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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 ARRANGEMENTS**

The Board is pleased to announce that after trading hour on 23 September 2021:

1. the Lessee A and the Financier agreed on the Finance Lease Arrangement A1 by way of entering into the Finance Lease Agreement A1, pursuant to which the Financier shall purchase the Auxiliary Facilities A1 from the Lessee A at a purchase price of RMB56.76 million for the purposes of leasing the Auxiliary Facilities A1 back to the Lessee A for the Finance Period A1 in consideration of the Lessee A paying to the Financier the quarterly Lease Payments;
2. the Lessee A and the Financier agreed on the Finance Lease Arrangement A2 by way of entering into the Finance Lease Agreement A2, pursuant to which the Financier shall purchase the Auxiliary Facilities A2 from the Lessee A at a purchase price of RMB130 million for the purposes of leasing the Auxiliary Facilities A2 back to the Lessee A for the Finance Period A2 in consideration of the Lessee A paying to the Financier the quarterly Lease Payments;
3. the Lessee B and the Financier agreed on the Finance Lease Arrangement B1 by way of entering into the Finance Lease Agreement B1, pursuant to which the Financier shall purchase the Auxiliary Facilities B1 from the Lessee B at a purchase price of approximately RMB56.35 million for the purposes of leasing the Auxiliary Facilities B1 back to the Lessee B for the Finance Period B1 in consideration of the Lessee B paying to the Financier the quarterly Lease Payments;

4. the Lessee B and the Financier agreed on the Finance Lease Arrangement B2 by way of entering into the Finance Lease Agreement B2, pursuant to which the Financier shall purchase the Auxiliary Facilities B2 from the Lessee B at a purchase price of RMB80 million for the purposes of leasing the Auxiliary Facilities B2 back to the Lessee B for the Finance Period B2 in consideration of the Lessee B paying to the Financier the quarterly Lease Payments;

The Total Purchase Price under the Finance Lease Arrangements amounts to approximately RMB323.11 million.

#### **LISTING RULES IMPLICATIONS**

The highest Applicable Percentage Ratio for the Finance Lease Arrangements on an aggregated basis exceeds 5% but is less than 25%. Hence, the Finance Lease Arrangements on an aggregate basis constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that after trading hour on 23 September 2021, the Lessee A, the Lessee B and the Financier agreed on the Finance Lease Arrangements respectively by way of entering into the following agreements. Details of the Finance Lease Arrangements are set out below.

#### **FINANCE LEASE AGREEMENT A1**

Date: 23 September 2021

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

Subject asset: The Auxiliary Facilities A1, which shall be acquired by the Financier from the Lessee A and then leased back to the Lessee A from the Financier.

Purchase price:

The Purchase Price A1 payable by the Financier to the Lessee A for the acquisition of the Auxiliary Facilities A1 shall be RMB56.76 million (approximately HK\$68.39 million), which was determined after arm's length negotiation between the Lessee A and the Financier with reference to the total sub-contract prices for the construction of the Auxiliary Facilities A1 and the amount of refinancing need as mentioned below. The Purchase Price A1 will be used to refinance the existing finance lease arrangement in respect of the Auxiliary Facilities A1 between the Financier (as financier) and the Lessee A (as the lessee) entered into on 18 October 2019 for a lease period of 11 years ending on 31 October 2030 (the “**Existing Finance Lease Arrangement A**”). The Purchase Price A1 equals to the outstanding principal owed by the Lessee A to the Financier under the Existing Finance Lease Arrangement A. After the said refinancing, the Existing Finance Lease Arrangement A will be ended. As at the date of this announcement, the Auxiliary Facilities A1 have been acquired and constructed. The total sub-contract prices for the construction of the Auxiliary Facilities A1 were 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.

The Purchase Price A1 shall be paid after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement A2 and other agreements contemplated by the aforesaid agreement having been entered into and becoming effective;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement A1 by the Lessee A and the relevant guarantors thereunder, and there being no material adverse change to the credit worthiness of the Lessee A and the relevant guarantors thereunder;
- (c) the Financier having received the security deposit and handling fee under the Finance Lease Agreement A1;
- (d) all the Security Documents A having been executed and all the relevant registration and other procedures to give effect to the transactions contemplated under the Security Documents A having been completed;

- (e) there being no material changes to the industry in which the Lessee A operates; and there being no material adverse change to, nor any negative public opinion and information in respect of the Lessee A and its affiliated companies, ultimate controller(s) and shareholder(s);
- (f) there being no material change to the overall economic situation, fiscal, taxation and financial policies, or government regulatory measures on the financial industry, and the financial industry situation in the PRC, and the financing cost not having increased significantly; and
- (g) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement A1 having been provided to the Financier or completed.

