
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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



Concord New Energy Group Limited

協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

MAJOR TRANSACTION FINANCE LEASE ARRANGEMENTS AND NOTICE OF SPECIAL GENERAL MEETING

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

SGM of the Company will be held at 10:00 a.m. on Monday, 19 September 2022 at Unit 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event no later than 48 hours (i.e. 10:00 a.m. on Saturday, 17 September 2022) before the appointed time for holding of the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish.

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

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

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

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

CONTENTS

	<i>Pages</i>
Precautionary Measures for the Special General Meeting	ii
Definitions	1
Letter from the Board	6
Appendix I — Financial Information	I-1
Appendix II — General Information	II-1
Notice of SGM	SGM-1

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

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

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

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

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

DEFINITIONS

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

“Aggregated Transactions”	the transactions contemplated under the Previous Finance Lease Arrangements and the Finance Lease Arrangements;
“Announcement”	the announcement of the Company dated 9 August 2022 in relation to the Finance Lease Arrangements;
“Applicable Percentage Ratio”, “connected person” and “subsidiary”	have the meanings ascribed to them under the Listing Rules;
“Auxiliary Facilities A2”	wind turbine foundations, booster station and other accessories of the Power Plant A;
“Auxiliary Facilities B”	wind turbine foundations, booster station and other accessories of the Power Plant B;
“Board”	board of Directors;
“Century Concord Wind Power”	Century Concord Wind Power Investment Co., Ltd.* (協合風電投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Company”	Concord New Energy Group Limited (協合新能源集團有限公司*) (Stock Code: 182), a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Equipment A1”	certain wind power equipment of the Power Plant A;
“Finance Lease Agreement A1”	the finance lease agreement dated 9 August 2022 between the Lessee A and the Financier for the acquisition of the Equipment A1 by the Financier from the Lessee A and the leasing of the Equipment A1 back to the Lessee A from the Financier;
“Finance Lease Agreement A2”	the finance lease agreement dated 9 August 2022 between the Lessee A and the Financier for the acquisition of the Auxiliary Facilities A2 by the Financier from the Lessee A and the leasing of the Auxiliary Facilities A2 back to the Lessee A from the Financier;

DEFINITIONS

“Finance Lease Agreement B”	the finance lease agreement dated 9 August 2022 between the Lessee B and the Financier for the acquisition of the Auxiliary Facilities B by the Financier from the Lessee B and the leasing of the Auxiliary Facilities B back to the Lessee B from the Financier;
“Finance Lease Agreements”	the Finance Lease Agreement A1, the Finance Lease Agreement A2, and the Finance Lease Agreement B, and a “Finance Lease Agreement” means any one of them;
“Finance Lease Arrangement A1”	the transactions contemplated under the Finance Lease Agreement A1;
“Finance Lease Arrangement A2”	the transactions contemplated under the Finance Lease Agreement A2;
“Finance Lease Arrangement B”	the transactions contemplated under the Finance Lease Agreement B;
“Finance Lease Arrangements”	the Finance Lease Arrangement A1, the Finance Lease Arrangement A2, and the Finance Lease Arrangement B, and a “Finance Lease Arrangement” means any one of them;
“Finance Period A1”	a period of 15.5 years, in which the Lessee A shall lease the Equipment A1 from the Financier;
“Finance Period A2”	a period of 15.5 years, in which the Lessee A shall lease the Auxiliary Facilities A2 from the Financier;
“Finance Period B”	a period of 3 years, in which the Lessee B shall lease the Auxiliary Facilities B from the Financier;
“Financier”	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;
“Group”	the Company and its subsidiaries;
“Heilongjiang Haotai”	Heilongjiang Haotai New Energy Technology Co., Ltd.* (黑龍江浩泰新能源技術有限公司), a company established in the PRC with limited liability and wholly owned by third parties, who are not connected persons of the Company;

DEFINITIONS

“Heilongjiang Juming”	Heilongjiang Juming New Energy Technology Co., Ltd.* (黑龍江聚鳴新能源技術有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Heilongjiang Xietong”	Heilongjiang Xietong New Energy Co., Ltd.* (黑龍江協通新能源有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	29 August 2022, the latest practicable date before the printing of this circular for ascertaining certain information contained herein;
“Lease Payment(s)”	the quarterly lease payment(s) payable by the Lessee A or the Lessee B to the Financier under the Finance Lease Agreements during the Finance Period A1, the Finance Period A2 or the Finance Period B for the leasing of the Equipment A1, the Auxiliary Facilities A2, or the Auxiliary Facilities B;
“Lessee A”	Jinlin 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;
“Lessee B”	Binxian Century Concord Wind Power Co., Ltd.* (賓縣協合風力發電有限公司), a company established in the PRC with limited liability and a subsidiary of the Company, in which the Company indirectly owns an approximately 73.85% interest;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LPR”	the loan prime rate (貸款市場報價利率) announced by the National Interbank Funding Center (全國銀行間同業拆借中心) from time to time;
“MW”	megawatt;
“Power Plant A”	the 100 MW wind power plant project operated by the Lessee A in Tongyu County, Jinlin Province, the PRC (中國吉林省通榆縣);

