
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Concord New Energy Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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 TRANSACTIONS FINANCE LEASE ARRANGEMENTS

AND

NOTICE OF SPECIAL GENERAL MEETING

Terms defined in the section headed “Definitions” in this circular shall have the same meaning when used in this cover page, unless the context otherwise requires.

SGM of the Company will be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Monday, 13 January 2025 at 10:00 a.m.

A notice convening the SGM and a form of proxy for use by the Shareholders at the SGM are enclosed. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong as soon as practicable but in any event no later than 48 hours (i.e. 10:00 a.m. on Saturday, 11 January 2025) before the appointed time for holding of the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish, and in such event, the form of proxy shall be deemed revoked.

24 December 2024

* For identification purposes only

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 29 November 2024 in relation to the Finance Lease Arrangements;
“Applicable Percentage Ratio”, “connected person” and “subsidiary”	have the meanings ascribed to them under the Listing Rules;
“Auxiliary Facilities”	auxiliary facilities of all solar power equipment of the Power Station A;
“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;
“China Resources”	China Resources Pharmaceutical Group Limited* (華潤醫藥集團有限公司), a company listed on the Stock Exchange (stock code: 3320);
“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”	wind power equipment used for the Power Station B;
“Finance Lease Agreement A”	the finance lease agreement between the Lessee A and the Financier A dated 29 November 2024 for the acquisition of the Auxiliary Facilities by the Financier A from the Lessee A, and the leasing of the Auxiliary Facilities back to the Lessee A from the Financier A;
“Finance Lease Agreement B”	the finance lease agreement between the Lessee B and the Financier B dated 29 November 2024 for the leasing of the Equipment to the Lessee B from the Financier B;
“Finance Lease Agreements”	the Finance Lease Agreement A and the Finance Lease Agreement B;
“Finance Lease Arrangement A”	the transactions contemplated under the the Finance Lease Agreement A;

DEFINITIONS

“Finance Lease Arrangement B”	the transactions contemplated under the Purchase Agreement B and the Finance Lease Agreement B;
“Finance Lease Arrangements”	the Finance Lease Arrangement A and the Finance Lease Arrangement B;
“Financier A”	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;
“Financier B”	Shanghai Yuexiu Financial Leasing Co., Ltd.* (上海越秀融資租賃有限公司), a company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“Guangzhou Yuexiu”	Guangzhou Yuexiu Financial Leasing Co., Ltd.* (廣州越秀融資租賃有限公司), a company indirectly wholly-owned by Yuexiu Holdings;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	19 December 2024, the latest practicable date before the printing of this circular for ascertaining certain information contained herein;
“Lease Payment(s)”	the quarterly lease payment(s) payable by the Lessee A to the Financier A under the Finance Lease Agreement A for the leasing of the Auxiliary Facilities or the quarterly lease payment(s) payable by the Lessee B to the Financier B under the Finance Lease Agreement B for the leasing of the Equipment, as the case may be;
“Lease Period A”	the period in which the Lessee A shall lease the Auxiliary Facilities from the Financier A;
“Lease Period B”	the period in which the Lessee B shall lease the Equipment from the Financier B;
“Lessee A”	Fengning Manchu Autonomous County Juting New Energy Development Co., Ltd.* (豐寧滿族自治縣聚霆新能源開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Lessee B”	Yilan County Incremental Mixed-Ownership New Energy Co., Ltd.* (依蘭縣增量混改新能源有限公司), a company established in the PRC with limited liability and a 70%-owned subsidiary of the Company;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Market Rate”	the over-5-year 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;
“November 2024 Finance Lease Agreement”	the finance lease agreement between the Lessee B and Guangzhou Yuexiu dated 1 November 2024, details of which are set out in the announcement of the Company dated 1 November 2024;
“November 2024 Purchase Agreement”	the purchase agreement dated 1 November 2024 between Jilin Century Concord Power Engineering Co., Ltd.* (吉林協合電力工程有限公司), Haotai New Energy Equipment Co., Ltd.* (浩泰新能源裝備有限公司), the Lessee B and Guangzhou Yuexiu, details of which are set out in the announcement of the Company dated 1 November 2024;
“Power Station A”	the 200 MW photovoltaic project constructed by the Lessee A in Fengning Manchu Autonomous County, Chengde City, Hebei Province, the PRC (中國河北省承德市豐寧滿族自治縣);
“Power Station B”	the 200 MW wind power project constructed by the Lessee B in Yilan County, Harbin City, Heilongjiang Province, the PRC (中國黑龍江省哈爾濱市依蘭縣);
“PRC”	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Previous China Resources Transactions”	the previous finance lease arrangements set out in the paragraph headed “Previous Finance Lease Arrangements - Previous China Resources Transactions” in this circular;
“Previous Finance Lease Arrangements”	the Previous China Resources Transactions and the Previous Yuexiu Transactions;
“Previous Yuexiu Transactions”	the previous finance lease arrangements set out in the paragraph headed “Previous Finance Lease Arrangements - Previous Yuexiu Transactions” in this circular;
“Purchase Agreement B”	the purchase agreement B dated 29 November 2024 between the Lessee B and the Financier B for the sale of the Equipment by the Lessee B to the Financier B;

