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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**

#### **FINANCE LEASE ARRANGEMENTS**

The Board is pleased to announce that after trading hour on 6 May 2021:

1. the Seller, the Lessee and the Financier agreed on the Finance Lease Arrangement I by way of entering into the following agreements:
  - (a) the Seller, the Lessee and the Financier entered into the Sale and Purchase Agreement, pursuant to which the Financier shall purchase the Equipment from the Seller at a purchase price of RMB910 million for the purposes of leasing the Equipment to the Lessee; and
  - (b) the Lessee and the Financier entered into the Finance Lease Agreement I, pursuant to which the Lessee shall lease the Equipment from the Financier for the Finance Period I in consideration of the Lessee paying to the Financier the quarterly Lease Payments; and
2. the Lessee and the Financier agreed on the Finance Lease Arrangement II by way of entering into the Finance Lease Agreement II, pursuant to which the Financier shall purchase the Buildings and Auxiliary Facilities from the Lessee at a purchase price of RMB190 million for the purposes of leasing the Buildings and Auxiliary Facilities back to the Lessee for the Finance Period II in consideration of the Lessee paying to the Financier the quarterly Lease Payments.

The Total Purchase Price under the Finance Lease Arrangements amounts to RMB1,100 million.

## **LISTING RULES IMPLICATIONS**

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

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

A special general meeting will be convened by the Company to consider and, if thought fit, approve the Finance Lease Arrangements by the shareholders of the Company. A circular containing, among other things, details of the Finance Lease Arrangements and a notice of special general meeting of the Company is expected to be despatched to the shareholders of the Company on or before 28 May 2021.

The Board is pleased to announce that after trading hour on 6 May 2021, (i) the Seller, the Lessee and the Financier agreed on the Finance Lease Arrangement I and (ii) the Lessee and the Financier agreed on the Finance Lease Arrangement II, by way of entering into the following agreements. Details of the Finance Lease Arrangements are set out below.

### **FINANCE LEASE ARRANGEMENT I**

#### **Sale and Purchase Agreement**

Date: 6 May 2021

Parties:

- (i) the Financier as the purchaser;
- (ii) the Seller as the seller; and
- (iii) the Lessee to undertake certain rights and obligations for the transactions contemplated under the Sale and Purchase Agreement.

Subject asset: The Equipment, which shall be purchased by the Financier from the Seller for the purposes of leasing the Equipment back to the Lessee from the Financier.

Purchase price: The Purchase Price I payable by the Financier to the Seller for the purchase of the Equipment shall be RMB910 million (approximately HK\$1,083.3 million), which was determined after arm's length negotiation between the Lessee and the Financier with reference to the market value of the Equipment and the amount of financing needs required by the Group under the Finance Lease Arrangement I. As at the date of this Announcement, the Equipment has not been fully acquired by the Lessee.

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

The Purchase Price I shall be paid by five instalments.

The first instalment of the Purchase Price I shall be no more than RMB350 million, payable after the fulfilment of the following conditions (the "**First Instalment Conditions I**"):

- (a) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement I by the Lessee and the guarantors of the Security Documents;
- (b) there being no material adverse change to the financial position of the Lessee and the guarantors of the Security Documents;
- (c) the Financier having received the relevant security deposit under the Finance Lease Agreement I in full;
- (d) all the Security Documents having been executed and all the relevant procedures for the Security Documents having been completed;

