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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  
NEW FINANCE LEASE ARRANGEMENT  
AND CANCELLATION OF ORIGINAL FINANCE LEASE ARRANGEMENT**

**NEW FINANCE LEASE ARRANGEMENT**

The Board hereby announces that after trading hours on 13 January 2025, Shangcheng County Century Concord and Yangtze United Financial Leasing agreed on the New Finance Lease Arrangement, pursuant to which Yangtze United Financial Leasing shall purchase the Equipment Asset from Shangcheng County Century Concord at a purchase price of RMB320,000,000, and shall lease the Equipment Asset back to Shangcheng County Century Concord in consideration of Shangcheng County Century Concord paying the quarterly Lease Payments.

**CANCELLATION OF ORIGINAL FINANCE LEASE ARRANGEMENT**

On the same date, Shangcheng County Century Concord and CITIC Financial Leasing reached a unanimous agreement to cancel the Original Finance Lease Arrangement (details of the Original Finance Lease Arrangements were set out in the announcement dated 29 January 2024).

## **LISTING RULES IMPLICATIONS**

As the highest Applicable Percentage Ratio in respect of the New Finance Lease Arrangement exceeds 5% but is less than 25%, the New Finance Lease Arrangement 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 Lease Arrangement was entered into within a 12-month period before the date of the Finance Lease Agreement, the transactions contemplated under the New Finance Lease Arrangement and the Previous Finance Lease Arrangement 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 New Finance Lease Arrangement is not required to be reclassified by aggregating with the Previous Finance Lease Arrangement.

## **INTRODUCTION**

The Board is pleased to announce that after trading hours on 13 January 2025, Shangcheng County Century Concord and Yangtze United Financial Leasing agreed on the New Finance Lease Arrangement, details of which are set out below.

## **NEW FINANCE LEASE ARRANGEMENT**

### **Finance Lease Agreement**

Date: 13 January 2025

Parties: (i) Yangtze United Financial Leasing as the Lessor; and  
(ii) Shangcheng County Century Concord as the Lessee.

Subject Assets: The Equipment Asset, which shall be purchased by the Lessor from Shangcheng County Century Concord for the purposes of leasing back to Shangcheng County Century Concord.

Purchase Price and Payment:	<p>The Purchase Price payable by Lessor to Shangcheng County Century Concord for the purchase of the Equipment Asset shall be RMB320 million, which was determined after arm's length negotiation between Shangcheng County Century Concord and the Lessor with reference to the asset value of the Equipment Asset and the amount of financing needs of the Group.</p> <p>The Purchase Price shall be payable after the fulfilment of the following conditions:</p> <ul style="list-style-type: none"> <li>(a) all the agreements contemplated under the New Finance Lease Arrangement (including the Security Documents) having been entered into and becoming effective, and all the relevant procedures for them having been completed;</li> <li>(b) Shangcheng County Century Concord having purchased insurance which meets the requirements of the Yangtze United Financial Leasing in respect of the Equipment Asset, and an insurance certificate having been provided to the Lessor; and</li> <li>(c) all other conditions or relevant procedures as required by the Finance Lease Agreement having been satisfied or performed.</li> </ul> <p>It is expected that the Purchase Price will be paid by the end of January 2025.</p>
Lease Period:	A period of 15 years commencing from the date of payment of the Purchase Price.
Lease Payments and Interest Rate:	<p>Shangcheng County Century Concord shall pay quarterly Lease Payments in arrears. The total Lease Payments represent the Purchase Price plus interest attributable to the New Finance Lease Arrangement, and the interest is to be determined based on the following applicable interest rate.</p> <p>The applicable interest rate is a floating interest rate equal to the over-5-year LPR applicable at the time plus 0.15%. The applicable interest rate is 3.75% for the first quarterly Lease Payment. The applicable interest rate will be adjusted on the date of payment of the first quarterly Lease Payment in each of the subsequent calendar year.</p>

The applicable interest rate was determined after arm's length negotiation between Shangcheng County Century Concord and the Lessor with reference to the prevailing market cost of equipment finance lease. Assuming that the applicable interest rate is 3.75% throughout the Lease Period, the total Lease Payments will be approximately RMB421,379,000.

Security Documents:	As security for the due performance of all Shangcheng County Century Concord's obligations under the Finance Lease Agreement, Shangcheng County Century Concord, Century Concord Wind Power and Yongzhou Jiepai shall, in favour of the Lessor, execute the security documents consisting of (i) the guarantee given by Century Concord Wind Power; (ii) the pledge given by Yongzhou Jiepai for the entire equity interest in Shangcheng County Century Concord owned by it; (iii) the mortgage given by Shangcheng County Century Concord in respect of the Equipment Asset; and (iv) the pledge given by Shangcheng County Century Concord in respect of its electricity tariff receivables income. The Finance Lease Agreement 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 Option:	Upon the expiry of the Lease Period, Shangcheng County Century Concord has the option to buy back the Equipment Asset from the Lessor at a total consideration of RMB100.