DEFINITIONS

“Purchase Price A”	the purchase price payable by the Financier A for the purchase of the Auxiliary Facilities;
“Purchase Price B”	the purchase price payable by the Financier B for the purchase of the Equipment;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (CAP. 571 of the laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Monday, 13 January 2025 at 10:00 a.m. for the Shareholders to consider and, if thought fit, approve the Finance Lease Arrangements;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yinhua Century Concord”	Yinhua Century Concord New Energy Investment Co., Ltd.* (銀華協合新能源投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Yuexiu Holdings”	Guangzhou Yuexiu Capital Holdings Group Co., Ltd.* (廣州越秀資本控股集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000987); and
“%”	per cent.

* For identification purposes only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Liu Shunxing (*Chairman*)
Ms. Liu Jianhong (*Vice Chairperson*)
Mr. Gui Kai (*Chief Executive Officer*)
Mr. Niu Wenhui
Mr. Zhai Feng
Ms. Shang Jia
Mr. Chan Kam Kwan, Jason

Non-executive Director:

Mr. Wang Feng

Independent non-executive Directors:

Dr. Jesse Zhixi Fang
Ms. Li Yongli
Mr. Chua Pin
Ms. Huang Jian
Mr. Zhang Zhong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Suite 3901, 39th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

24 December 2024

To the Shareholders:

Dear Sir or Madam,

MAJOR TRANSACTIONS FINANCE LEASE ARRANGEMENTS AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement. The purposes of this circular is to provide you with: (a) further information on the Financial Lease Arrangements, and other information of the Group to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the SGM; and (b) the notice of the SGM.

** For identification purposes only*

LETTER FROM THE BOARD

The Board is pleased to announce that after trading hours on 29 November 2024: (a) the Lessee A and the Financier A agreed on the Finance Lease Arrangement A; and (b) the Lessee B and the Financier B agreed on the Finance Lease Arrangement B. Details of the Finance Lease Arrangements are set out below.

FINANCE LEASE ARRANGEMENT A

Finance Lease Agreement A

Date: 29 November 2024

Parties: (i) the Financier A as purchaser and lessor of the Auxiliary Facilities; and
(ii) the Lessee A as seller and lessee of the Auxiliary Facilities.

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

Purchase price and completion: The Purchase Price A for the Auxiliary Facilities shall be RMB300 million, which was determined after arm's length negotiation between the Lessee A and the Financier A with reference to the market value of the Auxiliary Facilities and the amount of financing needs of the Group. The Purchase Price A is in line with its market value, which is determined based on reviewing quotations obtained from suppliers of comparable auxiliary facilities who are independent third parties.

The Purchase Price A shall be paid in three instalments.

The first instalment of the Purchase Price A shall not exceed RMB120 million (the "**First Instalment of Purchase Price A**"), and shall be payable after the fulfilment of the following conditions (the "**First Instalment Conditions**");

- (a) all the agreements contemplated under the Finance Lease Arrangement A having been entered into and becoming effective, and all the relevant procedures having been completed;
- (b) the Financier A having received the delivery acceptance receipt and the supervisory report in respect of not less than 90% of the photovoltaic modules and 100% of the photovoltaic support frames of the Power Station A; and

LETTER FROM THE BOARD

- (c) all other conditions or relevant procedures as required by the Finance Lease Agreement A having been satisfied or performed.

