
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Concord New Energy Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**MAJOR TRANSACTION
FINANCE LEASE ARRANGEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

Terms defined in the section headed “Definitions” in this circular shall have the same meaning when used in this cover page, unless the context otherwise requires.

SGM of the Company will be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Friday, 8 September 2023 at 10:10 a.m. or immediately after the conclusion of the special general meeting of the Company to be held on the same day at 10:00 a.m. (whichever is later).

A notice convening the SGM and a form of proxy for use by the Shareholders at the SGM are enclosed. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event no later than 48 hours (i.e. 10:10 a.m. on Wednesday, 6 September 2023) before the appointed time for holding of the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish, and in such event, the form of proxy shall be deemed revoked.

16 August 2023

* *For identification purposes only*

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DEFINITIONS

In this circular, the following terms and expressions shall have the following meanings unless the context otherwise requires:

“Announcement”	the announcement of the Company dated 10 July 2023 in relation to the Finance Lease Arrangement;
“Applicable Percentage Ratio”, “connected person(s)” and “subsidiary(ies)”	have the meanings ascribed to them under the Listing Rules;
“Board”	the board of Directors;
“Century Concord Wind Power”	Century Concord Wind Power Investment Co., Ltd.* (協合風電投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“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 energy storage equipment used for the Power Station (including prefabricated cabins for the energy storage battery system, storage monitoring system and other auxiliary facilities);
“Finance Lease Agreement”	the finance lease agreement between the Lessee and the Financier dated 10 July 2023 for the leasing of the Equipment to the Lessee from the Financier;
“Finance Lease Arrangement”	the transactions contemplated under the Purchase Agreement and the Finance Lease Agreement;
“Financier”	Everbright Financial Leasing Co., Ltd.* (光大金融租賃股份有限公司), a company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	11 August 2023, the latest practicable date before the printing of this circular for ascertaining certain information contained herein;

DEFINITIONS

“Lease Payment(s)”	the quarterly lease payment(s) payable by the Lessee to the Financier under the Finance Lease Agreement for the leasing of the Equipment;
“Lease Period”	the period in which the Lessee shall lease the Equipment from the Financier;
“Lessee”	Yongzhou Century Concord Energy Technology Co., Ltd.* (永州協合能源科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LPR”	the loan prime rate (貸款市場報價利率) announced by the National Interbank Funding Center (全國銀行間同業拆借中心) from time to time;
“MW”	megawatt;
“Original Purchase Agreement”	the sale and purchase, and installation agreement dated 10 February 2023 between the Seller and the Lessee for the originally proposed purchase of the Equipment by the Lessee from the Seller;
“Power Station”	the 100MW/200MWh energy storage power station project operated by the Lessee in Yongzhou City, Hunan Province, the PRC (中國湖南省永州市);
“PRC”	the People’s Republic of China, which excludes, for the purposes of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Previous Finance Lease Arrangements”	the previous finance lease arrangements as described in the paragraph headed “Previous Finance Lease Arrangements” in this circular;
“Purchase Agreement”	the supplemental agreement dated 10 July 2023 in relation to the Original Purchase Agreement between the Seller, the Lessee and the Financier for the sale of the Equipment from the Seller to the Financier;
“Purchase Price”	the purchase price payable by the Financier for the purchase of the Equipment;

DEFINITIONS

“Wuhan Shunhe”	Wuhan Shunhe New Energy Investment Co., Ltd.* (武漢順合新能源投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Seller”	Edge Power Technology Co., Ltd.* (四維能源(武漢)科技有限公 司), a company established in the PRC with limited liability and an approximately 99.97% owned subsidiary of the Company;
“SFO”	Securities and Futures Ordinance (CAP. 571 of the laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Friday, 8 September 2023 at 10:10 a.m. or immediately after the conclusion of the special general meeting of the Company to be held on the same day at 10:00 a.m. (whichever is later) for the Shareholders to consider and, if thought fit, approve the Transaction;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