If the above conditions are not fulfilled on or before 14 March 2022, the Financier may terminate the Finance Lessee Agreement A1 without any liability to the Lessee A. It is expected that the Purchase Price A1 will be paid before 30 September 2021.

Finance Period A1: A period of 14 years commencing from the date of the payment of the Purchase Price A1.

Lease payments and interest rate: The Lessee A shall pay quarterly Lease Payments to the Financier during the Finance Period A1. The total Lease Payments represents the Purchase Price A1 paid by the Financier for the acquisition of the Auxiliary Facilities A1 plus interest attributable to the Finance Lease Arrangement A1 to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate equal to the relevant 5-year or above LPR plus 1.181%. The relevant LPR for the first Lease Payment is the LPR announced on 20 July 2021, being 4.65%, which gives rise to an applicable interest rate of 5.831% for the first Lease Payment. The applicable interest rate will be adjusted annually on each anniversary of the commencement date of the Finance Period A1, which will, after adjustment, equal to the LPR in the month before such anniversary plus 1.181%. Assuming the applicable interest rate was 5.831% throughout the Finance Period A1, the total Lease Payments would be approximately RMB86.25 million (approximately HK\$103.91 million). The Lease Payments and the applicable interest rate were determined after arm's length negotiation between the Lessee A and the Financier. The applicable interest rate for the first Lease Payment equals to the applicable interest rate under the Existing Finance Lease Arrangement A (which had been determined with reference to the then prevailing market cost of buildings and auxiliary facilities finance lease) as at the date of the Finance Lease Agreement A1.

Security documents: As security for the due performance of all the Lessee A's obligations under the Finance Lease Agreement A1, the Lessee A, the Company and certain wholly-owned subsidiaries of the Company (namely Century Concord Wind Power and Yongzhou Jiepai) shall, in favour of the Financier, execute the security documents (the "**Security Documents A**") consisting of (i) the guarantees given by the Company and Century Concord Wind Power respectively; (ii) the mortgage given by the Lessee A in respect of the Auxiliary Facilities A1 and the Auxiliary Facilities A2; (iii) the pledge given by Yongzhou Jiepai in respect of its entire shareholding interest in the Lessee A, and (iv) the pledge given by the Lessee A in respect of its electricity incomes arising from the operation of the Power Plant A. The Finance Lease Agreement A1 and the Security Documents A have no material adverse effect on the operation and management of the Group's business.

Security deposit: An amount of RMB2.4 million shall be paid by the Lessee A to the Financier as deposit to secure the due performance of the Lessee A's payment obligations under the Finance Lease Agreement A1, which shall be paid 5 working days before the payment of the Purchase Price A1.

Handling fee: The Lessee A shall pay to the Financier a handling fee of approximately RMB1.03 million, which shall be paid 5 working days before the payment of the Purchase Price A1.

Buyback option: Upon the expiry of the Finance Period A1, the Lessee A has the option to buy back the Auxiliary Facilities A1 from the Financier at a consideration of RMB10,000.

## **FINANCE LEASE AGREEMENT A2**

Date: 23 September 2021

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

Subject asset: The Auxiliary Facilities A2, which shall be acquired by the Financier from the Lessee A and then leased back to the Lessee A from the Financier.

Purchase price:

The Purchase Price A2 payable by the Financier to the Lessee A for the acquisition of the Auxiliary Facilities A2 shall be RMB130 million (approximately HK\$156 million), which was determined after arm's length negotiation between the Lessee A and the Financier with reference to the total sub-contract prices for the construction of the Auxiliary Facilities A2 and the amount of financing needs required by the Group under the Finance Lease Arrangement A2. As at the date of this announcement, the Auxiliary Facilities A2 have been acquired and constructed. The total sub-contract prices for the construction of the Auxiliary Facilities A2 were 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.