It is expected that the First Instalment of Purchase Price A will be paid around early February 2025.

The second instalment of the Purchase Price A shall not exceed RMB30 million (the “**Second Instalment of Purchase Price A**”), and shall be payable after the fulfilment of the following conditions (the “**Second Instalment Conditions**”):

- (a) the Financier A having received documentary proof of the Power Station A’s installed capacity being fully grid-connected;
- (b) the Financier A having received documentary proof of the power purchase and sale contract and grid-connected dispatch agreement for the Power Station A being signed by the Lessee A; and
- (c) all other conditions or relevant procedures as required by the Finance Lease Agreement A having been satisfied or performed.

It is expected that the Second Instalment of Purchase Price A will be paid by the end of March 2025.

The remaining Purchase Price A shall not exceed RMB150 million (the “**Remaining Purchase Price A**”), and shall be payable after the fulfilment of the following conditions:

- (a) the cumulative electricity generation hours of the Power Station A over a period of three consecutive natural months being higher than 310 hours;
- (b) the Financier A having received the valuation report in respect of the Auxiliary Facilities in accordance with the Financier A’s requirements; and
- (c) all other conditions or relevant procedures as required by the Finance Lease Agreement A having been satisfied or performed.

It is expected that the Remaining Purchase Price A will be paid by the end of April 2025.

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Lease period:	A period of 15 years commencing from the date of payment of each instalment of the Purchase Price A by the Financier A.
Lease payments and interest rate:	<p>The Lessee A shall pay quarterly Lease Payments in arrears. 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.</p> <p>The applicable interest rates for each instalment of the Purchase Price A for the quarterly Lease Payments in the first calendar year are as follows: (a) for the first instalment, 3.95%; and (b) for the other instalments, the sum of the latest Market Rate announced before the payment of the relevant instalment and the Spread (as defined below). The applicable interest rates for the quarterly Lease Payments in each of the subsequent calendar years for each instalment of the Purchase Price A are equal to the sum of the latest Market Rate announced before the date of payment of the first quarterly Lease Payment in such calendar year for such instalment and the Spread. The “Spread” means 3.95% minus the latest Market Rate announced before the commencement of the Lease Period A (the result of which can be a negative number).</p> <p>The applicable interest rate were determined after arm’s length negotiation between the Lessee A and the Financier A with reference to the prevailing market cost of auxiliary facilities finance lease. Assuming the applicable interest rate being 3.95% throughout the Lease Period A, the total Lease Payments would be approximately RMB402.88 million.</p>
Security documents:	The Finance Lease Agreement A is also secured in favour of the Financier A by the security documents previously executed by the Lessee A, Century Concord Wind Power and Yinhua Century Concord as set out in the paragraph headed “Finance Lease Agreement – Security documents” of the announcement of the Company dated 12 September 2024 (the “ Security Documents A ”). The Finance Lease Agreement A and the Security Documents A 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 A, the Lessee A has the option to buy back the Auxiliary Facilities at a total consideration of RMB300.

LETTER FROM THE BOARD

FINANCE LEASE ARRANGEMENT B

Purchase Agreement B

Date: 29 November 2024

Parties: (i) the Financier B as purchaser of the Equipment; and
(ii) the Lessee B as seller of the Equipment.

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

Purchase price and completion: The Purchase Price B for the Equipment shall be approximately RMB271.33 million, which was determined after arm's length negotiation between the Lessee B and the Financier B with reference to the market value of the Equipment and the amount of financing needs of the Group. The Purchase Price B is in line with its market value, which is determined based on reviewing quotations obtained from suppliers of comparable equipment who are independent third parties.

The Purchase Price B shall be paid in two instalments.

The first instalment of the Purchase Price B shall not exceed RMB124 million (the “**First Instalment of Purchase Price B**”) and shall be payable after the fulfilment of the following conditions:

- (a) the conditions precedent for the payment of the first three instalments of the purchase price under the November 2024 Purchase Agreement having been and continues to be fulfilled;
- (b) there being no subsisting breaches of the November 2024 Purchase Agreement and the November 2024 Finance Lease Agreement, and no material adverse change to the Lessee B's credit status; and
- (c) all other conditions or relevant procedures as required by the Purchase Agreement B having been satisfied or performed.

