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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).

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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 ARRANGEMENTS
AND
NOTICE OF SPECIAL GENERAL MEETING

SGM of the Company will be held at 10:00 a.m. on Thursday, 10 October 2019 at Suite 3901, 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.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	8
Appendix I — Financial Information	I-1
Appendix II — General Information	II-1
Notice of SGM	SGM-1

DEFINITIONS

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

“2018 December Finance Lease Arrangements”	collectively, the 2018 December First Finance Lease Arrangement and the 2018 December Second Finance Lease Arrangement
“2018 December First Finance Lease Arrangement”	the finance lease arrangement entered into between Nanzhao Century Concord (as lessee) and Huaneng Tiancheng (as lessor) on 19 December 2018 with other underlying security agreements, pursuant to which Huaneng Tiancheng has purchased certain equipment at the total consideration of RMB50,000,000 (equivalent to approximately HK\$56,500,000) from Nanzhao Century Concord while such equipment were leased back to Nanzhao Century Concord for a term of 5 years (to be payable in 20 quarterly installments at a floating interest rate with reference to the benchmark interest rate for RMB one-to-five year loans as promulgated by the People’s Bank of China from time to time) at an estimated total lease payments in the amount of RMB63,376,109.61 (equivalent to approximately HK\$71,615,003.86) (including the sum of the lease cost of RMB50,000,000, the aggregate interest of RMB11,376,109.61 and the security deposit of RMB2,000,000), which was a transaction fully exempt from reporting and announcement under Chapter 14 of the Listing Rules, as none of the applicable percentage ratios exceeded 5%
“2018 December Second Finance Lease Arrangement”	the transaction contemplated under the finance lease arrangement among Zaoyang Century Concord (as lessee), Haotai New Energy (as supplier) and Huaneng Tiancheng (as purchaser and lessor) pursuant to the finance lease agreement and the sale and purchase agreement both dated 21 December 2018, and other underlying security agreements entered between the Group and Huaneng Tiancheng on the same day, as detailed in the announcement of the Company dated 21 December 2018

DEFINITIONS

“2019 August CITIC Finance Lease Arrangement”	the transactions contemplated under the CITIC Sale and Purchase Agreement, the CITIC Finance Lease Agreement and the CITIC Security Agreements
“2019 August Huaneng Tiancheng Finance Lease Arrangements”	collectively, the Shangcheng Finance Lease Arrangement and the Tongyu Finance Lease Arrangement
“2019 July Finance Lease Arrangement”	the transaction contemplated under the finance lease arrangement among Jilin Century Concord (as lessee), CITIC Financial Leasing (as purchaser and lessor) and Haotai New Energy (as supplier) pursuant to the finance lease agreement and the sale and purchase agreement both dated 10 July 2019, and other underlying security agreements entered between the Group and CITIC Financial Leasing on the same day, as detailed in the announcement of the Company dated 10 July 2019
“Board”	the board of Directors
“Century Concord”	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
“CITIC Equipment”	certain machinery and equipment for the Group’s operation of the wind power projects in Jilin Province, the PRC as stipulated under the CITIC Finance Lease Agreement
“CITIC Finance Lease Agreement”	the finance lease agreement entered into between Jilin Century Concord and CITIC Financial Leasing on 26 August 2019, including all ancillary agreements attached thereto in respect of the purchase and lease of the CITIC Equipment
“CITIC Financial Leasing”	CITIC Financial Leasing Co., Ltd.* (中信金融租賃有限公司), a company established in the PRC with limited liability and a third party independent of the Company and its connected persons (as defined under the Listing Rules), which is the purchaser and lessor under the 2019 August CITIC Finance Lease Arrangement

DEFINITIONS

“CITIC Sale and Purchase Agreement”	the sale and purchase agreement entered into among Jilin Century Concord (as lessee), CITIC Financial Leasing (as purchaser and lessor) and Haotai New Energy (as supplier) on 26 August 2019, pursuant to which CITIC Financial Leasing agreed to purchase the CITIC Equipment from Haotai New Energy to fulfill CITIC Financial Leasing’s obligations under the CITIC Finance Lease Agreement
“CITIC Security Agreements”	the security agreements, including the guarantee agreements, the equipment mortgage agreement, the electricity fee pledge agreement, the CITIC Designated Account Agreement I and the CITIC Designated Account Agreement II, to secure the obligations of Jilin Century Concord under the CITIC Finance Lease Agreement, as described in the sub-section headed “2019 August CITIC Finance Lease Arrangement — (iii) The CITIC Security Agreements” in this circular
“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
“Finance Lease Arrangements”	collectively, the 2019 August CITIC Finance Lease Arrangement and the 2019 August Huaneng Tiancheng Finance Lease Arrangements
“Group”	the Company and its subsidiaries
“Haotai New Energy”	Haotai New Energy Equipment Co., Ltd.* (浩泰新能源裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Huaneng Tiancheng”	Huaneng Tiancheng Financial Leasing Co., Ltd.* (華能天成融資租賃有限公司), a company established in the PRC with limited liability and a third party independent of the Company and its connected persons (as defined under the Listing Rules)
“Jilin Century Concord”	Jilin Century Concord Wind Power Investment Co., Ltd.* (吉林協合風力發電投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is the lessee under the CITIC Finance Lease Agreement
“Jingmen Lixi”	Jingmen Lixi Wind Power Co., Ltd.* (荊門栗溪風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Latest Practicable Date”	20 September 2019, 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
“Nanzhao Century Concord”	Nanzhao Century Concord Wind Power Co., Ltd.* (南召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
“Nanzhao Juhe”	Nanzhao Juhe Wind Power Co., Ltd.* (南召聚合風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“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

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at 10:00 a.m. on Thursday, 10 October 2019 at Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for the Shareholders to consider and approve, if thought fit, among other things, Finance Lease Arrangements and the transactions contemplated thereunder or any adjournment thereof (as the case may be)
“Shangcheng Century Concord”	Shangcheng County Century Concord Wind Power Co., Ltd.* (商 城 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, which is the lessee under the Shangcheng Finance Lease Agreement
“Shangcheng Equipment”	certain machinery and equipment for the Group’s operation of the wind power projects in Henan Province, the PRC as stipulated under the Shangcheng Finance Lease Agreement
“Shangcheng Finance Lease Agreement”	the finance lease agreement entered into between Shangcheng Century Concord and Huaneng Tiancheng on 26 August 2019, including all ancillary agreements attached thereto in respect of the purchase and lease of the Shangcheng Equipment
“Shangcheng Finance Lease Arrangement”	the transactions contemplated under the Shangcheng Sale and Purchase Agreement, the Shangcheng Finance Lease Agreement and the Shangcheng Security Agreements
“Shangcheng Sale and Purchase Agreement”	the sale and purchase agreement entered into among Shangcheng Century Concord (as lessee), Huaneng Tiancheng (as purchaser and lessor) and Tianjin Century Concord (as supplier) on 26 August 2019, pursuant to which Huaneng Tiancheng agreed to purchase the Shangcheng Equipment from Tianjin Century Concord to fulfill Huaneng Tiancheng’s obligations under the Shangcheng Finance Lease Agreement

DEFINITIONS

“Shangcheng Security Agreements”	the security agreements, including the guarantee agreements, the equity pledge agreement, the equipment mortgage agreement, the real property mortgage agreement, the electricity fee pledge agreement, the Shangcheng Designated Account Agreement and the shortfall guarantee agreement, to secure the obligations of Shangcheng Century Concord under the Shangcheng Finance Lease Arrangement, as described in the sub-section headed “Shangcheng Finance Lease Arrangement — (iii) The Shangcheng Security Agreements” in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Century Concord”	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
“Tongyu Century Concord”	Jilin Tongyu Century Concord Xinfa Wind Power Co., Ltd.* (吉林通榆協合新發風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is the lessee under the Tongyu Finance Lease Agreement
“Tongyu Equipment”	certain machinery and equipment for the Group’s operation of the wind power projects in Jilin Province, the PRC as stipulated under the Tongyu Finance Lease Agreement
“Tongyu Finance Lease Agreement”	the finance lease agreement entered into between Tongyu Century Concord and Huaneng Tiancheng on 26 August 2019, including all ancillary agreements attached thereto in respect of the purchase and lease of the Tongyu Equipment
“Tongyu Finance Lease Arrangement”	the transactions contemplated under the Tongyu Sale and Purchase Agreement, the Tongyu Finance Lease Agreement and the Tongyu Security Agreements

DEFINITIONS

“Tongyu Sale and Purchase Agreement”	the sale and purchase agreement entered into among Tongyu Century Concord (as lessee), Huaneng Tiancheng (as purchaser and lessor) and Haotai New Energy (as supplier) on 26 August 2019, pursuant to which Huaneng Tiancheng agreed to purchase the Tongyu Equipment from Haotai New Energy to fulfill Huaneng Tiancheng’s obligations under the Tongyu Finance Lease Agreement
“Tongyu Security Agreements”	the security agreements, including the guarantee agreements, the equity pledge agreement, the equipment mortgage agreement, the real property mortgage agreement, the electricity fee pledge agreement, the Tongyu Designated Account Agreement and the shortfall guarantee agreement, to secure the obligations of Tongyu Century Concord under the Tongyu Finance Lease Arrangement, as described in the sub-section headed “Tongyu Finance Lease Arrangement — (iii) The Tongyu Security Agreements” in this circular
“Xiangzhou Century Concord”	Xiangyang Xiangzhou Century Concord Yushan Wind Power Co., Ltd.* (襄陽襄州協合峪山風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“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
“Zaoyang Century Concord”	Zaoyang Century Concord Wind Power Co., Ltd.* (棗陽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

* For identification purposes only.

This circular contains translations between RMB and HK\$ at RMB1.00 = HK\$1.10. The translations are not representations that RMB and HK\$ amounts could actually be converted at such rate, if at all.

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. Yu Weizhou (*Chief Executive Officer*)
Mr. Niu Wenhui
Mr. Gui Kai
Dr. Shang Li

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,
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

23 September 2019

To the Shareholders:

Dear Sir or Madam,

MAJOR TRANSACTION FINANCE LEASE ARRANGEMENTS

INTRODUCTION

References are made to the announcements of the Company dated 26 August 2019 in relation to the 2019 August CITIC Finance Lease Arrangement and 2019 August Huaneng Tiancheng Finance Lease Arrangements.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding, among other things, the details of Finance Lease Arrangements.