The Purchase Price A2 shall be paid after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement A1 and other agreements contemplated by the aforesaid agreement having been entered into and becoming effective;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement A2 by the Lessee A and the relevant guarantors thereunder, and there being no material adverse change to the credit worthiness of Lessee A and the relevant guarantors thereunder;
- (c) the Financier having received the security deposit and handling fee under the Finance Lease Agreement A2;
- (d) all conditions precedent for the payment of the Purchase Price A1 under the Finance Lease Agreement A1 having been fulfilled and remaining to be fulfilled;
- (e) there being no material changes to the industry in which the Lessee A operates; and there being no material adverse change to, nor any negative public opinion and information in respect of the Lessee A and its affiliated companies, ultimate controller(s) and shareholder(s);

- (f) there being no material change to the overall economic situation, fiscal, taxation and financial policies, or government regulatory measures on the financial industry, and the financial industry situation in the PRC, and the financing cost not having increased significantly; and
- (g) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement A2 having been provided to the Financier or completed.

If the above conditions are not fulfilled on or before 14 March 2022, the Financier may terminate the Finance Lessee Agreement A2 without any liability to the Lessee A. It is expected that the Purchase Price A2 will be paid before 30 September 2021.

Finance Period A2: A period of 14 years commencing from the date of the payment of the Purchase Price A2.

Lease payments and interest rate: The Lessee A shall pay quarterly Lease Payments to the Financier during the Finance Period A2. The total Lease Payments represents the Purchase Price A2 paid by the Financier for the acquisition of the Auxiliary Facilities A2 plus interest attributable to the Finance Lease Arrangement A2 to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate equal to the relevant 5-year or above LPR plus 0.6975%. The relevant LPR for the first Lease Payment is the LPR announced on 20 July 2021, being 4.65%, which gives rise to an applicable interest rate of 5.3475% for the first Lease Payment. The applicable interest rate will be adjusted annually on each anniversary of the commencement date of the Finance Period A2, which will, after adjustment, equal to the LPR in the month before such anniversary plus 0.6975%. Assuming the applicable interest rate was 5.3475% throughout the Finance Period A2, the total Lease Payments would be approximately RMB185.51 million (approximately HK\$223.50 million). The Lease Payments and the applicable interest rate were determined after arm's length negotiation between the Lessee A and the Financier with reference to the prevailing market cost of buildings and auxiliary facilities finance lease.

**Security documents:** As security for the due performance of all the Lessee A's obligations under the Finance Lease Agreement A2, the Lessee A, the Company, Century Concord Wind Power and Yongzhou Jiepai shall, in favour of the Financier, execute the Security Documents A mentioned above under the paragraph headed "Finance Lease Agreement A1 – Security documents" in this announcement. The Finance Lease Agreement A2 and the Security Documents A have no material adverse effect on the operation and management of the Group's business.

**Security deposit:** An amount of RMB5.2 million, shall be paid by the Lessee A to the Financier as deposit to secure the due performance of the Lessee A's payment obligations under the Finance Lease Agreement A2, which shall be paid 5 working days before the payment of the Purchase Price A2.

**Handling fee:** The Lessee A shall pay to the Financier a handling fee of RMB1.3 million, which shall be paid 5 working days before the payment of the Purchase Price A2.

**Buyback option:** Upon the expiry of the Finance Period A2, the Lessee A has the option to buy back the Auxiliary Facilities A2 from the Financier at a consideration of RMB10,000.

## **FINANCE LEASE AGREEMENT B1**

**Date:** 23 September 2021

**Parties:** (i) the Financier as the purchaser and the lessor; and  
(ii) the Lessee B as the seller and the lessee.

**Subject asset:** The Auxiliary Facilities B1, which shall be acquired by the Financier from the Lessee B and then leased back to the Lessee B from the Financier.

Purchase price: The Purchase Price B1 payable by the Financier to the Lessee B for the acquisition of the Auxiliary Facilities B1 shall be approximately RMB56.35 million (approximately HK\$67.89 million), which was determined after arm's length negotiation between the Lessee B and the Financier with reference to the total sub-contract prices for the construction of the Auxiliary Facilities B1 and the amount of refinancing need as mentioned below. The Purchase Price B1 will be used to refinance the existing finance lease arrangement in respect of the Auxiliary Facilities B1 between the Financier (as financier) and the Lessee B (as the lessee) entered into on 18 October 2019 for a lease period of 10 years ending on 31 October 2029 (the “**Existing Finance Lease Arrangement B**”). The Purchase Price B1 equals to the outstanding principal owed by the Lessee B to the Financier under the Existing Finance Lease Arrangement B. After the said refinancing, the Existing Finance Lease Arrangement B will be ended. As at the date of this announcement, the Auxiliary Facilities B1 have been acquired and constructed. The total sub-contract prices for the construction of the Auxiliary Facilities B1 were 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.

