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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 ARRANGEMENT

FINANCE LEASE ARRANGEMENT

The Company is pleased to announce that on 4 March 2020, Bozhou Century Concord (as lessee), Tianjin Century Concord (as supplier) and Everbright Financial Leasing (as purchaser and lessor) entered into the Finance Lease Arrangement, pursuant to which (i) Everbright Financial Leasing agreed to purchase the Equipment from Tianjin Century Concord, at the consideration of RMB363,732,000; and (ii) Everbright Financial Leasing agreed to lease the Equipment to Bozhou Century Concord for a term of 11 years, to be payable in 44 quarterly instalments, at an estimated total lease payments in the amount of approximately RMB509,411,885.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the 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 17 December 2019 in relation to the 2019 December Finance Lease Arrangement. As the transactions contemplated under the Finance Lease Arrangement and the 2019 December Finance Lease Arrangement 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 Finance Lease Arrangement and the 2019 December Finance Lease Arrangement on an aggregated basis exceed(s) 25% but is/are less than 100%, the transactions under the Finance Lease Arrangement and the 2019 December Finance Lease Arrangement 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 Finance Lease Arrangement by the shareholders of the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no shareholder of the Company has a material interest in the transactions contemplated under Finance Lease Arrangement 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 Finance Lease Arrangement, 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 9 April 2020.

FINANCE LEASE ARRANGEMENT

The Company is pleased to announce that on 4 March 2020, Bozhou Century Concord (as lessee), Tianjin Century Concord (as supplier) and Everbright Financial Leasing (as purchaser and lessor) entered into the Finance Lease Arrangement, pursuant to which (i) Everbright Financial Leasing agreed to purchase the Equipment from Tianjin Century Concord, at the consideration of RMB363,732,000; and (ii) Everbright Financial Leasing agreed to lease the Equipment to Bozhou Century Concord for a term of 11 years, to be payable in 44 quarterly instalments, at an estimated total lease payments in the amount of approximately RMB509,411,885.

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

(i) The Sale and Purchase Agreement

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

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| Date of agreement | 4 March 2020 |
| Parties to the agreement | Purchaser and lessor: Everbright Financial Leasing; Lessee: Bozhou Century Concord; and Supplier: Tianjin Century Concord |
| Subject assets | The Equipment |
| Consideration payable by the lessor to the supplier | RMB363,732,000, which shall be settled by Everbright Financial Leasing by three instalments. |

The first instalment of no more than RMB90,933,000 is payable upon (i) the arrival of the first batch of wind turbines at the project sites of the Group in Bozhou City, Anhui Province; and (ii) the provision by Bozhou Century Concord to Everbright Financial Leasing of the consent opinion issued by the authority regarding occupation of forest land of the project site in Bozhou City.

The second instalment of no more than RMB181,866,000 is payable upon the arrival of the second batch of wind turbines at the project sites of the Group in Bozhou City, Anhui Province.

The balance of the consideration is payable upon the completion of the grid connection of all wind turbines of the two project sites in Bozhou City, Anhui Province.

Basis of the consideration The consideration payable by Everbright Financial Leasing 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 Equipment.

(ii) The Finance Lease Agreement

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

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| Date of agreement | 4 March 2020 |
| Parties to the agreement | Lessor: Everbright Financial Leasing; and Lessee: Bozhou Century Concord |
| Period of the lease term | 11 years |
| Total lease amount payable by the lessee to the lessor | RMB509,411,885, being the total sum of the lease cost of RMB363,732,000 (which is consistent with the consideration payable by Everbright Financial Leasing in respect of the Equipment) and the estimated aggregate interest of approximately RMB145,679,885, which are payable in 44 quarterly instalments. |

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| Lease interest and adjustment | The estimated aggregate interest is approximately RMB145,679,885. Interest (which forms part of the total lease amount) is calculated at the rate of 5.20% after value added tax, which is subject to adjustment with reference to the loan prime rate (the “LPR”) for RMB loans with a maturity of above 5 years as promulgated by the National Interbank Funding Center from time to time plus a premium. The LPR as at the date of this announcement was 4.75%. |
| Handling fee payable by the lessee to the lessor | RMB7,274,640, which is payable to Everbright Financial Leasing by Bozhou Century Concord before the commencement of the lease term of the Finance Lease Agreement. |
| Security deposit payable by the lessee to the lessor | RMB10,911,960, which is payable to Everbright Financial Leasing by Bozhou Century Concord before the commencement of the lease term of the Finance Lease Agreement. |
| Basis to determine the lease payment | The lease amount was agreed between Everbright Financial Leasing and Bozhou Century Concord with reference to the consideration payable by Everbright Financial Leasing in respect of the Equipment and the prevailing market interest rate of comparable equipment finance leases. |
| Lessee to buy back the Equipment | The legal ownership of the Equipment will be rested in Everbright Financial Leasing throughout the lease term. Upon the end of the lease term, provided that Bozhou Century Concord has fulfilled all of its obligations under the Finance Lease Agreement, Bozhou Century Concord will buy back the Equipment at a nominal consideration of RMB1,000. |

(iii) The Security Agreements

In order to secure Bozhou Century Concord’s obligations under the Finance Lease Agreement, the following security documents were also executed on 4 March 2020:

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| Guarantee agreement | Century Concord and Everbright Financial Leasing entered into a guarantee agreement in favour of Everbright Financial Leasing, pursuant to which Century Concord agreed to provide irrevocable joint liability guarantees for all the debts of Bozhou Century Concord under the Finance Lease Agreement. |
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Equity pledge agreement Beijing Bainian Yihao entered into an equity pledge agreement in favour of Everbright Financial Leasing, pursuant to which Beijing Bainian Yihao agreed to pledge all its equity interest in Bozhou Century Concord to Everbright Financial Leasing, to secure the obligations of Bozhou Century Concord under the Finance Lease Agreement.

