by the lessee to the lessor	RMB20,340,740 (equivalent to approximately HK\$22,374,814), among which, RMB2,100,000 shall be paid by Shangcheng Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Tianjin Century Concord, the remaining shall be paid in installments pursuant to the Shangcheng Finance Lease Agreement.
Security deposit payable by the lessee to the lessor	RMB10,000,000 (equivalent to approximately HK\$11,000,000), which shall be fully paid by Shangcheng Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Tianjin Century Concord.

Basis to determine the lease payment	The lease amount is agreed between Huaneng Tiancheng and Shangcheng Century Concord with reference to the consideration payable by Huaneng Tiancheng in respect of the Shangcheng Equipment and the prevailing market interest rate of comparable equipment finance leases.
Lessee to purchase back the equipment	The legal ownership of the Shangcheng Equipment will be rested in Huaneng Tiancheng throughout the lease term. Upon the end of the lease term, provided that Shangcheng Century Concord has fulfilled all of its obligations under the Shangcheng Finance Lease Agreement, Shangcheng Century Concord has the option to purchase back the Shangcheng Equipment at a nominal consideration of RMB10,000 (equivalent to approximately HK\$11,000).

(iii) The Shangcheng Security Agreements

In order to secure Shangcheng Century Concord's obligations under the Shangcheng Finance Lease Agreement, the following security documents have also been executed on 26 August 2019 (after trading hours):

Guarantee agreements	Each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Tongyu Century Concord has entered into a guarantee agreement in favour of Huaneng Tiancheng, pursuant to which each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Tongyu Century Concord has agreed to provide irrevocable joint liability guarantees for all the debts of Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.
Equity pledge agreement	Yongzhou Jiepai Century Concord Wind Power Co., Ltd.* (永州界牌協合風力發電有限公司) (“ Yongzhou Jiepai ”) entered into an equity pledge agreement in favour of Huaneng Tiancheng, pursuant to which Yongzhou Jiepai agreed to pledge all its equity interest in Shangcheng Century Concord to Huaneng Tiancheng, to secure the obligations of Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.

Equipment mortgage agreement	Shangcheng Century Concord has entered into an equipment mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, upon Huaneng Tiancheng’s authorisation, Shangcheng Century Concord has agreed to mortgage the Shangcheng Equipment to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Shangcheng Finance Lease Agreement.
Real property mortgage agreement	Shangcheng Century Concord has entered into a real property mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, Shangcheng Century Concord has agreed to mortgage its land use right of the land located at Shangcheng County, Henan Province, the PRC to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Shangcheng Finance Lease Agreement.
Electricity fee pledge agreement	Shangcheng Century Concord has entered into an electricity fee pledge agreement in favour of Huaneng Tiancheng, pursuant to which Shangcheng Century Concord has agreed to pledge its receivables in electricity fee to Huaneng Tiancheng, to secure its obligations under the Shangcheng Finance Lease Agreement.
Shangcheng Designated Account Agreement	Shangcheng Century Concord and Huaneng Tiancheng have entered into a designated account agreement (the “ Shangcheng Designated Account Agreement ”), pursuant to which a designated account (the “ Shangcheng Designated Account ”) will be set up before the first installment of the consideration is paid by Huaneng Tiancheng to Tianjin Century Concord, and the receivables in electricity fee of Shangcheng Century Concord should be deposited into the Designated Account , the fund of which should be given priority for fulfilling the obligations of Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.
Shortfall guarantee agreement	Century Concord entered into a shortfall guarantee agreement in favour of Huaneng Tiancheng, pursuant to which Century Concord has agreed to make up the shortfall occurred in the Shangcheng Designated Account (if any) for Shangcheng Century Concord to guarantee the debts owed to Huaneng Tiancheng by Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.

Tongyu Finance Lease Arrangement

On 26 August 2019 (after trading hours), Tongyu Century Concord (as lessee), Haotai New Energy (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into the Tongyu Finance Lease Arrangement, pursuant to which (i) Huaneng Tiancheng has agreed to purchase the Tongyu Equipment from Haotai New Energy, at the consideration of RMB460,000,000 (equivalent to approximately HK\$506,000,000); and (ii) Huaneng Tiancheng has agreed to lease the Tongyu Equipment to Tongyu Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB693,890,653 (equivalent to approximately HK\$763,279,718).

All Tongyu Equipment under the Tongyu Finance Lease Arrangement are/will be used by the Group for the operation of the wind power projects of the Group in Jilin Province, the PRC.