The Purchase Price B1 shall be paid after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement B2 and other agreements contemplated by the aforesaid agreement having been entered into and becoming effective;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement B1 by the Lessee B and the relevant guarantors thereunder, and there being no material adverse change to the credit worthiness of the Lessee B and the relevant guarantors thereunder;
- (c) the Financier having received the security deposit and handling fee under the Finance Lease Agreement B1;
- (d) all the Security Documents B having been executed and all the relevant registration and other procedures to give effect to the transactions contemplated under the Security Documents B having been completed;

- (e) there being no material changes to the industry in which the Lessee B operates; and there being no material adverse change to, nor any negative public opinion and information in respect of the Lessee B and its affiliated companies, ultimate controller(s) and shareholder(s);
- (f) there being no material change to the overall economic situation, fiscal, taxation and financial policies, or government regulatory measures on the financial industry, and the financial industry situation in the PRC, and the financing cost not having increased significantly; and
- (g) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement B1 having been provided to the Financier or completed.

If the above conditions are not fulfilled on or before 14 March 2022, the Financier may terminate the Finance Lessee Agreement B1 without any liability to the Lessee B. It is expected that the Purchase Price B1 will be paid before 30 September 2021.

Finance Period B1: A period of 14 years commencing from the date of the payment of the Purchase Price B1.

Lease payments and interest rate: The Lessee B shall pay quarterly Lease Payments to the Financier during the Finance Period B1. The total Lease Payments represents the Purchase Price B1 paid by the Financier for the acquisition of the Auxiliary Facilities B1 plus interest attributable to the Finance Lease Arrangement B1 to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate equal to the relevant 5-year or above LPR plus 1.328%. The relevant LPR for the first Lease Payment is the LPR announced on 20 July 2021, being 4.65%, which gives rise to an applicable interest rate of 5.978% for the first Lease Payment. The applicable interest rate will be adjusted annually on each anniversary of the commencement date of the Finance Period B1, which will, after adjustment, equal to the LPR in the month before such anniversary plus 1.328%. Assuming the applicable interest rate was 5.978% throughout the Finance Period B1, the total Lease Payments would be approximately RMB87.52 million (approximately HK\$105.45 million). The Lease Payments and the applicable interest rate were determined after arm's length negotiation between the Lessee B and the Financier. The applicable interest rate for the first Lease Payment equals to the applicable interest rate under the Existing Finance Lease Arrangement B (which had been determined with reference to the then prevailing market cost of buildings and auxiliary facilities finance lease) as at the date of the Finance Lease Agreement B1.

- Security documents: As security for the due performance of all the Lessee B’s obligations under the Finance Lease Agreement B1, the Lessee B, the Company, Century Concord Wind Power and Yongzhou Jiepai shall, in favour of the Financier, execute the security documents (the “**Security Documents B**”) consisting of (i) the guarantees given by the Company and Century Concord Wind Power respectively; (ii) the mortgages given by the Lessee B in respect of the Auxiliary Facilities B1 and the Auxiliary Facilities B2, and the land owned by the Lessee B respectively; (iii) the pledge given by Yongzhou Jiepai in respect of its entire shareholding interest in the Lessee B, and (iv) the pledge given by the Lessee B in respect of its electricity incomes arising from the operation of the Power Plant B. The Finance Lease Agreement B1 and the Security Documents B have no material adverse effect on the operation and management of the Group’s business.
- Security deposit: An amount of RMB2.28 million shall be paid by the Lessee B to the Financier as deposit to secure the due performance of the Lessee B’s payment obligations under the Finance Lease Agreement B1, which shall be paid 5 working days before the payment of the Purchase Price B1.
- Handling fee: The Lessee B shall pay to the Financier a handling fee of approximately RMB0.46 million, which shall be paid 5 working days before the payment of the Purchase Price B1.
- Buyback option: Upon the expiry of the Finance Period B1, the Lessee B has the option to buy back the Auxiliary Facilities B1 from the Financier at a consideration of RMB10,000.

