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## **Concord New Energy Group Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 182)**

### **MAJOR TRANSACTION PURCHASE OF WIND POWER ELECTRICITY GENERATION EQUIPMENT**

Reference is made to the announcements of the Company dated 23 July 2015, 26 January 2016, 6 April 2016 and 2 August 2016 in relation to the purchase of wind power electricity generation equipment from the Supplier for the Group's wind farm project in Hunan Province (湖南省) and Anhui Province (安徽省), the PRC pursuant to the Previous Purchase Contracts.

On 22 September 2016 (after trading hours), HNEE and the Supplier, an Independent Third Party, entered into the Purchase Contract 5 regarding the purchase of wind power electricity generation equipment from the Supplier at an aggregate consideration of RMB428,000,000 (equivalent to approximately HK\$496,480,000) for the Group's wind farm project in Henan Province (河南省).

#### **IMPLICATIONS OF THE LISTING RULES**

As the Previous Purchase Contracts and the Purchase Contract 5 were entered into among the same parties, the transactions contemplated under the aforesaid contracts are required to be aggregated pursuant to the Rule 14.22 of the Listing Rules. When the Transactions are aggregated, the applicable percentage ratios in respect of the Transactions exceed 25% but are less than 100% and thus such transactions constitute a major transaction, which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A special general meeting will be convened and held for the Shareholders to consider and, if thought fit, approve the Purchase Contract 5 and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Supplier does not hold any Shares and no Shareholders or their associates have a material interest in the transactions contemplated under the Purchase Contract 5.

No Shareholder is required to abstain from voting on the resolution(s) in respect of the Purchase Contract 5 at the special general meeting. A circular containing, among other things, details of the Purchase Contract 5 and the notice of the special general meeting will be despatched to the Shareholders on or before 14 October 2016 under the requirement of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcements of the Company dated 23 July 2015, 26 January 2016, 6 April 2016 and 2 August 2016 in relation to the purchase of wind power electricity generation equipment from the Supplier for the Group's wind farm project in Hunan Province (湖南省) and Anhui Province (安徽省), the PRC pursuant to the Previous Purchase Contracts.

On 22 September 2016, HNEE and the Supplier entered into the Purchase Contract 5 regarding the purchase of wind power electricity generation equipment from the Supplier for the Group's wind farm project in Henan Province (河南省). The Supplier is an Independent Third Party.

## **THE PURCHASE CONTRACT 5**

The principal terms of the Purchase Contract 5 are summarised as follows:

Dates: 22 September 2016 (after trading hours)

Parties: HNEE, the buyer

Xinjiang Goldwind Science & Technology Co., Ltd.\* (新疆金風科技股份有限公司),  
an Independent Third Party, the supplier

Consideration: RMB428,000,000 (equivalent to approximately HK\$496,480,000)

Under the Purchase Contract 5, the Group has agreed to buy from the Supplier (i) 24 sets of wind power electricity generation facilities of 2,500KW each; (ii) 20 sets of such facilities of 2,000KW each and (iii) ancillary equipment for the Group's development of the Henan Project with a capacity of 100MW.

The amount of consideration includes fees in relation to, inter alia, the purchase of machinery and equipment, technical support services to be provided by the Supplier, tax payment and delivery and insurance costs. The Supplier will provide a warranty period of 5 years in respect of the machinery and equipment supplied.

The above consideration payable by the Group is on normal commercial terms and is agreed after arm's length negotiation principally with reference to the market unit price and quantity of each machinery, equipment or forming part of the wind power electricity generation equipment to be supplied as set out in Purchase Contract 5.

\* *For identification purpose only*

According to the Purchase Contract 5, the Supplier shall pay 10% of the above consideration within 15 days from the effective date of the Purchase Contract 5 as performance bond for any breach of its obligations under the Purchase Contract 5, which shall be refunded to the Supplier within 30 days after completion of the pre-examination of the relevant machinery and equipment. 10% of the above consideration shall be payable within 35 days after receipt of the performance bond deposit and evidence of such payment.

The Supplier shall deliver and install machinery and equipment of 100MW, and the payment of consideration to be made by the Group by instalment will be based on the stages of completion, including the time of delivery and examination of Equipment on the terms of Purchase Contract 5. The consideration will be payable in cash or by way of acceptance bill of exchange. The purchase will be financed by internal resources of the Group or borrowings.

### **THE SUPPLIER**

The Supplier is a supplier of wind power machinery and equipment in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Supplier and its ultimate beneficial owner(s) are the Independent Third Parties.

### **REASONS FOR AND BENEFIT OF ENTERING INTO THE PURCHASE CONTRACT 5**

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

It is in the ordinary and usual course of business of the Group to build wind power plants in the PRC, including, among other projects, the subject projects in Henan, the PRC. The purchases of the machinery and equipment from the Supplier under the Purchases Contract 5 represent part of the Group's ordinary investments in its wind power projects.

