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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**

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The Board is pleased to announce that after trading hour on 27 May 2021, 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 RMB250 million for the purposes of leasing the Equipment back to the Lessee, and the Lessee shall lease the Equipment back from the Financier for the Finance Period in consideration of the Lessee paying to the Financier the quarterly Lease Payments.

**LISTING RULES IMPLICATIONS**

As the highest Applicable Percentage Ratio for the Finance Lease Arrangement exceeds 5% but is less than 25%, the entering into the Finance Lease Arrangement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and publication requirements under Chapter 14 of the Listing Rules. As the March 2021 Finance Lease Arrangement was conducted within a 12-month period before the date of the Finance Lease Agreement, 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 5% but is less than 25%, the Aggregated Transactions on an aggregated basis also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that after trading hour on 27 May 2021, the Lessee and the Financier agreed on the Finance Lease Arrangement by way of entering into the Finance Lease Agreement.

## FINANCE LEASE ARRANGEMENT

### Finance Lease Agreement

Date: 27 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 Equipment, which shall be purchased by the Financier from the Lessee for the purposes of leasing the Equipment back to the Lessee from the Financier.

Purchase price: The Purchase Price payable by the Financier to the Lessee for the purchase of the Equipment shall be RMB250 million (approximately HK\$301.2 million), which was determined after arm's length negotiation between the Lessee and the Financier with reference to the book value of the Equipment and the amount of financing needs required by the Group under the Finance Lease Arrangement. As at the date of this announcement, the Equipment has been fully acquired by the Lessee.

It is expected that the Purchase Price will be paid on or around 31 May 2021.

Finance Period: A period of 129 months commencing from the date of payment of the Purchase Price.

Lease payments and interest rate: The Lessee shall pay quarterly Lease Payments to the Financier during the Finance Period. 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 in respect of each quarter for which a Lease Payment is made.

The applicable interest rate is a floating interest rate equal to the relevant 5-year LPR plus 0.55%. The relevant LPR for the first Lease Payment is the LPR announced on 20 May 2021, being 4.65%, which gives rise to an applicable interest rate of 5.2% 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, which will, after adjustment, equal to the LPR in the month before such quarterly Lease Payment plus 0.55%. Assuming the applicable interest rate was 5.2% throughout the Finance Period, the total Lease Payments would be approximately RMB316.5 million (approximately HK\$381.3 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 document:** As security for the due performance of all the Lessee's obligations under the Finance Lease Agreement, Century Concord Wind Power (being a wholly-owned subsidiary of the Company) shall, in favour of the Financier, execute a guarantee.

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

**Security deposit:** To secure the due performance of the Lessee's obligations under the Finance Lease Agreement, the Lessee shall pay to the Financier a security deposit of RMB4.5 million (approximately HK\$5.4 million), which represents 1.8% of the Consideration. The security deposit shall be paid before the payment of the Consideration.

**Handling fee:** The Lessee shall pay to the Financier a handling fee of RMB5 million (approximately HK\$6 million), which represents 2% of the Consideration. The handling fee shall be paid before the payment of the Consideration.

**Buyback option:** Upon the expiry of the Finance Period, the Lessee has the option to buy back the Equipment from the Financier at a consideration of RMB1,000.

## **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 allows 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. For the Finance Lease Arrangement, the book value of the Equipment as at 30 April 2021 is approximately RMB362.8 million (approximately HK\$437.1 million). 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.

## **INTENDED USE OF PROCEEDS**

The Company will generate from the Finance Lease Agreement a total net disposal proceeds of approximately RMB245 million, which will be used for the general working capital to finance the business operation and activities of the Group within its ordinary course of business, including the purchase of wind and photovoltaic power equipment.

## **MARCH 2021 FINANCE LEASE ARRANGEMENT**

On 19 March 2021, Yongzhou Mengzhuling Wind Power Co., Ltd.\* (永州萌渚嶺風力發電有限公司), a wholly-owned subsidiary of the Company, being the lessee, and the Financier entered into the finance lease arrangement 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 purchase price of approximately RMB261.2 million, as detailed in the announcement of the Company dated 19 March 2021.

## **INFORMATION OF THE PARTIES TO THE FINANCE LEASE AGREEMENT**

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 and solar power generation projects in the PRC.

The Financier is a company established in the PRC, which is principally engaged in the business of equipment finance leasing. Insofar as the Company is aware, as at the date of this Announcement, the Financier is owned as to 90% by China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601818) and the Stock Exchange (stock code: 6818).

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 Arrangement exceeds 5% but is less than 25%, the entering into the Finance Lease Arrangement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and publication requirements under Chapter 14 of the Listing Rules. As the March 2021 Finance Lease Arrangement was conducted within a 12-month period before the date of the Finance Lease Agreement, 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 5% but is less than 25%, the Aggregated Transactions on an aggregated basis also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Aggregated Transactions”	the transactions contemplated under the March 2021 Finance Lease Arrangement and the Finance Lease Arrangement;
“Applicable Percentage Ratio”, “connected person(s)” and “subsidiary(ies)”	have the meanings ascribed to them under the Listing Rules;
“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”	certain machinery and equipment for the operation of the wind power plants of the Group located in Bozhou City, Anhui Province, the PRC to be purchased by the Financier from the Lessee under the Finance Lease Agreement;
“Finance Lease Agreement”	the finance lease agreement entered into between the Lessee and the Financier on 27 May 2021 for the purchase of the Equipment by the Financier from the Lessee and the leasing of the Equipment back to the Lessee from the Financier;
“Finance Lease Arrangement”	the transactions contemplated under the the Finance Lease Agreement;
“Finance Period”	the 129-month period, in which the Lessee shall pay Lease Payments to the Financier and shall have the right to use the Equipment;
“Financier”	Everbright Financial Leasing Co., Ltd.* (光大金融租賃股份有限公司), 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 payment(s) payable by the Lessee to the Financier under the Finance Lease Agreement during the Finance Period in consideration of the Financier leasing the Equipment to the Lessee;
“Lessee”	Bozhou City Century Concord Solar Power Co., Ltd.* (亳州市協合太陽能發電有限公司), 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;
“March 2021 Finance Lease Arrangement”	the sale and leaseback transaction described in the paragraph headed “March 2021 Finance Lease Arrangement” in this announcement;
“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;
“Purchase Price”	the purchase price payable to the Lessee by the Financier for the purchase of the Equipment;
“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 = RMB0.83 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, 27 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*