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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 FINANCE LEASE ARRANGEMENT

On 29 September 2017 (after trading hours), Dao County (as Lessee), China Everbright (as Lessor/Purchaser), Haotai New Energy (as Vendor), Century Concord and the Company entered into the Finance Lease Arrangement, pursuant to which the Lessor has agreed to purchase the Equipment from the Vendor, and the Lessor has agreed to lease the Equipment to the Lessee for its power plant in Hunan Province, the PRC for a term of 10 years.

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Finance Lease Arrangement exceeds 5% but is less than 25%, the entering into of the Finance Lease Arrangement constitutes a discloseable transaction of the Company and thus is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FINANCE LEASE ARRANGEMENT

The Board is pleased to announce that, on 29 September 2017 (after trading hours), Dao County (as Lessee), China Everbright (as Lessor/Purchaser), Haotai New Energy (as Vendor), Century Concord and the Company entered into the Finance Lease Arrangement, pursuant to which the Lessor has agreed to purchase the Equipment from the Vendor, and the Lessor has agreed to lease the Equipment to the Lessee for its power plant in Hunan Province, the PRC for a term of 10 years. All Equipment under the Finance Lease Arrangement are/will be purchased and being used by the Group for the operation of a wind power project of the Group in Hunan Province, the PRC. Whilst the Group has booked all the Equipment as its fixed assets in its financial statements pursuant to

Hong Kong Financial Reporting Standards, as part of the purchase price of the Equipment due to the Vendor is still outstanding, the legal titles of such Equipment remain with the Vendor. Details of the Finance Lease Arrangement are summarized as follows:

(i) Principal terms of the Sales and Purchase Entrustment Agreement

Date of agreement	29 September 2017
Parties to the agreement	Purchaser/Lessor: China Everbright Vendor: Haotai New Energy Lessee: Dao County
Subject assets	The Equipment
Consideration paid by the Lessor/Purchase	RMB253,930,000.00 (equivalent to approximately HK\$299,637,400.00).
Basis to determine the consideration to acquire the Equipment	Consideration is determined after arm's length negotiations between the Purchaser and the Vendor with reference to the purchase price paid/ acquire the Equipment payable by the Group to the Vendor for the Equipment

(ii) Principal terms of the Finance Lease Agreement:

Date of agreement	29 September 2017
Commencement of the lease term	October 2017
Period of the lease term	10 years
Total lease amount payable by the Lessee to the Lessor	RMB343,768,936.09 (equivalent to approximately HK\$405,467,344.59) (being the sum of the lease cost of RMB253,930,000.00 and the aggregate interest of RMB89,838,936.09 which is payable in 40 quarterly installments)
Consultancy fee payable by the Lessee to the Lessor	RMB7,617,900.00 (equivalent to approximately HK\$8,989,122.00) payable by the Lessee to the Lessor before commencement of the lease term

Security deposit payable by the Lessee to the Lessor	RMB7,617,900.00 (equivalent to approximately HK\$8,989,122.00) payable by the Lessee to the Lessor
Basis to determine the lease payment	The lease payment is agreed between the Lessor and the Lessee with reference to the consideration paid by the Lessor to acquire the Equipment and the prevailing market interest rate
Adjustment to the interest under the Finance Lease Agreement	Interest (which forms part of the lease consideration) is subject to annual adjustment with reference to the benchmark interest rate for RMB loans with maturity which is the same as the remaining leasing period of the Finance Lease Agreement as promulgated by the People’s Bank of China from time to time

The security deposit shall be used to offset any default caused by Lessee under the Finance Lease Agreement. If there is no event of default, such deposit shall be returned to the Lessee upon the end of the lease period.

Lessee’s option to purchase the Equipment

Payment term	The legal ownership of the Equipment will be rested in China Everbright throughout the lease period. Upon the end of the lease period, provided that the Lessee has fulfilled all of its obligations under the Finance Lease Agreement, the Lessee has the option to purchase the Equipment at a consideration of RMB1,000.00
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(iii) Other security agreements:

In order to secure Dao County’s obligations under the Financial Lease Arrangement, the following security documents, among others, have also been executed on 29 September 2017 (after trading hours) (the “**Security Agreements**”)

Guarantee agreement	The Company and Century Concord have agreed to provide an irrevocable joint and several liability guarantee to the Lessor, and unconditionally and irrevocably undertake that, upon receipt of a demand from the Lessor, the Company and Century Concord will unconditionally pay the amount demanded by the Lessor, which will be expired two years from the payment due date of the Finance Lease Agreement
Share pledge agreement	Century Concord has agreed to pledge all its equity interest in the Lessee in favour of the Lessor, to secure the obligations of the Lessee under the Finance Lease Agreement

REASONS FOR AND BENEFIT OF THE TRANSACTION

The entering into of the Finance Lease Arrangement is in the ordinary and usual course of business of the Lessee. The Directors are of the view that under the Finance Lease Arrangement, the Group will obtain financial resources and gain access to the use of the certain other equipment. The terms under the Finance Lease Arrangement has been agreed after arm's length negotiation among the parties. The Directors consider 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 ON THE PARTIES TO THE FINANCE LEASE ARRANGEMENT

China Everbright is a company incorporated 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, the Lessor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Company 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.

Dao County is a wholly-owned subsidiary of the Company, which is principally engaged in the wind power plant investment and operation in the PRC.

Haotai New Energy is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company, which is principally engaged in wind power equipment and new energy equipment trade.

LISTING RULES IMPLICATIONS

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Finance Lease Arrangement exceeds 5% but is less than 25%, the entering into of the Finance Lease Arrangement constitutes a discloseable transaction of the Company and thus is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires the otherwise.

“Century Concord”	Century Concord Wind Power Investment Co., Ltd. * (協合風電投資有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company and holds 100% interest in Dao County
“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 operation of a wind power project in Hunan Province, the PRC under the Finance Lease Agreement
“Finance Lease Agreement”	the agreement entered into between the Lessee and the Lessor dated 29 September 2017, including all of its attachment documents and attachment forms in respect of the lease of the Equipment, as described in the section headed “Finance Lease Arrangement” in this announcement
“Finance Lease Arrangement”	Finance Lease Agreement, Sale and Purchase Agreement, other security agreements and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Administrative Region of the PRC
“Lessee”/“Dao County”	Dao County Century Concord Wind Power Co, Ltd* (道縣協合風力發電有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Lessor”/“Purchaser”/“China Everbright”	Everbright Financial Leasing Co. Ltd.* (光大金融租賃股份有限公司), a third party independent of the Company and its connected persons

“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
“Sales and Purchase Entrustment Agreement”	an agreement entered into among Dao County, China Everbright and Haotai New Energy dated 29 September 2017 pursuant to which Haotai New Energy agreed to supply certain equipment to China Everbright
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”/ “Haotai New Energy”	Haotai New Energy Equipment Co. 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

For illustration purpose of this announcement, the exchange rate of RMB1=HK\$1.18.

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

Hong Kong, 29 September 2017

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. Niu Wenhui and Mr. Gui Kai (all of above are also executive Directors), Mr. Wu Shaohua (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).

* For identification purposes only