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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**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 ARRANGEMENTS AND**  
**NOTICE OF SPECIAL GENERAL MEETING**

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SGM of the Company will be held at 10:00 a.m. on 11 June 2021 at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event no later than 48 hours 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.

**PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING**

Please see page ii of this document for measures being taken to try to prevent and control the spread of the COVID-19 at the SGM, including:

- compulsory temperature checks
- compulsory wearing of surgical face masks
- no refreshments will be served

Any person who does not comply with the precautionary measures may be denied entry into the SGM venue. The Company reminds Shareholders that they may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the SGM as an alternative to attending the SGM.

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## **PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING**

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In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company will implement the following preventive measures at the SGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the SGM venue.
- (ii) All attendees may be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the SGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions will be denied entry into the meeting venue. We will also report to relevant authorities for the breach of quarantine required.
- (iii) The Company requires attendees to wear surgical face masks inside the SGM venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served.

To the extent permitted under law, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In the interest of all stakeholders' health and safety and consistent with the COVID-19 guidelines issued by the Government of Hong Kong (available at [www.chp.gov.hk/en/features/102742.html](http://www.chp.gov.hk/en/features/102742.html)), the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the SGM as their proxy to vote on the relevant resolution(s) at the SGM instead of attending the SGM in person.

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## DEFINITIONS

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

“Applicable Percentage Ratio”, “connected person” and “subsidiary”	have the meanings ascribed to them under the Listing Rules;
“Board”	board of Directors;
“Buildings and Auxiliary Facilities”	certain buildings, auxiliary facilities and other fixed assets to be acquired by the Lessee for the Power Plant under the Main Contractor Contract, as stipulated under the Finance Lease Agreement II;
“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 Shares of which are listed on the Main Board of the Stock Exchange;
“Contractor”	Jilin CWP Power Engineering Co., Ltd.* (吉林協合電力工程有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Equipment Purchase Agreement”	the equipment purchase agreement entered into between the Seller and the Lessee for the purchase of the Equipment by the Lessee from the Seller;
“Equipment”	certain machinery and equipment for the operation of the Power Plant to be purchased by the Lessee from the Seller under the Equipment Purchase Agreement, as stipulated under the Finance Lease Agreement I;

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## DEFINITIONS

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“Finance Lease Agreement I”	the finance lease agreement entered into between the Lessee and the Financier on 9 April 2021 for the leasing of the Equipment to the Lessee from the Financier;
“Finance Lease Agreement II”	the finance lease agreement entered into between the Lessee and the Financier on 9 April 2021 for the leasing of the Buildings and Auxiliary Facilities to the Lessee from the Financier;
“Finance Lease Arrangement I”	the transactions contemplated under the Rights Transfer Agreement I and the Finance Lease Agreement I;
“Finance Lease Arrangement II”	the transactions contemplated under the Rights Transfer Agreement II and the Finance Lease Agreement II;
“Finance Lease Arrangements”	the Finance Lease Arrangement I and the Finance Lease Arrangement II;
“Finance Period I”	the 13-year period, in which the Lessee shall pay Lease Payments to the Financier and shall have the right to use the Equipment;
“Finance Period II”	the 13-year period, in which the Lessee shall pay Lease Payments to the Financier and shall have the right to use the Buildings and Auxiliary Facilities;
“Financier”	Huaxia Financial Leasing Co., Ltd.* (華夏金融租賃有限公司), a company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“GW”	gigawatt;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

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## DEFINITIONS

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“Lease Payment(s)”	the quarterly payment(s) payable by the Lessee to the Financier under the Finance Lease Agreements during the Finance Period I or the Finance Period II in consideration of the Financier leasing the Equipment and the Buildings and Auxiliary Facilities to the Lessee;
“Lessee”	Yilan County Century Concord Wind Power Co., Ltd.* (依蘭縣協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;
“Latest Practicable Date”	4 May 2021, the latest practicable date before the printing of this circular for ascertaining certain information contained herein;
“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;
“Main Contractor Contract”	the main contractor contract entered into between the Contractor as main contractor and the Lessee as the developer for the acquisition and construction of the Buildings and Auxiliary Facilities;
“MW”	megawatt;
“November 2020 Finance Lease Arrangement”	the transactions contemplated under the finance lease agreement entered into between Jilin Century Concord Wind Power Investment Co., Ltd.* (吉林協合風力發電投資有限公司) (a wholly-owned subsidiary of the Company) and the Financier on 9 November 2020 for the sale of certain machinery and equipment at a purchase price of RMB620 million for the operation of the Tongyu 100MW Grid-connected Wind Farm Project* (通榆100兆瓦並網風電場項目) situated in Tongyu County, Baicheng City, Jilin Province, the PRC to the Financier and the lease of the aforesaid equipment back from the Financier, as detailed in the announcement of the Company dated 9 November 2020;