- (e) the Financier having obtained from Beijing Guohua Aidi Wind Power Operation and Maintenance Technical Service Co., Ltd.\* (北京國華愛地風電運行維護技術服務有限公司) (“**Beijing Guohua**”) (a wholly-owned subsidiary of the Company) the undertakings that: (i) before the Lessee having fully settled all its debts under the Finance Lease Arrangement I, Beijing Guohua shall not request for the settlement of any present and future debts owned by the Lessee; and (ii) Beijing Guohua agrees that the Lessee can only settle the debts owned by the Lessee after the written approval of the Financier having been obtained;
- (f) the Financier having obtained a report issued by a supervisor recognized by the Financier which confirms the progress of construction works of the Power Plant;
- (g) the Financier having obtained a report issued by a third-party assessment agency which confirms the functioning of the Power Plant;
- (h) the Financier having obtained certain documents from the Lessee which confirms that the Lessee having received RMB64 million of funding;
- (i) the Financier having received from Yongzhou Jiepai, Heilongjiang Juming (which holds 60% interest in the Lessee) and Heilongjiang Xietong (which holds 40% interest in the Lessee) the undertakings that: (i) Yongzhou Jiepai, Heilongjiang Juming and Heilongjiang Xietong shall procure the Lessee to settle all the lease payments, handling fee and other payables under the Finance Lease Arrangement I first before requesting for dividend from the Lessee or for the settlement of any present and future debts owned by the Lessee; (ii) during the construction of the Power Plant, an amount of approximately RMB75.7 million (being the funding gap) shall be lent to the Lessee by Yongzhou Jiepai, Heilongjiang Juming and Heilongjiang Xietong; (iii) Yongzhou Jiepai, Heilongjiang Juming and Heilongjiang Xietong agree that the Lessee can only pay dividend and settle the debts owned by the Lessee after the written approval of the Financier having been obtained;
- (j) there being no material adverse change to the new energy industry since the date of the Sale and Purchase Agreement, and the Lessee and its associated companies, ultimate controller(s) and shareholders;

- (k) there being no material adverse 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 since the date of the Sale and Purchase Agreement, and the financing cost not having increased significantly; and
- (l) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement I having been provided to the Financier or completed.

It is expected that the first instalment of the Purchase Price I will be paid around early July 2021.

The second instalment of the Purchase Price I shall be no more than RMB500 million (accumulating the first instalment of the Purchase Price I), payable after the fulfilment of the following conditions (the “**Second Instalment Conditions I**”):

- (a) the First Instalment Conditions I having been fulfilled and continue to be fulfilled;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement I by the Lessee and the guarantors of the Security Documents;
- (c) the Financier having obtained a report issued by a third-party supervisor recognized by the Financier which confirms the progress of construction works of the Power Plant;
- (d) the Financier having obtained certain documents from the Lessee which confirms that the Lessee having received not less than RMB90 million of funding; and
- (e) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement I having been provided to the Financier or completed.

It is expected that the second instalment of the Purchase Price I will be paid around the end of September 2021.

The third instalment of the Purchase Price I shall be no more than RMB780 million (accumulating the first and second instalments of the Purchase Price I), payable after the fulfilment of the following conditions (the “**Third Instalment Conditions I**”):

- (a) the First Instalment Conditions I and the Second Instalment Conditions I having been fulfilled and continue to be fulfilled;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement I by the Lessee and the guarantors of the Security Documents;
- (c) the Financier having obtained a report issued by a third-party supervisor recognized by the Financier which confirms the progress of construction works of the Power Plant;
- (d) the Financier having obtained certain documents from the Lessee which confirms that the Lessee having received not less than RMB150 million of funding; and
- (e) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement I having been provided to the Financier or completed.

It is expected that the third instalment of the Purchase Price I will be paid around the end of November 2021.

The fourth instalment of the Purchase Price I shall be no more than RMB850 million (accumulating the first, second and third instalments of the Purchase Price I), payable after the fulfilment of the following conditions (the “**Forth Instalment Conditions I**”):

- (a) the First Instalment Conditions I, the Second Instalment Conditions I and the Third Instalment Conditions I having been fulfilled and continue to be fulfilled;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement I by the Lessee and the guarantors of the Security Documents;
- (c) the Financier having obtained a report issued by a third-party supervisor recognized by the Financier which confirms the progress of construction works of the Power Plant;

- (d) the Financier having obtained certain documents from the Lessee which confirms that the Lessee having received not less than RMB178 million of funding; and
- (e) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement I having been provided to the Financier or completed.

It is expected that the fourth instalment of the Purchase Price I will be paid around the end of December 2021.

