

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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 ARRANGEMENTS

The Board is pleased to announce that after trading hour on 6 June 2024:

1. The Seller, the Original Purchaser, the Lessee and the Financier agreed on the Finance Lease Arrangement A by way of entering into the following agreements:
 - (a) the Seller, the Original Purchaser, the Lessee and the Financier entered into the Rights Transfer Agreement, pursuant to which the Financier shall purchase the Equipment from the Original Purchaser at a purchase price of approximately RMB161.11 million for the purpose of leasing the Equipment from the Financier to the Lessee; and
 - (b) the Lessee and the Financier entered into the Finance Lease Agreement A, pursuant to which the Lessee shall lease the Equipment from the Financier during the Lease Period A 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 B by way of entering into the Finance Lease Agreement B, pursuant to which the Financier shall purchase the Auxiliary Facilities from the Lessee at a purchase price of RMB143.89 million for the purpose of leasing the Auxiliary Facilities back to the Lessee for the Lease Period B in consideration of the Lessee paying to the Financier the quarterly Lease Payments.

LISTING RULES IMPLICATIONS

The highest Applicable Percentage Ratio for the Finance Lease Arrangements on an aggregated basis exceeds 5% but is less than 25%. As the Previous Finance Lease Arrangement was entered into within a 12-month period before the date of the Finance Lease Agreement, the transactions contemplated under the Finance Lease Arrangements and Previous Finance Lease Arrangement shall be aggregated under Chapter 14 of the Listing Rule and will not result in a highest

Applicable Percentage Ratio exceeding 25% on an aggregated basis. Hence, the Finance Lease Arrangements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is 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 6 June 2024, the Seller, the Original Purchaser, the Lessee and the Financier agreed on the Finance Lease Arrangements by way of entering into the following agreements. Details of the Finance Lease Arrangements are set out below.

FINANCE LEASE ARRANGEMENT A

Rights Transfer Agreement

Date: 6 June 2024

Parties:

- (i) the Financier as the new purchaser of the Equipment;
- (ii) the Seller as the seller of the Equipment;
- (iii) the Original Purchaser as the original purchaser of the Equipment under the Original Purchase Agreement; and
- (iv) the Lessee as the lessee of the Equipment under the Original Purchase Agreement.

Subject asset: The Equipment, which shall be purchased by the Financier from the Original Purchaser by way of transferring to the Financier the relevant rights and obligations of the Original Purchaser under the Original Purchase Agreement for the purchase of the Equipment for the purpose of the Financier leasing the Equipment to the Lessee.

Purchase price: Under the Rights Transfer Agreement, the Financier shall pay the Purchase Price A of approximately RMB161.11 million to the Original Purchaser for the purchase of the Equipment. The Purchase Price A was determined after arm's length negotiation with reference to the original purchase price under the Original Purchase Agreement.

The Purchase Price A shall be payable within 30 days after entering into the Rights Transfer Agreement.

It is expected that the Purchase Price A will be paid around the middle of June 2024.

Finance Lease Agreement A

- Date: 6 June 2024
- 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.
- Lease period: The period in which the Lessee shall lease the Equipment from the Financier commencing from the date of the payment of the Purchase Price A by the Financier and ending on the 15th anniversary of the date of the payment of the Purchase Price A by the Financier.
- Lease payments and interest rate: The Lessee shall pay quarterly Lease Payments in arrears to the Financier during the Lease Period A. The total Lease Payments represents the Purchase Price A plus interests attributable to the Finance Lease Arrangement A to be determined based on the following applicable interest rate.

The applicable interest rate for the Purchase Price A is a floating interest rate equal to the relevant over-5-year LPR. The relevant over-5-year LPR for the first quarterly Lease Payment in respect of the Purchase Price A is the LPR announced on 23 April 2024, being 3.95%, which gives rise to an applicable interest rate of 3.95% for the first quarterly Lease Payment in respect of the Purchase Price A. The applicable interest rate in respect of the Purchase Price A will be adjusted annually on the anniversary of the first lease payment of the Purchase Price A, which will, after adjustment, equal to the latest published over-5-year LPR for the previous year. Assuming the applicable interest rate being 3.95% throughout the Lease Period A for the Purchase Price A, the total Lease Payments would be approximately RMB212.15 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 A, the Lessee and certain wholly owned subsidiaries of the Company (namely Century Concord Wind Power and Shenyang Juhe) shall, in favour of the Financier, execute the security documents consisting of (i) the guarantee given by Century Concord Wind Power; (ii) the pledge given by Shenyang Juhe for the entire equity interest in the Lessee owned by it; and (iii) the pledge given by the Lessee in respect of its account receivables. The Finance Lease Agreement A and the said security documents have no material adverse effect on the operation and management of the Group's businesses.
Security deposit:	Nil
Handling fee:	Nil
Buyback opinion:	Upon the expiry of the Lease Period A, the Lessee has the option to buy back the Equipment from the Financier at a consideration of RMB100.