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## DEFINITIONS

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“Power Plant”	the 200MW wind power plant situated in Yilan County, Harbin City, Heilongjiang Province, the PRC (中國黑龍江省哈爾濱市依蘭縣), where the Equipment and the Buildings and Auxiliary Facilities are situated;
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Purchase Price I”	the purchase price payable to the Seller by the Financier for the purchase of the Equipment;
“Purchase Price II”	the purchase price payable to the Contractor by the Financier for the purchase of the Buildings and Auxiliary Facilities;
“Rights Transfer Agreement I”	the rights transfer agreement entered into between the Seller, the Lessee and the Financier on 9 April 2021 for the purchase of the Equipment from the Lessee by the Financier;
“Rights Transfer Agreement II”	the rights transfer agreement entered into between the Contractor, the Lessee and the Financier on 9 April 2021 for the purchase of the Buildings and Auxiliary Facilities from the Lessee by the Financier;
“RMB”	Renminbi, the lawful currency of the PRC;
“Security Documents”	security documents relating to the Finance Lease Agreement I and the Finance Lease Agreement II;
“Seller”	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;
“SGM”	the special general meeting of the Company to be held at 10:00 a.m. on 11 June 2021 at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for the Shareholders to consider and approve, if thought fit, among other things, the agreements executed pursuant to the Finance Lease Arrangements and the transactions contemplated thereunder or any adjournment thereof (as the case may be);

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## DEFINITIONS

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“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Total Purchase Price”	being the sum of the Purchase Price I and the Purchase Price II, which is approximately RMB 1,150 million;
“Yongzhou Jiepai”	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 and a wholly-owned subsidiary of the Company; and
“%”	per cent.

*For the purposes of this circular, the exchange rates of HK\$1.00 = RMB0.84 has been used for currency translation. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in HK\$ or RMB has been, could have been or may be converted at such rate.*

*\* For identification purposes only*



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## LETTER FROM THE BOARD

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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)**

*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

*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

7 May 2021

*To the Shareholders:*

Dear Sir or Madam,

### MAJOR TRANSACTION FINANCE LEASE ARRANGEMENTS

#### INTRODUCTION

Reference is made to the announcement of the Company dated 9 April 2021 in relation to the Finance Lease Arrangement I agreed between the Seller, the Lessee and the Financier and the Financial Lease Arrangement II agreed between the Contractor, the Lessee and the

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## LETTER FROM THE BOARD

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Financier. The purpose of this circular is to provide you with: (i) further information on the transactions contemplated under the Finance Lease Arrangements and other information of the Group to enable you to make an informed decision on whether to vote for or against the resolution(s) to be proposed at the SGM and (ii) the notice of the SGM.

### **FINANCE LEASE ARRANGEMENT I**

On 9 April 2021, the Seller, the Lessee and the Financier agreed on the Finance Lease Arrangement I by way of entering into the Rights Transfer Agreement I and the Finance Lease Agreement I, pursuant to which (i) the Financier shall purchase the Equipment from the Lessee at a purchase price of approximately RMB1,007.2 million for the purposes of leasing the Equipment to the Lessee; and (ii) the Lessee shall lease the Equipment from the Financier for the Finance Period I in consideration of the Lessee paying to the Financier the quarterly Lease Payments.

### **Rights Transfer Agreement I**

Date: 9 April 2021

Parties: (i) the Financier as the purchaser;  
(ii) the Seller as the seller; and  
(iii) the Lessee to undertake certain rights and obligations for the transactions contemplated under the Rights Transfer Agreement I.

Subject asset: The Equipment, which shall be purchased by the Financier from the Lessee by way of transferring the relevant rights and obligations of the Lessee under the Equipment Purchase Agreement to the Financier so that the Financier can lease the Equipment to the Lessee.

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## LETTER FROM THE BOARD

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The following table sets out the details of the Equipment which shall be purchased by the Financier:

<b>Asset nature/ Type</b>	<b>Estimated useful life</b>	<b>Current condition</b>	<b>Current accounting treatment</b>	<b>Original purchase price <i>(RMB million)</i></b>
Turbines	20 years	Partially acquired <sup>(1)</sup>	Not yet booked <sup>(2)</sup>	695.7
Tower tubes	20 years	Partially acquired <sup>(1)</sup>	Not yet booked <sup>(2)</sup>	219.4
Power cables	20 years	Partially acquired <sup>(1)</sup>	Not yet booked <sup>(2)</sup>	14.7
Transformers	20 years	Partially acquired <sup>(1)</sup>	Not yet booked <sup>(2)</sup>	16.8
Other auxiliary equipment	20 years	Partially acquired <sup>(1)</sup>	Not yet booked <sup>(2)</sup>	23.3
Total				969.9

*Notes:*

- (1) The equipment partially acquired is expected to be fully acquired by the end of November 2021.
- (2) The equipment not yet booked is expected to be fully booked by the end of November 2021 upon receiving, installing and commissioning all sets of the equipment by the Group.

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## LETTER FROM THE BOARD

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Purchase price and completion:

The Purchase Price I payable by the Financier to the Seller for the purchase of the Equipment shall be approximately RMB1,007.2 million (approximately HK\$1,199 million), which was determined after arm's length negotiation between the Lessee and the Financier with reference to the market value of the Equipment. As at the date of this circular, the Equipment has not been fully acquired by the Seller.