* *For identification purposes only*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Shunxing (*Chairman*)
Ms. Liu Jianhong (*Vice Chairperson*)
Mr. Gui Kai (*Chief Executive Officer*)
Mr. Niu Wenhui
Mr. Zhai Feng
Ms. Shang Jia

Non-executive Director:

Mr. Wang Feng

Independent non-executive Directors:

Mr. Yap Fat Suan, Henry
Dr. Jesse Zhixi Fang
Ms. Huang Jian
Mr. Zhang Zhong
Ms. Li Yongli

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Suite 3901, 39th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

16 August 2023

To the Shareholders:

Dear Sir or Madam,

**MAJOR TRANSACTION
FINANCE LEASE ARRANGEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement. The purposes of this circular is to provide you with: (a) further information on the Financial Lease Arrangement, and other information of the Group to enable you to make an informed decision on whether to vote for or against the resolution to be proposed at the SGM; and (b) the notice of the SGM.

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LETTER FROM THE BOARD

INTRODUCTION

The Board is pleased to announce that after trading hour on 10 July 2023, the Seller, the Lessee and the Financier agreed on the Finance Lease Arrangement by way of entering into the following agreements. Details of the Finance Lease Arrangement are set out below.

FINANCE LEASE ARRANGEMENT

Purchase Agreement

Date:	10 July 2023
Parties:	<ul style="list-style-type: none">(i) the Financier as the purchaser of the Equipment under the Purchase Agreement;(ii) the Seller as the seller of the Equipment; and(iii) the Lessee as the original purchaser of the Equipment under the Original Purchase Agreement.
Subject asset:	The Equipment, which shall be purchased by the Financier from the Seller by way of transferring by the Lessee to the Financier the relevant rights and obligations of the Lessee under the Original Purchase Agreement for the purchase of the Equipment. The Equipment shall be purchased by the Financier for the purposes of the Financier leasing the Equipment to the Lessee.
Purchase price and completion:	<p>The Purchase Price payable by the Financier to the Seller for the purchase of the Equipment shall be RMB296 million, which was determined after arm's length negotiation between the Seller, the Lessee and the Financier with reference to the market value of the Equipment and the amount of financing needs required by the Group under the Finance Lease Arrangement. The original purchase price of the Equipment under the Original Purchase Agreement is RMB296 million, which is in line with its market value and determined based on reviewing quotations obtained from suppliers of comparable equipment who are independent third parties.</p> <p>The Purchase Price shall be payable in three instalments. The payment schedule of the instalments is determined with reference to the progress of development of the Power Station. The first instalment of the Purchase Price, being an amount of no more than RMB88.8 million, shall be payable after not less than 50% power storage capacity of the Power Station having been leased out to</p>

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other third parties and/or members of the Group. The first instalment of the Purchase Price is expected to be paid around the end of September 2023.

The second instalment of the Purchase Price shall be an amount not more than an amount equal to RMB150 million minus the first instalment of the Purchase Price. The second instalment of the Purchase Price shall be payable after all the 28 units of the prefabricated cabins for the energy storage battery system having been delivered to the site of the Power Station with an invoiced amount of not less than RMB100 million. The second instalment of the Purchase Price is expected to be paid around the end of September 2023.

The final instalment of the Purchase Price, being the balance of the Purchase Price (i.e. the Purchase Price minus the first and the second instalments of the Purchase Price), shall be payable after (i) the full power storage capacity of the Power Station having been connected to the grid; (ii) the grid-connected dispatch agreement, and power purchase and sale contract having been entered into between the Lessee and the power company; and (iii) all the invoices of the Equipment having been provided to the Financier. The final instalment of the Purchase Price is expected to be paid around the end of October 2023.

Finance Lease Agreement

Date: 10 July 2023

Parties: (i) the Financier as the lessor; and
(ii) the Lessee as the lessee.