## **FINANCE LEASE AGREEMENT B2**

- Date: 23 September 2021
- Parties: (i) the Financier as the purchaser and the lessor; and  
(ii) the Lessee B as the seller and the lessee.
- Subject asset: The Auxiliary Facilities B2, which shall be acquired by the Financier from the Lessee B and then leased back to the Lessee B from the Financier.

Purchase price:

The Purchase Price B2 payable by the Financier to the Lessee B for the acquisition of the Auxiliary Facilities B2 shall be RMB80 million (approximately HK\$96.39 million), which was determined after arm's length negotiation between the Lessee B and the Financier with reference to the total sub-contract prices for the construction of the Auxiliary Facilities B2 and the amount of financing needs required by the Group under the Finance Lease Arrangement B2. As at the date of this announcement, the Auxiliary Facilities B2 have been acquired and constructed. The total sub-contract prices for the construction of the Auxiliary Facilities B2 were 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.

The Purchase Price B2 shall be paid after the fulfilment of the following conditions:

- (a) the Finance Lease Agreement B1 and other agreements contemplated by the aforesaid agreement having been entered into and becoming effective;
- (b) there being no material breaches of any provisions of the agreements under the Finance Lease Arrangement B2 by the Lessee B and the relevant guarantors thereunder, and there being no material adverse change to the credit worthiness of Lessee B and the relevant guarantors thereunder;
- (c) the Financier having received the security deposit and handling fee under the Finance Lease Agreement B2;
- (d) all conditions precedent for the payment of the Purchase Price B1 under the Finance Lease Agreement B1 having been fulfilled and remaining to be fulfilled;
- (e) there being no material changes to the industry in which the Lessee B operates; and there being no material adverse change to, nor any negative public opinion and information in respect of the Lessee B and its affiliated companies, ultimate controller(s) and shareholder(s);
- (f) there being no material change to the overall economic situation, fiscal, taxation and financial policies, or government regulatory measures on the financial industry, and the financial industry situation in the PRC, and the financing cost not having increased significantly; and

- (g) all other documents or relevant procedures as required by the Financier or the Finance Lease Agreement B2 having been provided to the Financier or completed.

If the above conditions are not fulfilled on or before 14 March 2022, the Financier may terminate the Finance Lessee Agreement B2 without any liability to the Lessee B. It is expected that the Purchase Price B2 will be paid before 30 September 2021.

Finance Period B2: A period of 14 years commencing from the date of the payment of the Purchase Price B2.

Lease payments and interest rate: The Lessee B shall pay quarterly Lease Payments to the Financier during the Finance Period B2. The total Lease Payments represents the Purchase Price B2 paid by the Financier for the acquisition of the Auxiliary Facilities B2 plus interest attributable to the Finance Lease Arrangement B2 to be determined based on the following applicable interest rate.

The applicable interest rate is a floating interest rate equal to the relevant 5-year or above LPR plus 0.75795%. The relevant LPR for the first Lease Payment is the LPR announced on 20 July 2021, being 4.65%, which gives rise to an applicable interest rate of 5.40795% for the first Lease Payment. The applicable interest rate will be adjusted annually on each anniversary of the commencement date of the Finance Period B2, which will, after adjustment, equal to the LPR in the month before such anniversary plus 0.75795%. Assuming the applicable interest rate was 5.40795% throughout the Finance Period B2, the total Lease Payments would be approximately RMB114.58 million (approximately HK\$138.05 million). The Lease Payments and the applicable interest rate were determined after arm's length negotiation between the Lessee B and the Financier with reference to the prevailing market cost of buildings and auxiliary facilities finance lease.

Security documents: As security for the due performance of all the Lessee B's obligations under the Finance Lease Agreement B2, the Lessee B, the Company, Century Concord Wind Power and Yongzhou Jiepai shall, in favour of the Financier, execute the Security Documents B as mentioned above under the paragraph headed "Finance Lease Agreement B1 – Security documents" in this announcement. The Finance Lease Agreement B2 and the Security Documents B have no material adverse effect on the operation and management of the Group's business.