It is expected that the First Instalment of Purchase Price B will be paid by the end of June 2025.

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The second instalment of the Purchase Price B shall not exceed RMB147.33 million (the “**Second Instalment of Purchase Price B**”) and shall be payable after the fulfilment of the following conditions:

- (a) the conditions precedent for the payment of the purchase price under the November 2024 Purchase Agreement having been and continues to be fulfilled;
- (b) the Lessee B having provided to the Financier B the original of the valuation report for the Equipment issued by a third-party appraisal company; and
- (c) all other conditions or relevant procedures as required by the Purchase Agreement B having been satisfied or performed.

It is expected that the Second Instalment of Purchase Price B will be paid by the end of September 2025.

Finance Lease Agreement B

Date: 29 November 2024

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

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

Lease period: A period of 15 years commencing from the date of payment of each instalment of the Purchase Price B.

Lease payments and interest rate: The Lessee B shall pay the quarterly Lease Payments in arrears. The total Lease Payments represent the Purchase Price B plus interest attributable to the Finance Lease Arrangement B to be determined based on the following applicable interest rate.

LETTER FROM THE BOARD

The applicable interest rate for each instalment of the Purchase Price B is an interest rate equal to the Market Rate. The applicable interest rate for the first quarterly Lease Payment in respect of each instalment of the Purchase Price B in the first calendar year is the Market Rate announced on 5 September 2024, being 3.85%. The applicable interest rate will be adjusted annually for each instalment of the Purchase Price B on the date of payment of the first quarterly Lease Payment for such instalment in each of the subsequent calendar year, which will, after adjustment, equal to the Market Rate announced in the month prior to the date of such adjustment.

The applicable interest rate were determined after arm's length negotiation between the Lessee B and the Financier B with reference to the prevailing market cost of equipment finance lease. Assuming that the applicable interest rate is 3.85% throughout the Lease Period B, the total Lease Payments will be approximately RMB360.57 million.

Security Documents:

The Lessee B and Century Concord Wind Power shall, in favour of the Financier B, execute the security documents (the “**Security Documents B**”) consisting of (i) the guarantee given by Century Concord Wind Power; (ii) the pledge given by the Lessee B in respect of its electricity incomes arising from the operation of the Power Station B; (iii) the pledge given by Century Concord Wind Power in respect of its 70% shareholding interest in the Lessee B; and (iv) the mortgage given by the Lessee B in respect of the Equipment. The Security Documents B and the Finance Lease Agreement B 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 B, the Lessee B has the option to buy back the Equipment at a consideration of RMB1.

CONDITION PRECEDENT

Each of the Finance Lease Arrangements shall not take effect until it has been approved by the Shareholders at the special general meeting of the Company. If the Shareholders do not approve a Finance Lease Arrangement at the said special general meeting, such Finance Lease Arrangement will have no legal effect, and will not be legally binding against the parties.

LETTER FROM THE BOARD

PREVIOUS FINANCE LEASE ARRANGEMENTS

Previous China Resources Transactions

On 12 September 2024, the Lessee A entered into a finance lease arrangement with the Financier A, details of which are set out in the announcement of the Company dated 12 September 2024. On 6 June 2024, a wholly-owned subsidiary of the Group, namely Eryuan Century Concord Solar Power Co., Ltd.* (洱源協合太陽能發電有限公司), entered into a finance lease arrangement with the Financier A, details of which are set out in the announcement of the Company dated 12 September 2024.

Previous Yuexiu Transactions

On 1 November 2024, the Lessee B entered into a finance lease arrangement with Guangzhou Yuexiu, details of which are set out in the announcement of the Company dated 1 November 2024. On 24 June 2024, Wuhe Century Concord Yinmahu Wind Power Co., Ltd.* (五河協合飲馬湖風力發電有限公司), a wholly-owned subsidiary of the Company, entered into a finance lease arrangement with the Financier B, details of which are set out in the announcement of the Company dated 24 June 2024.

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 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 unaudited book values of the Auxiliary Facilities and the Equipment as at 31 October 2024 were RMB300 million and approximately RMB271.33 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. The Finance Lease Arrangements have no material effect on the assets and liabilities of the Company as a whole.