Subject asset: The Equipment, which shall be leased from the Financier by the Lessee.

Lease period: The period in which the Lessee shall lease the Equipment from the Financier commencing from the date of the payment of the first instalment of the Purchase Price by the Financier and ending on the 12th anniversary of the date of the payment of the final instalment of the Purchase Price by the Financier.

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Lease payments and interest rate: The Lessee shall pay quarterly Lease Payments in arrears to the Financier during the Lease Period. The total Lease Payments represents the Purchase Price plus interests attributable to the Finance Lease Arrangement to be determined based on the following applicable interest rate.

The applicable interest rate for each instalment of the Purchase Price is a floating interest rate equal to the relevant over-5-year LPR plus 0.30%. The relevant over-5-year LPR for the first quarterly Lease Payment in respect of each instalment of the Purchase Price is the LPR announced on 20 June 2023, being 4.2%, which gives rise to an applicable interest rate of 4.5% for the first quarterly Lease Payment in respect of each instalment of the Purchase Price. The applicable interest rate in respect of each instalment of the Purchase Price will be adjusted annually on the anniversary of the payment of such instalment of the Purchase Price, which will, after adjustment, equal to the then latest over-5-year LPR plus 0.30%. Assuming the applicable interest rate being 4.5% throughout the Lease Period for each instalment of the Purchase Price, the total Lease Payments would be approximately RMB373.25 million. The Lease Payments and the applicable interest rate were determined after arm's length negotiation between the Lessee and the Financier with reference to the prevailing market cost of equipment finance lease.

Security documents: As security for the due performance of all the Lessee's obligations under the Finance Lease Agreement, the Lessee and certain wholly-owned subsidiaries of the Company (namely Century Concord Wind Power and Wuhan Shunhe) shall, in favour of the Financier, execute the security documents consisting of (i) the guarantee given by Century Concord Wind Power, under which Century Concord Wind Power shall irrevocably guarantee the performance of all the Lessee's obligations under the Finance Lease Agreement, including but not limited to the payment of all Lease Payments; (ii) the pledge given by Wuhan Shunhe for the entire equity interest in the Lessee owned by it, under which Wuhan Shunhe shall pledge all its rights and interests in the equity interest in the Lessee in favour of the Financier to guarantee the performance of all the Lessee's obligations under the Finance Lease Agreement, including but not limited to the payment of all Lease Payments; and (iii) the pledge given by the Lessee in respect of its capacity rent and account receivables, under which the Lessee shall pledge all its rights and interests in the rent and receivables in favour of the Financier to guarantee the performance of all the Lessee's obligations under the Finance Lease Agreement, including but not limited to the payment

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of all Lease Payments. The Finance Lease Agreement and the said security documents have no material adverse effect on the operation and management of the Group's businesses.

Security deposit: Nil

Handling fee: Nil

Buyback option: Upon the expiry of the Lease Period, the Lessee has the option to buy back the Equipment from the Financier at a consideration of RMB1,000.

CONDITION PRECEDENT

The Finance Lease Arrangement shall not take effect until the Company having published an announcement disclosing that the Purchase Agreement and the Finance Lease Agreement having been approved by the Shareholders at the special general meeting of the Company. If the Shareholders do not approve the said agreements at the said special general meeting, the Finance Lease Arrangement will have no legal effect, and will thus not be legally binding against the parties.

REASONS FOR AND BENEFIT OF THE FINANCE LEASE ARRANGEMENT

The entering into the Finance Lease Arrangement is in the ordinary and usual course of business of the Group, which allows the Group to obtain financial resources and gain access to certain equipment as required for its operations. The Directors consider that the terms of the Finance Lease Arrangement are on normal commercial terms, fair and reasonable and are in the interests of the Shareholders as a whole. The unaudited book value of Equipment as at 30 June 2023 is approximately RMB296 million. According to the Hong Kong Financial Reporting Standards, the transactions contemplated under the Finance Lease Arrangement will not give rise to any disposal gain or loss to be recorded by the Group.