The last instalment of the Purchase Price I shall be equal to RMB910 million (accumulating the first, second, third and fourth instalments of the Purchase Price I), payable after the fulfilment of the following conditions (the “**Last Instalment Conditions I**”):

- (a) the First Instalment Conditions I, the Second Instalment Conditions I, the Third Instalment Conditions I and the Fourth Instalment Conditions I having been fulfilled and continue to be fulfilled;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement I by the Lessee and the guarantors of the Security Documents;
- (c) the Financier having obtained a report issued by a third-party supervisor recognized by the Financier which confirms the progress of construction works of the Power Plant;
- (d) the Financier having obtained certain documents from the Lessee which confirms that the Lessee having received not less than RMB200 million of funding; and
- (e) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement I having been provided to the Financier or completed.

It is expected that the last instalment of the Purchase Price I will be paid around the end of February 2022.

## Finance Lease Agreement I

Date: 6 May 2021

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

Subject asset: The Equipment, which shall be leased from the Financier by the Lessee.

Finance period I: A period of 15 years commencing from the date of payment of the first instalment of the Purchase Price I.

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

The applicable interest rate is a floating interest rate equal to the relevant 5-year LPR plus 0.642%. The relevant LPR for the first Lease Payment is the LPR announced on 20 April 2021, being 4.65%, which gives rise to an applicable interest rate of 5.292% for the first Lease Payment. The applicable interest rate will be adjusted every 12 months on the first quarterly Lease Payment in every 12-month period of the Finance Period I, which will, after adjustment, equal to the LPR in the month before such quarterly Lease Payment plus 0.642%. Assuming the applicable interest rate was 5.292% throughout the Finance Period I, the total Lease Payments would be approximately RMB1,313 million (approximately HK\$1,563.1 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 for the due performance of all the Lessee's obligations under the Finance Lease Agreement I, the Lessee, the Company and certain wholly-owned subsidiaries of the Company (namely Century Concord Wind Power, Heilongjiang Juming and Heilongjiang Xietong) shall, in favour of the Financier, execute the Security Documents consisting of the guarantees, the pledges on (i) the equity interest in the Lessee and (ii) receivables arising from the operation of the Power Plant, and the mortgages of the land where the Power Plant is situated, the Equipment and the Buildings and Auxiliary Facilities.

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



- Security deposit:** An amount of approximately RMB36 million (approximately HK\$42.9 million), being 4% of the Purchase Price I, shall be paid by the Lessee to the Financier as deposit to secure the due performance of the Lessee's payment obligations under the Finance Lease Agreement I, which shall be paid before the payment of the first instalment of the Purchase Price I.
- Handling fee:** The Lessee shall pay to the Financier a handling fee of approximately RMB5.9 million (approximately HK\$7 million). The handling fee shall be paid before the payment of the first instalment of the Purchase Price I.
- Buyback option:** Upon the expiry of the Finance Period I, the Lessee has the option to buy back the Equipment from the Financier at a consideration of RMB10,000.

## **FINANCE LEASE ARRANGEMENT II**

### **Finance Lease Agreement II**

- Date:** 6 May 2021
- Parties:** (i) the Financier as the purchaser and the lessor; and  
(ii) the Lessee as the seller and the lessee.
- Subject asset:** The Buildings and Auxiliary Facilities, which shall be acquired by the Financier from the Lessee and then leased back to the Lessee from the Financier.
- Usage of the Purchase Price II:** The Purchase Price II must be used for the acquisition and/or construction of the Buildings and Auxiliary Facilities.
- Purchase price:** The Purchase Price II payable by the Financier to the Lessee for the acquisition of the Buildings and Auxiliary Facilities shall be RMB190 million (approximately HK\$226.2 million), which was determined after arm's length negotiation between the Lessee and the Financier with reference the total estimated sub-contract prices for the acquisition and construction of the Buildings and Auxiliary Facilities and the amount of financing needs required by the Group under the Finance Lease Arrangement II. As at the date of this Announcement, the Buildings and Auxiliary Facilities have not been acquired and constructed.

The Purchase Price II to be paid to the Lessee (being the total amount to be borrowed by the Lessee under the Finance Lease Arrangement II) is equal to the total estimated sub-contract prices for the acquisition and construction of the Buildings and Auxiliary Facilities. The total estimated sub-contract prices for the acquisition and construction of the Buildings and Auxiliary Facilities 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 II shall be paid by three instalments.