(i) Tongyu Sale and Purchase Agreement

The principal terms of the Tongyu Sale and Purchase Agreement are set out below:

Date of agreement	26 August 2019
Parties to the agreement	Purchaser and lessor: Huaneng Tiancheng; Lessee: Tongyu Century Concord; and Supplier: Haotai New Energy
Subject assets	The Tongyu Equipment

Consideration payable by the lessor to the supplier

The consideration shall be settled by Huaneng Tiancheng by three installments.

- (a) The first installment shall be no more than RMB255,000,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the Tongyu Sale and Purchase Agreement, the Tongyu Finance Lease Agreement and the relevant ancillary documents and agreements have been duly executed and effective; (ii) the representations and warranties made by Tongyu Century Concord under the Tongyu Finance Lease Agreement are true, accurate and not misleading; (iii) relevant guarantors under the Tongyu Finance Lease Arrangement have obtained the approvals/authorisations for the provisions of guarantees from internal and external authorised institutions, as required by Huaneng Tiancheng, and the Tongyu Security Agreements and the relevant ancillary documents have been duly executed and effective, and the filings and registration procedures at the relevant authorities have been completed; (iv) the Tongyu Designated Account (as defined in the sub-section headed “Tongyu Finance Lease Arrangement — (iii) The Tongyu Security Agreements” in this announcement) has been set up under the Tongyu Designated Account Agreement (as defined in the sub-section headed “Tongyu Finance Lease Arrangement — (iii) The Tongyu Security Agreements” in this announcement), which has become effective; (v) the registered capital of Tongyu Century Concord shall not be less than RMB203,000,000 and the filings and registration procedure at the relevant authorities have been completed, and not less than RMB113,000,000 has been paid up; and (vi) Huaneng Tiancheng has received the full security deposit and the first tranche handling fee from Tongyu Century Concord.
- (b) The amount of second installment, together with the first installment, shall be no more than RMB393,000,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the conditions for the first installment have been fulfilled; and (ii) an accumulated amount of not less than RMB174,000,000 has been paid up for the increase in the registered capital of Tongyu Century Concord.

- (c) The amount of third installment, together with the first and second installments, shall be no more than RMB460,000,000, which shall be settled upon satisfaction of the following, among others, conditions (i) the conditions for the first and second installments have been fulfilled; and (ii) an accumulated amount of not less than RMB203,000,000 has been paid up for the registered capital of Tongyu Century Concord.

Basis of the Consideration The consideration is determined after arm's length negotiations with reference to the purchase price payable by Haotai New Energy to the original supplier(s) of the Tongyu Equipment.

(ii) *The Tongyu Finance Lease Agreement*

The principal terms of the Tongyu Finance Lease Agreement are set out below:

Date of agreement	26 August 2019
Parties to the agreement	Lessor: Huaneng Tiancheng; and Lessee: Tongyu Century Concord
Period of the lease term	12 years (commencing from middle of October 2019)
Total lease amount payable by the lessee to the lessor	RMB 693,890,653 (equivalent to approximately HK\$763,279,718), being the total sum of the lease cost of RMB460,000,000 (which is consistent with the consideration) and the estimated aggregate interest of approximately RMB209,490,653, which are payable in 48 quarterly installments, the handling fee of RMB6,000,000 and the security deposit of RMB18,400,000.
Lease interest and adjustment	The estimated aggregate interest is approximately RMB 209,490,653 (equivalent to approximately HK\$230,439,718). Interest (which forms part of the total lease amount) is calculated at a floating rate and shall be adjusted with reference to the Benchmark Interest Rate plus a premium.

Handling fee payable by the lessee to the lessor	RMB6,000,000 (equivalent to approximately HK\$6,600,000), among which, RMB3,000,000 shall be paid by Tongyu Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Haotai New Energy, the remaining shall be paid in installments pursuant to the Tongyu Finance Lease Agreement.
Security deposit payable by the lessee to the lessor	RMB18,400,000 (equivalent to approximately HK\$20,240,000), which shall be fully paid by Tongyu Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Haotai New Energy.
Basis to determine the lease payment	The lease amount is agreed between Huaneng Tiancheng and Tongyu Century Concord with reference to the consideration payable by Huaneng Tiancheng in respect of the Tongyu Equipment and the prevailing market interest rate of comparable equipment finance leases.
Lessee to purchase back the equipment	The legal ownership of the Tongyu Equipment will be rested in Huaneng Tiancheng throughout the lease term. Upon the end of the lease term, provided that Tongyu Century Concord has fulfilled all of its obligations under the Tongyu Finance Lease Agreement, Tongyu Century Concord has the option to purchase back the Tongyu Equipment at a nominal consideration of RMB10,000 (equivalent to approximately HK\$11,000).