INTENDED USE OF PROCEEDS

The Company will generate a net proceed of approximately RMB571.33 million under the Finance Lease Arrangements, which will be used as general working capital to finance the business operation and activities of the Group within its ordinary course of business, including the purchase of power equipment, and construction of power plants.

INFORMATION ON 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 A is a wholly-owned subsidiary of the Company and is principally engaged in the construction and operation of photovoltaic energy storage power station projects in the PRC.

LETTER FROM THE BOARD

The Lessee B is an 70%-owned subsidiary of the Company and is principally engaged in the construction and operation of wind power generation projects in the PRC.

The Financier A is principally engaged in the business of finance leasing. Insofar as the Company is aware, as at the date of this circular, the Financier A is owned as to approximately 54.75% by China Resource Leasing (HK) Co., Ltd. (which is ultimately wholly-owned by the State-owned Assets Supervision and Administration Commission of the PRC* (中國國有資產監督管理委員會)), as to approximately 18.25% by China Resources Pharmaceutical Holdings Company Limited* (華潤醫藥控股有限公司) (which is ultimately wholly-owned by China Resources), as to approximately 18.25% by China Resources Pharmaceutical Commercial Group Company Limited* (華潤醫藥商業集團有限公司) (which is ultimately wholly-owned by China Resources), and as to approximately 8.75% by Shenzhen Guangju Investment Holdings (Group) Company Limited* (深圳市廣聚投資控股(集團)有限公司) (which is ultimately controlled by the Shenzhen State-owned Assets Supervision and Administration Commission* (深圳市國有資產監督管理委員會)).

The Financier B is principally engaged in the business of finance leasing. Insofar as the Company is aware, as at the date of this circular, the Financier B is indirectly wholly-owned by Yuexiu Holdings.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Financier A, the Financier B and their respective ultimate beneficial owners 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 Finance Lease Arrangement A exceeds 5% but is less than 25%, the Finance Lease Arrangement A 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 China Resources Transactions were entered into within a 12-month period before the date of the Finance Lease Agreement A, the Finance Lease Arrangement A and the Previous China Resources Transactions shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeding 25% but less than 75%. Hence, the Finance Lease Arrangement A 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 highest Applicable Percentage Ratio for the Finance Lease Arrangement B exceeds 5% but is less than 25%, the Finance Lease Arrangement B 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 Yuexiu Transactions were entered into within a 12-month period before the date of the Purchase Agreement B, the Finance Lease Arrangement B and the Previous Yuexiu Transactions shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeding 25% but less than 75%. Hence, the Finance Lease Arrangement B 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.

LETTER FROM THE BOARD

The SGM will be convened by the Company to consider and, if thought fit, approve the Finance Lease Arrangements by the Shareholders.

SPECIAL GENERAL MEETING

The SGM will be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Monday, 13 January 2025 at 10:00 a.m. for the Shareholders to consider and, if thought fit, approve, the Finance Lease Arrangements. A notice convening the SGM and a form of proxy for use at the SGM are enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong not less than 48 hours (i.e. 10:00 a.m. on Saturday, 11 January 2025) before the time fixed for holding of the SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so desire.

In compliance with the Listing Rules, the resolutions put to vote at the SGM will be decided by way of poll. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders have any material interests in the Finance Lease Arrangements, and are required to abstain from voting on the relevant resolutions at the SGM.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Finance Lease Arrangements are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolutions in relation to the Finance Lease Arrangements to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out elsewhere in this circular and in the appendices to it.

Yours faithfully,
For and on behalf of the Board
Concord New Energy Group Limited
Liu Shunxing
Chairman

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2023 AND THE SIX MONTHS ENDED 30 JUNE 2024

Consolidated financial information of the Group for each of the three years ended 31 December 2023, and the six months ended 30 June 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnegroup.com) respectively:

- Interim Report 2024 (pages 42 to 80):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092702279.pdf>
- Annual Report 2023 (pages 93 to 304):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0422/2024042200343.pdf>
- Annual Report 2022 (pages 93 to 292):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042805169.pdf>
- Annual Report 2021 (pages 95 to 300):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0401/2022040104047.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 30 November 2024, being the latest practicable date for ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding bank borrowings of approximately RMB6,376 million (the interest rates for such bank borrowings being between 2.2% and 6.95%). Among these bank borrowings, there were (i) unsecured and guaranteed bank loans of approximately RMB414 million, and (ii) secured and guaranteed bank loans of approximately RMB5,962 million, which were secured by fixed assets with net carrying value of approximately RMB10 million, account receivables with carrying value of approximately RMB210 million and share capital with net carrying value of approximately RMB439 million. Guarantees for the said bank loans were provided by the Company, Century Concord Wind Power and/or Yongzhou Jiepai Century Concord Wind Power Co., Ltd.* (永州界牌協合風力發電有限公司), a wholly-owned subsidiary of the Company.

Besides, the Group had outstanding finance leases from third parties of approximately RMB11,902 million (the interest rates for such finance leases being between 3.2% and 5.74%), which was guaranteed by the Company and/or subsidiaries of the Company, and was secured by fixed assets with net carrying value of approximately RMB4,958 million, account receivables with carrying value of approximately RMB1,111 million and share capital with net carrying value of approximately RMB2,890 million. There was a contingent liability of approximately RMB398 million, which was guaranteed by the Company and/or subsidiaries of the Company and was unsecured.

Save as disclosed above and apart from intra-group liabilities, as at 30 November 2024, the Group did not have any other outstanding mortgages, charges, debentures, loan capital, bank loans or overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance creditors, or guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that taking into account the financial resources available to the Group including internally generated funds and the available banking facilities and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position or outlook of the Company since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the first half of 2024, the Group's attributable power generation achieved steady growth, and project development saw further successes. The Group secured new investment projects totaling 720 MW within the PRC. Additionally, the Group obtained approvals/registrations for wind and solar power projects with a combined capacity of 1,250 MW. The scale of projects under construction remained high, business operations progressed smoothly, and the financing structure was continually optimized.

The Group's key performance indicators exhibited a steady progress trajectory, with attributable installed capacity and revenue showing sustained growth. As of 30 June 2024, the Group's attributable installed capacity for grid-connected wind and solar PV power plants was 4,050 MW.

The Group's revenue from continuing operations saw an approximately 31.7% increase from approximately RMB1,331 million for the six months ended 30 June 2023 to approximately RMB1,753 million for the six months ended 30 June 2024. The Group's net profit from continuing operations saw an approximately 9.52% increase from approximately RMB500 million for the six months ended 30 June 2023 to approximately RMB547 million for the six months ended 30 June 2024. The said increase in revenue and net profit was mainly due to the growth in power generation and installed capacity of power plants.

In the first half of 2024, the Group's green power trading volume reached 400 million kWh, demonstrating a significant increase that contributed to revenue and profitability growth. Additionally, we continued to strengthen green certificate marketing efforts, signing new contracts for over 3.8

million green certificates, and increased green certificate revenue to RMB19,716,000. Additionally, the Group expanded long-term green certificate sales agreements with key customers, making future revenue more predictable.

Looking ahead, technological innovation will continue to drive the global energy transition. The United States has joined a global rate-cutting cycle, and a further decline in the PRC's reserve requirement ratio and financing rates is anticipated. These changes are expected to lower financing costs for renewable energy power plants and thereby promote sustained growth in renewable energy investment.

The Group will steadfastly adhere to its established development strategy direction, accurately identify and capitalize on new industry trends, keep pace with changes, and focus on its strengths.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executives' interests and/or short positions in the shares, underlying shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, save as disclosed below, none of the Directors had any interests in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which he/she was taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares:

Name of the Directors	Nature of interest				Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate/Trust	Total	
Liu Shunxing	37,500,000 ⁽¹⁾	–	1,754,714,242 ⁽¹⁾	1,792,214,242	22.27
Liu Jianhong	29,710,000 ⁽²⁾	–	150,000,000 ⁽²⁾	179,710,000	2.23
Gui Kai	15,600,000 ⁽³⁾	–	–	15,600,000	0.19
Niu Wenhui	16,000,000 ⁽³⁾	–	–	16,000,000	0.20
Zhai Feng	4,000,000 ⁽³⁾	–	–	4,000,000	0.05
Shang Jia	8,000,000 ⁽³⁾	–	–	8,000,000	0.10
Chan Kam Kwan, Jason	3,800,000 ⁽³⁾	–	–	3,800,000	0.05
Jesse Zhixi Fang	2,800,000 ⁽³⁾	–	–	2,800,000	0.03
Huang Jian	2,800,000 ⁽³⁾	–	–	2,800,000	0.03
Zhang Zhong	2,800,000 ⁽³⁾	–	–	2,800,000	0.03