DEFINITIONS

“Power Plant B”	the 200 MW wind power plant project operated by the Lessee B in Bin County, Harbin, Heilongjiang Province, the PRC (中國黑龍江省哈爾濱市賓縣);
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Previous Finance Lease Arrangements”	the transactions contemplated under the September 2021 Transactions, the November and December 2021 Transactions, and the June 2022 Transaction, details of which are set out in the paragraph headed “Previous Finance Lease Arrangements” in the “Letter from the Board” in this circular;
“Purchase Price A1”	the purchase price payable to the Lessee A by the Financier for the acquisition of the Equipment A1;
“Purchase Price A2”	the purchase price payable to the Lessee A by the Financier for the acquisition of the Auxiliary Facilities A2;
“Purchase Price B”	the purchase price payable to the Lessee B by the Financier for the acquisition of the Auxiliary Facilities B;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (CAP. 571 of the laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held at 10:00 a.m. on Monday, 19 September 2022 at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for the Shareholders to consider and, if thought fit, approve the Finance Lease Arrangements;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Total Purchase Price”	being the sum of the Purchase Price A1, the Purchase Price A2, and the Purchase Price B, which is approximately RMB1,540.00 million;

DEFINITIONS

“Yongzhou Jiepai” Yongzhou Jiepai Century Concord Wind Power Co., Ltd.* (永
州界牌協合風力發電有限公司), a company established in
the PRC with limited liability and a wholly-owned subsidiary
of the Company; and

“%” per cent.

For the purposes of this circular, an exchange rate of HK\$1 = RMB0.86 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.

** For identification purposes only*

LETTER FROM THE BOARD



Concord New Energy Group Limited

協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

Executive Directors:

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

Non-executive Director:

Mr. Wang Feng

Independent non-executive Directors:

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

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

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

2 September 2022

To the Shareholders:

Dear Sir or Madam,

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

INTRODUCTION

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

* *For identification purposes only*

LETTER FROM THE BOARD

The Board is pleased to announce that after trading hour on 9 August 2022, the Lessee A, the Lessee B and the Financier agreed on the Finance Lease Arrangements respectively by way of entering into the following agreements. Details of the Finance Lease Arrangements are set out below.

FINANCE LEASE AGREEMENT A1

Date: 9 August 2022

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

Subject asset: The Equipment A1, which shall be acquired by the Financier from the Lessee A and then leased back to the Lessee A from the Financier.

Purchase price: The Purchase Price A1 payable by the Financier to the Lessee A for the acquisition of the Equipment A1 shall be approximately RMB472.86 million (approximately HK\$549.84 million), which was determined after arm's length negotiation between the Lessee A and the Financier with reference to the book value of the Equipment A1 and the amount of financing needs as mentioned below. The Purchase Price A1 will be used to refinance the existing finance lease arrangement in respect of the Equipment A1 entered into on 9 November 2020 with another independent third party financier (the "**Existing Financier**") for a lease period of 15 years (the "**Existing Finance Lease Arrangement A1**"), details of which are set out in the announcement of the Company dated 9 November 2020. The outstanding amount owed by the Lessee A to the Existing Financier under the Existing Finance Lease Arrangement A1 shall be repaid by the Purchase Price A1 plus the proceeds of the other Finance Lease Arrangements. Immediately after the payment of the quarterly lease payment under the Existing Finance Lease Arrangement A1 on 15 August 2022, the Lessee A owed to the Existing Financier an outstanding principal amount of approximately RMB553.47 million under the Existing Finance Lease Arrangement A1. After the said refinancing, the Existing Finance Lease Arrangement A1 will be terminated.

The Purchase Price A1 shall be paid after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement A2, and other agreements contemplated by the aforesaid agreement and the Finance Lease Agreement A1 (including the Security Documents A (as defined below)) having been entered into and becoming effective, and all the relevant procedures for the Security Documents A having been completed;

LETTER FROM THE BOARD

- (b) as at the payment of the Purchase Price A1, there being no material breaches of the Finance Lease Agreement A1 and the Security Documents A by the Lessee A and the Guarantors A (as defined below), and there being no material adverse change to the credit worthiness of the Lessee A and the Guarantors A;
- (c) the Financier having received the security deposit and handling fee under the Finance Lease Agreement A1;
- (d) the Financier having obtained the original of the final valuation report prepared by third party valuation company acceptable to the Financier on the Power Plant A with a valuation acceptable to the Financier;
- (e) there being no material changes to the industry in which the Lessee A operates; and there being no material adverse change to, nor any negative public opinion and information in respect of, the Lessee A, and its affiliated companies, ultimate controller(s) and shareholder(s);
- (f) there being no material change to the overall economic situation, fiscal, taxation and financial policies, or government regulatory measures on the financial industry, and the financial industry situation in the PRC, and the financing cost not having increased significantly; and
- (g) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement A1 having been provided to the Financier or completed.

It is expected that the Purchase Price A1 will be paid before end of October 2022.

Finance Period A1: A period of 15.5 years commencing from the date of payment of the Purchase Price A1.

Lease payments and interest rate: The Lessee A shall pay quarterly Lease Payments to the Financier during the Finance Period A1. The total Lease Payments represents the Purchase Price A1 paid by the Financier for the acquisition of the Equipment A1 plus interest attributable to the Finance Lease Arrangement A1 to be determined based on the following applicable interest rate.