The Purchase Price I to be paid to the Seller (being the total amount to be borrowed by the Lessee under the Finance Lease Arrangement I) is equal to the original purchase price of the Equipment plus the management costs of the Seller attributable to the Equipment. The original purchase price of the Equipment is in line with its market value, which is determined based on the Group's experience in acquiring comparable equipment accumulated in the past years and in monitoring the market value of comparable equipment, which includes reviewing quotations obtained from suppliers of comparable equipment who are independent third parties.

The Purchase Price I shall be paid by three instalments and shall not exceed the payment schedule under the Equipment Purchase Agreement. It is expected that each instalment of the Purchase Price I and the Purchase Price II is paid together at the same time: (i) the sum of the first instalment of the Purchase Price I and the first instalment of the Purchase Price II will not exceed 50% of the Total Purchase Price, which is approximately RMB575 million; (ii) the sum of the second instalment of the Purchase Price I and the second instalment of the Purchase Price II will not exceed 30% of the Total Purchase Price, which is approximately RMB345 million; and (iii) the sum of the last instalment of the Purchase Price I and the last instalment of the Purchase Price II will not exceed 20% of the Total Purchase Price, which is approximately RMB230 million.

The Purchase Price I shall be payable after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement I having been executed by all parties thereto;

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## LETTER FROM THE BOARD

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- (b) all the Security Documents having been executed and all the relevant procedures for the Security Documents having been completed;
- (c) the Financier having received the relevant handling fee under the Finance Lease Agreement I in full;
- (d) the Financier having received from the Lessee proof of the settlement of the existing finance lease arrangement in relation to the Equipment and all the necessary procedures for the release of the said finance lease arrangement, and the mortgage(s) and pledge(s) relating to the Equipment having been completed;
- (e) prior to the payment of the first instalment of the Purchase Price I, the Financier having received from the Lessee the proof that (i) the funding for the Power Plant having been increased to RMB345 million, and (ii) the funding for the Power Plant having been injected in the same proportion as the Purchase Price I and that the funding for the Power Plant having been used first;
- (f) the Purchase Price I being used for the purchase of the Equipment, and, in relation to the previous instalment payment of the Purchase Price I, the Financier having received from the Lessee the proof of payment of such instalment payment by the Seller to the original supplier of the wind turbines and tower tubes of the Equipment;
- (g) the Financier having received from Yongzhou Jiepai, being the shareholder of the Lessee, the undertakings that without the consent of the Financier, Yongzhou Jiepai shall not (i) within the Finance Period I, withdraw any funding from the Lessee; and (ii) request any dividend and repayment of loans from the Lessee when the Lessee have not complied with the Lease Payments terms of the Finance Lease Agreement I;

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## LETTER FROM THE BOARD

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- (h) there being no breaches of any provisions of the Rights Transfer Agreement I by the Lessee; and
- (i) all other conditions or relevant procedures as required by the Financier or the Finance Lease Agreement I having been satisfied or performed.

It is expected that the three instalments of the Purchase Price I will be paid around the end of July 2021, October 2021 and December 2021 respectively.

After considering the market value of the Equipment and the financing needs required by the Group under the Finance Lease Arrangement I for the acquisition of the Equipment, the Directors consider that the Purchase Price I is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Group will book all the Equipment as its fixed assets in its financial statements pursuant to the Hong Kong Financial Reporting Standards.

### **Finance Lease Agreement I**

Date:	9 April 2021
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.
Finance period I:	A period of 13 years commencing from the date of the payment of the first instalment of the Purchase Price I.
Usage of the Purchase Price I:	The Purchase Price I must be used for the purchase of the Equipment from the Seller by the Lessee.

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## LETTER FROM THE BOARD

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Lease payments and interest rate: The Lessee shall pay quarterly Lease Payments to the Financier during the Finance Period I. The total Lease Payments represents the Purchase Price I paid by the Financier for the purchase of the Equipment plus interest attributable to the Finance Lease Arrangement I to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate equal to the relevant 5-year LPR plus 0.95%. The relevant LPR for the first Lease Payment is the LPR announced on 22 March 2021, being 4.65%, which gives rise to an applicable interest rate of 5.6% for the first Lease Payment. The applicable interest rate will be adjusted annually on the first quarterly Lease Payment in each calendar year, which will, after adjustment, equal to the LPR in the month before such quarterly Lease Payment plus 0.95%. Assuming the applicable interest rate was 5.6% throughout the Finance Period I, the total Lease Payments would be approximately RMB1,443.1 million (approximately HK\$1,718 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.

The 0.95% premium, which is fixed, is determined with reference to, among others, the prevailing market interest rate, the amount of the handling fee payable by the Group under the Finance Lease Agreement I. It is a common market practice for the finance lease companies in the PRC to charge a premium on top of the LPR for finance leases. In determining and agreeing on the premium, the Group considered the interest rates charged by various finance lease companies in the PRC regarding the Equipment, where interest rates per annum ranged from adding 55 to 285 basic points (each basic point represents 0.01%) above the LPR.

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## LETTER FROM THE BOARD

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After considering the overall costs of the finance lease, such as the amount of the handling fee of RMB20.1 million (representing 2% of the Purchase Price I) and the interest rate, the Board is of the view that the applicable interest rate adjusted based on the aforesaid adjusting mechanism and the total Lease Payments so determined are fair and reasonable.