FINANCE LEASE ARRANGEMENT B

Finance Lease Agreement B

Date:	6 June 2024
Parties:	(i) the Financier as the lessor; and (ii) the Lessee as the lessee.
Subject asset:	The Auxiliary Facilities, which shall be leased from the Financier by the Lessee.
Purchase price:	The Purchase Price B payable by the Financier to the Lessee for the acquisition of the Auxiliary Facilities shall be RMB143.89 million, which was determined after arm's length negotiation between the Lessee and the Financier with reference to the total subcontracting price for the construction of the Auxiliary Facilities plus the management costs of the Group attributable to the Auxiliary Facilities. The total sub-contract price for the construction of the Auxiliary Facilities was 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. As at the date of this announcement, the construction of the Auxiliary Facilities have been completed.

The Purchase Price B shall be payable within seven business days after the fulfilment of the following conditions:

- (a) all the agreements contemplated under the Finance Lease Arrangement B (including the Security Documents) having been entered into and becoming effective, and all the relevant procedures for them having been completed;
- (b) the Financier having received the guarantee registration certificates from the Lessee and other guarantors under the Security Documents;
- (c) the Financier having received the ownership certificate and original invoices of the Auxiliary Facilities from the Lessee;
- (d) the Financier having received the original property insurance documents for the Auxiliary Facilities with the Lessor as the first beneficiary; and
- (e) all other documents or relevant procedures as required by the Finance Lease Agreement B having been fulfilled.

It is expected that the Purchase Price B will be paid by the end of June 2024.

Lease period:

The period in which the Lessee shall lease the Auxiliary Facilities from the Financier commencing from the date of the payment of the Purchase Price B by the Financier and ending on the 15th anniversary of the date of the payment of the Purchase Price B by the Financier.

Lease payments and interest rate:

The Lessee shall pay quarterly Lease Payments in arrears to the Financier during the Lease Period B. The total Lease Payments represents the Purchase Price B plus interests attributable to the Finance Lease Arrangement B to be determined based on the following applicable interest rate.

The applicable interest rate for the Purchase Price B is a floating interest rate equal to the relevant over-5-year LPR. The relevant over-5-year LPR for the first quarterly Lease Payment in respect of the Purchase Price B is the LPR announced on 23 April 2024, being 3.95%, which gives rise to an applicable interest rate of 3.95% for the first quarterly Lease Payment in respect of the Purchase Price B. The applicable interest rate in respect of the Purchase Price B will be adjusted annually on the anniversary of the first lease payment of the Purchase Price B, which will, after adjustment, equal to the latest published over-5-year LPR for the previous year. Assuming the applicable interest rate being 3.95% throughout the Lease Period B for the Purchase Price B, the total Lease Payments would be approximately RMB192.14 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 auxiliary facilities finance lease.

Security documents:	As security for the due performance of all the Lessee's obligations under the Finance Lease Agreement B, the Lessee and certain wholly owned subsidiaries of the Company (namely Century Concord Wind Power and Shenyang Juhe) shall, in favour of the Financier, execute the security documents consisting of (i) the guarantee given by Century Concord Wind Power; (ii) the pledge given by Shenyang Juhe for the entire equity interest in the Lessee owned by it; and (iii) the pledge given by the Lessee in respect of its account receivables. The Finance Lease Agreement B and the said security documents have no material adverse effect on the operation and management of the Group's businesses.
Security deposit:	Nil
Handling fee:	Nil
Buyback opinion:	Upon the expiry of the Lease Period B, the Lessee has the option to buy back the Auxiliary Facilities from the Financier at a consideration of RMB100.

PREVIOUS FINANCE LEASE ARRANGEMENT

On 28 September 2023, Yuanping City Century Concord Energy Technology Co., Ltd.* (原平市協合能源科技有限公司), a wholly-owned subsidiary of the Group, entered into a finance lease arrangement with the Financier, pursuant to which the Financier shall purchase certain energy storage equipment of the power plant at a purchase price of approximately RMB220.93 million from the lessee for the purposes of leasing such energy storage equipment to the lessee for a lease period of 13 years in consideration of the lessee paying to the Financier quarterly lease payments to be determined with reference to an applicable interest rate for that finance lease arrangement, which is a floating interest rate equal to the over-5-year LPR announced on 22 August 2023 (being 4.2%) plus 0.1%, resulting in an applicable interest rate of 4.3%. Assuming the applicable interest rate being 4.3% throughout such lease period, the total lease payments would be approximately RMB274.05 million. Upon the expiry of such lease period, the lessee has the option to buy such energy storage equipment at RMB100. The principal terms are materially the same as the Finance Lease Arrangements.

