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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 hours on 6 March 2025, Gaoyou Juhe and China Merchants Leasing agreed on the Finance Lease Arrangement, pursuant to which China Merchants Leasing shall purchase the Equipment from Gaoyou Juhe at a purchase price of RMB277 million, and shall lease the Equipment back to Gaoyou Juhe in consideration of Gaoyou Juhe paying the quarterly Lease Payments.

#### **LISTING RULES IMPLICATIONS**

As the highest Applicable Percentage Ratio in respect of the Finance Lease Arrangement exceeds 5% but is less than 25%, the Transaction constitutes 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. As the Previous Finance Arrangements were entered into within 12 months before the date of the Finance Lease Agreement, the transactions contemplated under the Finance Lease Arrangement and the Previous Finance Arrangements shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeding 5% but less than 25%. Hence, the Finance Lease Arrangement is not required to be reclassified by aggregating with the Previous Finance Arrangements.

#### **INTRODUCTION**

The Board is pleased to announce that after trading hours on 6 March 2025, Gaoyou Juhe and China Merchants Leasing agreed on the Finance Lease Arrangement, details of which are set out below.

## **FINANCE LEASE ARRANGEMENT**

### **FINANCE LEASE AGREEMENT**

Date: 6 March 2025

Parties: (i) China Merchants Leasing as the Lessor; and  
(ii) Gaoyou Juhe as the Lessee.

Subject Assets: The Equipment, which shall be purchased by China Merchants Leasing from Gaoyou Juhe and leased back to Gaoyou Juhe.

Purchase Price and Payment: The Purchase Price payable by China Merchants Leasing to Gaoyou Juhe for the purchase of the Equipment shall be RMB277 million, which was determined after arm's length negotiation between Gaoyou Juhe and China Merchants Leasing with reference to the market value of the Equipment and the amount of financing needs of the Group. The Purchase Price is in line with its market value, which is determined with reference to the quotations from suppliers of comparable equipment who are independent third parties.

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

- (a) all the agreements contemplated under the Finance Lease Arrangement (including the Security Documents) having been entered into and becoming effective, and all the relevant procedures for them having been completed;
- (b) as at the payment of the Purchase Price, there being no material changes to the fiscal, taxation or financial policies or governmental supervision measures in respect of financial industry nor material increase in market financing cost; and
- (c) other conditions or relevant procedures as required by the Finance Lease Agreement having been satisfied or performed.

It is expected that the Purchase Price will be paid around the end of March 2025.

Lease Period: A period of 14 years commencing from the date of payment of the Purchase Price.

Lease Payments and Interest Rate: Gaoyou Juhe shall pay the quarterly Lease Payments to China Merchants Leasing during the Lease Period. The total Lease Payments represent the Purchase Price plus interest attributable to the Finance Lease Arrangement, and the interest is to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate equal to the over-5-year LPR applicable at the time plus 0.05%. The applicable interest rate is 3.65% for the first quarterly Lease Payment. The applicable interest rate will be adjusted annually on the anniversary of the date of payment of the first Lease Payment.

The applicable interest rate was determined after arm's length negotiation between Gaoyou Juhe and China Merchants Leasing with reference to the prevailing market cost of equipment finance lease. Assuming that the applicable interest rate is 3.65% throughout the Lease Period, the total Lease Payments will be approximately RMB350,106,000.

Security Documents: As security for the due performance of all Gaoyou Juhe's obligations under the Finance Lease Agreement, Gaoyou Juhe, the Company and certain wholly-owned subsidiaries of the Company (namely Concord Wind Power and CWP Technology) shall, in favour of China Merchants Leasing, execute the security documents (the "**Security Documents**") consisting of (i) the guarantee given by the Company and Concord Wind Power, respectively; (ii) the pledge given by Gaoyou Juhe in respect of its electricity incomes arising from the operation of the Power Plant; and (iii) the pledge given by CWP Technology in respect of its entire shareholding interest in Gaoyou Juhe. The Security Documents and the Finance Lease Agreement have no material adverse effect on the operation and management of the Group's businesses.

Security Deposit: Nil.

Handling Fee: Nil.

Buyback Option: Upon the expiry of the Lease Period, Gaoyou Juhe has the option to buy back the Equipment at a consideration of RMB100.

## **PREVIOUS FINANCE ARRANGEMENTS**

On 14 June 2024, Fuxin Mongol Autonomous County Xingda Wind Power Co., Ltd.\* (阜新蒙古族自治縣興達風力發電有限公司), a wholly-owned subsidiary of the Company, entered into a finance lease arrangement with China Merchants Leasing, details of which are set out in the announcement of the Company dated 14 June 2024.