Notes:

- (1) As at the Latest Practicable Date: (i) 1,002,877,155 Shares were held by China Wind Power Investment Limited (“**CWPI**”) and 751,837,087 Shares were held by Splendor Power Limited; (ii) CWPI was wholly-owned by CNE Group Limited (formerly known as Permanent Growth Limited); (iii) Mr. Liu Shunxing held 46.77% of the total issued shares of CNE Group Limited and held 99% of the total issued shares of Splendor Power Limited; and (iv) Mr. Liu Shunxing had interest in 37,500,000 Shares as beneficial owner under the SFO.
- (2) As at the Latest Practicable Date: (i) 150,000,000 Shares were held by a discretionary trust for which Ms. Liu Jianhong was the founder and settlor; and (ii) Ms. Liu Jianhong had interest in 29,710,000 Shares as beneficial owner under the SFO.
- (3) As at the Latest Practicable Date, the Director had interest as beneficial owner under the SFO in respect of such number of the Shares.

(ii) Directors’ other interests

- (a) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 December 2023, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.
- (c) As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.
- (d) As at the Latest Practicable Date, save for Mr. Liu Shunxing (“**Mr. Liu**”) and Ms. Liu Jianhong being the directors of China Wind Power Investment Limited and CNE Group Limited, and Mr. Liu being a director of Splendor Power Limited, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which fell to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACT

As at the Latest Practicable Date, the Group had not entered into any material contracts (not being contracts entered into in the ordinary course of business of the Group) within the two years preceding the date of this circular.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of any compensation (other than statutory compensation)).

6. SECRETARY OF THE COMPANY

The secretary of the Company is Mr. Chan Kam Kwan, Jason. Mr. Chan holds a certificate of Certified Public Accountant issued by the Washington State Board of Accountancy in the United States, and has extensive experience acting as a company secretary for listed companies.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cnegroup.com) for a period of 14 days from the date of this circular:

- the Finance Lease Agreement A;
- the Finance Lease Agreement B; and
- the Purchase Agreement B.

8. MISCELLANEOUS

The Company's Hong Kong branch share registrar and transfer office is Tricor Tengis Limited, 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong.

The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text.

NOTICE OF SGM



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)

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of Concord New Energy Group Limited (the “Company”) will be held at Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on Monday, 13 January 2025 at 10:00 a.m. to consider and, if thought fit, pass the following ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the Finance Lease Agreement A (as defined in the circular of the Company dated 24 December 2024), a copy of which is tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two directors of the Company be and are hereby authorised to execute all such documents and to do all such acts as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient.”
2. **“THAT** the Finance Lease Agreement B (as defined in the circular of the Company dated 24 December 2024) and the Purchase Agreement B (as defined in the said circular), copies of which are tabled at the SGM, and the transactions contemplated thereunder be and are hereby approved, confirmed, authorised and ratified, and any one or two directors of the Company be and are hereby authorised to execute all such documents and to do all such acts as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient to give effect to the transactions contemplated thereunder with such changes as he/she/they may in his/her/their absolute opinion deem necessary, desirable or expedient.”

For and on behalf of
Concord New Energy Group Limited
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 24 December 2024

** For identification purposes only*

NOTICE OF SGM

Notes:

1. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or (in respect of any shareholder of two or more shares) more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's branch share registrar, Tricor Tengis Limited at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Admiralty, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. 10:00 a.m. on Saturday, 11 January 2025) before the time fixed for holding the meeting or adjourned meeting (as the case may be). Proxy forms sent electronically or by any other data transmission process will not be accepted.
3. Completion and return of the form of proxy will not preclude a member from attending the SGM or at any adjournment thereof (as the case may be) and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a black rainstorm warning is in effect at any time after 8:00 a.m. on Monday, 13 January 2025, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
5. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date hereof, 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, Mr. Chua Pin, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).