Security documents: As security for the due performance of all the Lessee's obligations under the Finance Lease Agreement I, the Lessee, the Company and certain wholly-owned subsidiaries of the Company (namely Century Concord Wind Power and Yongzhou Jiepai) shall, in favour of the Financier, execute the Security Documents consisting of the guarantees, the pledges on (i) the equity interest in the Lessee and (ii) receivables arising from the operation of the Power Plant, and the mortgages of the Equipment and the Buildings and Auxiliary Facilities.

The Finance Lease Agreement I and the Security Documents have no material adverse effect on the operation and management of the Group's businesses.

Security deposit: No security deposit is required.

Handling fee: The Lessee shall pay to the Financier a handling fee of 2% of the Purchase Price I representing a total handling fee of approximately RMB20.1 million (approximately HK\$23.9 million). The handling fee was determined after arm's length negotiation between the parties with reference to the overall market cost of fund for equipment leasing (comprising the amount of handling fee (if any), interest rate and the amount of security deposit (if any) under comparable transactions) and the handling fee quoted by various finance lease companies in the PRC (ranged from 0% to 5% of the Purchase Price I). The handling fee of 2% of the Purchase Price I falls within the range. The handling fee shall be paid before the payment of the Purchase Price I.

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



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## LETTER FROM THE BOARD

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### FINANCE LEASE ARRANGEMENT II

On 9 April 2021, the Contractor, the Lessee and the Financier agreed on the Finance Lease Arrangement II by way of entering into the Rights Transfer Agreement II and the Finance Lease Agreement II, pursuant to which (i) the Financier shall purchase the Buildings and Auxiliary Facilities from the Lessee at a purchase price of approximately RMB142.8 million for the purposes of leasing the Buildings and Auxiliary Facilities to the Lessee; and (ii) the Lessee shall lease the Buildings and Auxiliary Facilities from the Financier for the Finance Period II in consideration of the Lessee paying to the Financier the quarterly Lease Payments.

### Rights Transfer Agreement II

Date: 9 April 2021

Parties: (i) the Financier as the purchaser;  
(ii) the Contractor as the contractor; and  
(iii) the Lessee to undertake to certain rights and obligations for the transactions contemplated under the Rights Transfer Agreement II.

Subject asset: The Buildings and Auxiliary Facilities, which shall be purchased by the Financier from the Lessee by way of transferring the relevant rights and obligations of the Lessee under the Main Contractor Contract to the Financier so that the Financier can lease the Buildings and Auxiliary Facilities to the Lessee.

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## LETTER FROM THE BOARD

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The following table sets out the details of the Buildings and Auxiliary Facilities which shall be purchased by the Financier:

Type of works under which the Buildings and Auxiliary Facilities are to be acquired and constructed	Estimated useful life	Current condition	Current accounting treatment	Original sub-contract purchase price (RMB million)
Construction auxiliary engineering	20 years	Not yet acquired <sup>(1)</sup>	Not yet Booked <sup>(2)</sup>	6.2
Construction works	20 years	Not yet acquired <sup>(1)</sup>	Not yet Booked <sup>(2)</sup>	60.5
Equipment and installation works	20 years	Not yet acquired <sup>(1)</sup>	Not yet Booked <sup>(2)</sup>	42.3
Outgoing cables engineering works	20 years	Not yet acquired <sup>(1)</sup>	Not yet Booked <sup>(2)</sup>	33.4
<b>Total</b>				<b>142.4</b>

*Notes:*

- (1) The buildings and auxiliary facilities not yet acquired are expected to be fully acquired by the end of November 2021.
- (2) The buildings and auxiliary facilities not yet booked are expected to be fully booked by the end of November 2021 upon acquiring all the Buildings and Auxiliary Facilities by the Group.

Purchase price and completion:

The Purchase Price II payable by the Financier to the Contractor for the purchase of the Buildings and Auxiliary Facilities shall be RMB142.8 million (approximately HK\$170 million), which was determined after arm's length negotiation between the Lessee and the Financier with reference to the total original sub-contract purchase prices for the acquisition and construction of the Buildings and Auxiliary Facilities. As at the date of this circular, the Buildings and Auxiliary Facilities have been partially acquired and constructed by the Contractor.

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## LETTER FROM THE BOARD

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The Purchase Price II to be paid to the Contractor (being the total amount to be borrowed by the Lessee under the Finance Lease Arrangement II) is equal to the total original sub-contract purchase prices for the acquisition and construction of the Buildings and Auxiliary Facilities plus the costs of the Contractor attributable to the acquisition and construction of the Buildings and Auxiliary Facilities. The total original sub-contract purchase prices for the acquisition and construction of the Buildings and Auxiliary Facilities was determined through reviewing the quotations submitted by potential sub-contractors, who are all independent third parties.

The Purchase Price II shall be paid by three instalments and shall not exceed the payment schedule under the Main Contractor Contract. It is expected that each instalment of the Purchase Price I and the Purchase Price II is paid together at the same time: (i) the sum of the first instalment of the Total Purchase Price I and the first instalment of the Purchase Price II will not exceed 50% of the Total Purchase Price, which is approximately RMB575 million; (ii) the sum of the second instalment of the Total Purchase Price I and the second instalment of the Purchase Price II will not exceed 30% of the Total Purchase Price, which is approximately RMB345 million; and (iii) the sum of the last instalment of the Total Purchase Price I and the last instalment of the Purchase Price II will not exceed 20% of the Total Purchase Price, which is approximately RMB230 million.

