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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 182)**

**DISCLOSEABLE TRANSACTION**  
**FINANCE LEASE ARRANGEMENT**

The Board is pleased to announce that after trading hour on 9 November 2020, the Lessee and the Financier entered into the Finance Lease Agreement, pursuant to which the Financier shall purchase the Equipment from the Lessee at a purchase price of RMB620 million, and the Lessee shall lease the Equipment back from the Financier for a term of 12 years in consideration of the Lessee paying to the Financier the 48 quarterly Lease Payments during the term of the lease.

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

**INTRODUCTION**

The Board is pleased to announce that after trading hour on 9 November 2020, the Lessee agreed with the Financier on the Finance Lease Arrangement. Details of the Finance Lease Arrangement are set out below.

**Finance Lease Agreement**

Date: 9 November 2020

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

Subject assets: The Equipment, which shall be purchased by the Financier from the Lessee.

- Purchase price and completion:
- The purchase price payable by the Financier to the Lessee for the purchase of the Equipment shall be RMB620 million (approximately HK\$720.93 million), which was determined after arm's length negotiation between the Lessee and the Financier with reference to the book value of the Equipment. The purchase price shall be payable after the fulfilment of the following conditions:
- (a) there being no breaches of any provisions of the Finance Lease Agreement and any other agreements entered into between the Lessee and the Financier;
  - (b) all the security documents as mentioned below (the “**Security Documents**”) having become effective and registered with the relevant government authorities;
  - (c) the Lessee having delivered all title documents in respect of the Equipment and other relevant documents, to the Financier; and
  - (d) all other conditions or relevant procedures as required by the Finance Lease Agreement having been satisfied or performed.

The purchase price shall be paid on a date to be specified by the Lessee, but no later than 24 March 2021. It is expected that the purchase price will be paid on or about 10 November 2020.

Lease term: 12 years commencing from the date of payment of the purchase price for the Equipment.

Lease Payments and Interest Rate: The Lessee shall pay 48 quarterly Lease Payments to the Financier during the term of the lease. The first Lease Payment is expected to be paid on or about 10 November 2020. The total Lease Payments represents the purchase price paid by the Financier for the purchase of the Equipment plus interest attributable to the Finance Lease Arrangement to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate initially equal to the 5-year loan prime rate announced by the National Interbank Funding Center (全國銀行間同業拆借中心公佈的5年期貸款市場報價利率) (“**LPR**”) on 21 September 2020 (which was 4.65%) plus 0.85% giving rise to a total of 5.5%. The applicable interest rate will be adjusted annually on the first quarterly Lease Payment in each calendar year, which will, after adjustment, equal to the LPR in the month before such quarterly Lease Payment plus 0.85%. Assuming the applicable interest rate was 5.5% throughout the lease term, the total Lease Payments would be approximately RMB854.65 million (approximately HK\$993.78 million).

The Lease Payments and the applicable interest rate were determined after arm's length negotiation between the Lessee and the Financier with reference to the prevailing market cost of equipment finance lease.

**Security Documents:** As security and guarantee for the due performance of all the Lessee's obligations under the Finance Lease Agreement, the Lessee, the Company, and certain wholly-owned subsidiaries of the Company (namely Century Concord Wind Power Investment Co., Ltd.\* (協合風電投資有限公司) and Yongzhou Jiepai Century Concord Wind Power Co., Ltd.\* (永州界牌協合風力發電有限公司)) shall, in favour of the Financier, execute the Security Documents consisting of guarantees, pledges for the equity interest in the Lessee and receivables arising from the operation of the Project, and mortgage of other assets owned by the Lessee. The Security Documents and the Finance Lease Agreement have no material adverse effect on the operation and management of the Group's businesses.

**Buyback Option:** Upon the end of the lease term, the Lessee has the option to buy back the Equipment from the Financier at a consideration of RMB1.00.

## **REASONS FOR AND BENEFIT OF THE FINANCE LEASE ARRANGEMENT**

The entering into the Finance Lease Arrangement is in the ordinary and usual course of business of the Group, which allow the Group to obtain financial resources and gain access to certain equipment as required for its operations. The Directors consider that the terms of the Finance Lease Arrangement are on normal commercial terms, fair and reasonable and are in the interests of the Shareholders as a whole. It is expected that according to the Hong Kong Financial Reporting Standards, the transactions under the Finance Lease Arrangement will not give rise to any disposal gain or loss to be recorded by the Group.

## **GENERAL INFORMATION**

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

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

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

## IMPLICATIONS UNDER THE LISTING RULES

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

## DEFINITIONS

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

“Applicable Percentage Ratio”, “connected person” and “subsidiary”	have the meanings ascribed to them under the Listing Rules;
“Board”	board of Directors;
“Company”	Concord New Energy Group Limited (協合新能源集團有限公司*) (Stock code: 182), a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Equipment”	certain machinery and equipment for the operation of the Project as stipulated under the Finance Lease Agreement;
“Finance Lease Agreement”	the finance lease agreement entered into between the Lessee and the Financier on 9 November 2020 for the sale of the Equipment to the Financier and the lease of the Equipment back from the Financier;
“Finance Lease Arrangement”	the transactions contemplated under the Finance Lease Agreement;
“Financier”	Huaxia Financial Leasing Co., Ltd.* (華夏金融租賃有限公司), a company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lease Payment(s)”	the quarterly lease payment(s) payable by the Lessee to the Financier under the Finance Lease Agreement in consideration of the Financier leasing the Equipment to the Lessee;

“Lessee”	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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MW”	megawatt;
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Project”	the Tongyu 100MW Grid-connected Wind Farm Project* (通榆100兆瓦並網風電場項目) situated in Tongyu County, Baicheng City, Jilin Province, the PRC, for which the Equipment was installed;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

*For the purposes of this announcement, the exchange rates of HK\$1.00=RMB0.86 has been used for currency translation. Such exchange rates are for illustration purposes only and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such rate.*

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

Hong Kong, 9 November 2020

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

\* *For identification purposes only*