LETTER FROM THE BOARD

The applicable interest rate is a floating interest rate equal to the relevant 5-year or above LPR plus 0.3173%. The relevant LPR for the first Lease Payment is the LPR announced on 20 June 2022, being 4.45%, which gives rise to an applicable interest rate of 4.7673% for the first Lease Payment. The applicable interest rate will be adjusted annually on each anniversary of the date of payment of the Purchase Price A1, which will, after adjustment, equal to the LPR in the month before such anniversary plus 0.3173%. Assuming the applicable interest rate was 4.7673% throughout the Finance Period A1, the total Lease Payments would be approximately RMB676.26 million (approximately HK\$786.35 million). The Lease Payments and the applicable interest rate under the Finance Lease Arrangement A1 were determined after arm's length negotiation between the Lessee A and the Financier with reference to the prevailing market cost of equipment finance lease.

Security documents: As security for the due performance of all the Lessee A's obligations under the Finance Lease Agreement A1, the Company, Century Concord Wind Power and Yongzhou Jiepai (collectively the "**Guarantors A**"), and the Lessee A shall, in favour of the Financier, execute the security documents (the "**Security Documents A**") consisting of (i) the guarantees given by the Company and Century Concord Wind Power respectively; (ii) the mortgages given by the Lessee A in respect of the Auxiliary Facilities A2, and the related land owned by the Lessee A; (iii) the pledge given by Yongzhou Jiepai in respect of its entire shareholding interest in the Lessee A, and (iv) the pledge given by the Lessee A in respect of its electricity incomes arising from the operation of the Power Plant A. The Finance Lease Agreement A1 and the Security Documents A have no material adverse effect on the operation and management of the Group's business.

Security deposit: The Lessee A shall pay to the Financier a deposit of approximately RMB18.91 million, representing approximately 4% of the Purchase Price A1, to secure the due performance of the Lessee A's payment obligations under the Finance Lease Agreement A1, which shall be paid within 5 working days before the payment of the Purchase Price A1. The said security deposit was determined after arm's length negotiation between the Lessee A and the Financier with reference to the market rate of security deposit (ranged from 0% to 5%). The security deposit of approximately 4% of the Purchase Price A1 falls within the said range. Hence, the Directors consider that the said security deposit is on normal commercial terms, fair and reasonable.

LETTER FROM THE BOARD

- Handling fee:** The Lessee A shall pay to the Financier a handling fee of RMB1.8 million, representing approximately 0.38% of the Purchase Price A1, which shall be paid within 5 working days before the payment of the Purchase Price A1. The said handling fee was determined after arm's length negotiation between the Lessee A and the Financier with reference to the market rate of handling fee (ranged from 0% to 5%). The handling fee of approximately 0.38% of the Purchase Price A1 falls within the said range. Hence, the Directors consider that the said handling fee is on normal commercial terms, fair and reasonable.
- Buyback option:** Upon the expiry of the Finance Period A1, the Lessee A has the option to buy back the Equipment A1 from the Financier at a consideration of RMB10,000.
- Early termination:** Subject to the consent of the Financier and the payment of an early termination compensation to the Financier, the Lessee A may early terminate the Finance Lease Agreement A1.

FINANCE LEASE AGREEMENT A2

- Date:** 9 August 2022
- Parties**
- (i) the Financier as the purchaser and the lessor; and
 - (ii) the Lessee A as the seller and the lessee.
- Subject asset:** The Auxiliary Facilities A2, which shall be acquired by the Financier from the Lessee A and then leased back to the Lessee A from the Financier.
- Purchase price:** The Purchase Price A2 payable by the Financier to the Lessee A for the acquisition of the Auxiliary Facilities A2 shall be approximately RMB407.14 million (approximately HK\$473.42 million), which was determined after arm's length negotiation between the Lessee A and the Financier with reference to the total sub-contract prices for the construction of the Auxiliary Facilities A2 and the amount of financing need of the Group. The total sub-contract prices for the construction of the Auxiliary Facilities A2, which is approximately RMB107.0 million, were determined based on the Group's experience in hiring sub-contractors accumulated in past years and through reviewing the quotations submitted by potential sub-contractors, who are all independent third parties.

LETTER FROM THE BOARD

The Purchase Price A2 shall be paid by two instalments. The first instalment and the second instalment of the Purchase Price A2 are approximately RMB88.61 million and RMB318.53 million respectively, each of which shall be payable after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement A1, and other agreements contemplated by the aforesaid agreement and the Finance Lease Agreement A2 (including the Security Documents A) having been entered into and becoming effective, and all the relevant procedures for the Security Documents A having been completed;
- (b) as at the payment of the relevant instalment of the Purchase Price A2, there being no material breaches of the Finance Lease Agreement A2 and the Security Documents A by the Lessee A and the Guarantors A, and there being no material adverse change to the credit worthiness of the Lessee A and the Guarantors A;
- (c) the Financier having received the security deposit and handling fee under the Finance Lease Agreement A2;
- (d) all conditions precedent for the payment of the Purchase Price A1 under the Finance Lease Agreement A1 having been fulfilled and remaining fulfilled;
- (e) the Financier having obtained the original of the final valuation report prepared by third party valuation company acceptable to the Financier on the Power Plant A with a valuation acceptable to the Financier;
- (f) there being no material changes to the industry in which the Lessee A operates; and there being no material adverse change to, nor any negative public opinion and information in respect of, the Lessee A, and its affiliated companies, ultimate controller(s) and shareholder(s);
- (g) there being no material change to the overall economic situation, fiscal, taxation and financial policies, or government regulatory measures on the financial industry, and the financial industry situation in the PRC, and the financing cost not having increased significantly; and

LETTER FROM THE BOARD

- (h) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement A2 having been provided to the Financier or completed.