- Security deposit: An amount of RMB3.2 million, shall be paid by the Lessee B to the Financier as deposit to secure the due performance of the Lessee B's payment obligations under the Finance Lease Agreement B2, which shall be paid 5 working days before the payment of the Purchase Price B2.
- Handling fee: The Lessee B shall pay to the Financier a handling fee of RMB0.80 million, which shall be paid 5 working days before the payment of the Purchase Price B2.
- Buyback option: Upon the expiry of the Finance Period B2, the Lessee B has the option to buy back the Auxiliary Facilities B2 from the Financier at a consideration of RMB10,000.

## PREVIOUS FINANCE LEASE ARRANGEMENTS

In September 2020, and April and May 2021, certain subsidiaries of the Group entered into several finance lease arrangements with the Financier, details of which are set out in the announcements of the Company dated 11 September 2020 and 6 May 2021, and the circular of the Company dated 21 June 2021.

On 9 September 2021, Jingmen Shengjingshan Wind Power Co., Ltd.\* (荊門聖境山風力發電有限公司) (“**Jingmen Shengjingshan**”) (a wholly-owned subsidiary of the Company) and the Financier entered into a finance lease agreement, pursuant to which the Financier purchased certain auxiliary facilities of the power plant of Jingmen Shengjingshan (the “**Shengjingshan Auxiliary Facilities 1**”) from Jingmen Shengjingshan at a purchase price of RMB34 million expectedly before 30 September 2021 and Jingmen Shengjingshan has leased the Shengjingshan Auxiliary Facilities 1 back from the Financier for a lease period of 14 years, which is expected to be commenced before 30 September 2021, at an applicable interest rate, which is a floating interest rate equal to the relevant 5-year or above LPR plus 1.426%. The relevant LPR for the first quarterly lease payment is the LPR announced on 20 July 2021, being 4.65%, which gives rise to an applicable interest rate of 6.076% for the first lease payment (which was determined with reference to the applicable interest rate as at the date of this financial lease agreement under the existing finance lease arrangement in respect of the Shengjingshan Auxiliary Facilities 1 mentioned below). The applicable interest rate will be adjusted annually on each anniversary of the commencement date of the finance period, which will, after adjustment, equal to the LPR in the month before such anniversary plus 1.426%. Assuming the applicable interest rate was 6.076% throughout that lease period, the total lease payments under that finance lease agreement would be approximately RMB53.32 million. The principal terms of that finance lease agreement are materially the same as the Finance Lease Agreement A1. The purchase price for that finance lease agreement will be used to refinance the existing finance lease arrangement in respect of the Shengjingshan Auxiliary Facilities 1 between the Financier (as financier) and Jingmen Shengjingshan (as the lessee) entered into on 28 August 2018 for a lease period of 5 years ending on 31 August 2023. The said purchase price equals to the outstanding principal owed by Jingmen Shengjingshan to the Financier under the said existing finance lease arrangement. After the said refinancing, the said existing finance lease arrangement will be ended.

On 9 September 2021, Jingmen Shengjingshan and the Financier entered into another finance lease agreement, pursuant to which the Financier shall purchase other auxiliary facilities of the power plant of Jingmen Shengjingshan (the “**Shengjingshan Auxiliary Facilities 2**”) from Jingmen Shengjingshan at a purchase price of RMB130 million expectedly before 30 September 2021 and Jingmen Shengjingshan shall lease the Shengjingshan Auxiliary Facilities 2 back from the Financier for a lease period of 14 years, which is expected to be commenced before 30 September 2021, at an applicable interest rate, which is a floating interest rate equal to the relevant 5-year or above LPR plus 0.744%, which was determined with reference to the then prevailing market cost of buildings and auxiliary facilities finance lease. The relevant LPR for the first quarterly lease payment is the LPR announced on 20 July 2021, being 4.65%, which gives rise to an applicable interest rate of 5.394% for the first lease payment. The applicable interest rate will be adjusted annually on each anniversary of the commencement date of the finance period, which will, after adjustment, equal to the LPR in the month before such anniversary plus 0.744%. Assuming the applicable interest rate was 5.394% throughout that lease period, the total lease payments under that finance lease agreement would be approximately RMB187.34 million. The principal terms of that finance lease agreement are materially the same as the Finance Lease Agreement B2.

