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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**

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The Company is pleased to announce that on 24 April 2019 (after trading hours), Wuhe Juhe (as lessee), Haotai New Energy (as supplier) and China General Nuclear (as purchaser and lessor) entered into the Finance Lease Arrangement, pursuant to which (i) China General Nuclear has agreed to purchase the Equipment from Haotai New Energy, at the consideration of approximately RMB271,645,330 (equivalent to approximately HK\$317,825,036.10); and (ii) China General Nuclear has agreed to lease the Equipment to Wuhe Juhe for a term of 10 years, to be payable in 40 quarterly installments, at an estimated total lease payments in the amount of approximately RMB378,009,564 (equivalent to approximately HK\$442,271,189.88).

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Finance Lease Arrangement exceeds 5% but less than 25%, 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.

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RMB271,645,330 (equivalent to approximately HK\$317,825,036.10); and (ii) China General Nuclear has agreed to lease the Equipment to Wuhe Juhe for a term of 10 years, to be payable in 40 quarterly installments, at an estimated total lease payments in the amount of approximately RMB378,009,564 (equivalent to approximately HK\$442,271,189.88). 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. Details of the Finance Lease Arrangement are summarised as follows:

**(i) Principal terms of the Sale and Purchase Agreement**

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

<b>Date of agreement</b>	24 April 2019
<b>Parties to the agreement</b>	Lessor and purchaser: China General Nuclear; Lessee: Wuhe Juhe; and Supplier: Haotai New Energy
<b>Subject assets</b>	The Equipment
<b>Consideration payable by the lessor to the supplier</b>	The consideration shall be settled by China General Nuclear by two installments.

The first installment of approximately RMB217,316,264 is expected to be settled within 15 business days after China General Nuclear receives relevant materials that meet its requirements provided by Haotai New Energy, subject to certain conditions including, among others, (i) Wuhe Juhe has obtained the approval documents related to the use of the Equipment, including but not limited to the project approval, land approval and other relevant approval, verification or filing documents required by law; (ii) the execution of Other Security Agreements and the relevant ancillary documents and the completion of the filings and registration procedure at the relevant authorities; (iii) the first installment of the security deposit and the first installment of the handling fee under the Finance Lease Agreement has been paid by Wuhe Juhe to China General Nuclear; and (iv) the increase of the registered capital of Wuhe Juhe to RMB78,000,000 has been paid up and the filings and registration procedure at the relevant authorities has been completed.

The second installment of approximately RMB54,329,066 is payable subject to, among other things, (i) the conditions for the first installment have been kept fulfilled (or waived by China General Nuclear); and (ii) the full capacity grid connection of Wuhe Jindashan Wind Power Project\* (五河金大山風電項目) located in Anhui Province has been completed.

**Basis of the consideration** The consideration is determined after arm's length negotiations with reference to the purchase price payable to Haotai New Energy for the Equipment.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, China General Nuclear and its ultimate beneficial owner(s) are third parties independent to the Company and its connected persons (as defined under the Listing Rules).

**(ii) Principal terms of the Finance Lease Agreement**

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

<b>Date of agreement</b>	24 April 2019
<b>Parties to the Agreement</b>	Lessor: China General Nuclear; and Lessee: Wuhe Juhe
<b>Period of the lease term</b>	10 years (commenced from the date of accepting the Equipment by Wuhe Juhe and in any circumstances, no later than the date of settlement of the first installment payable by China General Nuclear to Haotai New Energy under the Sale and Purchase Agreement)
<b>Total lease amount payable by the lessee to the lessor</b>	Approximately RMB378,009,564 (equivalent to approximately HK\$442,271,189.88) (being the sum of the lease cost of approximately RMB271,645,330, the handling fee of RMB8,828,473, the aggregate interest of approximately RMB87,484,884 and the security deposit of approximately RMB10,050,877), which is payable in 40 quarterly installments.

<b>Handling fee payable by the lessee to the lessor</b>	Approximately RMB8,828,473 (equivalent to approximately HK\$10,329,313.41), which shall be fully settled by Wuhe Juhe to China General Nuclear by three installments. The first installment of approximately RMB5,432,907 shall be settled on the first payment date under the Finance Lease Agreement, the second installment of approximately RMB2,173,163 shall be settled on the fourth payment date under the Finance Lease Agreement and the third installment of approximately RMB1,222,404 shall be settled on the eighth payment date under the Finance Lease Agreement.
<b>Security deposit payable by the lessee to the lessor</b>	Approximately RMB10,050,877 (equivalent to approximately HK\$11,759,526.09), which shall be fully settled by Wuhe Juhe to China General Nuclear by two installments. The first installment of approximately RMB5,432,907 shall be settled on the first payment date under the Finance Lease Agreement, the second installment of approximately RMB4,617,971 shall be settled on the fourth payment date under the Finance Lease Agreement.
<b>Interest rate and adjustment</b>	Interest (which forms part of the total lease amount) is 17.898% above the benchmark interest rate for RMB five-year or above loans as promulgated by the People's Bank of China, which is subject to adjustment with reference to such benchmark interest from time to time.
<b>Basis to determine the lease payment</b>	The lease amount is agreed between China General Nuclear and Wuhe Juhe with reference to the consideration paid by China General Nuclear in respect of the Equipment and the prevailing market interest rate of comparable equipment finance leases.