INTENDED USE OF PROCEEDS

The Company will generate a net disposal proceeds of approximately RMB296 million under the Finance Lease Arrangement, which will be used as general working capital to finance the business operation and activities of the Group within its ordinary course of business, including the purchase of wind power, photovoltaic power and energy storage equipment, and construction of wind power, photovoltaic power and energy storage power stations.

GENERAL INFORMATION

The Company is an investment holding company. 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.

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The Seller is principally engaged in the research and development, manufacturing and trading of energy storage equipment. The Seller is beneficially owned as to approximately 99.97% by the Group and, insofar as the Company is aware, as to approximately 0.03% by independent third parties.

The Lessee is a wholly-owned subsidiary of the Company and is principally engaged in the operation of energy storage power station projects in the PRC.

The Financier is a company established in the PRC, and is principally engaged in the business of finance leasing. Insofar as the Company is aware, as at the Latest Practicable Date, the Financier was owned as to 90% by China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司), a company listed on the Shanghai Stock Exchange (Stock code: 601818) and the Stock Exchange (Stock code: 6818).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Financier and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

PREVIOUS FINANCE LEASE ARRANGEMENTS

On 23 March 2023, Yongzhou Baimangying Century Concord Wind Power Co., Ltd.* (永州白芒營協合風力發電有限公司) (“**Baimangying**”) (a wholly-owned subsidiary of the Company) and the Financier entered into a finance lease arrangement (the “**March 2023 Transaction**”), pursuant to which the Financier purchased certain equipment and auxiliary facilities of the power plant of Baimangying (the “**Baimangying Equipment**”) at a purchase price of RMB180 million (which was paid at the end of March 2023) for the purposes of leasing the Baimangying Equipment back to Baimangying for a lease period of 15 years in consideration of Baimangying paying to the Financier quarterly lease payments to be determined with reference to an applicable interest rate for that finance lease arrangement, which are floating interest rates equal to: (i) for the first one-year period, the over-5-year LPR announced on 20 March 2023 (being 4.3%) minus 0.1%, resulting in an applicable interest rate of 4.2%; and (ii) for the rest of lease period, the applicable interest rate will be adjusted annually on the anniversary of the commencement date of the lease period, which will, after adjustment, equal to the then latest over-5-year LPR plus 0.70%. Assuming the applicable interest rate being 4.2% throughout the first one-year period and 5% throughout the rest of the lease period, the total lease payments would be approximately RMB244.30 million. The principal terms of the March 2023 Transaction are materially the same as the Finance Lease Arrangement.

On 29 December 2022, Shizong Juhe Wind Power Co., Ltd.* (師宗聚合風力發電有限公司) (“**Shizong Juhe**”) (a wholly-owned subsidiary of the Company) and the Financier entered into a finance lease arrangement (the “**December 2022 Transaction**”), pursuant to which the Financier purchased certain equipment (the “**Shizong Equipment**”) from Haotai New Energy Equipment Co., Ltd.* (浩泰新能源裝備有限公司) (a wholly-owned subsidiary of the Company) at a purchase price of RMB952.12 million (of which RMB200 million was paid on 25 April 2023, and RMB356.3 million was paid on 21 June 2023) for the purposes of leasing the Shizong Equipment to Shizong Juhe for a lease period of 15 years in consideration of Shizong Juhe paying to the Financier quarterly lease payments to be determined with reference to an applicable interest rate for that finance lease arrangement, which, for each 15-year period commencing from the date of the payment of each instalment of the purchase price, is a floating interest rate equal to: (i) for the first 3-year period, the relevant over-5-year LPR minus 0.05%; and (ii) for the following 12-year period, the relevant over-5-year LPR plus 0.70%. The relevant over-5-year LPR for the first lease payment in

