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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 26 June 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 of RMB354 million (inclusive of value added tax).

LISTING RULES IMPLICATION

As the highest Applicable Percentage Ratio for the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that after trading hour on 26 June 2023, the Purchaser entered into the Purchase Contract with the Supplier for the acquisition of the Wind Power Equipment, details of which are set out below.

PURCHASE CONTRACT

The principal terms of the Purchase Contract are as follows:

- Date : 26 June 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 200MW 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 RMB354 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 shall 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 40 days after the Supplier having passed the final inspection as specified in the Purchase Contract.

It is expected that all the Wind Power Equipment will be delivered to the Purchaser before the end of July 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.

The Supplier will provide a warranty period in respect of the Wind Power Equipment commencing from the next day after the passing of the pre-inspection and ending on the date of passing of the final inspection.

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 ON 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 Shanghai Stock Exchange (stock code: 300772). 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 CONTRACT

On 24 October 2022, the Purchaser and the Supplier entered into a purchase contract for the purchase of certain wind power equipment, details of which are set out in the announcement of the Company dated 24 October 2022.

LISTING RULES IMPLICATION

As the highest Applicable Percentage Ratio for the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules. The transaction contemplated under the Previous Purchase Contract constituted a major transaction for the Company under Chapter 14 of the Listing Rules, and had complied with all the applicable requirements of the Listing Rules. As the Previous Purchase Contract was entered into within a 12-month period before the date of the Purchase Contract, the transactions contemplated under the Previous Purchase Contract and the Purchase Contract shall be aggregated under Chapter 14

of the Listing Rules resulting in a highest Applicable Percentage Ratio exceeding 5% but less than 25%. Hence, the Transaction is not required to be reclassified by aggregating with the transaction contemplated under the Previous Purchase Contract.

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”	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 Contract”	the previous purchase contract described in the paragraph headed “Previous Purchase Contract” in this announcement;
“Purchaser”	Haotai New Energy Equipment Co., Ltd.* (浩泰新能源裝備有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;

“Purchase Contract”	the purchase contract dated 26 June 2023 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”	Zhejiang Windey Co., Ltd.* (浙江運達風電股份有限公司), 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 200MW wind power project of the Group situated in Harbin City, Heilongjiang Province, the PRC (中國黑龍江省哈爾濱市); and
“%”	per cent.

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

Hong Kong, 26 June 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