The Purchase Price II shall be payable after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement II having been executed by all the parties thereto;
- (b) the Security Documents having been executed and all the relevant procedures for the Security Documents having been completed;
- (c) the Financier having received the relevant handling fee under the Finance Lease Agreement II in full;

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## LETTER FROM THE BOARD

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- (d) the Financier having received from the Lessee proof of the settlement of the existing finance lease arrangement in relation to the Equipment and all the necessary procedures for the release of the said finance lease arrangement, and the mortgage(s) and pledge(s) relating to the Equipment as having been completed;
- (e) prior to the payment of the first instalment of the Purchase Price II, the Financier having received from the Lessee the proof that (i) the funding for the Power Plant having been increased to RMB345 million, and (ii) the funding for the Power Plant having been injected in the same proportion as the Purchase Price II and that the funding for the Power Plant having been used first;
- (f) the Financier having received from the Lessee documents in relation to the usage of the Purchase Price II, the construction progress and the expected usage of the Purchase Price II jointly issued by the Lessee, the Contractor and the supervisor of the construction of the Power Plant;
- (g) the Financier having received from Yongzhou Jiepai, being the shareholder of the Lessee, the undertakings that without the consent of the Financier, Yongzhou Jiepai shall not (i) within the Finance Period II, withdraw any funding from the Lessee; and (ii) request any dividend and repayment of loans from the Lessee when the Lessee have not complied with the Lease Payments terms of the Finance Lease Agreement II;
- (h) there being no breaches of any provisions of the Rights Transfer Agreement II by the Lessee; and
- (i) all other conditions or relevant procedures as required by the Financier or the Finance Lease Agreement II having been satisfied or performed.

It is expected that the three instalments of the Purchase Price II will be paid around the end of July 2021, October 2021 and December 2021 respectively.

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## LETTER FROM THE BOARD

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After considering the total original sub-contract purchase prices for the acquisition and construction of the Buildings and Auxiliary Facilities and the financing needs required by the Group under the Finance Lease Arrangement II for the acquisition and construction of the Buildings and Auxiliary Facilities, the Directors consider that the Purchase Price II is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Group will book all the Buildings and Auxiliary Facilities as its fixed assets in its financial statements pursuant to the Hong Kong Financial Reporting Standards.

### **Finance Lease Agreement II**

Date:	9 April 2021
Parties:	(i) the Financier as the lessor; and (ii) the Lessee as the lessee.
Subject asset:	The Buildings and Auxiliary Facilities, which shall be leased from the Financier by the Lessee.
Finance Period II:	A period of 13 years commencing from the date of the payment of the first instalment of the Purchase Price II.
Usage of the Purchase Price II:	The Purchase Price II must be used for the payments for the Buildings and Auxiliary Facilities to the Contractor.
Lease payments and interest rate:	The Lessee shall pay quarterly Lease Payments to the Financier during the Finance Period II. The total Lease Payments represents the Purchase Price II paid by the Financier for the purchase of the Buildings and Auxiliary Facilities plus interest attributable to the Finance Lease Arrangement II to be determined based on the following applicable interest rate.

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## LETTER FROM THE BOARD

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The applicable interest rate is a floating interest rate equal to the relevant 5-year LPR plus 0.95%. The relevant LPR for the first Lease Payment is the LPR announced on 22 March 2021, being 4.65%, which gives rise to an applicable interest rate of 5.6% for the first Lease Payment. The applicable interest rate will be adjusted annually on the first quarterly Lease Payment in each calendar year, which will, after adjustment, equal to the LPR in the month before such quarterly Lease Payment plus 0.95%. Assuming the applicable interest rate was 5.6% throughout the Finance Period II, the total Lease Payments would be approximately RMB205.5 million (approximately HK\$244.6 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 comparable finance lease.

The 0.95% premium, which is fixed, is determined with reference to, among others, the prevailing market interest rate, the amount of the handling fee payable by the Group under the Finance Lease Agreement II. It is a common market practice for the finance lease companies in the PRC to charge a premium on top of the LPR for finance leases. In determining and agreeing on the premium, the Group considered the interest rates charged by various finance lease companies in the PRC regarding the Buildings and Auxiliary Facilities, where interest rates per annum ranged from adding 55 to 285 basic points (each basic point represents 0.01%) above the LPR.

After considering the overall costs of the finance lease, such as the amount of the handling fee of RMB2.9 million (representing 2% of the Purchase Price II) and the interest rate, the Board is of the view that the applicable interest rate adjusted based on the aforesaid adjusting mechanism and the total Lease Payments so determined are fair and reasonable.

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## LETTER FROM THE BOARD

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Security documents: As security for the due performance of all the Lessee's obligations under the Finance Lease Agreement II, the Lessee, the Company and certain wholly-owned subsidiaries of the Company (namely Century Concord Wind Power and Yongzhou Jiepai) shall, in favour of the Financier, execute the Security Documents consisting of the guarantees, the pledges on (i) the equity interest in the Lessee and (ii) receivables arising from the operation of the Power Plant, and the mortgages of the Equipment and the Buildings and Auxiliary Facilities.