It is expected that the first instalment of the Purchase Price A2 will be paid before end of October 2022, and the second instalment of the Purchase Price A2 will be paid before end of November 2022.

Finance Period A2: A period of 15.5 years commencing from the date of payment of the first instalment of the Purchase Price A2.

Lease payments and interest rate: The Lessee A shall pay quarterly Lease Payments to the Financier during the Finance Period A2. The total Lease Payments represents the Purchase Price A2 paid by the Financier for the acquisition of the Auxiliary Facilities A2 plus interest attributable to the Finance Lease Arrangement A2 to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate equal to the relevant 5-year or above LPR plus 0.3173%. The relevant LPR for the first Lease Payment is the LPR announced on 20 June 2022, being 4.45%, which gives rise to an applicable interest rate of 4.7673% for the first Lease Payment. The applicable interest rate in respect of each instalment of the Purchase Price A2 will be adjusted annually on each anniversary of the date of payment of such instalment, which will, after adjustment, equal to the LPR in the month before such anniversary plus 0.3173%. Assuming the applicable interest rate was 4.7673% throughout the Finance Period A2, the total Lease Payments would be approximately RMB567.91 million (approximately HK\$660.36 million). The Lease Payments and the applicable interest rate under the Finance Lease Arrangement A2 were determined after arm's length negotiation between the Lessee A and the Financier with reference to the prevailing market cost of auxiliary facilities finance lease.

Security documents: As security for the due performance of all the Lessee A's obligations under the Finance Lease Agreement A2, the Guarantors A, and the Lessee A shall, in favour of the Financier, execute the Security Documents A mentioned above under the paragraph headed "Finance Lease Agreement A1 – Security documents" in the "Letter from the Board" in this circular. The Finance Lease Agreement A2 and the Security Documents A have no material adverse effect on the operation and management of the Group's business.

LETTER FROM THE BOARD

- Security deposit:** The Lessee A shall pay to the Financier a deposit of approximately RMB16.29 million, representing approximately 4% of the Purchase Price A2, to secure the due performance of the Lessee A's payment obligations under the Finance Lease Agreement A2, which shall be paid within 5 working days before the payment of the Purchase Price A2. The said security deposit was determined after arm's length negotiation between the Lessee A and the Financier with reference to the market rate of security deposit (ranged from 0% to 5%). The security deposit of approximately 4% of the Purchase Price A2 falls within the said range. Hence, the Directors consider that the said security deposit is on normal commercial terms, fair and reasonable.
- Handling fee:** The Lessee A shall pay to the Financier a handling fee of approximately RMB1.57 million, representing approximately 0.39% of the Purchase Price A2, which shall be paid within 5 working days before the payment of the Purchase Price A2. The said handling fee was determined after arm's length negotiation between the Lessee A and the Financier with reference to the handling fee quoted by various finance lease companies in the PRC (ranged from 0% to 5%). The handling fee of approximately 0.39% of the Purchase Price A2 falls within the said range. Hence, the Directors consider that the said handling fee is on normal commercial terms, fair and reasonable.
- Buyback option:** Upon the expiry of the Finance Period A2, the Lessee A has the option to buy back the Auxiliary Facilities A2 from the Financier at a consideration of RMB10,000.
- Early termination:** Subject to the consent of the Financier and the payment of an early termination compensation to the Financier, the Lessee A may early terminate the Finance Lease Agreement A2.

FINANCE LEASE AGREEMENT B

- Date:** 9 August 2022
- Parties:** (i) the Financier as the purchaser and the lessor; and
(ii) the Lessee B as the seller and the lessee.
- Subject asset:** The Auxiliary Facilities B, which shall be acquired by the Financier from the Lessee B and then leased back to the Lessee B from the Financier.

LETTER FROM THE BOARD

Purchase price: The Purchase Price B payable by the Financier to the Lessee B for the acquisition of the Auxiliary Facilities B shall be RMB660 million (approximately HK\$767.44 million), which was determined after arm's length negotiation between the Lessee B and the Financier with reference to the total sub-contract prices for the construction of the Auxiliary Facilities B and the amount of financing needs as mentioned below. The Purchase Price B will be used to refinance the existing finance lease arrangement in respect of the Auxiliary Facilities B between the Financier (as financier) and the Lessee B (as the lessee) entered into on 6 May 2021 for a lease period of 15 years (the "**Existing Finance Lease Arrangement B**"), details of which are set out in the Company's announcement dated 6 May 2021 and circular dated 21 June 2021. The Purchase Price B equals to the outstanding amount owed by the Lessee B to the Financier under the Existing Finance Lease Arrangement B plus the amount of the additional funding required by the Company. Immediately after the payment of the quarterly lease payment under the Existing Finance Lease Arrangement B on 15 July 2022, the Lessee B owed to the Finance an outstanding principal amount of RMB190 million under the Existing Finance Lease Arrangement B. After the said refinancing, the Existing Finance Lease Arrangement B will be terminated. As at the date of this circular, the Auxiliary Facilities B have been acquired and constructed. The total sub-contract prices for the construction of the Auxiliary Facilities B, which is approximately RMB117.7 million, were determined based on the Group's experience in hiring sub-contractors accumulated in past years and through reviewing the quotations submitted by potential sub-contractors, who are all independent third parties.