(iii) The Tongyu Security Agreements

In order to secure Tongyu Century Concord's obligations under the Tongyu Finance Lease Agreement, the following security documents have also been executed on 26 August 2019 (after trading hours):

Guarantee agreements	Each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Shangcheng Century Concord has entered into a guarantee agreement in favour of Huaneng Tiancheng, pursuant to which each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Shangcheng Century Concord has agreed to provide irrevocable joint liability guarantees for all the debts of Tongyu Century Concord under the Tongyu Finance Lease Agreement.
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Equity pledge agreement	Jilin Century Concord Wind Power Investment Co., Ltd.* (吉林協合風力發電投資有限公司) (“ Jilin Century Concord ”) entered into an equity pledge agreement in favour of Huaneng Tiancheng, pursuant to which Jilin Century Concord agreed to pledge all its equity interest in Tongyu Century Concord to Huaneng Tiancheng, to secure the obligations of Tongyu Century Concord under the Tongyu Finance Lease Agreement.
Equipment mortgage agreement	Tongyu Century Concord has entered into an equipment mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, upon Huaneng Tiancheng’s authorisation, Tongyu Century Concord has agreed to mortgage the Tongyu Equipment to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Tongyu Finance Lease Agreement.
Real property mortgage agreement	Tongyu Century Concord has entered into a real property mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, Tongyu Century Concord has agreed to mortgage its land use right of the land located at Tongyu County, Jilin Province, the PRC to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Tongyu Finance Lease Agreement.
Electricity fee pledge agreement	Tongyu Century Concord has entered into an electricity fee pledge agreement in favour of Huaneng Tiancheng, pursuant to which Tongyu Century Concord has agreed to pledge its receivables in electricity fee to Huaneng Tiancheng, to secure its obligations under the Tongyu Finance Lease Agreement.
Tongyu Designated Account Agreement	Tongyu Century Concord and Huaneng Tiancheng have entered into a designated account agreement (the “ Tongyu Designated Account Agreement ”), pursuant to which a designated account (the “ Tongyu Designated Account ”) will be set up before the first installment of the consideration is paid by Huaneng Tiancheng to Haotai New Energy, and the receivables in electricity fee of Tongyu Century Concord should be deposited into the Tongyu Designated Account, the fund of which should be given priority for fulfilling the obligations of Tongyu Century Concord under the Tongyu Finance Lease Agreement.

Shortfall guarantee agreement Century Concord entered into a shortfall guarantee agreement in favour of Huaneng Tiancheng, pursuant to which Century Concord has agreed to make up the shortfall occurred in the Tongyu Designated Account (if any) for Tongyu Century Concord to guarantee the debts owed to Huaneng Tiancheng by Tongyu Century Concord under the Tongyu Finance Lease Agreement.

REASONS FOR AND BENEFIT OF THE FINANCE LEASE ARRANGEMENT

The entering into of each of the 2019 August Finance Lease Arrangements is in the ordinary and usual course of business of the Group. The Directors are of the view that under the 2019 August Finance Lease Arrangements, the Group will obtain financial resources and gain access to certain equipment as required for its operations. The terms under the 2019 August Finance Lease Arrangements have been agreed after arm's length negotiation among the relevant parties. The Directors consider the terms of the 2019 August Finance Lease Arrangements are on normal commercial terms, fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE PARTIES TO THE 2019 AUGUST FINANCE LEASE AGREEMENTS

Huaneng Tiancheng

Huaneng Tiancheng is a company established in the PRC which is principally engaged in the business of finance leasing. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Huaneng Tiancheng and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

The Company

The Company is a company incorporated in Bermuda with limited liability and its shares have been 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.

Shangcheng Century Concord

Shangcheng Century Concord is a wholly-owned subsidiary of the Company, and is principally engaged in the operation of wind power generation projects in the PRC.

Tongyu Century Concord

Tongyu Century Concord is a wholly-owned subsidiary of the Company, and is principally engaged in the operation of wind power generation projects in the PRC.