2019 AUGUST CITIC FINANCE LEASE ARRANGEMENT

On 26 August 2019 (after trading hours), Jilin Century Concord (as lessee), Haotai New Energy (as supplier) and CITIC Financial Leasing (as purchaser and lessor) entered into the 2019 August CITIC Finance Lease Arrangement, pursuant to which (i) CITIC Financial Leasing has agreed to purchase the CITIC Equipment from Haotai New Energy, at the consideration of RMB116,510,000 (equivalent to approximately HK\$128,161,000); and (ii) CITIC Financial Leasing has agreed to lease the CITIC Equipment to Jilin Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB173,545,934 (equivalent to approximately HK\$190,900,527).

(i) The CITIC Sale and Purchase Agreement

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

Date of agreement	26 August 2019
Parties to the agreement	Purchaser and lessor: CITIC Financial Leasing; Lessee: Jilin Century Concord; and Supplier: Haotai New Energy
Subject assets	The CITIC Equipment. All CITIC Equipment are/will be used by the Group for the operation of the wind power projects of the Group in Jilin Province, the PRC.
Consideration payable by the lessor to the supplier	CITIC Financial Leasing shall fully pay RMB116,510,000 (equivalent to approximately HK\$128,161,000) upon the satisfaction of the following conditions: (i) the CITIC Sale and Purchase Agreement, the CITIC Finance Lease Agreement and the relevant ancillary documents and agreements have been duly executed and effective;

LETTER FROM THE BOARD

- (ii) Jilin Century Concord has obtained all internal and external approvals required for the finance leasing transactions under the CITIC Finance Lease Agreement;
- (iii) relevant guarantors under the 2019 August CITIC Finance Lease Arrangement have obtained the approvals/authorisations for the provisions of guarantees from internal and external authorised institutions, as required by CITIC Financial Leasing;
- (iv) the CITIC Security Agreements and the relevant ancillary documents have been duly executed and effective, and the filings and registration procedures at the relevant authorities have been completed;
- (v) CITIC Financial Leasing has received the security deposit (if any), handling fee (if any) and leasing cost (if any) from Jilin Century Concord;
- (vi) the representations and warranties made by Jilin Century Concord under the CITIC Sale and Purchase Agreement and the CITIC Finance Lease Agreement are true, accurate and not misleading;
- (vii) after signing the CITIC Finance Lease Agreement, the national fiscal and taxation, financial policies or the regulatory measures imposed by the PRC government for the financial industry have not changed significantly and the market financing costs have not increased significantly;
- (viii) the CITIC Designated Account I (as defined below) has been set up under the CITIC Designated Account Agreement I (as defined below);

LETTER FROM THE BOARD

- (ix) Jilin Century Concord has pledged the receivables in electricity fee to CITIC Financial Leasing with the first order, and the CITIC Designated Account II (as defined below) has been set up under the CITIC Designated Account Agreement II (as defined below);
- (x) Jilin Century Concord has provided its latest credit report as required by CITIC Financial Leasing, and no negative credit record has been contained therein;
- (xi) Jilin Century Concord has obtained the latest effective grid access approval documents for the connection of the wind power projects of the Group in Jilin Province; and
- (xii) other conditions as required by CITIC Financial Leasing have been satisfied.

The following table sets out the details of the CITIC Equipment bought by CITIC Financial Leasing:

Asset nature/ Type	Estimated useful life	Current condition	Date of original acquisition by the Supplier	Current accounting treatment	Actual purchase price/ Estimated book value (RMB)
Turbine	20 years	Not installed	May-19	Not booked	51,098,250
Tower tube	20 years	Not installed	Jul-19	Not booked	18,405,100
Transformers	20 years	Partially installed ⁽¹⁾	Jun-19	Not booked	13,888,040
Other equipment	20 years	Partially installed ⁽¹⁾	Jun-19	Not booked	33,504,919
Total					<u><u>116,896,309</u></u>

Note:

- (1) The equipment partially installed is expected to be completed in December 2019.

LETTER FROM THE BOARD

The total consideration of RMB116,510,000 (equivalent to approximately HK\$128,161,000) was agreed among CITIC Financial Leasing, Haotai New Energy and Jilin Century Concord after arm's length negotiations with reference to the total purchase price payable by Haotai New Energy to the original supplier(s), being approximately RMB116,896,308 (equivalent to approximately HK\$128,585,939). In view of the above, the Directors consider that the total consideration is fair and reasonable, and in the interests of the Company and Shareholders as a whole.

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

(ii) The CITIC Finance Lease Agreement

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

Date of agreement	26 August 2019
Parties to the agreement	Lessor: CITIC Financial Leasing; and Lessee: Jilin Century Concord
Period of the lease term	12 years (commencing from middle of October 2019)
Total lease amount payable by the lessee to the lessor	RMB173,545,934 (equivalent to approximately HK\$190,900,527), being the total sum of the lease cost of RMB116,510,000 (which is consistent with the consideration payable by CITIC Financial Leasing in respect of the CITIC Equipment), the estimated aggregate interest of approximately RMB55,870,834, which are payable in 48 quarterly installments and the handling fee of RMB1,165,100.

LETTER FROM THE BOARD

**Lease interest and
adjustment**

The estimated aggregate interest is approximately RMB55,870,834 (equivalent to approximately HK\$61,457,917). Interest (which forms part of the total lease amount) is calculated at a floating rate and shall be adjusted with reference to the benchmark interest rate for RMB loans with a maturity of above 5 years as promulgated by the People's Bank of China from time to time (the "**Benchmark Interest Rate**") plus a premium. The Benchmark Interest Rate as at the Latest Practicable Date was 4.9%. The said premium, which is fixed, is determined with reference to, among others, the prevailing market interest rate, the aggregate amount of the handling fee payable by the Group under the CITIC Finance Lease Agreement. It is a common market practice for the finance lease companies in the PRC to charge a premium on top of the Benchmark Interest Rate 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 CITIC Equipment, where interest rates per annum ranged from 0% to 20% above the Benchmark Interest Rate. The interest rate per annum (after value added tax) under the CITIC Finance Lease Agreement was 5.745% as at the date of the CITIC Finance Lease Agreement, which represented 17.24% above the Benchmark Interest Rate. Upon comprehensively considering the overall costs of the finance lease, such as the aggregate amount of the handling fee of RMB1,165,100 (representing 1% of the consideration payable by CITIC Financial Leasing as finance provided) and the interest rate, and there is no security deposit required to be payable, the Board is of the view that the lease interest calculated/adjusted based on the aforesaid adjusting mechanism is fair and reasonable.

**Handling fee payable by
the lessee to the lessor**

RMB1,165,100 (equivalent to approximately HK\$1,281,610), which is payable to CITIC Financial Leasing by Jilin Century Concord before the commencement of the lease term of the CITIC Finance Lease Agreement.

LETTER FROM THE BOARD

**Basis to determine the
lease payment**

The lease amount is agreed between CITIC Financial Leasing and Jilin Century Concord with reference to the consideration payable by CITIC Financial Leasing in respect of the CITIC Equipment and the prevailing market interest rate of comparable equipment finance leases.

Before entering into the CITIC Finance Lease Agreement, the Group has negotiated with a number of finance lease companies and compared the quotations obtained therein. The Board also considered the amount of the handling fee and the security deposit (if any) payable by the Group, the conditions upon which the lessor will provide the finance and the lessor's familiarity on the wind power equipment market. In selecting CITIC Financial Leasing as the lessor under the 2019 August CITIC Finance Lease Arrangement, the Board has taken into account the following factors: (i) CITIC Financial Leasing has agreed to provide the finance corresponding to the construction progress of the relevant projects of the Group, which better serves the needs of the Group; (ii) CITIC Financial Leasing is familiar with the wind power equipment market since it is frequently exposed to business opportunities relevant to the new energy industry. With more than 100 photovoltaic and wind power plants and as one of the largest leasing companies in the PRC, CITIC Financial Leasing is featured by its clean energy finance lease business; and (iii) given that the Group has cooperated with CITIC Financial Leasing several times before, CITIC Financial Leasing is familiar with the Group's business operation, especially it knows and recognises the excellent quality of the Group's assets in the new energy industry.

LETTER FROM THE BOARD

Lessee to purchase back the equipment The legal ownership of the CITIC Equipment will be rested in CITIC Financial Leasing throughout the lease term. Upon the end of the lease term, provided that Jilin Century Concord has fulfilled all of its obligations under the 2019 August CITIC Finance Lease Arrangement, Jilin Century Concord will purchase back the CITIC Equipment at a nominal consideration of RMB1 (equivalent to approximately HK\$1.10).

(iii) The CITIC Security Agreements

In order to secure Jilin Century Concord's obligations under the CITIC Finance Lease Agreement, the following security documents have also been executed on 26 August 2019 (after trading hours):

Guarantee agreements Each of the Company and Century Concord has entered into a guarantee agreement in favour of CITIC Financial Leasing, pursuant to which each of the Company and Century Concord has agreed to provide irrevocable joint liability guarantees for all the debts of Jilin Century Concord under the CITIC Finance Lease Agreement.

Equipment mortgage agreement Jilin Century Concord has entered into an equipment mortgage agreement in favour of the CITIC Financial Leasing, pursuant to which, upon CITIC Financial Leasing's authorisation, Jilin Century Concord has agreed to mortgage the CITIC Equipment to CITIC Financial Leasing and complete the registration procedure, to secure its obligations under the CITIC Finance Lease Agreement.

Electricity fee pledge agreement Jilin Century Concord has entered into an electricity fee pledge agreement in favour of CITIC Financial Leasing, pursuant to which Jilin Century Concord has agreed to pledge its receivables in electricity fee to CITIC Financial Leasing, to secure its obligations under the CITIC Finance Lease Agreement.

LETTER FROM THE BOARD

CITIC Designated Account Agreement I CITIC Financial Leasing, Jilin Century Concord and China CITIC Bank (Headquarter)* (中信銀行股份有限公司總行) have entered into a designated account agreement (the “**CITIC Designated Account Agreement I**”), pursuant to which a designated account (the “**CITIC Designated Account I**”) has been set up and the consideration will be paid by CITIC Financial Leasing into the CITIC Designated Account I, which will be utilized, among other things, by Jilin Century Concord to pay the consideration to Haotai New Energy as entrusted by CITIC Financial Leasing pursuant to the CITIC Finance Lease Agreement and the CITIC Sale and Purchase Agreement.