The first instalment of the Purchase Price II shall be no more than RMB50 million payable after the fulfilment of the following conditions (the “**First Instalment Conditions II**”):

- (a) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement II by the Lessee and the guarantors of the Security Documents;
- (b) there being no material adverse change to the financial position of the Lessee and the guarantors of the Security Documents;
- (c) the Financier having received the relevant security deposit and handling fee under the Finance Lease Agreement II in full;
- (d) the Third Instalment Conditions I having been fulfilled and continue to be fulfilled;
- (e) there being no material adverse change to the new energy industry since the date of the Finance Lease Agreement II, and the Lessee and its associated companies, ultimate controller(s) and shareholders;
- (f) there being no material adverse 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 since the date of the Finance Lease Agreement II, 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 II having been provided to the Financier or completed.

It is expected that the first instalment of the Purchase Price II will be paid around the end of November 2021.

The second instalment of the Purchase Price II shall be no more than RMB130 million (accumulating the first instalment of the Purchase Price II), payable after the fulfilment of the following conditions (the “**Second Instalment Conditions II**”):

- (a) the First Instalment Conditions II having been fulfilled and continue to be fulfilled;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement II by the Lessee and the guarantors of the Security Documents; and
- (c) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement II having been provided to the Financier or completed.

It is expected that the second instalment of the Purchase Price II will be paid around the end of December 2021.

The last instalment of the Purchase Price II shall be equal to RMB190 million (aggregating the first and second instalments of the Purchase Price II), payable after the fulfilment of the following conditions:

- (a) the First Instalment Conditions II and the Second Instalment Conditions II having been fulfilled and continue to be fulfilled;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement II by the Lessee and the guarantors of the Security Documents; and
- (c) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement II having been provided to the Financier or completed.

It is expected that the last instalment of the Purchase Price II will be paid around the end of February 2022.

Finance Period II: A period of 15 years commencing from the date of the payment of the first instalment of the Purchase Price II.

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

The applicable interest rate is a floating interest rate equal to the relevant 5-year LPR plus 0.4705%. The relevant LPR for the first Lease Payment is the LPR announced on 20 April 2021, being 4.65%, which gives rise to an applicable interest rate of 5.1205% for the first Lease Payment. The applicable interest rate will be adjusted annually on the first quarterly Lease Payment in each year of the Finance Period II, which will, after adjustment, equal to the LPR in the month before such quarterly Lease Payment plus 0.4705%. Assuming the applicable interest rate was 5.1205% throughout the Finance Period II, the total Lease Payments would be approximately RMB272.5 million (approximately HK\$324.4 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 buildings and auxiliary facilities finance lease.

**Security documents:** As security for the due performance of all the Lessee's obligations under the Finance Lease Agreement II, the Lessee, the Company and certain wholly-owned subsidiaries of the Company (namely Century Concord Wind Power and Yongzhou Jiepai) shall, in favour of the Financier, execute the Security Documents (as mentioned above).

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

**Security deposit:** An amount of RMB7.6 million (approximately HK\$9 million), being 4% of the Purchase Price II, shall be paid by the Lessee to the Financier as deposit to secure the due performance of the Lessee's payment obligations under the Finance Lease Agreement II, which shall be paid before the payment of the first instalment of the Purchase Price II.

**Handling fee:** The Lessee shall pay to the Financier a handling fee of approximately RMB1.1 million (approximately HK\$1.3 million). The handling fee shall be paid before the payment of the first instalment of the Purchase Price II.

**Buyback option:** Upon the expiry of the Finance Period II, the Lessee has the option to buy back the Buildings and Auxiliary Facilities from the Financier at a consideration of RMB10,000.

