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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)

ISSUANCE OF US\$200,000,000 7.9% SENIOR NOTES DUE 2021

Reference is made to the announcement of the Company dated 7 November 2017 in respect of the Notes Issue.

The Board is pleased to announce that on 16 January 2018 (New York City, United States time), the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of the Notes in an aggregate principal amount of US\$200,000,000 due 2021.

The estimated net proceeds of the Notes Issue, after deduction of the underwriting discounts and commissions and other estimated expenses, will amount to approximately US\$196.4 million and the Company intends to use the net proceeds of the Notes Issue to repay existing debts and for general corporate purposes in compliance with applicable laws and regulations.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

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THE PURCHASE AGREEMENT

Date

16 January 2018 (New York City, United States time)

Parties to the Purchase Agreement

- (a) the Company as the issuer of the Notes;
- (b) the Subsidiary Guarantors; and
- (c) the Initial Purchasers.

Bank of America Merrill Lynch is the sole global coordinator and Bank of America Merrill Lynch, BOC International and China Everbright Bank Hong Kong Branch are the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes. They are also the Initial Purchasers of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Initial Purchasers is an independent third party and not a connected person of the Company.

The Notes and the Subsidiary Guarantees have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States and may only be offered, sold or delivered outside the United States. Accordingly, the Securities are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the Subsidiary Guarantees provided by the Subsidiary Guarantors.

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$200,000,000. The Notes will mature on 23 January 2021 unless earlier redeemed in accordance with the terms thereof.

Issue Price

The issue price of the Notes will be 100% of the principal amount of the Notes.

Interest Rate

The Notes will bear interest at a rate of 7.9% per annum, payable semi-annually in arrears on 23 January and 23 July of each year, commencing on 23 July 2018.

Ranking of the Notes

The Notes are general obligations of the Company and are guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations on the issue date of the Notes. The Notes are (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (2) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (3) effectively subordinated to the secured obligations (if any) of the Company and the Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and (4) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not Subsidiary Guarantors.

Events of Default

The events of default under the Notes include, among others:

- (a) default in the payment of principal;
- (b) default in the payment of interest;
- (c) default in the performance or breach of certain covenants under the Indenture or the Notes;
- (d) default by the Company or certain of its subsidiaries in the performance or breach of the provisions of certain covenants under the Indenture or the Notes;
- (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, an outstanding principal amount in excess of US\$10.0 million;
- (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged;
- (g) involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries;
- (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action;
- (i) any Subsidiary Guarantor denying or disaffirming its obligations under its Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect; or
- (j) if an event of default (other than an event of default specified in (g) or (h) above) occurs and is continuing under the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of outstanding Notes may declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in (g) or (h) above occurs with respect to the Company or certain of its subsidiaries, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall be immediately due and payable.

Covenants

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;
- (e) guarantee indebtedness of the Company or certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) engage in any business other than permitted business;
- (j) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (k) enter into transactions with shareholders or affiliates; and
- (l) effect a consolidation or merger.

Optional Redemption

At any time prior to 23 January 2021, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 23 January 2021, the Company may at its option redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 107.9% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Use of proceeds

The Company is an investment holding company and the Group is principally engaged in the investment in power plants and engineering, procurement, construction, power plant operation and maintenance.

The estimated net proceeds of the Notes, after deduction of commissions and estimated expenses, will be approximately US\$196.4 million, which the Company intends to use to repay existing debts and for general corporate purposes in compliance with applicable laws and regulations.

Ratings

The Notes are expected to be rated “BB-” by S&P Global Ratings and “BB-” by Fitch Ratings Services.

Listing

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or the Notes.

The completion of the Purchase Agreement is subject to certain conditions precedent which may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITION

“Bank of America Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited, the sole global coordinator and one of the joint lead managers and joint bookrunners in respect of the Notes Issue;
“Board”	the board of Directors;
“BOC International”	BOCI Asia Limited, one of the joint lead managers and one of the joint bookrunners in respect of the Notes Issue;
“China Everbright Bank Hong Kong Branch”	China Everbright Bank Co., Ltd., Hong Kong Branch, one of the joint lead managers and one of the joint bookrunners in respect of the Notes Issue;
“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;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;

“Indenture”	the indenture governing the Notes that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date;
“Initial Purchasers”	Merrill Lynch (Asia Pacific) Limited, BOC International and China Everbright Bank Hong Kong Branch;
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange;
“Notes”	the 7.9% senior notes due 2021 in the aggregate principal amount of US\$200,000,000 to be issued by the Company;
“Purchase Agreement”	the purchase agreement dated 16 January 2018 (New York City, United States time) entered into by and among the Company, the Subsidiary Guarantors, Merrill Lynch (Asia Pacific) Limited, BOC International and China Everbright Bank Hong Kong Branch in relation to the issue of the Notes;
“Securities Act”	The United States Securities Act of 1933, as amended from time to time;
“Subsidiary Guarantees”	guarantees given by the Subsidiary Guarantors of the Notes;
“Subsidiary Guarantors”	certain existing subsidiaries of the Company providing guarantees for the Notes;
“subsidiaries”	has the meaning ascribed to it under the Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“United States” or “U.S.”	the United States of America;
“US\$”	the lawful currency of the United States;
“%”	per cent.

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

Hong Kong, 17 January 2018

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 also executive Directors), Mr. Wu Shaohua (who is a non-executive Director) and Dr. Wong Yau Kar, David, BBS, JP, Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang and Ms. Huang Jian (who are independent non-executive Directors).

* *For identification purposes only*