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respect of each instalment of the purchase price is the LPR announced on 20 December 2022, being 4.3%, which gives rise to an applicable interest rate of 4.25% for the first lease payment in respect of each instalment of the purchase price. The applicable interest rate in respect of each instalment of the purchase price will be adjusted annually on the anniversary of the commencement date of each 15-year period commencing from the date of the payment of each instalment of the purchase price in each calendar year, which will, after adjustment, equal to (i) for the first 3-year period, the then latest over-5-year LPR minus 0.05%, and (ii) for the following 12-year period, the then latest over-5-year LPR plus 0.70%. Assuming the applicable interest rate being 4.25% throughout the first 3-year period and 5% throughout the following 12-year period for each instalment of the purchase price, the total lease payments would be approximately RMB1,374.51 million. The principal terms of the December 2022 Transaction are materially the same as the Finance Lease Arrangement.

IMPLICATIONS UNDER THE LISTING RULES

The highest Applicable Percentage Ratio for each of the Finance Lease Arrangement and the Previous Finance Arrangements exceeds 5% but is less than 25%. The highest Applicable Percentage Ratio for the March 2023 Transaction is less than 5%. As the Previous Finance Lease Arrangements were entered into within a 12-month period before the date of the Finance Lease Arrangement, the transactions contemplated under the Finance Lease Arrangement and the Previous Finance Lease Arrangements shall be aggregated under Chapter 14 of the Listing Rules resulting in the highest Applicable Percentage Ratio exceeding 25% but less than 75%. Hence, the Finance Lease Arrangement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and is thus subject to the notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SPECIAL GENERAL MEETING

The SGM will be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Friday, 8 September 2023 at 10:10 a.m. or immediately after the conclusion of the special general meeting of the Company to be held on the same day at 10:00 a.m. (whichever is later) for the Shareholders to consider and, if thought fit, approve, the Finance Lease Arrangement. A notice convening the SGM and a form of proxy for use at the SGM are enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. 10:10 a.m. on Wednesday, 6 September 2023) before the time fixed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so desire.

In compliance with the Listing Rules, the resolution put to vote at the SGM will be decided by way of poll. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders have any material interests in the Finance Lease Arrangement, and are required to abstain from voting on the relevant resolution at the SGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Finance Lease Arrangement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommends the Shareholders to vote in favour of the resolution in relation to the Finance Lease Arrangement to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out elsewhere in this circular and in the appendices to it.

Yours faithfully,
For and on behalf of the Board
Concord New Energy Group Limited
Liu Shunxing
Chairman

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2022 AND THE SIX MONTHS ENDED 30 JUNE 2023

Consolidated financial information of the Group for each of the three years ended 31 December 2022, and the six months ended 30 June 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnegroup.com) respectively:

- Announcement of interim results for the six months ended 30 June 2023 (pages 1 to 15):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0801/2023080100749.pdf>
- Annual Report 2022 (pages 93 to 292):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042805169.pdf>
- Annual Report 2021 (pages 95 to 300):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0401/2022040104047.pdf>
- Annual Report 2020 (pages 94 to 300):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0407/2021040701680.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 30 June 2023, being the latest practicable date for ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank borrowings of approximately RMB3,027 million. Among these bank borrowings, there were (i) unsecured and guaranteed bank loans of approximately RMB522 million, and (ii) secured and guaranteed bank loans of approximately RMB2,506 million, which were secured by fixed assets with net carrying value of approximately RMB98 million, account receivables with carrying value of approximately RMB171 million and share capital with net carrying value of approximately RMB78 million.

Besides, the Group had outstanding finance leases from third parties of approximately RMB11,450 million, which was guaranteed by the Company and/or subsidiaries of the Company, and was secured by fixed assets with net carrying value of approximately RMB8,696 million, account receivables with carrying value of approximately RMB993 million and share capital with net carrying value of approximately RMB2,754 million. There was a contingent liability of approximately RMB296 million, which was guaranteed by the Company and/or subsidiaries of the Company and was unsecured.