Tianjin Century Concord

Tianjin Century Concord is a wholly-owned subsidiary of the Company, and is principally engaged in the trading of equipment for wind power and new energy.

Haotai New Energy

Haotai New Energy is a wholly-owned subsidiary of the Company, and is principally engaged in the trading of equipment for wind power and new energy.

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 Shangcheng Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the Shangcheng Finance Lease Arrangement constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 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 Tongyu Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the Tongyu Finance Lease Arrangement constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 21 December 2018 in relation to the 2018 December First Finance Lease Arrangement and the 2018 December Second Finance Lease Arrangement. As the transactions contemplated under the 2019 August Finance Lease Arrangements and the 2018 December Finance Lease Arrangements are conducted within a 12-month period, the transactions shall be aggregated under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the 2019 August Finance Lease Arrangements and the 2018 December Finance Lease Arrangements exceed(s) 25% but is/are less than 100%, the transactions under the 2019 August Finance Lease Arrangements and the 2018 December Finance Lease Arrangements in aggregate constitute a major transaction of the Company and are thus subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A special general meeting will be convened by the Company to consider and, if thought fit, approve the 2019 August Finance Lease Arrangements by the shareholders of the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no shareholders of the Company has a material interest in the transactions contemplated under the 2019 August Finance Lease Arrangements and is required to abstain from voting on the relevant resolution(s) at the special general meeting of the Company.

A circular containing, among others, details of the 2019 August Finance Lease Arrangements, the financial information of the Group and other information as required to be disclosed under the Listing Rules and the notice of the special general meeting is expected to be despatched to the shareholders of the Company on or before 25 September 2019.

DEFINITIONS

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

“2018 December Finance Lease Arrangements” collectively, the 2018 December First Finance Lease Arrangement and the 2018 December Second Finance Lease Arrangement

“2018 December First Finance Lease Arrangement” the finance lease arrangement entered into between Nanzhao Century Concord Wind Power Co., Ltd.* (南召協合風力發電有限公司) (“**Nanzhao Century Concord**”) (as lessee) and Huaneng Tiancheng (as lessor) on 19 December 2018 with other underlying security agreements, pursuant to which Huaneng Tiancheng has purchased certain equipment at the total consideration of RMB50,000,000 (equivalent to approximately HK\$56,500,000) from Nanzhao Century Concord while such equipment were leased back to Nanzhao Century Concord for a term of 5 years (to be payable in 20 quarterly installments at a floating interest rate with reference to the benchmark interest rate for RMB one-to-five year loans as promulgated by the People’s Bank of China from time to time) at an estimated total lease payments in the amount of RMB63,376,109.61 (equivalent to approximately HK\$71,615,003.86) (including the sum of the lease cost of RMB50,000,000, the aggregate interest of RMB11,376,109.61 and the security deposit of RMB2,000,000), which was a transaction fully exempt from reporting and announcement under Chapter 14 of the Listing Rules, as none of the applicable percentage ratios exceeded 5%

“2018 December Second Finance Lease Arrangement”	the transaction contemplated under the finance lease arrangement among Zaoyang Century Concord (as lessee), Haotai New Energy (as supplier) and Huaneng Tiancheng (as purchaser and lessor) pursuant to the finance lease agreement and the sale and purchase agreement both dated 21 December 2018, and other underlying security agreements entered between the Group and Huaneng Tiancheng on the same day, as detailed in the announcement of the Company dated 21 December 2018
“2019 August Finance Lease Arrangements”	collectively, the Shangcheng Finance Lease Arrangement and the Tongyu Finance Lease Arrangement
“Board”	the board of Directors
“Century Concord”	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
“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
“Group”	the Company and its subsidiaries
“Haotai New Energy”	Haotai New Energy Equipment Co., Ltd.* (浩泰新能源裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is the supplier under the Tongyu Sale and Purchase Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Huaneng Tiancheng”	Huaneng Tiancheng Financial Leasing Co., Ltd.* (華能天成融資租賃有限公司), a company established in the PRC with limited liability and a third party independent of the Company and its connected persons (as defined under the Listing Rules)