## **APRIL 2021 FINANCE LEASE ARRANGEMENTS**

### **April 2021 Finance Lease Arrangement I**

On 28 April 2021, the Seller, Fanzhi County Century Concord Wind Power Co., Ltd.\* (繁峙縣協合風力發電有限公司) (“**Fanzhi Century Concord**”) (a wholly-owned subsidiary of the Company) and the Financier agreed on the April 2021 Finance Lease Arrangement I, pursuant to which the Financier has purchased certain equipment (the “**Fanzhi Equipment**”) from the Seller at a purchase price of RMB90 million (approximately HK\$107.1 million) (the “**Fanzhi Purchase Price I**”), and then Fanzhi Century Concord have leased the Fanzhi Equipment from the Financier in consideration of Fanzhi Century Concord paying to the Financier quarterly lease payments for a lease period of 2 years. Under the April 2021 Finance Lease Arrangement I, the interest rate is fixed at 4.845% for the lease period, and the total lease payments will be approximately RMB107.5 million (approximately HK\$128 million).

### **April 2021 Finance Lease Arrangement II**

On 28 April 2021, Fanzhi Century Concord and the Financier agreed on the April 2021 Finance Lease Arrangement II, pursuant to which the Financier has acquired certain buildings and auxiliary facilities (the “**Fanzhi Buildings and Auxiliary Facilities**”) from the Seller at a purchase price of RMB25 million (approximately HK\$29.8 million) (the “**Fanzhi Purchase Price II**”) and then Fanzhi Century Concord has leased the Fanzhi Buildings and Auxiliary Facilities back from the Financier in consideration of Fanzhi Century Concord paying to the Financier quarterly lease payments for a lease period of 2 years. Under the April 2021 Finance Lease Arrangement II, the interest rate is fixed at 5.225% for the lease period, and the total lease payments will be approximately RMB27.6 million (approximately HK\$32.9 million).

The sum of the Fanzhi Purchase Price I and the Fanzhi Purchase Price II amounts to RMB115 million (approximately HK\$136.9 million).

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

## **INTENDED USE OF PROCEEDS**

The Company will generate a total net disposal proceeds of approximately RMB1,093 million, which will be used for the acquisition of the Equipment and the acquisition and construction of the Buildings and Auxiliary Facilities.

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

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

The Financier is a company established in the PRC, which is principally engaged in the business of finance leasing. Insofar as the Company is aware, the Financier is ultimately owned as to 47.61% by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and the remaining interests are owned 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(s) are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

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

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

The highest Applicable Percentage Ratio of the September 2020 Finance Lease Arrangements by itself exceeded 5% but was less than 25%, the entering into the September 2020 Finance Lease Arrangements constituted a discloseable transaction for the Company and was thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules. Accordingly, an announcement was made by the Company on 11 September 2020 for the September 2020 Finance Lease Arrangements. The highest Applicable Percentage Ratio for the transaction under the April 2021 Finance Lease Arrangements was less than 5%. The highest Applicable Percentage Ratio of the September 2020 Finance Lease Arrangements and the April 2021 Finance Lease Arrangements on an aggregated basis exceeded 5% but was less than 25%.

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

A circular containing, among other things, details of the Finance Lease Arrangements and a notice of special general meeting of the Company is expected to be despatched to the shareholders of the Company on or before 28 May 2021.

## **DEFINITIONS**

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

|  |  |
|--|--|
| “Aggregated Transactions”  | the transactions contemplated under the Previous Finance Lease Arrangements and the Finance Lease Arrangements;  |
| “Applicable Percentage Ratio”,<br>“connected person” and<br>“subsidiary” | have the meanings ascribed to them under the Listing Rules;  |
| “April 2021 Finance Lease Arrangement I”                                 | the sale and leaseback transactions described in the paragraph headed “April 2021 Finance Lease Arrangement I”;  |
| “April 2021 Finance Lease Arrangement II”                                | the sale and leaseback transactions described in the paragraph headed “April 2021 Finance Lease Arrangement II”; |
| “April 2021 Finance Lease Arrangements”                                  | the April 2021 Finance Lease Arrangement I and the April 2021 Finance Lease Arrangement II;                      |
| “Board”  | board of Directors;  |

