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Concord New Energy Group Limited
協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

DISCLOSEABLE TRANSACTION

PURCHASE OF WIND POWER EQUIPMENT

The Board is pleased to announce that on 20 July 2020, the Purchaser entered into the Purchase Contract with the Supplier, pursuant to which the Purchaser shall purchase the Wind Power Equipment at the Consideration.

As the highest Applicable Percentage Ratio for the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company and is thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 20 July 2020, the Purchaser entered into the Purchase Contract with the Supplier, pursuant to which the Purchaser shall purchase the Wind Power Equipment at the Consideration.

PURCHASE CONTRACT

The principal terms of the Purchase Contract are as follows:

Date : 20 July 2020

Parties : the Purchaser: as purchaser of the Wind Power Equipment; and
the Supplier: as the supplier of the Wind Power Equipment

* *For identification purposes only*

- Assets to be purchased : a set of wind power electricity generation equipment for the wind power project of the Group situated in Jilin Province of the PRC, including wind turbines, electricity generation systems, control systems hardware and software, ancillary equipment and etc.
- Consideration : approximately RMB195.99 million (approximately HK\$215.37 million), being the consideration payable by the Purchaser under the Purchase Contract, comprising fees in relation to, technical support services and technical training to be provided by the Supplier, tax payment, delivery, insurance costs and other miscellaneous charges.

The Consideration is agreed after arm's length negotiation by the Purchaser and the Supplier with reference to the market unit price and quantity of each machinery, equipment or forming part of the Wind Power Equipment. The Consideration shall be paid by the Purchaser by instalments based on the stages of completion of the Purchase Contract. The Consideration shall be payable in cash, which will be financed by internal resources of the Group and/or borrowings.

Within 15 days from the date of the Purchase Contract, the Supplier shall pay to the Purchaser 10% of the Consideration as irrevocable performance guarantee for any breach of its obligations under the Purchase Contract, which shall be refunded to the Supplier within 30 days upon entering into the warranty period of the Wind Power Equipment.

INFORMATION OF THE PARTIES TO THE PURCHASE CONTRACTS

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

The Supplier is principally engaged in the supply of wind power machinery and equipment in the PRC.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Supplier and its ultimate beneficial owner(s), which is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

It is in the ordinary and usual course of business of the Group to build wind power plants in the PRC, including the subject project in Jilin Province of the PRC. The purchase of the Wind Power Equipment under the Purchase Contract represents part of the Group's ordinary investments in its wind power projects.

The Group evaluated the terms of the respective contracts based on, among other factors, the specifications and needs of the Group, the credentials and experience of the Supplier, the quality of the products to be supplied by the Supplier, the services agreed to be rendered by the Supplier, the products warranty provided by the Supplier and the terms offered by other suppliers to the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Purchase Contract are on normal commercial terms, fair and reasonable; and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest Applicable Percentage Ratio for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Applicable Percentage Ratio” have the meanings ascribed to them under the Listing Rules;
and “connected person”

“Board” the board of Directors;

“Company” Concord New Energy Group Limited (協合新能源集團有限公司*) (Stock code: 182), a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange;

“Consideration” a sum of approximately RMB195.99 million (approximately HK\$215.37 million);

“Director(s)” the director(s) of the Company;

“Group” the Company and its subsidiaries;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	Haotai New Energy Equipment Ltd.* (浩泰新能源裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Purchase Contract”	the purchase contract dated 20 July 2020 between the Purchaser and the Supplier in relation to the purchase of the Wind Power Equipment;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplier”	Xinjiang Goldwind Science & Technology Co., Ltd.* (新疆金風科技股份有限公司), a company established in the PRC with limited liability;
“Transaction”	purchase of the Wind Power Equipment by the Purchaser under the Purchase Contract; and
“Wind Power Equipment”	a set of wind power electricity generation equipment for the wind power project of the Group situated in Jilin Province of the PRC to be purchased by the Purchaser under the Purchase Contract, including wind turbines, electricity generation systems, control systems hardware and software, ancillary equipment and etc.

For the purposes of this announcement, an exchange rate of HK\$1 = RMB0.91 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.

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

Hong Kong, 20 July 2020

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Yu Weizhou (Chief Executive Officer), Mr. Gui Kai, Mr. Niu Wenhui, Dr. Shang Li and Mr. Zhai Feng (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 and Mr. Zhang Zhong (who are independent non-executive Directors).

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