CITIC Designated Account Agreement II CITIC Financial Leasing, Jilin Century Concord and China CITIC Bank (Headquarter)* (中信銀行股份有限公司總行) have entered into a designated account agreement (the “**CITIC Designated Account Agreement II**”), pursuant to which a designated account (the “**CITIC Designated Account II**”) will be set up and the receivables in electricity fee of Jilin Century Concord should be deposited into the CITIC Designated Account II, the fund of which should be given priority for fulfilling the obligations of Jilin Century Concord under the CITIC Finance Lease Agreement.

2019 AUGUST HUANENG TIANCHENG FINANCE LEASE ARRANGEMENTS

Shangcheng Finance Lease Arrangement

On 26 August 2019 (after trading hours), Shangcheng Century Concord (as lessee), Tianjin Century Concord (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into the Shangcheng Finance Lease Arrangement, pursuant to which (i) Huaneng Tiancheng has agreed to purchase the Shangcheng Equipment from Tianjin Century Concord, at the consideration of RMB250,000,000 (equivalent to approximately HK\$275,000,000); and (ii) Huaneng Tiancheng has agreed to lease the Shangcheng Equipment to Shangcheng Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB384,977,994 (equivalent to approximately HK\$423,475,793).

LETTER FROM THE BOARD

(i) The Shangcheng Sale and Purchase Agreement

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

Date of agreement	26 August 2019
Parties to the agreement	Purchaser and lessor: Huaneng Tiancheng; Lessee: Shangcheng Century Concord; and Supplier: Tianjin Century Concord
Subject assets	The Shangcheng Equipment. All Shangcheng Equipment are/will be used by the Group for the operation of the wind power projects of the Group in Henan Province, the PRC.
Consideration payable by the lessor to the supplier	The consideration shall be settled by Huaneng Tiancheng by five installments. (a) The first installment shall be no more than RMB62,500,000, which shall be settled upon the satisfaction of the following conditions: (i) the Shangcheng Sale and Purchase Agreement, the Shangcheng Finance Lease Agreement and the relevant ancillary documents and agreements have been duly executed and effective; (ii) the representations and warranties made by Shangcheng Century Concord under the Shangcheng Finance Lease Agreement are true, accurate and not misleading; (iii) relevant guarantors under the Shangcheng Finance Lease Arrangement have obtained the approvals/authorisations for the provisions of guarantees from internal and external authorised institutions, as required by Huaneng Tiancheng, and the Shangcheng Security Agreements and the relevant ancillary documents have been duly executed and effective, and the filings and registration procedures at the relevant authorities have been completed;

LETTER FROM THE BOARD

(iv) the Shangcheng Designated Account has been set up under the Shangcheng Designated Account Agreement, which has become effective; (v) for the increase to RMB100,000,000 in the registered capital of Shangcheng Century Concord, the filings and registration procedure at the relevant authorities have been completed, and not less than RMB25,000,000 has been paid up; (vi) Huaneng Tiancheng has received the full security deposit and the first tranche handling fee from Shangcheng Century Concord; (vii) the financial status of Shangcheng Century Concord is basically the same as when the Shangcheng Sale and Purchase Agreement was signed, and no material adverse change has occurred thereafter; (viii) Huaneng Tiancheng has confirmed that Shangcheng Century Concord has insured for the wind power projects of the Group in Henan Province, and the insurance has covered the lease cost under the Shangcheng Finance Lease Agreement; (ix) Shangcheng Century Concord has entered into a service agreement with a supervision company designated by Huaneng Tiancheng, pursuant to which, the said supervision company has agreed to issue the supervision report(s) relating to the progress of the wind power projects of the Group in Henan Province and send the same to the person(s) designated by Huaneng Tiancheng at its request and a copy of the said service agreement has been obtained by Huaneng Tiancheng; (x) Huaneng Tiancheng has obtained the supervision report issued by its designated supervision company relating to the progress of the wind power projects of the Group in Henan Province, which is satisfied by Huaneng Tiancheng; (xi) Huaneng Tiancheng has obtained the purchase contract signed by Tianjin Century Concord regarding the purchase of the relevant Shangcheng Equipment; (xii) Tianjin

LETTER FROM THE BOARD

Century Concord has refunded the prepayment for the Shangcheng Equipment to Shangcheng Century Concord, and Huaneng Tiancheng has obtained the bank entry voucher and accounting documents stamped by Shangcheng Century Concord; (xiii) Shangcheng Century Concord has repaid the loan to the wind power operation and maintenance technical service company, and Huaneng Tiancheng has obtained the bank payment certificate and accounting documents stamped by Shangcheng Century Concord; (xiv) Huaneng Tiancheng has obtained the executed version of the wind resource review report; (xv) Huaneng Tiancheng has obtained the latest (not earlier than 29 July 2019) credit report of Century Concord and the content of which has not affected the guarantee ability of Century Concord; and (xvi) all other conditions or relevant procedures under the Shangcheng Sale and Purchase Agreement have been satisfied or completed.

- (b) The second installment shall be no more than RMB50,000,000, which shall be settled upon the satisfaction of the following conditions: (i) the conditions for the first installment have been fulfilled; (ii) an accumulated amount of not less than RMB45,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord; (iii) Huaneng Tiancheng has obtained the supervision report issued by its designated supervision company relating to the progress of the wind power projects of the Group in Henan Province, which is satisfied by Huaneng Tiancheng; and (iv) all other conditions or relevant procedures under the Shangcheng Sale and Purchase Agreement have been satisfied or completed.

LETTER FROM THE BOARD

- (c) The third installment shall be no more than RMB75,000,000, which shall be settled upon satisfaction of the following conditions: (i) the conditions for the first and second installments have been fulfilled; (ii) an accumulated amount of not less than RMB75,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord; (iii) Huaneng Tiancheng has obtained the supervision report issued by its designated supervision company relating to the progress of the wind power projects of the Group in Henan Province, which is satisfied by Huaneng Tiancheng; and (iv) all other conditions or relevant procedures under the Shangcheng Sale and Purchase Agreement have been satisfied or completed.
- (d) The fourth installment shall be no more than RMB37,500,000, which shall be settled upon satisfaction of the following conditions: (i) the conditions for the first, second and third installments have been fulfilled; (ii) an accumulated amount of not less than RMB90,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord; (iii) Huaneng Tiancheng has obtained the supervision report issued by its designated supervision company relating to the progress of the wind power projects of the Group in Henan Province, which is satisfied by Huaneng Tiancheng; and (iv) all other conditions or relevant procedures under the Shangcheng Sale and Purchase Agreement have been satisfied or completed.

LETTER FROM THE BOARD

- (e) The fifth installment shall be no more than RMB25,000,000, which shall be settled upon satisfaction of the following conditions: (i) the conditions for the first, second, third and fourth installments have been fulfilled; (ii) an accumulated amount of not less than RMB100,000,000 has been paid up for the increase in the registered capital of Shangcheng Century Concord; (iii) the supervision report issued by the supervision company designated by Huaneng Tiancheng has been obtained which proves that the wind power projects of the Group in Henan Province have been fully connected to the grid and satisfied the relevant acceptance requirements; and (iv) all other conditions or relevant procedures under the Shangcheng Sale and Purchase Agreement have been satisfied or completed.

Conditions (a)(v), (b)(ii), (c)(ii), (d)(ii) and (e)(ii) above are included for the purpose of fulfilling the investment requirement for electricity or other similar fixed assets investment projects that at least 20% of the total investment amount shall be provided by the financing party through their own funds. It is also a common market practice for the finance lease companies in the PRC to require the lessee to increase its registered capital, so that the ratio of the registered capital of the lessee to the total investment (i.e. the registered capital of the lessee plus the consideration payable by the lessor to the supplier as finance provided by the lessor) shall range between 20% and 40%. Under the Shangcheng Sale and Purchase Agreement, the ratio of the required paid-up registered capital of Shangcheng Century Concord to the total investment (i.e. the paid-up registered capital of Shangcheng Century Concord plus the consideration installment(s) payable by Huaneng Tiancheng to Tianjin Century Concord as finance provided by Huaneng Tiancheng) is 28.57%. The Board considers that such ratio is in line with the common market practice, and fair and reasonable.

LETTER FROM THE BOARD

The following table sets out the details of the Shangcheng Equipment bought by Huaneng Tiancheng:

Asset nature/ Type	Estimated useful life	Current condition	Date of original acquisition by the Supplier	Current accounting treatment	Actual purchase price/ Estimated book value (RMB)
Wind turbine	20 years	Not installed	Aug-19	Not booked	174,080,000
Tower tube	20 years	Not installed	Jul-19	Not booked	43,906,080
Substation	20 years	Not installed	Oct-18	Not booked	9,418,850
Other equipment	20 years	Partially installed ⁽¹⁾	Oct-18	Not booked	22,595,070
Total					<u><u>250,000,000</u></u>

Note:

(1) The equipment partially installed is expected to be completed in September 2020.

The total consideration of RMB250,000,000 (equivalent to approximately HK\$275,000,000) was agreed among Huaneng Tiancheng, Tianjin Century Concord and Shangcheng Century Concord after arm's length negotiations with reference to the total purchase price payable by Tianjin Century Concord to the original supplier(s) of the Shangcheng Equipment, being approximately RMB250,000,000 (equivalent to approximately HK\$275,000,000). In view of the above, the Directors consider that the total consideration is fair and reasonable, and in the interests of the Company and Shareholders as a whole.

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

LETTER FROM THE BOARD

(ii) The Shangcheng Finance Lease Agreement

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

Date of agreement	26 August 2019
Parties to the agreement	Lessor: Huaneng Tiancheng; and Lessee: Shangcheng Century Concord
Period of the lease term	12 years (commencing from middle of October 2019)
Total lease amount payable by the lessee to the lessor	RMB384,977,994 (equivalent to approximately HK\$423,475,793), being the total sum of the lease cost of RMB250,000,000 (which is consistent with the consideration payable by Huaneng Tiancheng in respect of the Shangcheng Equipment) and the estimated aggregate interest of approximately RMB104,637,254, which are payable in 48 quarterly installments, the handling fee of RMB20,340,740 and the security deposit of RMB10,000,000.