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

The entering into the Finance Lease Arrangements and the Previous 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 buildings and auxiliary facilities as required for its operations. The Directors consider that the terms of the Finance Lease Arrangements and the Previous Finance Lease Arrangements are on normal commercial terms, fair and reasonable and are in the interests of the Shareholders as a whole. According to the Hong Kong Financial Reporting Standards, the transactions under the Finance Lease Arrangements and the Previous 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 disposal proceeds of approximately RMB319.51 million under the Finance Lease Arrangements, which will be used to refinance the Existing Finance Lease Arrangement A and the Existing Finance Lease Arrangement B, 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.

## **INFORMATION OF 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 and the Lessee B are wholly-owned subsidiaries of the Company and is principally engaged in the operation of wind power generation projects in the PRC.

The Financier is a company established in the PRC, which is principally engaged in the business of finance leasing. Insofar as the Company is aware, the Financier is ultimately owned as to 47.61% by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and the remaining interests are owned by independent third parties.

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

## **LISTING RULES IMPLICATIONS**

The highest Applicable Percentage Ratio for the Finance Lease Arrangements on an aggregated basis exceeds 5% but is less than 25%. The Finance Lease Arrangements on an aggregated basis constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The highest Applicable Percentage Ratio for the September 2021 Finance Lease Arrangements on an aggregated basis is less than 5%. The September, April & May Finance Lease Arrangements on an aggregated basis constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. As the Previous Finance Lease Arrangements were conducted within a 12-month period before the date of the Finance Lease Agreements, the Aggregated Transactions shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio: (i) in the case of the Aggregated Transactions as a whole, exceeding 25% but less than 75%; and (ii) in the case of aggregating the Finance Lease Arrangements with the September 2021 Finance Lease Arrangements only, exceeding 5% but not more than 25%. The Company had complied with the major transaction requirements in respect of the September, April & May Finance Lease Arrangements by 8 July 2021. Hence, the Finance Lease Arrangements are not required to be reclassified by aggregating with the Previous Finance Lease Arrangements. The Finance Lease Arrangements are therefore subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

- “Aggregated Transactions”            the transactions contemplated under the Previous Finance Lease Arrangements and the Finance Lease Arrangements;
- “Applicable Percentage Ratio”,    have the meanings ascribed to them under the Listing Rules;  
“connected person” and  
“subsidiary”

“Auxiliary Facilities A1”	tower foundations of power collection line and roads of the Power Plant A;
“Auxiliary Facilities A2”	wind turbine foundations and box-type transformer foundations of the Power Plant A;
“Auxiliary Facilities B1”	booster station and tower foundations of power collection line of the Power Plant B;
“Auxiliary Facilities B2”	wind turbine foundations and box-type transformer foundations and roads of the Power Plant B;
“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;
“Finance Lease Agreement A1”	the finance lease agreement dated 23 September 2021 between the Lessee A and the Financier for the acquisition of the Auxiliary Facilities A1 by the Financier from the Lessee A and the leasing of the Auxiliary Facilities A1 back to the Lessee A from the Financier;
“Finance Lease Agreement A2”	the finance lease agreement dated 23 September 2021 between the Lessee A and the Financier for the acquisition of the Auxiliary Facilities A2 by the Financier from the Lessee A and the leasing of the Auxiliary Facilities A2 back to the Lessee A from the Financier;
“Finance Lease Agreement B1”	the finance lease agreement dated 23 September 2021 between the Lessee B and the Financier for the acquisition of the Auxiliary Facilities B1 by the Financier from the Lessee B and the leasing of the Auxiliary Facilities B1 back to the Lessee B from the Financier;