Save as disclosed above and apart from intra-group liabilities, as at 30 June 2023, the Group did not have any other outstanding mortgages, charges, debentures, loan capital, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance creditors, or guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that taking into account the financial resources available to the Group including internally generated funds and the available banking facilities and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL CHANGE

The Directors confirm that as at the Latest Practicable Date, there had been no material change in the financial or trading position or outlook of the Company since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the first half of 2023, the Group's attributable power generation achieved a strong growth, while further achievements have been made in project development. The scale of projects under construction kept high. Business sectors have maintained a continuous development momentum, the financing structure has been continuously optimized, and the service business has steadily advanced.

In the first half of 2023, various indicators of the Group have grown steadily, with an attributable installed capacity, revenue and net profit reaching historic high.

In the first half of 2023, the Group successfully acquired 347.5 MW of wind power projects and 136 MW of solar power projects in the PRC (governmental annual construction target). Additionally, the Group obtained approvals/registrations for 5 wind power projects and 2 solar power projects, with a combined capacity of 706 MW. The Group secured new contracts for 1,620 MW of wind power resources and 1,150 MW of solar power resources. As of the end of June 2023, the Group signed contracts for a total of 19.26 GW of wind and solar resource reserves to be developed, including approximately 12.53 GW of wind power and 6.73 GW of solar power.

As of the first half of 2023, the Group maintained a high level of project construction activities, with a total capacity of 2,194 MW from 23 ongoing and preparatory power plant projects. Some project commencements have been postponed due to factors such as delays of grid connection issues and approval procedures for forest and land use. The Group has proactively addressed challenges by planning ahead, diligently preparing for construction, enhancing management practices. The Group is determined to overcome obstacles and continuously advance project construction. As of 30 June 2023, the Group's attributable installed capacity for wind and solar photovoltaic power plants in business operation amounted to 3,640 MW (compared to 2,876 MW as of 30 June 2022). Among them, the installed capacity for wind power reached 3,189 MW, while the installed capacity for solar power reached 451 MW. The Group's installed capacity of grid-parity projects has reached 2,213 MW, accounting for 60.8% of the Group's attributable installed capacity.

There is a global consensus that renewable energy will become the mainstay of future energy growth. On 1 June 2022, the PRC government released the 14th Five-Year Plan for Renewable Energy Development, specifying that the annual renewable energy generation will reach approximately 3.3 trillion kilowatt hours by 2025. During the 14th Five-Year Plan period, renewable energy generation will account for more than 50% of the increase in electricity consumption across of the society, and the amount of wind and solar power generation will double.

Wind turbines continued to develop in the direction of larger capacity, taller towers and longer blades. As technology continued to advance, wind power equipment prices remained low. The credit environment continued to ease, further reducing financing cost.

The outlook of the second half of 2023 is that the development of renewable energy will further flourish under the guidance of the “dual-carbon” target. The Group will seize the opportunities in the industry and leverage its professional advantages, focusing on its main business of power generation and co-developing with the service business.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executives' interests and/or short positions in the shares, underlying shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, save as disclosed below, none of the Directors had any interests in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which he/she was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares:

Name of the Directors	Nature of interest			Total	Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate/Trust		
Liu Shunxing	37,500,000 ⁽¹⁾	–	1,739,724,242 ⁽¹⁾	1,777,224,242	20.62
Liu Jianhong	29,710,000 ⁽²⁾	–	150,000,000 ⁽²⁾	179,710,000	2.09
Gui Kai	15,600,000 ⁽³⁾	–	–	15,600,000	0.18
Niu Wenhui	16,000,000 ⁽³⁾	–	–	16,000,000	0.19
Zhai Feng	4,000,000 ⁽³⁾	–	–	4,000,000	0.05
Shang Jia	8,000,000 ⁽³⁾	–	–	8,000,000	0.09
Yap Fat Suan, Henry	3,000,000 ⁽³⁾	–	–	3,000,000	0.03
Jesse Zhixi Fang	2,800,000 ⁽³⁾	–	–	2,800,000	0.03
Huang Jian	2,800,000 ⁽³⁾	–	–	2,800,000	0.03
Zhang Zhong	2,800,000 ⁽³⁾	–	–	2,800,000	0.03