The Purchase Price B shall be paid by two instalments. The first instalment and the second instalment of the Purchase Price B are RMB190 million and RMB470 million respectively, each of which shall be payable after the fulfilment of the following conditions:

- (a) other agreements contemplated by the Finance Lease Agreement B (including the Security Documents B (as defined below)) having been entered into and becoming effective, and all the relevant procedures for the Security Documents B having been completed;
- (b) as at the payment of the relevant instalment of the Purchase Price B, there being no material breaches of the Finance Lease Agreement B and the Security Documents B by the Lessee B and the Guarantors B (as defined below), and there being no material adverse change to the credit worthiness of the Lessee B and the Guarantors B;
- (c) the Financier having received the security deposit and handling fee under the Finance Lease Agreement B;
- (d) there being no material changes to the industry in which the Lessee B operates; and there being no material adverse change to, nor any negative public opinion and information in respect of, the Lessee B, and its affiliated companies, ultimate controller(s) and shareholder(s);

LETTER FROM THE BOARD

- (e) there being no material change to the overall economic situation, fiscal, taxation and financial policies, or government regulatory measures on the financial industry, and the financial industry situation in the PRC, and the financing cost not having increased significantly; and
- (f) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement B having been provided to the Financier or completed.

It is expected that the first instalment of the Purchase Price B will be paid before end of October 2022, and the second instalment of the Purchase Price B will be paid before end of November 2022.

Finance Period B: A period of 3 years commencing from the date of payment of the first instalment of the Purchase Price B, which is shorter than the lease period of 15 years under the Existing Finance Lease Arrangement B. The Company considers that it is in the interest of the Group to have a shorter finance period under the Finance Lease Arrangement B because (i) the benchmark interest rate of 1-year LPR (being 3.7% as of 20 May 2022) adopted for the 3-year Finance Period B is lower than the 5-year or above LPR benchmark interest rate (being 4.45% as of 20 May 2022) adopted for the 15-year finance period under the Existing Finance Lease Arrangement B, and (ii) a shorter finance lease period reduces the long term financing commitment of the Group, and provides more financing flexibility to the Group.

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

The applicable interest rate is a floating interest rate equal to the relevant 1-year LPR plus 0.8%. The relevant LPR for the first Lease Payment is the LPR announced on 20 May 2022, being 3.7%, which gives rise to an applicable interest rate of 4.5% for the first Lease Payment. The applicable interest rate in respect of each instalment of the Purchase Price B will be adjusted annually on each anniversary of the date of payment of such instalment, which will, after adjustment, equal to the LPR in the month before such anniversary plus 0.8%. Assuming the applicable interest rate was 4.5% throughout the Finance Period B, the total Lease Payments would be approximately RMB749.43 million (approximately HK\$871.43 million). The Lease Payments and the applicable interest rate under the Finance Lease Arrangement B were determined after arm's length negotiation between the Lessee B and the Financier with reference to the prevailing market cost of auxiliary facilities finance lease.

LETTER FROM THE BOARD

- Security documents: As security for the due performance of all the Lessee B's obligations under the Finance Lease Agreement B, the Company, Century Concord Wind Power, Heilongjiang Haotai, Heilongjiang Juming, and Heilongjiang Xietong (collectively the "**Guarantors B**"), and the Lessee B shall, in favour of the Financier, execute the security documents (the "**Security Documents B**") consisting of (i) the guarantees given by the Company and Century Concord Wind Power respectively; (ii) the mortgages given by the Lessee B in respect of the Auxiliary Facilities B, and the land owned by the Lessee B; (iii) the pledges given by Heilongjiang Haotai, Heilongjiang Juming, and Heilongjiang Xietong in respect of their respective shareholding interests in the Lessee B, in aggregate amounting to the entire shareholding interest in the Lessee B, and (iv) the pledge given by the Lessee B in respect of its electricity incomes arising from the operation of the Power Plant B. The Finance Lease Agreement B and the Security Documents B have no material adverse effect on the operation and management of the Group's business.
- Security deposit: The Lessee B shall pay to the Financier a deposit of RMB26.4 million, representing 4% of the Purchase Price B, to secure the due performance of the Lessee B's payment obligations under the Finance Lease Agreement B, which shall be paid within 5 working days before the payment of the Purchase Price B. The said security deposit was determined after arm's length negotiation between the Lessee B and the Financier with reference to the market rate of security deposit (ranged from 0% to 5%). The security deposit of 4% of the Purchase Price B falls within the said range. Hence, the Directors consider that the said security deposit is on normal commercial terms, fair and reasonable.
- Handling fee: The Lessee B shall pay to the Financier a handling fee of approximately RMB2.84 million, representing approximately 0.43% of the Purchase Price B, which shall be paid within 5 working days before the payment of the Purchase Price B. The said handling fee was determined after arm's length negotiation between the Lessee B and the Financier with reference to the market rate of handling fee (ranged from 0% to 5%). The handling fee of approximately 0.43% of the Purchase Price B falls within the said range. Hence, the Directors consider that the said handling fee is on normal commercial terms, fair and reasonable.
- Buyback option: Upon the expiry of the Finance Period B, the Lessee B has the option to buy back the Auxiliary Facilities B from the Financier at a consideration of RMB10,000.
- Early termination: Subject to the consent of the Financier and the payment of an early termination compensation, the Lessee B may early terminate the Finance Lease Agreement B.

LETTER FROM THE BOARD

CONDITION PRECEDENT

Each of the Finance Lease Agreement shall not take effect until the obtaining of the approval by the Shareholders at the SGM. If the Shareholders do not approve any Finance Lease Agreement at the SGM, such Finance Lease Agreement will have no legal effect, and will thus not be legally binding against the parties.