LETTER FROM THE BOARD

**Lease interest and
adjustment**

The estimated aggregate interest is approximately RMB104,637,254 (equivalent to approximately HK\$115,100,979). Interest (which forms part of the total lease amount) is calculated at a floating rate and shall be adjusted with reference to the Benchmark Interest Rate plus a premium. The said premium, which is fixed, is determined with reference to, among others, the prevailing market interest rate, the aggregate amount of the handling fee and the security deposit payable by the Group under the Shangcheng Finance Lease Agreement. It is a common market practice for the finance lease companies in the PRC to charge a premium on top of the Benchmark Interest Rate 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 Shangcheng Equipment, where interest rates per annum ranged from 0% to 20% above the Benchmark Interest Rate. The interest rate per annum (after value added tax) under the Shangcheng Finance Lease Agreement was 4.987% as at the date of the Shangcheng Finance Lease Agreement, which represented 1.78% above the Benchmark Interest Rate. Upon comprehensively considering the overall costs of the finance lease, such as the aggregate amount of the handling fee of RMB20,340,740 (representing 8.14% of the consideration payable by Huaneng Tiancheng as finance provided), the security deposit of RMB10,000,000 (representing 4% of the consideration payable by Huaneng Tiancheng as finance provided) and the interest rate, the Board is of the view that the lease interest calculated/adjusted based on the aforesaid adjusting mechanism is fair and reasonable.

**Handling fee payable by
the lessee to the lessor**

RMB20,340,740 (equivalent to approximately HK\$22,374,814), among which, RMB2,100,000 shall be paid by Shangcheng Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Tianjin Century Concord, the remaining shall be paid in installments pursuant to the Shangcheng Finance Lease Agreement.

LETTER FROM THE BOARD

Security deposit payable by the lessee to the lessor RMB10,000,000 (equivalent to approximately HK\$11,000,000), which shall be fully paid by Shangcheng Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Tianjin Century Concord.

Basis to determine the lease payment The lease amount is agreed between Huaneng Tiancheng and Shangcheng Century Concord with reference to the consideration payable by Huaneng Tiancheng in respect of the Shangcheng Equipment and the prevailing market interest rate of comparable equipment finance leases.

Before entering into the Shangcheng Finance Lease Agreement, the Group has negotiated with a number of finance lease companies and compared the quotations obtained therein. The Board also considered the amount of the handling fee and the security deposit (if any) payable by the Group, the conditions upon which the lessor will provide the finance and the lessor's familiarity on the wind power equipment market. In selecting Huaneng Tiancheng as the lessor under the Shangcheng Finance Lease Arrangement, the Board has taken into account the following factors: (i) Huaneng Tiancheng has agreed to provide the finance corresponding to the construction progress of the relevant projects of the Group, which better serves the needs of the Group; (ii) Huaneng Tiancheng is familiar with the wind power equipment market since it is frequently exposed to business opportunities relevant to the new energy industry; and (iii) given that the Group has cooperated with Huaneng Tiancheng several times before, Huaneng Tiancheng is familiar with the Group's business operation, especially it knows and recognises the excellent quality of the Group's assets in the new energy industry.

LETTER FROM THE BOARD

Lessee to purchase back the equipment The legal ownership of the Shangcheng Equipment will be rested in Huaneng Tiancheng throughout the lease term. Upon the end of the lease term, provided that Shangcheng Century Concord has fulfilled all of its obligations under the Shangcheng Finance Lease Agreement, Shangcheng Century Concord has the option to purchase back the Shangcheng Equipment at a nominal consideration of RMB10,000 (equivalent to approximately HK\$11,000).

(iii) The Shangcheng Security Agreements

In order to secure Shangcheng Century Concord's obligations under the Shangcheng Finance Lease Agreement, the following security documents have also been executed on 26 August 2019 (after trading hours):

Guarantee agreements Each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Tongyu Century Concord has entered into a guarantee agreement in favour of Huaneng Tiancheng, pursuant to which each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Tongyu Century Concord has agreed to provide irrevocable joint liability guarantees for all the debts of Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.

Equity pledge agreement Yongzhou Jiepai entered into an equity pledge agreement in favour of Huaneng Tiancheng, pursuant to which Yongzhou Jiepai agreed to pledge all its equity interest in Shangcheng Century Concord to Huaneng Tiancheng, to secure the obligations of Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.

LETTER FROM THE BOARD

Equipment mortgage agreement	Shangcheng Century Concord has entered into an equipment mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, upon Huaneng Tiancheng's authorisation, Shangcheng Century Concord has agreed to mortgage the Shangcheng Equipment to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Shangcheng Finance Lease Agreement.
Real property mortgage agreement	Shangcheng Century Concord has entered into a real property mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, Shangcheng Century Concord has agreed to mortgage its land use right of the land located at Shangcheng County, Henan Province, the PRC to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Shangcheng Finance Lease Agreement.
Electricity fee pledge agreement	Shangcheng Century Concord has entered into an electricity fee pledge agreement in favour of Huaneng Tiancheng, pursuant to which Shangcheng Century Concord has agreed to pledge its receivables in electricity fee to Huaneng Tiancheng, to secure its obligations under the Shangcheng Finance Lease Agreement.
Shangcheng Designated Account Agreement	Shangcheng Century Concord and Huaneng Tiancheng have entered into a designated account agreement (the " Shangcheng Designated Account Agreement "), pursuant to which a designated account (the " Shangcheng Designated Account ") will be set up before the first installment of the consideration is paid by Huaneng Tiancheng to Tianjin Century Concord, and the receivables in electricity fee of Shangcheng Century Concord should be deposited into the Shangcheng Designated Account, the fund of which should be given priority for fulfilling the obligations of Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.

LETTER FROM THE BOARD

Shortfall guarantee agreement Century Concord entered into a shortfall guarantee agreement in favour of Huaneng Tiancheng, pursuant to which Century Concord has agreed to make up the shortfall occurred in the Shangcheng Designated Account (if any) for Shangcheng Century Concord to guarantee the debts owed to Huaneng Tiancheng by Shangcheng Century Concord under the Shangcheng Finance Lease Agreement.

Tongyu Finance Lease Arrangement

On 26 August 2019 (after trading hours), Tongyu Century Concord (as lessee), Haotai New Energy (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into the Tongyu Finance Lease Arrangement, pursuant to which (i) Huaneng Tiancheng has agreed to purchase the Tongyu Equipment from Haotai New Energy, at the consideration of RMB460,000,000 (equivalent to approximately HK\$506,000,000); and (ii) Huaneng Tiancheng has agreed to lease the Tongyu Equipment to Tongyu Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB693,890,653 (equivalent to approximately HK\$763,279,718).

(i) Tongyu Sale and Purchase Agreement

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

Date of agreement 26 August 2019

Parties to the agreement Purchaser and lessor: Huaneng Tiancheng;

Lessee: Tongyu Century Concord; and

Supplier: Haotai New Energy

Subject assets The Tongyu Equipment. All Tongyu Equipment are/ will be used by the Group for the operation of the wind power projects of the Group in Jilin Province, the PRC.

Consideration payable by the lessor to the supplier The consideration shall be settled by Huaneng Tiancheng by three installments.

LETTER FROM THE BOARD

- (a) The first installment shall be no more than RMB255,000,000, which shall be settled upon the satisfaction of the following conditions: (i) the Tongyu Sale and Purchase Agreement, the Tongyu Finance Lease Agreement and the relevant ancillary documents and agreements have been duly executed and effective; (ii) the representations and warranties made by Tongyu Century Concord under the Tongyu Finance Lease Agreement are true, accurate and not misleading; (iii) relevant guarantors under the Tongyu Finance Lease Arrangement have obtained the approvals/authorisations for the provisions of guarantees from internal and external authorised institutions, as required by Huaneng Tiancheng, and the Tongyu Security Agreements and the relevant ancillary documents have been duly executed and effective, and the filings and registration procedures at the relevant authorities have been completed; (iv) the Tongyu Designated Account has been set up under the Tongyu Designated Account Agreement, which has become effective; (v) the registered capital of Tongyu Century Concord shall not be less than RMB203,000,000 and the filings and registration procedure at the relevant authorities have been completed, and not less than RMB113,000,000 has been paid up; (vi) Huaneng Tiancheng has received the full security deposit and the first tranche handling fee from Tongyu Century Concord; (vii) the financial status of Tongyu Century Concord is basically the same as when the Tongyu Sale and Purchase Agreement was signed, and no material adverse change has occurred thereafter; (viii) Huaneng Tiancheng has confirmed that Tongyu Century Concord has insured for the wind power projects of the Group in Jilin Province, and the insurance has covered the lease cost under the Tongyu

LETTER FROM THE BOARD

Finance Lease Agreement; (ix) Tongyu Century Concord has entered into a service agreement with a supervision company designated by Huaneng Tiancheng, pursuant to which, the said supervision company has agreed to issue the supervision report(s) relating to the progress of the wind power projects of the Group in Jilin Province and send the same to the person(s) designated by Huaneng Tiancheng at its request; (x) Huaneng Tiancheng has obtained the purchase contracts signed by Haotai New Energy regarding the purchases of the relevant Tongyu Equipment; (xi) Tongyu Century Concord has repaid the loans to the related parties, and Huaneng Tiancheng has obtained the bank certificates and accounting certificates stamped by Haotai New Energy certifying the said loans have been fully repaid; (xii) Huaneng Tiancheng has obtained the executed version of the wind resource review report; (xiii) Huaneng Tiancheng has reviewed and obtained a copy of the booster station sharing agreement stamped by Tongyu Century Concord; (xiv) Huaneng Tiancheng has obtained the undertaking letter relating to a permission that for at least 20 years, Tongyu Equipment with an aggregate installed capacity of 97.8MW could use certain external net for free; (xv) Huaneng Tiancheng has obtained the latest (not earlier than 29 July 2019) credit report of Century Concord and the content of which has not affected the guarantee ability of Century Concord; and (xvi) all other conditions or relevant procedures under the Tongyu Sale and Purchase Agreement or otherwise required by Huaneng Tiancheng have been satisfied or completed.

LETTER FROM THE BOARD

- (b) The amount of second installment, together with the first installment, shall be no more than RMB393,000,000, which shall be settled upon the satisfaction of the following conditions: (i) the conditions for the first installment have been fulfilled; (ii) an accumulated amount of not less than RMB174,000,000 has been paid up for the increase in the registered capital of Tongyu Century Concord; (iii) Huaneng Tiancheng has obtained the supervision report issued by its designated supervision company relating to the progress of the wind power projects of the Group in Jilin Province, which is satisfied by Huaneng Tiancheng; (iv) Huaneng Tiancheng has reviewed and obtained a copy of the construction and installation agreement stamped by Tongyu Century Concord; (v) Huaneng Tiancheng has reviewed and obtained copies of each of the relevant land planning documents and reports approved by Huaneng Tiancheng and stamped by Tongyu Century Concord; (vi) Huaneng Tiancheng has reviewed and obtained copies of each of the relevant environmental impact approval documents approved by Huaneng Tiancheng and stamped by Tongyu Century Concord; and (vii) all other conditions or relevant procedures under the Tongyu Sale and Purchase Agreement or otherwise required by Huaneng Tiancheng have been satisfied or completed.