Notes:

- (1) As at the Latest Practicable Date: (i) 1,002,877,155 Shares were held by China Wind Power Investment Limited (“**CWPI**”) and 736,847,087 Shares were held by Splendor Power Limited; (ii) CWPI was wholly-owned by Permanent Growth Limited; (iii) Mr. Liu Shunxing held 46.77% of the total issued shares of Permanent Growth Limited and held 99% of the total issued shares of Splendor Power Limited; and (iv) Mr. Liu Shunxing had interest in 37,500,000 Shares as beneficial owner under the SFO.
- (2) As at the Latest Practicable Date: (i) 150,000,000 Shares were held by a discretionary trust for which Ms. Liu Jianhong was the founder and settlor; and (ii) Ms. Liu Jianhong had interest in 29,710,000 Shares as beneficial owner under the SFO.
- (3) As at the Latest Practicable Date, the Director had interest as beneficial owner under the SFO in respect of such number of the Shares.

(ii) Directors’ other interests

- (a) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 December 2022, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.
- (c) As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.
- (d) As at the Latest Practicable Date, save for Mr. Liu Shunxing (“**Mr. Liu**”) and Ms. Liu Jianhong being the directors of China Wind Power Investment Limited and Permanent Growth Limited, and Mr. Liu being a director of Splendor Power Limited, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACT

As at the Latest Practicable Date, the Group had not entered into any material contracts (not being contracts entered into in the ordinary course of business of the Group) within the two years preceding the date of this circular.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of any compensation (other than statutory compensation)).

6. SECRETARY OF THE COMPANY

The secretary of the Company is Mr. Chan Kam Kwan, Jason. Mr. Chan holds a certificate of Certified Public Accountant issued by the Washington State Board of Accountancy in the United States, and has extensive experience acting as a company secretary for listed companies.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnegroup.com) for a period of 14 days from the date of this circular:

1. the Purchase Agreement;
2. the Finance Lease Agreement; and
3. the Original Purchase Agreement.

8. MISCELLANEOUS

The Company's Hong Kong branch share registrar and transfer office is Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

NOTICE OF SGM



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)

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of Concord New Energy Group Limited (the “Company”) will be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Friday, 8 September 2023 at 10:10 a.m. or immediately after the conclusion of the special general meeting of the Company to be held on the same day at 10:00 a.m. (whichever is later) to consider and, if thought fit, pass the following ordinary resolution of the Company:

RESOLUTION

“**THAT** the Purchase Agreement and the Finance Lease Agreement (as defined in the circular of the Company dated 16 August 2023), copies of which are tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two directors of the Company be and are hereby authorised to execute all such documents and to do all such acts as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient.”

For and on behalf of
Concord New Energy Group Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 16 August 2023

* *For identification purposes only*

NOTICE OF SGM

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or (in respect of any shareholder of two or more shares) more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's branch share registrar, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. 10:10 a.m. on Wednesday, 6 September 2023) before the time fixed for holding the meeting or adjourned meeting (as the case may be). Proxy forms sent electronically or by any other data transmission process will not be accepted.
3. Completion and return of the form of proxy will not preclude a member from attending the SGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a black rainstorm warning is in effect at any time after 8:10 a.m. on Friday, 8 September 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
5. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date hereof, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Mr. Zhai Feng and Ms. Shang Jia (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian, Mr. Zhang Zhong and Ms. Li Yongli (who are independent non-executive Directors).