On 4 December 2024, Gaoyou Juhe entered into a finance lease arrangement with China Merchants Leasing and Haotai New Energy. Gaoyou Juhe entered into a sale and purchase agreement with China Merchants Leasing and Haotai New Energy, pursuant to which China Merchants Leasing shall purchase equipment from Haotai New Energy at a purchase price of RMB153 million. Gaoyou Juhe entered into a finance lease agreement with China Merchants Leasing, pursuant to which China Merchants Leasing shall lease equipment to Gaoyou Juhe during the lease period for a lease period of 15 years in consideration of Gaoyou Juhe paying quarterly lease payments. The applicable interest rate is a floating interest rate equal to the over-5-year LPR applicable plus 0.05%. The applicable interest rate is 3.65% for the first quarterly lease payment. The applicable interest rate will be adjusted annually on the anniversary of the date of payment of the first lease payment. Assuming the applicable interest rate being 3.65% throughout the lease period, the total lease payments would be approximately RMB199,025,000. There is no security deposit and handling fee. Upon the expiry of such lease period, Gaoyou Juhe has the option to buy such equipment at RMB100. The principal terms are materially the same as the Finance Lease Arrangement.

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

The entering into of the Finance Lease Arrangement is in the ordinary and usual course of business of the Group, which allows the Group to obtain financial resources 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.

The unaudited book value of the Equipment under the Finance Lease Arrangement as at 28 February 2025 was approximately RMB277 million. According to the Hong Kong Financial Reporting Standards, 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 Group will receive a proceed of approximately RMB277 million under the Finance Lease Arrangement, which will be used for its general business operation and activities.

## 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.

Gaoyou Juhe is a wholly-owned subsidiary of the Company and is principally engaged in the operation of solar power plant projects in the PRC.

China Merchants Leasing is principally engaged in the business of finance leasing. Insofar as the Company is aware, as at the date of this announcement, China Merchants Leasing is wholly-owned by China Merchants Group Limited\* (招商局集團有限公司), which is a company wholly-owned 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, China Merchants Leasing 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 in respect of the Finance Lease Arrangement exceeds 5% but is less than 25%, the Transaction constitutes 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. As the Previous Finance Arrangements were entered into within 12 months before the date of the Finance Lease Agreement, the transactions contemplated under the Finance Lease Arrangement and the Previous Finance Arrangements shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeding 5% but less than 25%. Hence, the Finance Lease Arrangement is not required to be reclassified by aggregating with the Previous Finance Arrangements.

## DEFINITIONS

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

“Applicable Percentage Ratio”, “connected person(s)” and “subsidiary(ies)”	have the meanings ascribed to them under the Listing Rules;
“Board”	board of Directors;
“China Merchants Leasing”	China Merchants Financial Leasing (Tianjin) Co., Ltd.* (招商局融資租賃(天津)有限公司), a company established in the PRC with limited liability;

“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;
“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;
“CWP Technology”	CWP Technology Limited, a company established in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Equipment”	certain solar power equipment used for the Power Plant (including modules, booster station auxiliary facilities, power cables and other solar power equipment);
“Finance Lease Agreement”	the finance lease agreement dated 6 March 2025 entered into between Gaoyou Juhe and China Merchants Leasing for the purchase of the Equipment by China Merchants Leasing from Gaoyou Juhe and the leasing of the Equipment back to Gaoyou Juhe;
“Finance Lease Arrangement”	the transaction contemplated under the Finance Lease Agreement and the Purchase Agreement;
“Gaoyou Juhe”	Gaoyou Juhe Photovoltaic Power Co., Ltd.* (高郵聚合光伏發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Haotai New Energy”	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;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lease Payment(s)”	the lease payment(s) payable by Gaoyou Juhe to China Merchants Leasing under the Finance Lease Agreement;
“Lease Period”	a period of 14 years, in which Gaoyou Juhe shall lease the Equipment from China Merchants Leasing;

“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 (中國銀行間同業拆借中心) from time to time;
“MW”	Megawatt;
“Power Plant”	the 100MW solar power plant project operated by Gaoyou Juhe in Gaoyou City, Jiangsu Province, the PRC (中國江蘇省高郵市);
“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 Arrangements”	the previous finance lease arrangements set out in the paragraph headed “Previous Finance Arrangements” in this announcement;
“Purchase Price”	the purchase price payable to Gaoyou Juhe by China Merchants Leasing 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 and on behalf of  
**Concord New Energy Group Limited**  
**Liu Shunxing**  
*Chairman*

Hong Kong, 6 March 2025

*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 (who are executive Directors), Mr. Wang Feng (who is a non-executive Director), and Mr. Jesse Zhixi Fang, Ms. Li Yongli, Mr. Chua Pin, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).*

*\* For identification purposes only*