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 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. The total unaudited book value of the Equipment and the Auxiliary Facilities as at 31 March 2024 was approximately RMB161.11 million and RMB160.69 million respectively. According to the Hong Kong Financial Reporting Standards, the transactions contemplated 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 proceeds of approximately RMB305 million under the Finance Lease Arrangements, which will be used to pay the purchase price of the Equipment and as 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, and construction of wind and photovoltaic power plants.

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

The Financier is a company established in the PRC, and is principally engaged in the business of finance leasing. Insofar as the Company is aware, as at the date of this announcement, the Financier is owned as to approximately 54.29% by Shanghai Rural Commercial Bank Co., Ltd. (上海農商銀行股份有限公司), which is a company listed on the Shanghai Stock Exchange (Stock code: 601825), as to approximately 12.24% by Shanghai Yongda Auto Pudong Sales Service Co., Ltd. (上海永達汽車浦東銷售服務有限公司), as to approximately 11.43% by Yangtze River Economy United Development (Group) Co., Ltd. (長江經濟聯合發展(集團)股份有限公司), as to approximately 10.61% by Zhejiang Expressway Co., Ltd. (浙江滬杭甬高速公路股份有限公司), as to approximately 8.16% by Wonders Information Co., Ltd. (萬達信息股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock code: 300168), and as to the remaining approximately 3.27% owned by two other shareholders.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Financier and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

The highest Applicable Percentage Ratio for the Finance Lease Arrangements on an aggregated basis exceeds 5% but is less than 25%. As the Previous Finance Lease Arrangement was entered into within a 12-month period before the date of the Finance Lease Agreement, the transactions contemplated under the Finance Lease Arrangements and Previous Finance Lease Arrangement shall be aggregated under Chapter 14 of the Listing Rule and will not result in a highest Applicable Percentage Ratio exceeding 25% on an aggregated basis. Hence, the Finance Lease Arrangements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

DEFINITION

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;
“Auxiliary Facilities”	certain auxiliary facilities of the Power Plant (including booster station and comprehensive building);
“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 wind power equipment of the Power Plant (including turbine units, box type substation equipment and towers, step-up substation equipment, and control and protection equipment);
“Finance Lease Agreement A”	the finance lease agreement between the Lessee and the Financier dated 6 June 2024 for the leasing of the Equipment to the Lessee;
“Finance Lease Agreement B”	the finance lease agreement between the Lessee and the Financier dated 6 June 2024 for the leasing of the Auxiliary Facilities to the Lessee;
“Finance Lease Arrangement A”	the transactions contemplated under the Rights Transfer Agreement and the Finance Lease Agreement A;
“Finance Lease Arrangement B”	the transactions contemplated under the Finance Lease Agreement B;

“Finance Lease Arrangements”	Finance Lease Arrangement A and Finance Lease Arrangement B;
“Financier”	Yangtze United Financial Leasing Co., Ltd.* (長江聯合金融租賃有限公司), a company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“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 Agreements for the leasing of the Equipment and Auxiliary Facilities;
“Lease Period A”	the period in which the Lessee shall lease the Equipment from the Financier;
“Lease Period B”	the period in which the Lessee shall lease the Auxiliary Facilities from the Financier;
“Lessee”	Chaoyang Century Concord Julong Wind Power Co., Ltd.* (朝陽協合聚隆風力發電有限公司), 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;
“Original Purchase Agreement”	the sale and purchase, and installation agreement of the Equipment dated 1 September 2021 between the Seller and the Original Purchaser;
“Original Purchaser”	China Resources Financial Leasing Co., Ltd.* (華潤融資租賃有限公司), a company established in the PRC with limited liability;
“Power Station”	the 50MW wind power project operated by the Lessee in Chaoyang City, Liaoning Province, the PRC (中國遼寧省朝陽市);

“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 Arrangement”	the previous finance lease arrangements set out in the paragraph headed “Previous Finance Lease Arrangement” in this announcement;
“Purchase Price A”	the purchase price payable by the Financier for the purchase of the Equipment;
“Purchase Price B”	the purchase price payable by the Financier for the purchase of the Auxiliary Facilities;
“Rights Transfer Agreement”	the rights transfer agreement dated 6 June 2024 between the Seller, the Original Purchaser, the Lessee and for the purchase of the Equipment by the Financier;
“RMB”	Renminbi, the lawful currency of the PRC;
“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;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Shenyang Juhe”	Shenyang Juhe Electric New Energy Co., Ltd.* (沈陽聚合電力新能源有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	Per cent.

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

Hong Kong, 6 June 2024

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, Ms. Shang Jia and Mr. Chan Kam Kwan, Jason (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Dr. Jesse Zhixi Fang, Ms. Li Yongli, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).

** For identification purposes only*