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|--------------------------------------|--|
| “Buildings and Auxiliary Facilities” | certain buildings and auxiliary facilities (such as wind turbines foundations, power cables and booster station buildings) for the operation of the Power Plant to be purchased by the Financier from the Lessee under the Finance Lease Agreement II, as stipulated under the Finance Lease Agreement II; |
| “Century Concord Wind Power”         | Century Concord Wind Power Investment Co., Ltd.* (協合風電投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;   |
| “Company”                            | Concord New Energy Group Limited (協合新能源集團有限公司*) (Stock code: 182), a company incorporated in Bermuda with limited liability, the 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 Power Plant to be purchased by the Financier from the Seller under the Sale and Purchase Agreement, as stipulated under the Sale and Purchase Agreement;  |
| “Finance Lease Agreement I”          | the finance lease agreement entered into between the Lessee and the Financier on 6 May 2021 for the leasing of the Equipment to the Lessee from the Financier;   |
| “Finance Lease Agreement II”         | the finance lease agreement entered into between the Lessee and the Financier on 6 May 2021 for the acquisition of the Buildings and Auxiliary Facilities by the Financier from the Lessee and the leasing of the Buildings and Auxiliary Facilities back to the Lessee from the Financier;                |
| “Finance Lease Arrangement I”        | the transactions contemplated under the Sale and Purchase Agreement and the Finance Lease Agreement I;   |
| “Finance Lease Arrangement II”       | the transactions contemplated under the Finance Lease Agreement II;  |
| “Finance Lease Arrangements”         | the Finance Lease Arrangement I and the Finance Lease Arrangement II;  |
| “Finance Period I”                   | the 15-year period, in which the Lessee shall pay Lease Payments to the Financier and shall have the right to use the Equipment;   |



|                        |   |
|------------------------|---|
| “Finance Period II”    | the 15-year period, in which the Lessee shall pay Lease Payments to the Financier and shall have the right to use the Buildings and Auxiliary Facilities;   |
| “Financier”            | 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 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;   |
| “Lease Payment(s)”     | the quarterly payment(s) payable by the Lessee to the Financier under the Finance Lease Agreements during the Finance Period I or the Finance Period II in consideration of the Financier leasing the Equipment and the Buildings and Auxiliary Facilities to the Lessee; |
| “Lessee”               | 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 wholly-owned subsidiary of the Company;   |
| “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;   |

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| “Power Plant”                               | the 200MW wind power plant situated in Bin County, Harbin City, Heilongjiang Province, the PRC (中國黑龍江省哈爾濱市賓縣), where the Equipment and the Buildings and Auxiliary Facilities are situated;   |
| “PRC”                                       | the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;  |
| “Previous Finance Lease Arrangements”       | the transactions contemplated under the September 2020 Finance Lease Arrangements and the April 2021 Finance Lease Arrangements;  |
| “Purchase Price I”                          | the purchase price payable to the Seller by the Financier for the purchase of the Equipment;  |
| “Purchase Price II”                         | the purchase price payable to the Lessee by the Financier for the acquisition of the Buildings and Auxiliary Facilities;  |
| “RMB”                                       | Renminbi, the lawful currency of the PRC;   |
| “Sale and Purchase Agreement”               | the sale and purchase agreement entered into between the Seller, the Lessee and the Financier on 6 May 2021 for the purchase of the Equipment from the Lessee by the Financier;   |
| “Security Documents”                        | the security documents relating to the Finance Lease Arrangement I and the Finance Lease Arrangement II;  |
| “Seller”                                    | 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;   |
| “September 2020 Finance Lease Arrangements” | the finance lease arrangements entered into between Fuchuan Century Concord Xinzaowind Power Co., Ltd.* (富川協合新造風力發電有限公司), a wholly-owned subsidiary of the Company, being the lessee, and the Financier on 11 September 2020 for the sale of certain machinery and equipment to the Financier and lease of the aforesaid machinery and equipment back from the Financier for a total purchase price of approximately HK\$305 million, as detailed in the announcement of the Company dated 11 September 2020; |
| “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 I and the Purchase Price II, which is approximately RMB1,100 million;   |
| “Yongzhou Jiepai”      | Yongzhou Jiepai Century Concord Wind Power Co., Ltd.* (永州界牌協合風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company; and |
| “%”                    | per cent.   |

*For the purposes of this announcement, the exchange rates of HK\$1.00=RMB0.84 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, 6 May 2021

*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, Mr. Zhai Feng and Ms. Shang Jia (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*