PREVIOUS FINANCE LEASE ARRANGEMENTS

In September 2021, certain subsidiaries of the Group entered into several finance lease arrangements with the Financier (the “**September 2021 Transactions**”), details of which are set out in the announcement of the Company dated 23 September 2021. In November and December 2021, certain subsidiaries of the Group entered into several finance lease arrangements with the Financier (the “**November and December 2021 Transactions**”), details of which are set out in the announcement of the Company dated 8 December 2021. In June 2022, a subsidiary of the Group entered into a finance lease arrangement with the Financier (the “**June 2022 Transaction**”), details of which are set out in the announcement of the Company dated 20 June 2022.

REASONS FOR AND BENEFIT OF THE FINANCE LEASE ARRANGEMENTS

The entering into the Finance Lease Arrangements is in the ordinary and usual course of business of the Group, which allows the Group to obtain financial resources and gain access to certain equipment, buildings and auxiliary facilities as required for its operations. The Company considers that it is in the interest of the Group to enter into the Finance Lease Agreement A1 and Finance Lease Agreement B to refinance the Existing Finance Lease Arrangement A1 and the Existing Finance Lease Arrangement B because (i) the applicable interest rates of the Finance Lease Arrangement A1 of 5-year or above LPR plus 0.317% is lower than that of the Existing Finance Lease Arrangement A1 of 5-year or above LPR plus 0.85%; (ii) the applicable interest rates of the Finance Lease Arrangement B of 1-year LPR plus 0.8% (being 4.5% in aggregate as of 20 May 2022) is lower than that of the Existing Finance Lease Arrangement B of 5-year LPR plus 0.4705% (being 4.9205% in aggregate as of 20 May 2022); and (iii) the Group can borrow significantly more money under the Finance Lease Arrangement B to meet its additional funding need. The Directors consider that the terms of the Finance Lease Arrangements are on normal commercial terms, fair and reasonable and are in the interests of the Shareholders as a whole.

The book value of the Equipment A1 as at 30 June 2022 is approximately RMB512.02 million (approximately HK\$595.37 million). The book value of the Auxiliary Facilities A2 as at 30 June 2022 is approximately RMB66.78 million (approximately HK\$77.65 million). The book value of the Auxiliary Facilities B as at 30 June 2022 is approximately RMB176.14 million (approximately HK\$204.81 million). The Purchase Price A2 and the Purchase Price B are significantly higher than the book values of the Auxiliary Facilities A2 and the Auxiliary Facilities B respectively because the Group has funding needs significantly greater than the said book values. As the Company understands, the Financier agrees to pay such significantly higher purchase prices because the Financier has satisfied that the Group has sufficient repayment ability for the said finance lease arrangements after taking into account the Financier’s overall assessment of the valuation and business prospects of the Power Plant A and the Power Plant B and the existence of the Security Documents A and the Security Document B. According to the Hong Kong Financial Reporting Standards (the “**HKFRS**”), the transactions under the Finance Lease Arrangements will not give rise

LETTER FROM THE BOARD

to any disposal gain or loss to be recorded by the Group. The Finance Lease Arrangements do not constitute a sale under HKFRS15. The Equipment A1, the Auxiliary Facilities A1 and the Auxiliary Facilities A2 will be recorded as fixed assets. The Finance Lease Arrangements will result in an increase of an equal amount of the assets and liabilities of the Group.

INTENDED USE OF PROCEEDS

The Company will generate a total net disposal proceeds of approximately RMB1,533.80 million under the Finance Lease Arrangements, which will be used as to not more than RMB760 million to repay the outstanding amounts owed under the Existing Finance Lease Arrangement A1 and the Existing Finance Lease Arrangement B, which comprise the outstanding principal amounts owed under the said two existing finance lease arrangements (the “**Existing Arrangements**”) immediately prior to the termination of the Existing Arrangements (the “**Termination**”), the interest accrued but not yet paid up to the date of the Termination and the compensation payable for the Termination (if any), and as to not less than RMB773.8 million as general working capital to finance the business operation and activities of the Group within its ordinary course of business in the next 12 months, including the purchase of wind and photovoltaic power equipment, and construction of wind and photovoltaic power plants.

INFORMATION OF THE PARTIES TO THE FINANCE LEASE AGREEMENTS

The Company is an investment holding company. The Group is principally engaged in (i) investing in wind and solar power projects and (ii) offering professional technical services and integrated solutions to the wind and solar power generation projects.

The Lessee A and the Lessee B are wholly-owned subsidiaries of the Company and is principally engaged in the operation of wind power generation projects in the PRC.

The Financier is principally engaged in the business of finance leasing. Insofar as the Company is aware, the shareholders of the Financier are the group companies of China Huaneng Group Co., Ltd. (中國華能集團有限公司) (“**China Huaneng Group Ltd.**”) (namely as to 39% in the Financier owned by Huaneng Capital Services Co., Ltd.* (華能資本服務有限公司), as to 21% in the Financier owned by China Huaneng Group (Hong Kong) Co., Ltd.* (中國華能集團香港有限公司), as to 20% in the Financier owned by Huaneng Power International, Inc. 華能國際電力股份有限公司 (a Hong Kong listed company with stock code: 00902), as to 10% in the Financier owned by Huaneng Lancang River Hydropower Inc.* (華能瀾滄江水電股份有限公司) (a Shanghai listed company with stock code: 600025), as to approximately 5.56% in the Financier owned by Huaneng Renewables Corporation Limited* (華能新能源股份有限公司) and as to approximately 4.44% in the Financier owned by Huaneng Renewables (Hong Kong) Co., Ltd.* (華能新能源(香港)有限公司), and China Huaneng Group Ltd. is a central state-owned enterprise, which is controlled by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Financier and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

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

LETTER FROM THE BOARD

Previous Finance Lease Arrangements were conducted within a 12-month period before the date of the Finance Lease Agreements, the Aggregated Transactions shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeds 25% but is less than 75%. Hence, the Finance Lease Arrangements are not required to be reclassified by aggregating with the Previous Finance Lease Arrangements.