The Purchases Contract 5 was entered into after the Group's tender process. The Group evaluated the terms of the Contract based on, among other factors, the specifications and needs of the Group, the credentials and experience of the Supplier, the quality of the products to be supplied by the Supplier, the services agreed to be rendered by the Supplier, the products warranty provided by the Supplier and the terms offered by other suppliers to the Group.

The Directors (including the independent non-executive Directors) consider that the overall terms offered by the Supplier under the Purchase Contract 5 are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## PAST TRANSACTIONS REQUIRING DISCLOSURE AS A REQUEST OF AGGREGATION

Set out below is a summary of the discloseable transactions (other than the transactions contemplated under Purchase Contract 5) entered into between TCCH/HNEE and the Supplier relating to the purchase of wind power electricity generation equipment, during the period from 23 July 2015 to the date of this announcement. Such transactions were subject to the announcement requirements and exempt from shareholders' approval under the Listing Rules. Given the Transactions are transacted with the same party, the Supplier, and are similar in nature, aggregation is required pursuant to the Rule 14.22 of the Listing Rules.

	<b>Purchase Contract 1</b>	<b>Purchase Contract 2</b>	<b>Purchase Contract 3</b>	<b>Purchase Contract 4</b>
Date of contract:	23 July 2015	26 January 2016	6 April 2016	2 August 2016
Buyer:	TCCH	TCCH	TCCH	HNEE
Equipment:	24 sets of wind power generation facilities of 2,000KW each	24 sets of wind power generation facilities of 2,000KW each	24 sets of wind power generation facilities of 2,000KW each	24 sets of wind power generation facilities of 2,000KW each
Consideration: (RMB million)	213.60	213.60	205.44	205.44

The Company has already been fully complied with the requirements under the Listing Rules to announce the aforesaid transactions.

## IMPLICATIONS OF THE LISTING RULES

As the Previous Purchase Contracts and the Purchase Contract 5 were entered into among the same parties, the transactions contemplated under the aforesaid contracts are required to be aggregated pursuant to the Rule 14.22 of the Listing Rules. When the Transactions are aggregated, the applicable percentage ratios in respect of the Transactions exceed 25% but are less than 100% and thus such transactions constitute a major transaction, which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A special general meeting will be convened and held for the Shareholders to consider and, if thought fit, approve the Purchase Contract 5 and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Supplier does not hold any Shares and no Shareholders or their associates have a material interest in the transactions contemplated under the Purchase Contract 5.

No Shareholder is required to abstain from voting on the resolution(s) in respect of the Purchase Contract 5 at the special general meeting. A circular containing, among other things, details of the Purchase Contract 5 and the notice of the special general meeting will be despatched to the Shareholders on or before 14 October 2016 under the requirement of the Listing Rules.

## DEFINITIONS

“associates”	has the meaning ascribed to it by the Listing Rules
“Company”	Concord New Energy Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HNEE”	Haotai New Energy Equipment Ltd.* (浩泰新能源裝備有限公司), a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“KW”	Kilowatt (1,000 watts), the commonly used unit of power in quantifying the electricity generation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	Megawatt (1,000,000 watts), the commonly used unit of power in quantifying the electricity generation
“PRC”	the People’s Republic of China
“Previous Purchase Contract(s)”	collectively the Purchase Contract 1, the Purchase Contract 2, the Purchase Contract 3 and the Purchase Contract 4
“Purchase Contract 1”	the wind power electricity generation equipment purchase contract TCCH and the Supplier dated 23 July 2015
“Purchase Contract 2”	the wind power electricity generation equipment purchase contract TCCH and the Supplier dated 26 January 2016

\* *For identification purpose only*

“Purchase Contract 3”	the wind power electricity generation equipment purchase contract TCCH and the Supplier dated 6 April 2016
“Purchase Contract 4”	the wind power electricity generation equipment purchase contract HNEE and the Supplier dated 2 August 2016
“Purchase Contract 5”	the wind power electricity generation equipment purchase contract HNEE and the Supplier entered into on 22 September 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it by the Listing Rules
“Supplier”	Xinjiang Goldwind Science & Technology Co., Ltd.* (新疆金風科技股份有限公司), a limited liability company incorporated in the PRC
“TCCH”	Tianjin Century Concord Huaxing Wind Power Equipment Co., Ltd.* (天津協合華興風電裝備有限公司), a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company
“Transactions”	the transactions contemplated under the Previous Purchase Transactions and the Purchase Contract 5

*The translation of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.16, and are provided for information purposes only.*

By order of the Board  
**Concord New Energy Group Limited**  
**Liu Shunxing**  
*Chairman*

22 September 2016, Hong Kong

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

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