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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
CONTRACTS REGARDING PURCHASE OF
WIND POWER ELECTRICITY GENERATION EQUIPMENT

PURCHASE CONTRACTS

The Board is pleased to announce that on 31 October 2019, the Purchaser and the Supplier entered into (i) the Purchase Contract I regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB379,810,000, by the Purchaser from the Supplier for the wind farm project I of the Group in Bozhou City, Anhui Province, the PRC; and (ii) the Purchase Contract II regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB189,050,000, by the Purchaser from the Supplier for the wind farm project II of the Group in Bozhou City, Anhui Province, the PRC.

LISTING RULES IMPLICATIONS

As the transactions contemplated under the Purchase Contracts 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 Purchase Contracts exceed(s) 5% but is/are less than 25%, the transactions under the Purchase Contracts constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

* *For identification purposes only*

BACKGROUND

The Board is pleased to announce that on 31 October 2019, the Purchaser and the Supplier entered into (i) the Purchase Contract I regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB379,810,000, by the Purchaser from the Supplier for the wind farm project I of the Group in Bozhou City, Anhui Province, the PRC; and (ii) the Purchase Contract II regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB189,050,000, by the Purchaser from the Supplier for the wind farm project II of the Group in Bozhou City, Anhui Province, the PRC.

PURCHASE CONTRACT I

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

Date	:	31 October 2019
Parties	:	Purchaser: Tianjin Century Concord Huaxing Wind Power Equipment Co., Ltd.* (天津協合華興風電裝備有限公司); and Supplier: Envision Energy Co., Ltd.* (遠景能源有限公司)
Subject	:	The Purchaser agreed to buy from the Supplier a set of wind power electricity generation equipment for the wind farm project I of the Group in Bozhou City, Anhui Province, the PRC, including turbines, electricity generation systems, control systems hardware and software, and ancillary equipment etc.
Consideration	:	RMB379,810,000. The amount of consideration also includes fees in relation to, inter alia, technical support services to be provided by the Supplier, tax payment, delivery and insurance costs.

The amount of the total consideration payable by the Purchaser is on normal commercial terms and is agreed after arm's length negotiation 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 the Purchase Contract I. The payment of consideration to be made by the Purchaser by instalments will be based on the stages of completion of the Purchase Contract I. The consideration will be payable by wire transfer or bank acceptance bills, which will be financed by internal resources of the Group and/or borrowings.

According to the Purchase Contract I, within 15 days from the effective date of the Purchase Contract I, the Supplier shall pay to the Purchaser 10% of the total consideration as irrevocable performance guarantee for any breach of its obligations under the Purchase Contract I, which shall be refunded to the Supplier within 30 days upon entering into the warranty period of all wind power electricity generation equipment.

The Supplier will provide a warranty period of 2 years in respect of the wind power electricity generation equipment supplied.

PURCHASE CONTRACT II

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

- Date : 31 October 2019
- Parties : Purchaser: Tianjin Century Concord Huaxing Wind Power Equipment Co., Ltd.* (天津協合華興風電裝備有限公司); and
Supplier: Envision Energy Co., Ltd.* (遠景能源有限公司)
- Subject : The Purchaser agreed to buy from the Supplier a set of wind power electricity generation equipment for the wind farm project II of the Group in Bozhou City, Anhui Province, the PRC, including turbines, electricity generation systems, control systems hardware and software, and ancillary equipment etc.
- Consideration : RMB189,050,000. The amount of consideration also includes fees in relation to, inter alia, technical support services to be provided by the Supplier, tax payment, delivery and insurance costs.

The amount of the total consideration payable by the Purchaser is on normal commercial terms and is agreed after arm's length negotiation 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 the Purchase Contract II. The payment of consideration to be made by the Purchaser by instalments will be based on the stages of completion of the Purchase Contract II. The consideration will be payable by wire transfer or bank acceptance bills, which will be financed by internal resources of the Group and/or borrowings.

According to the Purchase Contract II, within 15 days from the effective date of the Purchase Contract II, the Supplier shall pay to the Purchaser 10% of the total consideration as irrevocable performance guarantee for any breach of its obligations under the Purchase Contract II, which shall be refunded to the Supplier within 30 days upon entering into the warranty period of all wind power electricity generation equipment.

The Supplier will provide a warranty period of 2 years in respect of the wind power electricity generation equipment supplied.

INFORMATION OF THE PARTIES TO THE PURCHASE CONTRACTS

The Company and the Purchaser

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.

The Purchaser is a wholly-owned subsidiary of the Company and is principally engaged in the trading of equipment for new energy.

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 after having made all reasonable enquiries, the Supplier and its ultimate beneficial owner(s) are third parties independent to the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

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 Bozhou City, Anhui Province, the PRC. The purchase of the machinery and equipment from the Supplier under the Purchase Contracts represent part of the Group's ordinary investments in its wind power projects.

The Group evaluated the terms of the respective contracts 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 Contracts are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the transactions contemplated under the Purchase Contracts 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 Purchase Contracts exceed(s) 5% but is/are less than 25%, the transactions under the Purchase Contracts constitutes a discloseable transaction of the Company and is thus 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
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	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
“Purchase Contracts”	collectively, the Purchase Contract I and the Purchase Contract II
Purchase Contract I”	the purchase contract dated 31 October 2019 entered into between the Purchaser and the Supplier in relation to the purchase of machinery and equipment for the wind farm project I

“Purchase Contract II”	the purchase contract dated 31 October 2019 entered into between the Purchaser and the Supplier in relation to the purchase of machinery and equipment for the wind farm project II
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplier”	Envision Energy Co., Ltd.* (遠景能源有限公司), a limited liability company established in the PRC

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

Hong Kong, 31 October 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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