LETTER FROM THE BOARD

- (c) The amount of third installment, together with the first and second installments, shall be no more than RMB460,000,000, which shall be settled upon the satisfaction of the following conditions: (i) the conditions for the first and second installments have been fulfilled; (ii) an accumulated amount of not less than RMB203,000,000 has been paid up for the registered capital of Tongyu Century Concord; (iii) Huaneng Tiancheng has obtained the supervision report issued by its designated supervision company relating to the progress of the wind power projects of the Group in Jilin Province, which is satisfied by Huaneng Tiancheng; and (iv) all other conditions or relevant procedures under the Tongyu Sale and Purchase Agreement or otherwise required by Huaneng Tiancheng have been satisfied or completed.

Conditions (a)(v), (b)(ii) and (c)(ii) above are included for the purpose of fulfilling the investment requirement for electricity or other similar fixed assets investment projects that at least 20% of the total investment amount shall be provided by the financing party through their own funds. It is also a common market practice for the finance lease companies in the PRC to require the lessee to increase its registered capital, so that the ratio of the registered capital of the lessee to the total investment (i.e. the registered capital of the lessee plus the consideration payable by the lessor to the supplier as finance provided by the lessor) shall range between 20% and 40%. Under the Tongyu Sale and Purchase Agreement, the ratio of the required paid-up registered capital of Tongyu Century Concord to the total investment (i.e. the paid-up registered capital of Tongyu Century Concord plus the consideration installment(s) payable by Huaneng Tiancheng to Haotai New Energy as finance provided by Huaneng Tiancheng) is ranged from 30.62% to 30.71%. The Board considers that such ratio is in line with the common market practice, and fair and reasonable.

LETTER FROM THE BOARD

The following table sets out the details of the Tongyu Equipment bought by Huaneng Tiancheng:

Asset nature/ Type	Estimated useful life	Current condition	Date of original acquisition by the Supplier	Current accounting treatment	Actual purchase price/ Estimated book value (RMB)
Wind turbine	20 years	Not installed	Jun-19	Not booked	333,474,000
Tower tube	20 years	Not installed	Jul-19	Not booked	101,543,500
Anchor bolt	20 years	Not installed	Jul-19	Not booked	9,506,300
Unit transformers	20 years	Not installed	Aug-19	Not booked	7,725,000
Other equipment	20 years	Partially installed ⁽¹⁾	Jul-19	Not booked	8,397,000
Total					<u>460,645,800</u>

Note:

(1) The equipment partially installed is expected to be completed in June 2020.

The total consideration of RMB460,000,000 (equivalent to approximately HK\$506,000,000) was agreed among Huaneng Tiancheng, Haotai New Energy and Tongyu Century Concord after arm's length negotiations with reference to the total purchase price payable by Haotai New Energy to the original supplier(s) of the Tongyu Equipment, being approximately RMB460,645,800 (equivalent to approximately HK\$506,710,380). In view of the above, the Directors consider that the total consideration is fair and reasonable, and in the interests of the Company and Shareholders as a whole.

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

LETTER FROM THE BOARD

(ii) The Tongyu Finance Lease Agreement

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

Date of agreement	26 August 2019
Parties to the agreement	Lessor: Huaneng Tiancheng; and Lessee: Tongyu Century Concord
Period of the lease term	12 years (commencing from middle of October 2019)
Total lease amount payable by the lessee to the lessor	RMB693,890,653 (equivalent to approximately HK\$763,279,718), being the total sum of the lease cost of RMB460,000,000 (which is consistent with the consideration payable by Huaneng Tiancheng in respect of the Tongyu Equipment) and the estimated aggregate interest of approximately RMB209,490,653, which are payable in 48 quarterly installments, the handling fee of RMB6,000,000 and the security deposit of RMB18,400,000.

LETTER FROM THE BOARD

**Lease interest and
adjustment**

The estimated aggregate interest is approximately RMB209,490,653 (equivalent to approximately HK\$230,439,718). Interest (which forms part of the total lease amount) is calculated at a floating rate and shall be adjusted with reference to the Benchmark Interest Rate plus a premium. The said premium, which is fixed, is determined with reference to, among others, the prevailing market interest rate, the aggregate amount of the handling fee and the security deposit payable by the Group under the Tongyu Finance Lease Agreement. It is a common market practice for the finance lease companies in the PRC to charge a premium on top of the Benchmark Interest Rate 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 Tongyu Equipment, where interest rates per annum ranged from 0% to 20% above the Benchmark Interest Rate. The interest rate per annum (after value added tax) under the Tongyu Finance Lease Agreement was 5.420% as at the date of the Tongyu Finance Lease Agreement, which represented 10.61% above the Benchmark Interest Rate. Upon comprehensively considering the overall costs of the finance lease, such as the aggregate amount of the handling fee of RMB6,000,000 (representing 1.30% of the consideration payable by Huaneng Tiancheng as finance provided), the security deposit of RMB18,400,000 (representing 4% of the consideration payable by Huaneng Tiancheng as finance provided) and the interest rate, the Board is of the view that the lease interest calculated/adjusted based on the aforesaid adjusting mechanism is fair and reasonable.

**Handling fee payable by
the lessee to the lessor**

RMB6,000,000 (equivalent to approximately HK\$6,600,000), among which, RMB3,000,000 shall be paid by Tongyu Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Haotai New Energy, the remaining shall be paid in installments pursuant to the Tongyu Finance Lease Agreement.

LETTER FROM THE BOARD

Security deposit payable by the lessee to the lessor RMB18,400,000 (equivalent to approximately HK\$20,240,000), which shall be fully paid by Tongyu Century Concord to Huaneng Tiancheng before the settlement of the first installment of the consideration payable by Huaneng Tiancheng to Haotai New Energy.

Basis to determine the lease payment The lease amount is agreed between Huaneng Tiancheng and Tongyu Century Concord with reference to the consideration payable by Huaneng Tiancheng in respect of the Tongyu Equipment and the prevailing market interest rate of comparable equipment finance leases.

Before entering into the Tongyu Finance Lease Agreement, the Group has negotiated with a number of finance lease companies and compared the quotations obtained therein. The Board also considered the amount of the handling fee and the security deposit (if any) payable by the Group, the conditions upon which the lessor will provide the finance and the lessor's familiarity on the wind power equipment market. In selecting Huaneng Tiancheng as the lessor under the Tongyu Finance Lease Arrangement, the Board has taken into account the following factors: (i) Huaneng Tiancheng has agreed to provide the finance corresponding to the construction progress of the relevant projects of the Group, which better serves the needs of the Group; (ii) Huaneng Tiancheng is familiar with the wind power equipment market since it is frequently exposed to business opportunities relevant to the new energy industry; and (iii) given that the Group has cooperated with Huaneng Tiancheng several times before, Huaneng Tiancheng is familiar with the Group's business operation, especially it knows and recognises the excellent quality of the Group's assets in the new energy industry.

LETTER FROM THE BOARD

Lessee to purchase back the equipment The legal ownership of the Tongyu Equipment will be rested in Huaneng Tiancheng throughout the lease term. Upon the end of the lease term, provided that Tongyu Century Concord has fulfilled all of its obligations under the Tongyu Finance Lease Agreement, Tongyu Century Concord has the option to purchase back the Tongyu Equipment at a nominal consideration of RMB10,000 (equivalent to approximately HK\$11,000).

(iii) The Tongyu Security Agreements

In order to secure Tongyu Century Concord's obligations under the Tongyu Finance Lease Agreement, the following security documents have also been executed on 26 August 2019 (after trading hours):

Guarantee agreements Each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Shangcheng Century Concord has entered into a guarantee agreement in favour of Huaneng Tiancheng, pursuant to which each of the Company, Zaoyang Century Concord, Nanzhao Juhe, Jingmen Lixi, Xiangzhou Century Concord and Shangcheng Century Concord has agreed to provide irrevocable joint liability guarantees for all the debts of Tongyu Century Concord under the Tongyu Finance Lease Agreement.

Equity pledge agreement Jilin Century Concord entered into an equity pledge agreement in favour of Huaneng Tiancheng, pursuant to which Jilin Century Concord agreed to pledge all its equity interest in Tongyu Century Concord to Huaneng Tiancheng, to secure the obligations of Tongyu Century Concord under the Tongyu Finance Lease Agreement.

LETTER FROM THE BOARD

Equipment mortgage agreement	Tongyu Century Concord has entered into an equipment mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, upon Huaneng Tiancheng's authorisation, Tongyu Century Concord has agreed to mortgage the Tongyu Equipment to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Tongyu Finance Lease Agreement.
Real property mortgage agreement	Tongyu Century Concord has entered into a real property mortgage agreement in favour of Huaneng Tiancheng, pursuant to which, Tongyu Century Concord has agreed to mortgage its land use right of the land located at Tongyu County, Jilin Province, the PRC to Huaneng Tiancheng and complete the registration procedure, to secure its obligations under the Tongyu Finance Lease Agreement.
Electricity fee pledge agreement	Tongyu Century Concord has entered into an electricity fee pledge agreement in favour of Huaneng Tiancheng, pursuant to which Tongyu Century Concord has agreed to pledge its receivables in electricity fee to Huaneng Tiancheng, to secure its obligations under the Tongyu Finance Lease Agreement.
Tongyu Designated Account Agreement	Tongyu Century Concord and Huaneng Tiancheng have entered into a designated account agreement (the " Tongyu Designated Account Agreement "), pursuant to which a designated account (the " Tongyu Designated Account ") will be set up before the first installment of the consideration is paid by Huaneng Tiancheng to Haotai New Energy, and the receivables in electricity fee of Tongyu Century Concord should be deposited into the Tongyu Designated Account, the fund of which should be given priority for fulfilling the obligations of Tongyu Century Concord under the Tongyu Finance Lease Agreement.