## **CANCELLATION OF ORIGINAL FINANCE LEASE ARRANGEMENT**

Reference is made to the announcement of the Company dated 29 January 2024. Due to the significant decline in the over-5-year LPR, CITIC Financial Leasing was unable to provide financing to Shangcheng County Century Concord under the Original Financial Lease Arrangement, and the Original Finance Lease Arrangement has not been executed. As Shangcheng County Century Concord has secured the New Finance Lease Arrangement, on 13 January 2025, Shangcheng County Century Concord and CITIC Financial Leasing reached a unanimous agreement to cancel the Original Finance Lease Arrangement.

## **PREVIOUS FINANCE LEASE ARRANGEMENT**

On 6 June 2024, Chaoyang Century Concord Julong Wind Power Co., Ltd.\* (朝陽協合聚隆風力發電有限公司), a wholly-owned subsidiary of the Company, entered into a finance lease arrangement with Yangtze United Financial Leasing, details of which are set out in the announcement of the Company dated 6 June 2024.

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

The entering into of the New 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 New Finance Lease Arrangement are on normal commercial terms, fair and reasonable and are in the interests of the Shareholders as a whole. The unaudited asset value of the Equipment Asset as at 30 November 2024 was approximately RMB323,592,000. According to the Hong Kong Financial Reporting Standards, the transaction contemplated under the New 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 a net disposal proceed of approximately RMB320,000,000 under the New Finance Lease Arrangement, which will be used as general working capital to finance the business operation and activities of the Group.

## **INFORMATION ON THE PARTIES TO THE NEW 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.

Shangcheng County Century Concord is a wholly-owned subsidiary of the Company and is principally engaged in the operation of wind power projects in the PRC.

Yangtze United Financial Leasing 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, Yangtze United Financial Leasing is owned as to approximately 54.29% by Shanghai Rural Commercial Bank Co., Ltd.\* (上海農村商業銀行股份有限公司), 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), a company listed on the Stock Exchange (Stock Code: 00576), 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, Yangtze United Financial Leasing is a third party independent of the Company and its connected persons.

## LISTING RULES IMPLICATIONS

As the highest Applicable Percentage Ratio in respect of the New Finance Lease Arrangement exceeds 5% but is less than 25%, the New Finance Lease Arrangement 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 Lease Arrangement was entered into within a 12-month period before the date of the Finance Lease Agreement, the transactions contemplated under the New Finance Lease Arrangement and the Previous Finance Lease Arrangement 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 New Finance Lease Arrangement is not required to be reclassified by aggregating with the Previous Finance Lease Arrangement.

## 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;
“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;
“CITIC Financial Leasing”	CITIC Financial Leasing Co., Ltd.* (中信金融租賃有限公司), 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;
“Director(s)”	the director(s) of the Company;
“Equipment Asset”	certain wind power equipment used for the Power Plant (including wind turbines, main transformer, power cables and other wind power equipment);

“Finance Lease Agreement”	the finance lease agreement between the Shangcheng County Century Concord and the Yangtze United Financial Leasing dated 13 January 2025 for the leasing of the Equipment Asset to the Shangcheng County Century Concord from the Yangtze United Financial Leasing;
“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 Shangcheng County Century Concord to the Yangtze United Financial Leasing under the Finance Lease Agreement for the leasing of the Equipment Asset;
“Lease Period”	a period of 15 years, in which the Shangcheng County Century Concord shall lease the Equipment Asset from the Yangtze United Financial 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 (全國銀行間同業拆借中心) from time to time;
“MW”	Megawatt;
“New Finance Lease Arrangement”	the transaction contemplated under the Finance Lease Agreement;
“Original Finance Lease Arrangement”	the transaction contemplated under the finance lease agreement between the Shangcheng County Century Concord and the CITIC Financial Leasing dated 29 January 2024;
“Power Plant”	the 49.2MW wind power plant project operated by Shangcheng County Century Concord in Xinyang City, Henan Province, the PRC (中國河南省信陽市);
“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 arrangement set out in the paragraph headed “Previous Finance Lease Arrangement” in this announcement;
“Purchase Price”	the purchase price payable by the Yangtze United Financial Leasing for the purchase of the Equipment Asset;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shangcheng County Century Concord” and “Lessee”	Shangcheng County Century Concord Wind Power Co., Ltd.* (商城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;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yangtze United Financial Leasing” and “Lessor”	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;
“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 and on behalf of  
**Concord New Energy Group Limited**  
**Liu Shunxing**  
*Chairman*

Hong Kong, 13 January 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*