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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  
PURCHASE OF WIND POWER EQUIPMENT**

The Board is pleased to announce that after trading hour on 23 February 2023, the Purchaser (being a wholly-owned subsidiary of the Company) entered into the Purchase Contract with the Supplier, pursuant to which the Purchaser shall purchase the Wind Power Equipment from the Supplier at the Consideration.

**LISTING RULES IMPLICATION**

The highest Applicable Percentage Ratio for the Transaction is less than 5%. As the Previous Purchase Contracts were entered into within a 12-month period before the date of the Purchase Contract, the transactions contemplated under the Purchase Contract and the Previous Purchase Contracts shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeding 5% but less than 25%. Hence, the Transaction is required to be reclassified by aggregating with the Previous Purchase Contracts resulting in the Transaction constituting 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.

The Board is pleased to announce that after trading hour on 23 February 2023, the Purchaser entered into the Purchase Contract with the Supplier, details of which are set out below.

## PURCHASE CONTRACT

The principal terms of the Purchase Contract are as follows:

- Date : 23 February 2023
- Parties : (i) the Purchaser as the purchaser; and  
(ii) the Supplier as the supplier.
- Asset to be purchased : The Wind Power Equipment with a total power output capacity of 100MW to be used for the Wind Power Project.
- Consideration : The Consideration payable by the Purchaser to the Supplier for the purchase of the Wind Power Equipment is RMB190.62 million (inclusive of value added tax). The Consideration includes fees for technical services, technical documentation, delivery and insurance charges, and other miscellaneous charges.

The Consideration was agreed after arm's length negotiation between the Purchaser and the Supplier with reference to the market price of the major equipment and components of the Wind Power Equipment.

If the market price of the equipment and components of the Wind Power Equipment before the issue of the production schedule notice by the Purchaser is lower than the price of the same specified in the Purchase Contract, the Consideration would be adjusted with reference to the lowest market price of the same.

- Payment terms : The Consideration shall be paid by the Purchaser in instalments in the following manner based on the stages of completion of the Purchase Contract:
- (a) Advance payment: 10% of the Consideration shall be paid within 25 days after the Supplier having provided the Performance Guarantee as mentioned below to the Purchaser;

- (b) Pre-delivery payment: 20% of the Consideration shall be paid within 25 days after the Supplier having provided to the Purchaser the purchase contracts of the major component of the Wind Power Equipment and the delivery arrival schedule for the Wind Power Equipment;
- (c) Delivery progress payment: 35% of the Consideration shall be paid within 25 days after the Supplier having provided supporting documents to the Purchaser in respect of the delivery of the Wind Power Equipment;
- (d) Pre-inspection payment: 25% of the Consideration shall be paid within 25 days after the Wind Power Equipment having passed the pre-inspection as specified in the Purchase Contract; and
- (e) Warranty payment: 10% of the Consideration shall be paid within 25 days after the Supplier having provided the Quality Guarantee as mentioned below to the Purchaser.

It is expected that all the Wind Power Equipment will be delivered to the Purchaser before the end of April 2024. The Consideration shall be payable in cash, which will be financed by the internal resources and/or borrowings of the Group.

Guarantees and warranty : Within 15 days from the date of signing of the Purchase Contract, the Supplier shall provide an irrevocable performance guarantee (the “**Performance Guarantee**”) for an amount equal to 10% of the Consideration issued by a bank (which is an independent third party) in favour of the Purchaser to secure the Supplier’s due performance of its obligations under the Purchase Contract. The Performance Guarantee shall lapse on the first day of the warranty period of the Wind Power Equipment. Prior to the payment of the warranty payment as mentioned above, the Supplier shall provide an irrevocable quality guarantee (the “**Quality Guarantee**”) for an amount equal to 10% of the Consideration issued by a bank (which is an independent third party) in favour of the Purchaser to secure the Supplier’s due performance of its product quality covenants under the Purchase Contract. The Quality Guarantee shall lapse upon the issue of the final inspection certificate for all the Wind Power Equipment.

The Supplier will provide a warranty period of five years in respect of the Wind Power Equipment.