LETTER FROM THE BOARD

Shortfall guarantee agreement

Century Concord entered into a shortfall guarantee agreement in favour of Huaneng Tiancheng, pursuant to which Century Concord has agreed to make up the shortfall occurred in the Tongyu Designated Account (if any) for Tongyu Century Concord to guarantee the debts owed to Huaneng Tiancheng by Tongyu Century Concord under the Tongyu Finance Lease Agreement.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENTS

The entering into of the Finance Lease Arrangements is in the ordinary and usual course of business of the Group. The Directors are of the view that under the Finance Lease Arrangements, the Group will obtain financial resources and gain access to certain equipment as required for its operations. The terms under the Finance Lease Arrangements have been agreed after arm's length negotiation among the relevant parties. The Directors consider the terms of the Finance Lease Arrangements are on normal commercial terms, fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE PARTIES TO THE FINANCE LEASE ARRANGEMENTS

CITIC Financial Leasing

CITIC Financial Leasing is a company established in the PRC which is principally engaged in the business of finance leasing. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, CITIC Financial Leasing and its ultimate beneficial owner, CITIC Limited (中國中信股份有限公司), are third parties independent of the Company and its connected persons (as defined under the Listing Rules). CITIC Limited (中國中信股份有限公司) is a centrally-administered state-owned enterprise of the PRC, with the approval of the State Council of the PRC.

Huaneng Tiancheng

Huaneng Tiancheng is a company established in the PRC which is principally engaged in the business of finance leasing. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Huaneng Tiancheng and its ultimate beneficial owner, 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 (as defined under the Listing Rules).

LETTER FROM THE BOARD

The Company

The Company is a company incorporated in Bermuda with limited liability and its shares have been listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) investing in wind and solar power projects; and (ii) offering professional technical services and integrated solutions to the wind and solar power generation projects.

Jilin Century Concord

Jilin Century Concord is a wholly-owned subsidiary of the Company, and is principally engaged in the operation of wind power generation projects in the PRC.

Shangcheng Century Concord

Shangcheng Century Concord is a wholly-owned subsidiary of the Company, and is principally engaged in the operation of wind power generation projects in the PRC.

Tongyu Century Concord

Tongyu Century Concord is a wholly-owned subsidiary of the Company, and is principally engaged in the operation of wind power generation projects in the PRC.

Tianjin Century Concord

Tianjin Century Concord is a wholly-owned subsidiary of the Company, and is principally engaged in the trading of equipment for wind power and new energy.

Haotai New Energy

Haotai New Energy is a wholly-owned subsidiary of the Company, and is principally engaged in the trading of equipment for wind power and new energy.

LISTING RULES IMPLICATIONS

2019 August CITIC Finance Lease Arrangement

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transaction contemplated under the 2019 August CITIC Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the 2019 August CITIC Finance Lease Arrangement constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Reference is made to the announcement of the Company dated 10 July 2019 in relation to the 2019 July Finance Lease Arrangement. As the transactions contemplated under the 2019 August CITIC Finance Lease Arrangement and the 2019 July Finance Lease Arrangement are conducted within a 12-month period, the transactions shall be aggregated under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the 2019 August CITIC Finance Lease Arrangement and the 2019 July Finance Lease Arrangement exceed(s) 25% but is/are less than 100%, the transactions under the 2019 August CITIC Finance Lease Arrangement and the 2019 July Finance Lease Arrangement in aggregate constitute a major transaction of the Company and is thus subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

2019 August Huaneng Tiancheng Finance Lease Arrangements

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transaction contemplated under the Shangcheng Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the Shangcheng Finance Lease Arrangement constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transaction contemplated under the Tongyu Finance Lease Arrangement exceed(s) 5% but is/are less than 25%, the Tongyu Finance Lease Arrangement constitutes a discloseable transaction of the Company and is thus subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 21 December 2018 in relation to the 2018 December First Finance Lease Arrangement and the 2018 December Second Finance Lease Arrangement. As the transactions contemplated under the 2019 August Huaneng Tiancheng Finance Lease Arrangements and the 2018 December Finance Lease Arrangements are conducted within a 12-month period, the transactions shall be aggregated under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the 2019 August Huaneng Tiancheng Finance Lease Arrangements and the 2018 December Finance Lease Arrangements exceed(s) 25% but is/are less than 100%, the transactions under the 2019 August Huaneng Tiancheng Finance Lease Arrangements and the 2018 December Finance Lease Arrangements in aggregate constitute a major transaction of the Company and are thus subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

To the best knowledge, information and belief of the Directors having made all reasonable enquiries as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution(s) in respect of Finance Lease Arrangements (including the transactions contemplated under related agreements) at the SGM.

SPECIAL GENERAL MEETING

The SGM shall be held at 10:00 a.m. on Thursday, 10 October 2019 at Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for the purpose of considering and, if thought fit, approving, among other things, the agreements executed pursuant to 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.

In compliance with the Listing Rules, all resolutions 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 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 resolutions 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 2018 AND THE SIX MONTHS ENDED 30 JUNE 2019

Consolidated financial information of the Group for each of the three financial years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019 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:

- Interim Report 2019 (pages 61 to 106):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0822/ltn20190822519.pdf>
- Annual Report 2018 (pages 175 to 399):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0325/ltn201903251186.pdf>
- Annual Report 2017 (pages 131 to 315):
<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0424/LTN201804241175.pdf>
- Annual Report 2016 (pages 104 to 311):
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0427/LTN201704272051.pdf>

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 July 2019, 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 RMB4,183,250,000. Among these bank borrowings, there was a bank loan of RMB1,902,404,000 that was guaranteed by subsidiaries, the member of the Group and of RMB2,280,846,000 that was secured by fixed assets with net carrying value of approximately RMB923,454,000, account receivables with carrying value of approximately RMB594,082,000 and share capital with net carrying value of approximately RMB243,380,000.

Besides, the Group had outstanding finance lease from third parties of approximately RMB3,140,516,000, which was guaranteed by fixed assets with net carrying value of approximately RMB2,570,459,000, account receivables with carrying value of approximately RMB92,625,000 and share capital with net carrying value of approximately RMB1,107,926,000.

In addition, the Group had issued the bonds to third parties of approximately RMB1,849,109,000.

Save as aforesaid or disclosed herein, and apart from intra-group liabilities, as at the close of business on 31 July 2019, 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, guarantees, or other material 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 2018, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL EFFECTS OF ENTERING INTO FINANCE LEASE ARRANGEMENTS ON THE GROUP AND INTENDED USE OF PROCEEDS

Financial Effects

Concerning the financial impact of the Group as a result of the 2019 August CITIC Finance Lease Arrangement, the total asset would increase by RMB117,675,100 to reflect the aggregate value of the CITIC Equipment of RMB116,510,000 and the handling fee of RMB1,165,100. In addition, the total liability of the Group will also increase by RMB117,675,100 to reflect the accounting treatment of the finance lease of the CITIC Equipment and the handling fee. Pursuant to the 2019 August CITIC Finance Lease Arrangement, the estimated interest during the lease period will be RMB55,871,000 and the handling fee will be RMB1,165,100.

Concerning the financial impact of the Group as a result of the Shangcheng Finance Lease Arrangement, the total asset would increase by RMB270,340,740 to reflect the aggregate value of the Shangcheng Equipment of RMB250,000,000 and the

handling fee of RMB20,340,740. In addition, the total liability of the Group will also increase by RMB270,340,740 to reflect the accounting treatment of the finance lease of the Shangcheng Equipment and the handling fee. Pursuant to the Shangcheng Finance Lease Arrangement, the estimated interest during the lease period will be RMB104,637,000 and the handling fee will be RMB20,340,740.

Concerning the financial impact of the Group as a result of Tongyu Finance Lease Arrangement, the total asset would increase by RMB466,000,000 to reflect the aggregate value of the Tongyu Equipment of RMB460,000,000 and the handling fee of RMB6,000,000. In addition, the total liability of the Group will also increase by RMB466,000,000 to reflect the accounting treatment of the finance lease of the Tongyu Equipment and the handling fee. Pursuant to the Tongyu Finance Lease Arrangement, the estimated interest during the lease period will be RMB209,491,000 and the handling fee will be RMB6,000,000.

Save as described above, it is not expected that there will be any material impact on the earnings, assets and liabilities of the Group as a result of entering into the 2019 August CITIC Finance Lease Arrangement and 2019 August Huaneng Tiancheng Finance Lease Arrangements.

Intended Use of Proceeds

After deducting the handling fee and security deposit, the net consideration received from the sale of CITIC Equipment to CITIC Financial Leasing would be used in the wind power project of the Group located in Jilin Province, the PRC to acquire equipment and carry out construction.

After deducting the handling fee and security deposit, the net consideration received from the sale of Shangcheng Equipment to Huaneng Tiancheng would be used in the wind power project of the Group located in Henan Province, the PRC to acquire equipment and carry out construction.

After deducting the handling fee and security deposit, the net consideration received from the sale of Tongyu Equipment to Huaneng Tiancheng would be used in the wind power project of the Group located in Jilin Province, the PRC to acquire equipment and carry out construction.

6. FINANCIAL AND TRADING PROSPECT OF THE GROUP

In the first half of 2019, the Group's principal power generation business robustly grew with high safety and efficiency, power generation output and profit were both higher than expected. All new businesses such as Energy IoT, intelligent operation & maintenance ("O&M"), energy storage and financing lease were speedily propelled as planned. Beneficial from accurate research and judgement for new energy policy, the Group gained well in respect of resources storage and project approval, which underlain the development this year and next.

According to the interim report for the six months ended 30 June 2019, the power generation output attributable to the Group was 2,403.0GWh (1H 2018: 1,862.3GWh), representing an increase of 29.0% over the same period last year, of which, wind power generation output was 2139.0GWh (1H 2018: 1,635.0GWh), representing a growth of 30.8% over the same period last year, while solar power generation output was 264.2GWh (1H 2018: 227.32GWh), representing a growth of 16.2% over the same period last year. In the first half of 2019, the Group newly signed contracts for wind resources of 3,682MW and solar resources of 868MW in total, assuring construction and sustainability development of the Group's subsequent projects. The Directors are of the view that the wind power business will continue to be an important source of income to the Group and create value and benefit for the Shareholders. Therefore, the Company will continue its focus and effort to develop the Group's wind power business and continue to explore potential investment and cooperation opportunities in the PRC.

During the first half of 2019, the implementation of the primary ancillary policies related to renewable energy law of the PRC has been completed in main, which guiding the renewable energy industry to a bright prospect. Since the resources in the northern regions were abundant and power curtailment mitigated, the Group timely measured the northern wind and solar resources, and considered most of the northern regions are satisfied for the conditions of grid-parity. The Group put more efforts on projects development and speed up the construction progress in northern regions, and all the new construction projects are highly profitable. Afterwards, with wind turbines technology being advanced, solar power modules' price dropping and transformational efficiency heightened as well as enhanced level of industrial scale, centralization and marketization, the era of grid parity of renewable energy has come in advance.