The Finance Lease Agreement II and the Security Documents have no material adverse effect on the operation and management of the Group's businesses.

Security deposit: No security deposit is required.

Handling fee: The Lessee shall pay to the Financier a handling fee of 2% of the Purchase Price II representing a total handling fee of approximately RMB2.9 million (approximately HK\$3.5 million). The handling fee was determined after arm's length negotiation between the parties with reference to the overall market cost of fund for equipment leasing (comprising the amount of handling fee (if any), interest rate and the amount of security deposit (if any) under comparable transactions) and the handling fee quoted by various finance lease companies in the PRC (ranged from 0% to 5% of the Purchase Price II). The handling fee of 2% of the Purchase Price II falls within the range. The handling fee shall be paid before the payment of the Purchase Price II.

Buyback option: Upon the expiry of the Finance Period II, the Lessee has the option to buy back the Buildings and Auxiliary Facilities from the Financier at a consideration of RMB1.

### REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS

The entering into the Finance Lease Arrangements 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, and the buildings and auxiliary facilities for such equipment as required for its operations. The Directors consider that the terms of the Finance Lease Arrangements are on normal commercial terms, fair and reasonable and are in the interests of the Shareholders as a whole. According to the Hong Kong Financial Reporting Standards, the transactions under the Finance Lease Arrangements will not give rise to any disposal gain or loss to be recorded by the Group.

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## LETTER FROM THE BOARD

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### INTENDED USE OF PROCEEDS

The Company will generate a total net disposal proceeds of approximately RMB1,127 million, which will be used for the acquisition of the Equipment and the acquisition and construction of the Buildings and Auxiliary Facilities.

### FINANCIAL EFFECTS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENTS ON THE GROUP

Concerning the financial impact of the Group as a result of the Finance Lease Arrangements, the total asset would increase by RMB1,150,000,000 to reflect the Purchase Price I and the Purchase Price II. In addition, the total liability of the Group will also increase by RMB1,150,000,000 to reflect the accounting treatment of the financial lease of the Equipment and the Buildings and the Auxiliary Facilities. Pursuant to the Finance Lease Arrangements, the estimated aggregate interest during the Finance Period I and the Finance Period II will be approximately RMB443,285,000.

### INFORMATION OF THE PARTIES TO THE FINANCE LEASE ARRANGEMENTS

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.

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

The Seller is a wholly-owned subsidiary of the Company and is principally engaged in the trading of equipment for wind and photovoltaic power generation projects in the PRC.

The Contractor is a wholly-owned subsidiary of the Company and is principally engaged in the construction of wind and photovoltaic power generation projects in the PRC.

The Financier is a company established in the PRC, which is principally engaged in the business of finance leasing. Insofar as the Company is aware, the Financier is ultimately owned as to 82% by Hua Xia Bank Co., Ltd.\* (華夏銀行股份有限公司), a company listed on the Shanghai Stock Exchange (Stock code: 600015), which is owned as to approximately 20.28% by Shougang Group Co., Ltd.\* (首鋼集團有限公司), approximately 18.24% by State Grid Yingda Group Co., Ltd.\* (國網英大國際控股集團有限公司) and approximately 19.99% by PICC Property and Casualty Co., Ltd.\* (中國人民財產保險股份有限公司), and as to the remaining approximately 41.49% by independent third parties.



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## LETTER FROM THE BOARD

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

### LISTING RULES IMPLICATIONS

As the highest Applicable Percentage Ratio for the Finance Lease Arrangements as a whole exceeds 25% but is less than 75%, the entering into the Finance Lease Arrangements as a whole constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is thus subject to the notification, publication, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the November 2020 Finance Lease Arrangement was conducted within a 12-month period before the date of the Finance Lease Agreement I and the Finance Lease Agreement II, the transactions contemplated under the November 2020 Finance Lease Arrangement and the Finance Lease Arrangements (collectively the "**Aggregated Transactions**") shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeds 25% but is less than 75%, the Aggregated Transactions on an aggregated basis constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and are thus subject to the notification, publication, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be convened by the Company to consider and, if thought fit, approve the Finance Lease Arrangements by the Shareholders. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the transactions contemplated under Finance Lease Arrangements and is required to abstain from voting on the relevant resolution(s) at the SGM.

### SPECIAL GENERAL MEETING

The SGM shall be held at 10:00 a.m. on 11 June 2021 at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for the purposes of considering and, if thought fit, approving, among other things, the agreements executed pursuant to the Finance Lease Arrangements and the transactions contemplated thereunder. 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours 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.

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## LETTER FROM THE BOARD

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In compliance with the Listing Rules, the resolution(s) put to vote at the SGM will be decided by way of poll.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the agreements executed pursuant to the Finance Lease Arrangements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution(s) 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.