The SGM will be convened by the Company to consider and, if thought fit, approve the Finance Lease Arrangements by the Shareholders. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders have any material interests in the transactions contemplated under the Finance Lease Arrangements and are required to abstain from voting on the relevant resolutions at the SGM.

SPECIAL GENERAL MEETING

The SGM will be held at 10:00 a.m. on Monday, 19 September 2022 at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for the Shareholders to consider and, if thought fit, approve, the Finance Lease Arrangements. A notice convening the SGM and a form of proxy for use at the SGM are enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. 10:00 a.m. on Saturday, 17 September 2022) before the time fixed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so desire.

In compliance with the Listing Rules, the 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 Finance Lease Agreements and the Finance Lease Arrangements are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommends the Shareholders to vote in favour of the resolutions in relation to the Finance Lease Arrangements to be proposed at the SGM.

ADDITIONAL INFORMATION

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

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

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE FINANCIAL YEARS ENDED 31 DECEMBER 2021 AND THE SIX MONTHS ENDED 30 JUNE 2022

Consolidated financial information of the Group for each of the three financial years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022 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 2022 (pages 38 to 76):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0825/2022082500917.pdf>
- Annual Report 2021 (pages 95 to 300):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0401/2022040104047.pdf>
- Annual Report 2020 (pages 94 to 300):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0407/2021040701680.pdf>
- Annual Report 2019 (pages 208 to 428):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042901834.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 31 July 2022, being the latest practicable date for ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank borrowings of approximately RMB2,048 million. Among these bank borrowings, there were (i) unsecured and guaranteed bank loans of approximately RMB470 million, and (ii) secured and guaranteed bank loans of approximately RMB1,578 million, which were secured by fixed assets with net carrying value of approximately RMB685 million, account receivables with carrying value of approximately RMB310 million and share capital with net carrying value of approximately RMB0.

Besides, the Group had outstanding finance leases from third parties of approximately RMB10,218 million, which was guaranteed by the Company and/or subsidiaries of the Company, and was secured by fixed assets with net carrying value of approximately RMB8,541 million, account receivables with carrying value of approximately RMB1,179 million and share capital with net carrying value of approximately RMB2,832 million. There was a contingent liability of RMB369 million, which was guaranteed by the Company and/or subsidiaries of the Company and was unsecured.

In addition, the Group had issued unsecured bonds guaranteed by the Company and/or subsidiaries of the Company to third parties of approximately RMB595 million.

Save as disclosed above and apart from intra-group liabilities, as at 31 July 2022, the Group did not have any other outstanding mortgages, charges, debentures, loan capital, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance creditors, or guarantees or other contingent liabilities.

3. WORKING CAPITAL

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

4. MATERIAL CHANGE

The Directors confirm that as at the Latest Practicable Date, there had been no material change in the financial or trading position or outlook of the Company since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the first half of 2022, the Group's project development achieved remarkable results, maintaining a continued growth trend in various businesses, and the scale of projects under construction hit a record high, with improving quality of assets and steady growth in the service business. In response to epidemic prevention and control, an office was set up in Wuhan, Hubei Province, with convenient transportation for flexible work arrangements, which guaranteed a sustainable working environment for business.

In the first half of 2022, the Group's various indicators of the Group have grown steadily, with an attributable installed capacity, revenue and net profit reaching historic high.

In the first half of 2022, by closely following the policies for renewable energy industry in various regions, the Group improved the top-level design by taking advantages of its strengths. It adopted a differentiated strategy to take advantage of its strengths and actively planned ahead to develop projects with all-out efforts leveraging on its professional capabilities, to keep increasing the Group's project reserves. In the first half of the year, the Group obtained a wind power quota of 800MW in China. 4 wind power projects and 2 PV power projects were newly approved/registered, totaling 1,101MW. The Group actively explored energy storage projects in multiple provinces.

In the first half of 2022, the size of the Group's projects under construction hit a record high, 20 projects have been successively commenced or about to commence, with the total installed capacity of the Group's invested power plants of 1,908MW (1H2021: 1,742.5MW). Three new power plants with an installed capacity of 160MW were commissioned. As of 30 June 2022, the Group held equity interests in 73 grid-connected wind power and PV power plants with an attributable installed capacity of 2,875.4 MW (1H2021: 2,406 MW). Among them, 56 were wind power plants with an attributable installed capacity of 2,424.7 MW, and 17 were PV power plants with an attributable installed capacity of 450.7 MW. The installed capacity of grid parity projects of the Group has reached 1,260MW, accounting for 43.8% of the attributable capacity.