In recent years, the Group has optimized its assets quality, transformed operating model and adjusted its investment strategies with accurate strategies for development and operation. With its largely increased capability, the Group has successfully addressed various changes in the external operating environment. In the second half of 2019, the Group will insist on sparing great efforts in the development of renewable energy's industrial chain, as an investor as well as a service provider of renewable energy field. With focus on practical work and laborious efforts, the Group will continue to pursue the principle of healthy development, concentrating on the strategies involving production safety, accelerating progress in project construction and operation, lowering LCOE, enhancing pre-development, expediting the construction of Energy IoT and intelligent O&M, optimizing asset structure and improving asset quality.

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 Practical 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 Director	Name of Shareholders and nature of interest				Percentage of the total issued share capital (%)
	Personal	Family	Corporate	Total	
Liu Shunxing	27,000,000 ⁽¹⁾	—	1,845,484,242 ⁽²⁾	1,872,484,242	22.18
Liu Jianhong	23,710,000 ⁽³⁾	—	150,000,000 ⁽⁴⁾	173,710,000	2.06
Yu Weizhou	35,130,000 ⁽⁵⁾	—	—	35,130,000	0.42
Niu Wenhui	12,000,000 ⁽⁵⁾	—	—	12,000,000	0.14
Gui Kai	11,600,000 ⁽⁵⁾	—	—	11,600,000	0.14
Shang Li	8,000,000 ⁽⁵⁾	—	—	8,000,000	0.09
Yap Fat Suan, Henry	2,000,000 ⁽⁵⁾	—	—	2,000,000	0.02
Jesse Zhixi Fang	1,800,000 ⁽⁵⁾	—	—	1,800,000	0.02
Huang Jian	1,800,000 ⁽⁵⁾	—	—	1,800,000	0.02
Zhang Zhong	1,800,000 ⁽⁵⁾	—	—	1,800,000	0.02

Notes:

- Mr. Liu Shunxing beneficially holds 9,000,000 Shares. 18,000,000 Shares have been granted to Mr. Liu Shunxing under the share award scheme adopted by the Company on 15 June 2015 (as amended on 29 June 2017) (the “**Scheme**”), among which, 25% will be vested on 15 February 2020 (or in the event that 15 February 2020 is not a business day, the first business day thereafter), 25% will be vested on 15 February 2021 (or in the event that 15 February 2021 is not a business day, the first business day thereafter), 25% will be vested on 15 February 2022 (or in the event that 15 February 2022 is not a business day, the first business day thereafter) and the remaining 25% will be vested on 15 February 2023 (or in the event that 15 February 2023 is not a business day, the first business day thereafter).
- 1,147,877,155 Shares are held by China Wind Power Investment Limited, which is wholly owned by Permanent Growth Limited. Mr. Liu Shunxing holds as to 46.77% of the issued share capital of Permanent Growth Limited. 697,607,087 Shares are held by Splendor Power Limited, of which Mr. Liu Shunxing holds 99% of the issued share capital.
- Ms. Liu Jianhong beneficially holds 8,710,000 Shares. 15,000,000 Shares have been granted to Ms. Liu Jianhong under the Scheme, among which, 25% will be vested on 15 February 2020 (or in the event that 15 February 2020 is not a business day, the first business day thereafter), 25% will be vested on 15 February 2021 (or in the event that 15 February 2021 is not a business day, the first business day thereafter), 25% will be vested on 15 February 2022 (or in the event that 15 February 2022 is not a business day, the first business day thereafter) and the remaining 25% will be vested on 15 February 2023 (or in the event that 15 February 2023 is not a business day, the first business day thereafter).

4. 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.
5. Among such Shares, 10,000,000 Shares of Mr. Yu Weizhou, 8,000,000 Shares of Mr. Niu Wenhui, 8,000,000 Shares of Mr. Gui Kai, 8,000,000 Shares of Dr. Shang Li, 1,800,000 Shares of Mr. Yap Fat Suan, Henry, 1,800,000 Shares of Dr. Jesse Zhixi Fang, 1,800,000 Shares of Ms. Huang Jian and 1,800,000 Shares of Mr. Zhang Zhong, have been granted to them under the Scheme, among which, 25% will be vested on 15 February 2020 (or in the event that 15 February 2020 is not a business day, the first business day thereafter), 25% will be vested on 15 February 2021 (or in the event that 15 February 2021 is not a business day, the first business day thereafter), 25% will be vested on 15 February 2022 (or in the event that 15 February 2022 is not a business day, the first business day thereafter) and the remaining 25% will be vested on 15 February 2023 (or in the event that 15 February 2023 is not a business day, the first business day thereafter).

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 2018, 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 date of this circular, 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.

(iii) Substantial Shareholders

As of the Latest Practicable Date, so far as is known to the Directors or the chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly interested in 5% or more of the issued voting shares of any other member of the Group:

(a) Long positions in the Shares

Name of shareholder	Number of Shares held	Approximate percentage of the total issued share capital (%)
China Wind Power Investment Limited ⁽¹⁾	1,147,877,155	13.60
Huadian Fuxin International Investment Company Limited	880,000,000	10.42
Splendor Power Limited ⁽²⁾	697,607,087	8.26
Goldman Sachs Asia Strategic Pte. Ltd. (“Goldman Sachs”)	58,562,998	0.69

(b) Long positions in the underlying Shares

Name of shareholder	Number of the underlying Shares held	Approximate percentage of the total issued share capital (%)
Goldman Sachs ⁽³⁾	432,390,000	5.12

Notes:

1. The Shares are held by China Wind Power Investment Limited, which is wholly owned by Permanent Growth Limited. Mr. Liu Shunxing held as to 46.77% of the issued shares of Permanent Growth Limited.
2. The Shares are held by Splendor Power Limited. Mr. Liu Shunxing held as to 99% of the issued share capital of Splendor Power Limited.
3. On 13 December 2018, the Company entered into the convertible loan agreement (the “**Convertible Loan Agreement**”) with Goldman Sachs, pursuant to which Goldman Sachs agreed to lend and the Company agreed to borrow the convertible loan (the “**Convertible Loan**”) in a principal amount of US\$30,000,000. Goldman Sachs has the right to convert all or any part of the outstanding principal amount of their respective participation in the Convertible Loan into Shares (the “**Conversion Shares**”). Assuming a conversion price (the “**Conversion Price**”) of (i) HK\$0.5 per Share (for tranche I); (ii) HK\$0.55 per Share (for tranche II); and (iii) HK\$0.6 per Share (for tranche III) and there is no adjustment to the Conversion Price pursuant to the terms of the Convertible Loan Agreement, the aggregate principal amount of the Convertible Loan of US\$30,000,000 is convertible into approximately 432,390,000 Conversion Shares. Details can be referred to the announcements dated 13 December 2018 and 16 January 2019 and the circular dated 25 February 2019.

Saved as disclosed above, as of the Latest Practicable Date, there were no other persons who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 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 26 September 2017, the Group and Envision Energy (Jiangsu) Co., Ltd.* (遠景能源(江蘇)有限公司) (“**Envision**”) entered into the purchase contract regarding the purchase of wind power electricity generation equipment for Envision at a total consideration of RMB402,804,000 for the Group’s wind farm project in Henan province, the PRC;
- (b) On 29 September 2017, Daoxian Century Concord Wind Power Co., Ltd.* (道縣協合風力發電有限公司) (“**Daoxian Century Concord**”) (as lessee), Everbright Financial Leasing Co., Ltd.* (光大金融租賃股份有限公司) (“**Everbright Financial Leasing**”) (as purchaser and lessor) and Haotai New

Energy (as supplier) entered into a finance lease arrangement, pursuant to which Everbright Financial Leasing agreed to purchase equipment from the Haotai New Energy and lease the equipment to Daoxian Century Concord at a total lease payments of RMB351,386,836 for the Group's wind farm project in Hunan Province, the PRC;

- (c) On 29 September 2017, the Group and Huaneng Tiancheng entered into finance lease arrangements, pursuant to which Huaneng Tiancheng agreed to purchase equipment from the Haotai New Energy and lease the equipment to Xiangzhou Century Concord at a total lease payments of RMB350,176,819 for the Group's wind farm project in Hubei Province, the PRC;
- (d) On 13 October 2017, the Group and Huaneng Tiancheng entered into finance lease arrangements, pursuant to which Huaneng Tiancheng agreed to purchase equipment from the Haotai New Energy and lease the equipment to Nanzhao Century Concord at a total lease payments of RMB776,794,000 for the Group's wind farm project in Hunan Province, the PRC;
- (e) On 11 December 2017, the Group and XEMC Windpower Co., Ltd.* (湘電風能有限公司) (“**XEMC**”) entered into a purchase contract regarding the purchase of wind power electricity generation equipment from XEMC amounting to a total consideration of RMB183,920,000 for the Group's wind farm project in Hunan Province, the PRC;
- (f) On 9 April 2018, the Group and Ming Yang Smart Energy Group., Ltd.* (明陽智慧能源集團股份有限公司) (“**Ming Yang**”) entered into purchase contracts regarding the purchase of wind power electricity generation equipment from Ming Yang amounting to a total consideration of RMB303,400,000 for the Group's wind farm projects in Hunan Province and Anhui Province, the PRC;
- (g) On 23 May 2018, the Group and Xinjiang Goldwind Science & Technology Co., Ltd.* (新疆金風科技股份有限公司) (“**XGST**”) entered into a purchase contract regarding the purchase of wind power electricity generation equipment from XGST amounting to a total consideration of RMB192,280,000 for the Group's wind farm project in Anhui Province, the PRC;

- (h) On 23 August 2018, Daoxian Century Concord (as lessee), Huaneng Tiancheng (as purchaser and lessor) and Jiangsu Zhongdao Electric Power Co., Ltd.* (江蘇中導電力有限公司) (“**Jiangsu Zhongdao**”) (as supplier) entered into a finance lease arrangement, pursuant to which Huaneng Tiancheng agreed to purchase equipment from Jiangsu Zhongdao and lease the equipment to Daoxian Century Concord at a total lease payments of RMB336,340,718.43 for the Group’s wind farm project in Hunan Province, the PRC;
- (i) On 30 October 2018, Nanzhao Juhe (as lessee), Haotai New Energy (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into a finance lease arrangement, pursuant to which (i) Huaneng Tiancheng agreed to purchase certain equipment from Haotai New Energy, at the consideration in the amount of not more than RMB460,000,000; and (ii) Huaneng Tiancheng agreed to lease the said equipment to Nanzhao Juhe for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB660,837,897.11;
- (j) On 5 December 2018, Kangbao Concord Xuwulin Wind Power Co., Ltd.* (康保協合徐五林風力發電有限公司) (“**Kangbao Concord**”) (as lessee), Haotai New Energy (as supplier) and China Resources Leasing Co. Ltd.* (華潤租賃有限公司) (“**China Resources Leasing**”)(as purchaser and lessor) entered into a finance lease arrangement, pursuant to which (i) China Resources Leasing agreed to purchase certain equipment from Haotai New Energy, at the consideration in the amount of RMB254,230,000; and (ii) China Resources Leasing agreed to lease the equipment to Kangbao Concord for a term of 10 years, to be payable in 40 quarterly installments, at an estimated total lease payments in the amount of approximately RMB352,667,856;
- (k) On 13 December 2018 (after trading hours), the Company entered into a Convertible Loan Agreement (which has been amended and restated on 16 January 2019) with Goldman Sachs, pursuant to which Goldman Sachs agreed to lend and the Company agreed to borrow the Convertible Loan in a principal amount of US\$30,000,000 (drawable in one disbursement). The Convertible Loan will consist of three tranches as follows: (i) Tranche I being US\$12,000,000; and (ii) Tranche II being US\$9,000,000; and (iii) Tranche III being US\$9,000,000;