“Finance Lease Agreement B2”	the finance lease agreement dated 23 September 2021 between the Lessee B and the Financier for the acquisition of the Auxiliary Facilities B2 by the “Financier from the Lessee B and the leasing of the Auxiliary Facilities B2 back to the Lessee B from the Financier;
“Finance Lease Agreements”	the Finance Lease Agreement A1, the Finance Lease Agreement A2, the Finance Lease Agreement B1 and the Finance Lease Agreement B2, and a “Finance Lease Agreement” means any one of them;
“Finance Lease Arrangement A1”	the transactions contemplated under the Finance Lease Agreement A1;
“Finance Lease Arrangement A2”	the transactions contemplated under the Finance Lease Agreement A2;
“Finance Lease Arrangement B1”	the transactions contemplated under the Finance Lease Agreement B1;
“Finance Lease Arrangement B2”	the transactions contemplated under the Finance Lease Agreement B2;
“Finance Lease Arrangements”	the Finance Lease Arrangement A1, the Finance Lease Arrangement A2, the Finance Lease Arrangement B1 and the Finance Lease Arrangement B2, and a “Finance Lease Arrangement” means any one of them;
“Finance Period A1”	the 14-year period, in which the Lessee A shall pay Lease Payments to the Financier and shall have the right to use the Auxiliary Facilities A1;
“Finance Period A2”	the 14-year period, in which the Lessee A shall pay Lease Payments to the Financier and shall have the right to use the Auxiliary Facilities A2;
“Finance Period B1”	the 14-year period, in which the Lessee B shall pay Lease Payments to the Financier and shall have the right to use the Auxiliary Facilities B1;
“Finance Period B2”	the 14-year period, in which the Lessee B shall pay Lease Payments to the Financier and shall have the right to use the Auxiliary Facilities B2;
“Financier”	Huaneng Tiancheng Financial Leasing Co., Ltd.* (華能天成融資租賃有限公司), a company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lease Payment(s)”	the quarterly lease payment(s) payable by the Lessee A or the Lessee B to the Financier under the Finance Lease Agreements during the Finance Period A1, the Finance Period A2, the Finance Period B1 or the Finance Period B2 in consideration of the Financier leasing the Auxiliary Facilities A1 or the Auxiliary Facilities A2 to the Lessee A, or leasing the Auxiliary Facilities B1 or the Auxiliary Facilities B2 to the Lessee B;
“Lessee A”	Jingmen Lixi Wind Power Co., Ltd.* (荊門栗溪風力發電有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Lessee B”	Xiangyang Xiangzhou Century Concord Yushan Wind Power Co., Ltd.* (襄陽襄州協合峪山風力發電有限公司), 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;
“Power Plant A”	the 48MW power plant project known as the Jingmen Lixi wind power plant project*(荊門栗溪風電場工程項目) operated by the Lessee A in Jingmen City, Hubei Province, the PRC* (中國湖北省荊門市);
“Power Plant B”	the 48MW power plant project known as the Xiangzhou Yushan wind power plant project* (襄州峪山風電場工程項目) operated by the Lessee B in Xiangyang City, Xiangzhou District, Hubei Province, the PRC (中國湖北省襄陽市);
“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 Arrangements”	the transactions contemplated under the September 2021 Finance Lease Arrangements, and the September, April & May Finance Lease Arrangements;

“Purchase Price A1”	the purchase price payable to the Lessee A by the Financier for the acquisition of the Auxiliary Facilities A1;
“Purchase Price A2”	the purchase price payable to the Lessee A by the Financier for the acquisition of the Auxiliary Facilities A2;
“Purchase Price B1”	the purchase price payable to the Lessee B by the Financier for the acquisition of the Auxiliary Facilities B1;
“Purchase Price B2”	the purchase price payable to the Lessee B by the Financier for the acquisition of the Auxiliary Facilities B2;
“RMB”	Renminbi, the lawful currency of the PRC;
“September, April & May Finance Lease Arrangements”	the transactions contemplated under the finance lease agreements entered into by certain subsidiaries of the Group with the Financier in September 2020, and April and May 2021, details of which are set out in the announcements of the Company dated 11 September 2020 and 6 May 2021, and the circular of the Company dated 21 June 2021;
“September 2021 Finance Lease Arrangements”	the transactions contemplated under the two finance lease agreements dated 9 September 2021 as described in the paragraph headed “Previous Finance Lease Arrangements” in this announcement;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Total Purchase Price”	being the sum of the Purchase Price A1, the Purchase Price A2, the Purchase Price B1 and the Purchase Price B2, which is approximately RMB323.11 million;
“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 the purposes of this announcement, an exchange rate of HK\$1.00 = RMB0.83 has been used for currency translation. Such exchange rate is for illustration purposes only and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at such rate.*

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

Hong Kong, 23 September 2021

*As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Mr. Zhai Feng and Ms. Shang Jia (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director), and Mr. Yap Fat Suan, Henry, Dr. Jesse Zhixi Fang, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).*

*\* For identification purposes only*