***Lessee's option to purchase the Equipment***

<b>Payment term</b>	The legal ownership of the Equipment will be rested in China General Nuclear throughout the lease term. Upon the end of the lease term, provided that Wuhe Juhe has fulfilled all of its obligations under the Finance Lease Agreement, Wuhe Juhe has the option to purchase the Equipment at a consideration of RMB10,000 (equivalent to approximately HK\$11,700).
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### (iii) Other Security Agreements

In order to secure Wuhe Juhe's obligations under the Finance Lease Arrangement, the following security documents have also been executed on 24 April 2019 (after trading hours):

<b>Guarantee Agreements</b>	The Company and Yongzhou Jiepai Concord have entered into guarantee agreements in favour of China General Nuclear respectively (the " <b>Guarantee Agreements</b> "), pursuant to which the Company and Yongzhou Jiepai Concord have agreed to provide irrevocable guarantees for all the debts of Wuhe Juhe under the Finance Lease Agreement.
<b>Accounts Receivable Pledge Agreement</b>	Wuhe Juhe has entered into an accounts receivable pledge agreement in favour of China General Nuclear (the " <b>Accounts Receivable Pledge Agreement</b> "), pursuant to which Wuhe Juhe has agreed to pledge its gains from the receivable in electricity fee to China General Nuclear, to secure its obligations under the Finance Lease Agreement.
<b>Share Pledge Agreement</b>	Yongzhou Jiepai Concord has entered into a share pledge agreement in favour of China General Nuclear (the " <b>Share Pledge Agreement</b> "), pursuant to which Yongzhou Jiepai Concord has agreed to pledge all its equity interest in Wuhe Juhe to China General Nuclear, to secure the obligations of Wuhe Juhe under the Finance Lease Agreement.
<b>Authorised Mortgage Agreement</b>	Wuhe Juhe has entered into an authorised mortgage agreement in favour of China General Nuclear (the " <b>Authorised Mortgage Agreement</b> "), pursuant to which China General Nuclear has authorised Wuhe Juhe to mortgage the Equipment to China General Nuclear and complete the registration procedure, to secure its obligations under the Finance Lease Agreement.
<b>Designated Account Agreement</b>	China General Nuclear and Wuhe Juhe has entered into a designated account agreement (the " <b>Designated Account Agreement</b> "), pursuant to which a designated account (the " <b>Designated Account</b> ") has been set up and the receivable in electricity fee of Wuhe Juhe should be deposited into the Designated Account.

### **Electricity Fee Pledge Agreement**

Wuhe Juhe has entered into a pledge agreement in favour of China General Nuclear (the “**Electricity Fee Pledge Agreement**”), pursuant to which Wuhe Juhe has agreed to pledge its gains from the receivable in electricity fee to China General Nuclear, to secure its obligations 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 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 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 ARRANGEMENT**

### **China General Nuclear**

China General Nuclear 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, China General Nuclear 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 and Wuhe Juhe**

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.

Wuhe Juhe is a wholly-owned subsidiary of the Company, and is principally engaged in wind power generation projects, wind power technology consulting services and technology research and development, engineering support services and sales of wind power products in the PRC.

### **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 (as defined under the Listing Rules) in respect of the transaction contemplated under the Finance Lease Arrangement exceeds 5% but less than 25%, 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, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“China General Nuclear”	China General Nuclear International Financial Leasing Co. Ltd.* (中廣核國際融資租賃有限公司), 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), which is the purchaser under the Sale and Purchase Agreement and the lessor under Finance Lease Agreement
“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 Sale and Purchase Agreement and the Finance Lease Agreement
“Finance Lease Agreement”	the finance lease agreement entered into between Wuhe Juhe and China General Nuclear dated 24 April 2019, including all ancillary agreements attached thereto in respect of the lease of the Equipment, as described in the section headed “Finance Lease Arrangement” in this announcement
“Finance Lease Arrangement”	the transactions contemplated under the Finance Lease Agreement, the Sale and Purchase Agreement and the Other Security Agreements
“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 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Security Agreements”	the security documents, including the Guarantee Agreements, the Accounts Receivable Pledge Agreement, the Share Pledge Agreement, the Authorised Mortgage Agreement, the Designated Account Agreement and the Electricity Fee Pledge Agreement to secure Wuhe Juhe’s obligations under the Finance Lease Arrangement, as stated in the section headed “Finance Lease Arrangement — Other Security Agreements” in this announcement
“PRC”	The People’s Republic of China (which for the purpose of this announcement excluding Hong Kong, Taiwan and the Macau Special Administrative Region of 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 China General Nuclear, Haotai New Energy and Wuhe Juhe dated 24 April 2019, pursuant to which China General Nuclear agreed to purchase the Equipment from Haotai New Energy to fulfill China General Nuclear’s obligations under the Finance Lease Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhe Juhe”	Wuhe Juhe Wind Power Co., Ltd.* (五河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, which is the lessee under the Sale and Purchase Agreement and the Finance Lease Agreement



“Yongzhou Jiepai Concord” Yongzhou Jiepai Century Concord Wind Power Co., Ltd.\* (永州界牌協合風力發電有限公司), a company established in the PRC with limited liability, a wholly-owned subsidiary of the Company and is principally engaged in wind power generation projects

*This announcement contains translations between RMB and HK\$ at RMB1.00 = HK\$1.17. 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, 24 April 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).*

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