Electricity fee pledge agreement Bozhou Century Concord entered into an electricity fee pledge agreement in favour of Everbright Financial Leasing, pursuant to which Bozhou Century Concord agreed to pledge its receivables in electricity fee to Everbright Financial Leasing, to secure its obligations under the Finance Lease Agreement.

REASONS FOR AND BENEFIT OF THE FINANCE LEASE ARRANGEMENT

The entering into of the Finance Lease Arrangement is in the ordinary and usual course of business of the Group. The Directors are of the view that under the Finance Lease Arrangement, the Group will obtain financial resources and gain access to certain equipment as required for its operations. The terms under the Finance Lease Arrangement have been agreed after arm's length negotiation among the relevant parties. The Directors consider that the terms of the Finance Lease Arrangement 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 FINANCE LEASE AGREEMENT

Everbright Financial Leasing

Everbright Financial Leasing is a company established in the PRC and 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, Everbright Financial Leasing and its ultimate beneficial owner, China Investment Corporation (中國投資有限責任公司), are third parties independent of the Company and its connected persons (as defined under the Listing Rules). China Investment Corporation (中國投資有限責任公司) is a centrally-administered state-owned enterprise of the PRC, with the approval of the State Council of the PRC.

The Company and Bozhou Century Concord

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.

Bozhou Century Concord is a wholly-owned subsidiary of the Company and is principally engaged in the operation of wind and solar 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the 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 17 December 2019 in relation to the 2019 December Finance Lease Arrangement. As the transactions contemplated under the Finance Lease Arrangement and the 2019 December Finance Lease Arrangement 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 Finance Lease Arrangement and the 2019 December Finance Lease Arrangement on an aggregated basis exceed(s) 25% but is/are less than 100%, the transactions under the Finance Lease Arrangement and the 2019 December Finance Lease Arrangement 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 Finance Lease Arrangement by the shareholders of the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no shareholder of the Company has a material interest in the transactions contemplated under Finance Lease Arrangement 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 Finance Lease Arrangement, 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 9 April 2020.

DEFINITIONS

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

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| “2019 December Finance Lease Arrangement” | the transaction contemplated under the finance lease arrangement among Bozhou Century Concord (as lessee), Tianjin Century Concord (as supplier) and Everbright Financial Leasing (as purchaser and lessor) pursuant to the finance lease agreement and the sale and purchase agreement both dated 17 December 2019, and other underlying security agreements entered into between the Group and Everbright Financial Leasing on the same day, as detailed in the announcement of the Company dated 17 December 2019 |
| “Beijing Bainian Yihao” | Beijing Bainian Yihao New Energy Technology Development Co., Ltd.* (北京百年億豪新能源技術開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| “Board” | the board of Directors |
| “Bozhou Century Concord” | Bozhou Century Concord Solar Power Co., Ltd.* (亳州市協合太陽能發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is the lessee under the Finance Lease Agreement |
| “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 |
| “Equipment” | certain machinery and equipment for the Group’s operation of a wind power project in Anhui Province, the PRC as stipulated under the Finance Lease Agreement |

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| “Everbright Financial Leasing” | Everbright Financial Leasing Co., Ltd.* (光大金融租賃股份有限公司), 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), which is the purchaser and lessor under the Finance Lease Arrangement |
| “Finance Lease Agreement” | the finance lease agreement entered into between Bozhou Century Concord and Everbright Financial Leasing on 4 March 2020, including all ancillary agreements attached thereto in respect of the purchase and lease of the Equipment, as described in the sub-section headed “Finance Lease Arrangement — (ii) The Finance Lease Agreement” in this announcement |
| “Finance Lease Arrangement” | the transactions contemplated under the Sale and Purchase Agreement, the Finance Lease Agreement and the Security Agreements |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | The People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale and Purchase Agreement” | the sale and purchase agreement entered into among Bozhou Century Concord (as lessee), Everbright Financial Leasing (as purchaser and lessor) and Tianjin Century Concord (as supplier) on 4 March 2020, pursuant to which Everbright Financial Leasing agreed to purchase the Equipment from Tianjin Century Concord to fulfill Everbright Financial Leasing’s obligations under the Finance Lease Agreement |
| “Security Agreements” | the security agreements, including the guarantee agreement, the equity pledge agreement and the electricity fee pledge agreement, to secure the obligations of Bozhou Century Concord under the Finance Lease Arrangement, as described in the sub-section headed “Finance Lease Arrangement — (iii) The 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 Sale and Purchase Agreement

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

Hong Kong, 4 March 2020

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, Dr. Shang Li and Mr. Zhai Feng (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian and Mr. Zhang Zhong (who are independent nonexecutive Directors).

* *For identification purposes only*