## **REASONS FOR AND BENEFIT OF THE TRANSACTION**

It is in the ordinary and usual course of business of the Group to build wind power plants in the PRC, including the Wind Power Project. The Wind Power Equipment to be acquired will be used for the Wind Power Project.

The Group evaluated the terms of the Purchase Contract based on, among other factors, the specifications and requirements of the Wind Power Project, the credentials and experience of the Supplier, the quality of the products and the services, the product warranty and the terms offered by other suppliers to the Group. The Directors consider that the terms of the Purchase Contract are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE PARTIES TO THE PURCHASE CONTRACT**

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 Purchaser is a wholly-owned subsidiary of the Company and is principally engaged in the trading of equipment for new energy.

The Supplier is principally engaged in the research, development and supply of wind power equipment in the PRC. The Supplier is a company listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688349). To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Supplier and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **PREVIOUS PURCHASE CONTRACTS**

On 28 March 2022, the Purchaser and the Supplier entered into a purchase contract based on similar principal terms of the Purchase Contract, pursuant to which the Purchaser shall purchase from the Supplier the wind power equipment comprising wind turbines and ancillary equipment with a total power output capacity of 20MW for the wind power project for the power plant of the Group situated in Jianghua City, Hunan Province, the PRC (中國湖南省江華市) at a consideration of RMB47.56 million (inclusive of value added tax). On 28 March 2022, the Purchaser and the Supplier entered into another purchase contract based on similar principal terms of the Purchase Contract, pursuant to which the Purchaser shall purchase from the Supplier the wind power equipment comprising wind turbines and ancillary equipment with a total power output capacity of 30MW for the wind power project for the power plant of the Group situated in Jianghua City, Hunan Province, the PRC (中國湖南省江華市) at a consideration of approximately RMB69.50 million (inclusive of value added tax). The said two considerations also include fees for technical services, technical documentation, delivery and insurance charges, and other miscellaneous charges.

## LISTING RULES IMPLICATION

The highest Applicable Percentage Ratio for the Transaction is less than 5%. The highest Applicable Percentage Ratio for the transactions contemplated under the Previous Purchase Contracts on an aggregated basis is also less than 5%. As the Previous Purchase Contracts were entered into within a 12-month period before the date of the Purchase Contract, the transactions contemplated under the Purchase Contract and the Previous Purchase Contracts shall be aggregated under Chapter 14 of the Listing Rules resulting in a highest Applicable Percentage Ratio on an aggregated basis exceeding 5% but less than 25%. Hence, the Transaction is required to be reclassified by aggregating with the Previous Purchase Contracts resulting in the Transaction constituting 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.

## DEFINITIONS

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

“Applicable Percentage Ratio”, “connected person(s)” and “subsidiary(ies)”	have the meanings ascribed to them under the Listing Rules;
“Board”	the board of Directors;
“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;
“Consideration”	the consideration payable by the Purchaser for the purchase of the Wind Power Equipment;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MW”	megawatt;

“PRC”	the People’s Republic of China, which excludes, for the purposes of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Previous Purchase Contracts”	the previous purchase contracts as described in the paragraph headed “Previous Purchase Contracts” in this announcement;
“Purchaser”	Tianjin Century Concord Huaxing Wind Power Equipment Co., Ltd.* (天津協合華興風電裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Purchase Contract”	the purchase contract dated 23 February 2023 entered into between the Purchaser and the Supplier for the purchase of the Wind Power Equipment;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplier”	Sany Heavy Energy Co., Ltd. (三一重能股份有限公司), a company established in the PRC with limited liability;
“Transaction”	the purchase of the Wind Power Equipment by the Purchaser under the Purchase Contract;
“Wind Power Equipment”	the wind power equipment (including wind turbines, electricity generation systems, control system hardware and software, and other ancillary equipment) to be used for the Wind Power Project;
“Wind Power Project”	the 100MW wind power project of the Group situated in Hechi City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區河池市); and
“%”	per cent.

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

Hong Kong, 23 February 2023

*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, Mr. Zhang Zhong, and Ms. Li Yongli (who are independent non-executive Directors).*

*\* For identification purposes only*