Your faithfully,  
For and on behalf of  
**Concord New Energy Group Limited**  
**Liu Shunxing**  
*Chairman*

**1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE FINANCIAL YEARS ENDED 31 DECEMBER 2020**

Consolidated financial information of the Group for each of the three financial years ended 31 December 2018, 2019 and 2020 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cnegroup.com](http://www.cnegroup.com)) respectively:

- Annual Report 2020 (pages 94 to 300):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0407/2021040701680.pdf>
- Annual Report 2019 (pages 208 to 428):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042901834.pdf>
- Annual Report 2018 (pages 175 to 399):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0325/lt201903251186.pdf>

**2. STATEMENT OF INDEBTEDNESS**

As at 31 March 2021, 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 RMB2,068,847,000. Among these bank borrowings, there were (i) unsecured and guaranteed bank loans of RMB166,758,000, and (ii) secured and guaranteed bank loans of RMB1,902,089,000, which were secured by fixed assets with net carrying value of approximately RMB404,961,000, account receivables with carry value of approximately RMB505,565,000 and share capital with net carry value of approximately RMB156,500,000.

Besides, the Group had outstanding finance lease from third parties of approximately RMB6,013,509,600, which was guaranteed by the Company and/or subsidiaries of the Company, and was secured by fixed assets with net carrying value of approximately RMB5,409,193,000, account receivables with carrying value of approximately RMB807,482,000 and share capital with net carrying value of approximately RMB2,009,626,000. There was a contingent liability of RMB422,285,000, which was guaranteed by the Company and/or subsidiaries of the Company and was unsecured.

In addition, the Group had issued the unsecured bonds guaranteed by the Company and/or subsidiaries of the Company to third parties of approximately RMB986,159,000.

Save as aforesaid and apart from intra-group liabilities, as at 31 March 2021, 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 of 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 present requirements, that is for at least the next twelve months from the date of this circular.

### **4. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

### **5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

In 2020, the Group have overcome many difficulties especially the COVID-19 pandemic, and finally achieved outstanding results with higher key operating indicators, better asset quality, stronger resistant ability against risks, and more project reserves. During the year ended 31 December 2020, the Group had a total of 13 projects (1,068MW in total) included in the Wind Power and Photovoltaic Power Construction Plans for 2020 published by the state and various provinces. New construction index obtained and newly approved projects during the year ended 31 December 2020 were all high-quality grid parity projects with larger scale and better resource conditions. In 2020, the attributable installed capacity of newly put into production projects reached a record high, reaching 662MW. Besides, by implementing the “build and transfer” strategy, the Group sold certain renewable energy subsidised power plants with a total installed capacity attributable to the Group of 643.7MW. The Group’s attributable power generation amounted to 4.75 billion kWh in the year, representing an increase of 8.7% over last year, and realized a revenue of RMB2.001 billion, an increase of 9.0% over the same period last year.

In 2020, the environment of the renewable energy industry has undergone tremendous changes. China proposed the targets of peaking carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060 and listed it as one of the key tasks of Central Economic Work in 2021. New energy power generation such as wind and photovoltaic power generation is an important means to achieve the targets of peaking carbon dioxide emissions and achieving carbon neutrality, as well as the goal of “the total installed capacity of wind power and solar power generation reaching 1,200GW or above by 2030” proposed by China. Wind and photovoltaic power generation will usher in the opportunity of accelerated development. After fifteen years of development, the Group has laid a solid foundation and formed multi-business synergetic development layout composed of power plant investment, intelligent O&M and R&D of energy IoT, engineering consultancy and design as well as financial leasing, accumulating extensive experience in human resources, financial resources, intangible assets and industry experience. The Group has sufficient project reserves, and possesses strong development capability and professional construction capability in the industry, and its competitiveness in the industry has been greatly improved. We are confident to seize the opportunities for development in the industry and achieve the sustainable and healthy development in the long run.

In 2021, we will continue to implement the principle of steady development, strengthen our strategic research and actively adjust our operation strategies according to changes in the industry. The Group will be committed to lowering the levelized cost of energy, continuously optimizing asset quality, vigorously developing high-quality photovoltaic and wind power projects, accelerating the progress of project construction and production, and vigorously developing the service business to build an influential service business brand in the industry.

**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, the following Directors had interests in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which are 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 (the "Model Code") in 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			
Liu Shunxing	27,000,000 <sup>(1)</sup>	—	1,845,484,242 <sup>(1)</sup>		1,872,484,242	22.38
Liu Jianhong	23,710,000 <sup>(2)</sup>	—	150,000,000 <sup>(2)</sup>		173,710,000	2.08
Gui Kai	11,600,000	—	—		11,600,000	0.14
Niu Wenhui	12,000,000	—	—		12,000,000	0.14
Shang Jia	4,000,000	—	—		4,000,000	0.05
Yap Fat Suan, Henry	2,000,000	—	—		2,000,000	0.02
Jesse Zhixi Fang	1,800,000	—	—		1,800,000	0.02
Huang Jian	1,800,000	—	—		1,800,000	0.02
Zhang Zhong	1,800,000	—	—		1,800,000	0.02

*Notes:*

- (1) 1,147,877,155 shares are held by China Wind Power Investment Limited (CWPI) and 697,607,087 shares are held by Splendor Power Limited. CWPI is wholly-owned by Permanent Growth Limited. Mr. Liu Shunxing held as to 46.77% of the issued shares of Permanent Growth Limited and held as to 99% of the issued shares of Splendor Power Limited. Mr. Liu Shunxing beneficially holds 27,000,000 Shares.
- (2) 150,000,000 shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor and can influence how the trustee exercises its discretion. Ms. Liu Jianhong beneficially holds 23,710,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(ii) Directors' other interests**