“Jingmen Lixi”	Jingmen Lixi Wind Power Co., Ltd.* (荊門栗溪風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanzhao Juhe”	Nanzhao Juhe Wind Power Co., Ltd.* (南召聚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
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shangcheng Century Concord”	Shangcheng County Century Concord Wind Power Co., Ltd.* (商城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, which is the lessee under the Shangcheng Finance Lease Agreement
“Shangcheng Equipment”	certain machinery and equipment for the Group’s operation of the wind power projects in Henan Province, the PRC as stipulated under the Shangcheng Finance Lease Agreement
“Shangcheng Finance Lease Agreement”	the finance lease agreement entered into between Shangcheng Century Concord and Huaneng Tiancheng on 26 August 2019, including all ancillary agreements attached thereto in respect of the purchase and lease of the Shangcheng Equipment, as described in the sub-section headed “Shangcheng Finance Lease Arrangement — (ii) The Shangcheng Finance Lease Agreement” in this announcement
“Shangcheng Finance Lease Arrangement”	the transactions contemplated under the Shangcheng Sale and Purchase Agreement, the Shangcheng Finance Lease Agreement and the Shangcheng Security Agreements
“Shangcheng Sale and Purchase Agreement”	the sale and purchase agreement entered into among Shangcheng Century Concord (as lessee), Huaneng Tiancheng (as purchaser and lessor) and Tianjin Century Concord (as supplier) on 26 August 2019, pursuant to which Huaneng Tiancheng agreed to purchase the Shangcheng Equipment from Tianjin Century Concord to fulfill Huaneng Tiancheng’s obligations under the Shangcheng Finance Lease Agreement

“Shangcheng Security Agreements”	the security agreements, including the guarantee agreements, the equity pledge agreement, the equipment mortgage agreement, the real property mortgage agreement, the electricity fee pledge agreement, the Shangcheng Designated Account Agreement and the shortfall guarantee agreement, to secure the obligations of Shangcheng Century Concord under the Shangcheng Finance Lease Arrangement, as described in the sub-section headed “Shangcheng Finance Lease Arrangement — (iii) The Shangcheng Security Agreements” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Century Concord”	Tianjin Century Concord Huaxing Wind Power Equipment Co., Ltd.* (天津協合華興風電裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is the supplier under the Shangcheng Sale and Purchase Agreement
“Tongyu Century Concord”	Jilin Tongyu Century Concord Xinfu Wind Power Co., Ltd.* (吉林通榆協合新發風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is the lessee under the Tongyu Finance Lease Agreement
“Tongyu Equipment”	certain machinery and equipment for the Group’s operation of the wind power projects in Jilin Province, the PRC as stipulated under the Tongyu Finance Lease Agreement
“Tongyu Finance Lease Agreement”	the finance lease agreement entered into between Tongyu Century Concord and Huaneng Tiancheng on 26 August 2019, including all ancillary agreements attached thereto in respect of the purchase and lease of the Tongyu Equipment, as described in the sub-section headed “Tongyu Finance Lease Arrangement — (ii) The Tongyu Finance Lease Agreement” in this announcement
“Tongyu Finance Lease Arrangement”	the transactions contemplated under the Tongyu Sale and Purchase Agreement, the Tongyu Finance Lease Agreement and the Tongyu Security Agreements

- “Tongyu Sale and Purchase Agreement” the sale and purchase agreement entered into among Tongyu Century Concord (as lessee), Huaneng Tiancheng (as purchaser and lessor) and Haotai New Energy (as supplier) on 26 August 2019, pursuant to which Huaneng Tiancheng agreed to purchase the Tongyu Equipment from Haotai New Energy to fulfill Huaneng Tiancheng’s obligations under the Tongyu Finance Lease Agreement
- “Tongyu Security Agreements” the security agreements, including the guarantee agreements, the equity pledge agreement, the equipment mortgage agreement, the real property mortgage agreement, the electricity fee pledge agreement, the Tongyu Designated Account Agreement and the shortfall guarantee agreement, to secure the obligations of Tongyu Century Concord under the Tongyu Finance Lease Arrangement, as described in the sub-section headed “Tongyu Finance Lease Arrangement — (iii) The Tongyu Security Agreements” in this announcement
- “Xiangzhou Century Concord” Xiangyang Xiangzhou Century Concord Yushan Wind Power Co., Ltd.* (襄陽襄州協合峪山風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
- “Zaoyang Century Concord” Zaoyang Century Concord Wind Power Co., Ltd.* (棗陽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

This announcement contains translations between RMB and HK\$ at RMB1.00 = HK\$1.10. The translations are not representations that RMB and HK\$ amounts could actually be converted at such rate, if at all.

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

Hong Kong, 26 August 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