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

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

Looking forward to the second half of the year, as China's epidemic prevention and control has fully adopted a normalized management model, the development of renewable energy will further flourish under the guidance of the "dual-carbon" target. The Group will seize the opportunities in the industry and leverage on its professional advantages, focusing on its main business of power generation and co-developing with the service business.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

Long positions in the Shares:

Name of the Directors	Nature of interest			Total	Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate/Trust		
Liu Shunxing	35,000,000 ⁽¹⁾	—	1,704,494,242 ⁽¹⁾	1,739,494,242	19.38
Liu Jianhong	29,710,000 ⁽²⁾	—	150,000,000 ⁽²⁾	179,710,000	2.00
Gui Kai	15,600,000 ⁽³⁾	—	—	15,600,000	0.17
Niu Wenhui	16,000,000 ⁽³⁾	—	—	16,000,000	0.18
Zhai Feng	4,000,000 ⁽³⁾	—	—	4,000,000	0.04
Shang Jia	8,000,000 ⁽³⁾	—	—	8,000,000	0.09
Yap Fat Suan, Henry	3,000,000 ⁽³⁾	—	—	3,000,000	0.03
Jesse Zhixi Fang	2,800,000 ⁽³⁾	—	—	2,800,000	0.03
Huang Jian	2,800,000 ⁽³⁾	—	—	2,800,000	0.03
Zhang Zhong	2,800,000 ⁽³⁾	—	—	2,800,000	0.03

Notes:

- (1) As at the Latest Practicable Date: (i) 1,002,877,155 Shares were held by China Wind Power Investment Limited (“**CWPI**”) and 701,617,087 Shares were held by Splendor Power Limited; (ii) CWPI was wholly-owned by Permanent Growth Limited; (iii) Mr. Liu Shunxing held 46.77% of the total issued shares of Permanent Growth Limited and held 99% of the total issued shares of Splendor Power Limited; and (iv) Mr. Liu Shunxing had interest in 35,000,000 Shares as beneficial owner under the SFO.
- (2) As at the Latest Practicable Date: (i) 150,000,000 Shares were held by a discretionary trust for which Ms. Liu Jianhong was the founder and settlor; and (ii) Ms. Liu Jianhong had interest in 29,710,000 Shares as beneficial owner under the SFO.
- (3) As at the Latest Practicable Date, the Director had interest as beneficial owner under the SFO in respect of such number of the Shares.

(ii) Directors’ other interests

- (a) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 December 2021, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.
- (c) As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.
- (d) As at the Latest Practicable Date, save for Mr. Liu Shunxing (“**Mr. Liu**”) and Ms. Liu Jianhong being the directors of China Wind Power Investment Limited and Permanent Growth Limited, and Mr. Liu being a director of Splendor Power Limited, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACT

The following contract, not being a contract entered into in the ordinary course of business, was entered into by the Group within the two years preceding the date of this circular and was material:

- On 8 September 2020, the Company commenced (i) the exchange offer with respect to the Company's then outstanding senior notes (the "**Existing Notes**") pursuant to which an offer is made to exchange Existing Notes for the US\$ denominated senior notes to be issued by the Company (the "**New Notes**"); and (ii) a concurrent offering to issue and sell additional New Notes that will form a single series with the corresponding New Notes to be issued under the said exchange offer. As a result, the Company issued the New Notes with an aggregate principal amount of US\$90,000,000, comprising US\$83,448,000 principal amount of New Notes issued under the said exchange offer, and US\$6,552,000 principal amount of additional New Notes issued under the said concurrent offering. Please refer to the announcements of the Company dated 8, 9, 10, 18 and 25 September 2020 for details.

4. MATERIAL LITIGATION

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

5. SERVICE CONTRACTS

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

6. SECRETARY OF THE COMPANY

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

7. DOCUMENTS ON DISPLAY

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

1. the exchange offer memorandum dated 17 September 2020 relating to the exchange offer mentioned in the paragraph headed “3. Material Contract” in this appendix; and
2. the Finance Lease Agreements.

8. MISCELLANEOUS

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

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

NOTICE OF SGM



Concord New Energy Group Limited

協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

NOTICE IS HEREBY GIVEN that the special general meeting (the “**SGM**”) of Concord New Energy Group Limited (the “**Company**”) will be held at 10:00 a.m. on Monday, 19 September 2022 at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong to consider and, if thought fit, pass the following ordinary resolutions of the Company:

RESOLUTIONS

1. “**THAT** the Finance Lease Agreement A1 (as defined in the circular of the Company dated 2 September 2022), a copy of which is tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two directors of the Company be and are hereby authorised to execute all such documents and to do all such acts as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient.”
2. “**THAT** the Finance Lease Agreement A2 (as defined in the circular of the Company dated 2 September 2022), a copy of which is tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two directors of the Company be and are hereby authorised to execute all such documents and to do all such acts as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient.”

* *For identification purposes only*

NOTICE OF SGM

3. “**THAT** the Finance Lease Agreement B (as defined in the circular of the Company dated 2 September 2022), a copy of which is tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two directors of the Company be and are hereby authorised to execute all such documents and to do all such acts as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient.”

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

Hong Kong, 2 September 2022

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/her. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the branch share registrar of the Company, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, Hong Kong not less than 48 hours (i.e. 10:00 a.m. on Saturday, 17 September 2022) before the time fixed for holding the meeting.
3. Completion and return of the form of proxy will not preclude a member from attending the SGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. If tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons or a black rainstorm warning is in effect at any time after 7:00 a.m. on Monday, 19 September 2022, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
5. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.