- (a) As of the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 December 2020, 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 are proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As of 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 subsisting at the Latest Practicable Date, and which was significant in relation to the business of the Group.
- (c) As of 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 are the directors of China Wind Power Investment Limited and Mr. Liu is a director of Permanent Growth Limited and Splendor Power Limited, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying shares of the Company which fall 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 CONTRACTS

The following contracts, including contracts not entered into in the ordinary course of business, were entered into by the Group within the two years preceding the date of this circular and are or may be material:

- (a) On 27 November 2019, Yongzhou Jiepai entered into an equity transfer agreement with China Nuclear Shandong Energy Co., Ltd.\* (中核山東能源有限公司) (“**China Nuclear Shandong**”) and Tongdao Century Concord Wind Power Co., Ltd.\* (通道協合風力發電有限公司) (“**Tongdao Century Concord**”), pursuant to which Yongzhou Jiepai agreed to sell and China Nuclear Shandong agreed to acquire the entire equity interest in Tongdao Century Concord, at the consideration of RMB244,380,000, payable by China Nuclear Shandong in accordance with the terms and conditions of the said equity transfer agreement.
- (b) On 17 April 2020, Yongzhou Jiepai (as vendor) and Shanghai Shenneng New Energy Investment Co., Ltd.\* (上海申能新能源投資有限公司) (“**Shanghai Shenneng**”) (as purchaser) entered into (i) an equity transfer agreement pursuant to which, Yongzhou Jiepai agreed to sell and Shanghai Shenneng agreed to acquire the entire equity interest in Yongzhou Dongtian Century Concord Wind Power Co., Ltd.\* (永州東田協合風力發電有限公司), at the consideration of RMB92,344,000, payable by Shanghai Shenneng in accordance with the terms and conditions of the said equity transfer agreement; and (ii) an equity transfer agreement pursuant to which, Yongzhou Jiepai agreed to sell and Shanghai Shenneng agreed to acquire the entire equity interest in Nanzhao Juhe Wind Power Co., Ltd.\* (南召聚合風力發電有限公司), at the consideration of RMB206,251,000, payable by Shanghai Shenneng in accordance with the terms and conditions of the said equity transfer agreement.
- (c) On 7 May 2020, Century Concord (as vendor) and Shanghai Shenneng (as purchaser) entered into an equity transfer agreement, pursuant to which, Century Concord agreed to sell and Shanghai Shenneng agreed to acquire the entire equity interest in Lingbao Century Concord Wind Power Co., Ltd.\* (靈寶協合風力發電有限公司), at the consideration of RMB131,764,000, payable by Shanghai Shenneng in accordance with the terms and conditions of the said equity transfer agreement.

- (d) On 8 September 2020, the Company commenced (i) the exchange offer with respect to the Company's outstanding senior notes (the "**Existing Notes**") pursuant to which an offer is made to exchange Existing Notes for the US\$ denominated senior notes to be issued by the Company (the "**New Notes**"); and (ii) a concurrent offering to issue and sell additional New Notes that will form a single series with the corresponding New Notes to be issued under the said exchange offer.

#### **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 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 company secretary for listed companies.

#### **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for a period of 14 days from the date of this circular:

1. the Company's memorandum of association and by-laws;
2. this circular;

3. the material contracts referred to in the section headed “3. Material Contracts” in this appendix; and
4. the annual reports of the Company for each of the three financial years ended 31 December 2018, 2019 and 2020.

**8. MISCELLANEOUS**

The correspondence address of the Company is at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

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

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## NOTICE OF SPECIAL GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that the special general meeting (“SGM”) of Concord New Energy Group Limited (the “Company”) will be held at 10:00 a.m. on 11 June 2021 at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong to consider and, if thought fit, pass the following resolution(s) of the Company:

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 7 May 2021.

#### ORDINARY RESOLUTIONS

1. “**THAT** the Rights Transfer Agreement I and the Finance Lease Agreement I (as defined in the circular of the Company dated 7 May 2021), copies of which are signed by the chairman of the SGM for identification purpose and have been tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her absolute opinion deem necessary, desirable or expedient.”
2. “**THAT** the Rights Transfer Agreement II and the Finance Lease Agreement II (as defined in the circular of the Company dated 7 May 2021), copies of which are signed by the chairman of the SGM for identification purpose and have been tabled at the SGM), and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two of the directors of the Company be and is hereby authorised to execute all such documents and to do all such acts as he/she may in his/her absolute opinion deem necessary, desirable

\* *For identification purposes only*

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## NOTICE OF SPECIAL GENERAL MEETING

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or expedient to give effect to the transactions contemplated thereunder with such changes as he/she may in his/her 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, 7 May 2021

*Notes:*

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or 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 must be deposited at the branch share registrar of the Company, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
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 7 a.m. on 11 June 2021, 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.
6. As required under the Listing Rules, the above resolution(s) will be decided by way of poll.