- (l) On 21 December 2018, Zaoyang Century Concord (as lessee), Haotai New Energy (as supplier) and Huaneng Tiancheng (as purchaser and lessor) entered into a finance lease arrangement, pursuant to which (i) Huaneng Tiancheng agreed to purchase the equipment from Haotai New Energy, at the consideration in the amount of RMB230,000,000; and (ii) Huaneng Tiancheng agreed to lease the equipment to Zaoyang Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB358,043,186.03;
- (m) On 22 April 2019, (i) Yongzhou Jiepai entered into a sale and purchase agreement with Suzhou RECO New Energy Equity Investment Co., Ltd.* (蘇州瑞科新能股權投資有限公司) (“**Suzhou RECO**”), pursuant to which Yongzhou Jiepai, as the vendor, agreed to sell and Suzhou RECO, as the purchaser, agreed to acquire 75% equity interest in Daoxian Century Concord, at the consideration of RMB117,643,000, payable by Suzhou RECO in accordance with the terms and conditions of the said sale and purchase agreement; (ii) Yongzhou Jiepai entered into another sale and purchase agreement with Suzhou RECO, pursuant to which Yongzhou Jiepai, as the vendor, agreed to sell and Suzhou RECO, as the purchaser, agreed to acquire 75% equity interest in Daoxian Jingtang Century Concord Wind Power Co., Ltd.* (道縣井塘協合風力發電有限公司), at the consideration of RMB108,665,000, payable by Suzhou RECO in accordance with the terms and conditions of the said sale and purchase agreement; and (iii) Yongzhou Jiepai entered into the equity transfer agreement with RECO (Concord) HK Limited (“**RECO (Concord)**”), pursuant to which Yongzhou Jiepai, as the vendor, agreed to sell and RECO (Concord), as the purchaser, agreed to acquire the entire equity interest in Suzhou RECO and certain debts at the aggregate consideration of RMB226,308,000, payable by RECO (Concord) in accordance with the terms and conditions of the said equity transfer agreement;
- (n) On 24 April 2019, Wuhe Juhe Wind Power Co., Ltd.* (五河聚合風力發電有限公司) (“**Wuhe Juhe**”) (as lessee), Haotai New Energy (as supplier) and China General Nuclear International Financial Leasing Co. Ltd.* (中廣核國際融資租賃有限公司) (“**China General Nuclear**”) (as purchaser and lessor) entered into the finance lease arrangement, pursuant to which (i) China General Nuclear agreed to purchase the equipment from Haotai New Energy, at the consideration of approximately RMB271,645,330; and (ii) China General Nuclear agreed to lease the equipment to Wuhe Juhe for a term of 10 years, to be payable in 40 quarterly installments, at an estimated total lease payments in the amount of approximately RMB378,009,564;

- (o) On 30 April 2019, Haotai New Energy and Shanghai Electric Wind Power Electricity Group Co., Ltd.* (上海電氣風電集團有限公司) (“**Shanghai Electric**”) entered into a purchase contract regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB322,590,646.56, by Haotai New Energy from Shanghai Electric for the wind farm project of the Group in Shanxi Province, the PRC;
- (p) On 23 May 2019, Haotai New Energy and Zhejiang Windey Co., Ltd.* (浙江運達風電股份有限公司) (“**Zhejiang Windey**”) entered into (i) a purchase contract regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB159,632,000, by Haotai New Energy from Zhejiang Windey for the wind farm project of the Group in Tongyu County, Jilin Province, the PRC; and (ii) another purchase contract regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB159,632,000, by Haotai New Energy from Zhejiang Windey for another wind farm project of the Group in Tongyu County, Jilin Province, the PRC;
- (q) On 13 June 2019, Yongzhou Hongtang Century Concord Wind Power Co., Ltd.* (永州洪塘協合風力發電有限公司) (“**Yongzhou Hongtang**”) (as supplier and lessee) and Bank of Beijing Financial Leasing Company* (北銀金融租賃有限公司) (“**Bank of Beijing Financial**”) (as purchaser and lessor) entered into a finance lease arrangement for a term of five years (which can be extended for a further term of three years), pursuant to which (i) Bank of Beijing Financial agreed to purchase the equipment from Yongzhou Hongtang at the consideration of RMB240,000,000; and (ii) Bank of Beijing Financial agreed to lease the equipment to Yongzhou Hongtang for a term of 60 months, at an estimated total lease payments in the amount of approximately RMB294,167,688;
- (r) On 18 June 2019, Yongzhou Baimangying Century Concord Wind Power Co., Ltd.* (永州白芒營協合風力發電有限公司) (“**Yongzhou Baimangying**”) (as lessee), Haotai New Energy (as supplier) and Everbright Financial Leasing (as purchaser and lessor) entered into a finance lease arrangement, pursuant to which (i) Everbright Financial Leasing agreed to purchase the equipment from Haotai New Energy, at the consideration of RMB216,490,830; and (ii) Everbright Financial Leasing agreed to lease the equipment to Yongzhou Baimangying for a term of nine years, to be payable in 36 quarterly installments, at an estimated total lease payments in the amount of approximately RMB296,613,456;

- (s) On 21 June 2019, (i) Haotai New Energy and Shanghai Electric entered into a purchase contract regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB165,669,000, by Haotai New Energy from Shanghai Electric for a wind farm project of the Group in Tongyu County, Jilin Province, the PRC; and (ii) Haotai New Energy and Huayi Wind Energy Co., Ltd* (華儀風能有限公司) (“**Huayi Wind Energy**”) entered into another purchase contract regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB161,025,000, by Haotai New Energy from Huayi Wind Energy for another wind farm project of the Group in Tongyu County, Jilin Province, the PRC;
- (t) On 10 July 2019 (after trading hours), Jilin Century Concord (as lessee), Haotai New Energy (as supplier) and CITIC Financial Leasing (as purchaser and lessor) entered into a finance lease arrangement, pursuant to which (i) CITIC Financial Leasing agreed to purchase the equipment from Haotai New Energy, at the consideration of RMB383,490,000; and (ii) CITIC Financial Leasing agreed to lease the equipment to Jilin Century Concord for a term of 12 years, to be payable in 48 quarterly installments, at an estimated total lease payments in the amount of approximately RMB580,378,718; and
- (u) On 16 July 2019, Fuxin Century Concord Wind Power Equipment Manufacturing and Technical Services Co. Ltd.* (阜新協合風電設備製造及技術服務有限公司) (“**Fuxin Century Concord**”) and Zhejiang Windey entered into a purchase contract regarding the purchase of a set of wind power electricity generation equipment at a total consideration of RMB291,719,224.14, by Fuxin Century Concord from Zhejiang Windey for the wind farm project of the Group in Hubei Province, the PRC.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they are not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 December 2018, the date to which the latest published audited consolidated financial statements of the Company were made up.

5. MATERIAL LITIGATION

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, as at the Latest Practicable Date.

6. 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)).

7. SECRETARY OF THE COMPANY

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

8. 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, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong from the date of this circular up to and including the date of the SGM:

1. the Company's memorandum of association and by-laws;
2. the circulars of the Company dated 3 June 2019 and 23 September 2019;
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 2016, 2017 and 2018, and the interim report of the Company for the six months ended 30 June 2019.

9. MISCELLANEOUS

The correspondence address of the Company is at Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong; and

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

NOTICE OF SPECIAL GENERAL MEETING



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 Thursday, 10 October 2019 at Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong to consider and, if thought fit, pass the following resolutions of the Company:

Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the circular of the Company dated 23 September 2019.

ORDINARY RESOLUTIONS

1. “THAT:

- (a) the agreements entered into pursuant to the 2019 August CITIC Finance Lease Arrangement (including the CITIC Finance Lease Agreement, the CITIC Sale and Purchase Agreement and the CITIC Security Agreements, and 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 and ratified; and
- (b) any one director of the Company (the “Director”) be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second Director, a duly authorised representative of the Director or the company secretary of the Company (the “Company Secretary”) and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the transactions contemplated under the 2019 August CITIC Finance Lease Arrangement.”

NOTICE OF SPECIAL GENERAL MEETING

2. “THAT:

- (a) the agreements entered into pursuant to the Shangcheng Finance Lease Arrangement (including the Shangcheng Finance Lease Agreement, the Shangcheng Sale and Purchase Agreement and the Shangcheng Security Agreements, and 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 and ratified; and
- (b) any one Director be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second Director, a duly authorised representative of the Director or the Company Secretary and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the transactions contemplated under the Shangcheng Finance Lease Arrangement.”

3. “THAT:

- (a) the agreements entered into pursuant to the Tongyu Finance Lease Arrangement (including the Tongyu Finance Lease Agreement, the Tongyu Sale and Purchase Agreement and the Tongyu Security Agreements, and 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 and ratified; and
- (b) any one Director be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second Director, a duly authorised representative of the Director or the Company Secretary and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the transactions contemplated under the Tongyu Finance Lease Arrangement.”

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

Hong Kong, 23 September 2019

NOTICE OF SPECIAL GENERAL MEETING

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 registrars 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. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM or any adjournment thereof, should he/she so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.
3. As at the date of this notice, the board of Directors comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Yu Weizhou (Chief Executive Officer), Mr. Niu Wenhui, Mr. Gui Kai and Dr. Shang Li (all of above are executive Directors), Mr. Wang Feng (who is a 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).
4. As required under the Listing Rules, the above resolutions will be decided by way of poll.

* *For identification purpose only*