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## **GCL New Energy Holdings Limited**

**協鑫新能源控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 451)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF MINORITY EQUITY INTEREST IN SUZHOU GCL NEW ENERGY**

#### **THE PREVIOUS DEEMED DISPOSAL AND ACQUISITION**

Reference is made to the announcement of the Company dated 22 November 2017 regarding a discloseable transaction in relation to the deemed disposal of approximately 7.18% equity interest in Suzhou GCL New Energy (an indirect subsidiary of the Company).

Subsequently, on 29 March 2019, Sumin Ruineng (as the seller) and Nanjing GCL New Energy (as the purchaser) entered into the Previous Share Purchase Agreement, pursuant to which Nanjing GCL New Energy agreed to acquire approximately 1.345% equity interest in Suzhou GCL New Energy from Sumin Ruineng at a consideration of RMB281,000,000. The acquisition was completed in 2019, and Suzhou GCL New Energy became to be held as to approximately 94.165% by Nanjing GCL New Energy and approximately 5.835% by Sumin Ruineng.

#### **THE SHARE PURCHASE AGREEMENT**

The Board announces that on 6 July 2021 (after trading hours), Sumin Ruineng (as the seller) and Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company and as the purchaser) entered into the Share Purchase Agreement. Pursuant to the Share Purchase Agreement, Nanjing GCL New Energy agreed to acquire approximately 5.835% equity interest in Suzhou GCL New Energy from Sumin Ruineng.

As at the date of this announcement, Suzhou GCL New Energy is held as to approximately 94.165% by Nanjing GCL New Energy and approximately 5.835% by Sumin Ruineng. Upon completion of the Transaction, Suzhou GCL New Energy will be held as to 100% by Nanjing GCL New Energy and will become a wholly-owned subsidiary of the Company.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Transaction exceeds 5% but is less than 25% for the Company, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **1. INTRODUCTION**

#### **The Previous Deemed Disposal and Acquisition**

Reference is made to the announcement of the Company dated 22 November 2017 regarding a discloseable transaction in relation to the deemed disposal of approximately 7.18% equity interest in Suzhou GCL New Energy (an indirect subsidiary of the Company).

Subsequently, on 29 March 2019, Sumin Ruineng (as the seller) and Nanjing GCL New Energy (as the purchaser) entered into the Previous Share Purchase Agreement, pursuant to which Nanjing GCL New Energy agreed to acquire approximately 1.345% equity interest in Suzhou GCL New Energy from Sumin Ruineng at a consideration of RMB281,000,000. The acquisition was completed in 2019, and Suzhou GCL New Energy became to be held as to approximately 94.165% by Nanjing GCL New Energy and approximately 5.835% by Sumin Ruineng.

#### **The Share Purchase Agreement**

The Board announces that on 6 July 2021 (after trading hours), Sumin Ruineng (as the seller) and Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company and as the purchaser) entered into the Share Purchase Agreement. Pursuant to the Share Purchase Agreement, Nanjing GCL New Energy agreed to acquire approximately 5.835% equity interest in Suzhou GCL New Energy from Sumin Ruineng.

As at the date of this announcement, Suzhou GCL New Energy is held as to approximately 94.165% by Nanjing GCL New Energy and approximately 5.835% by Sumin Ruineng. Upon completion of the Transaction, Suzhou GCL New Energy will be held as to 100% by Nanjing GCL New Energy and will become a wholly-owned subsidiary of the Company.

### **2. PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT**

#### **i. Date**

6 July 2021 (after trading hours)

## ii. Parties

Seller: Sumin Ruineng Wuxi Equity Investment Partnership (Limited Partnership)\*  
(蘇民睿能無錫股權投資合夥企業(有限合夥))

Purchaser: Nanjing GCL New Energy Development Co., Ltd.\* (南京協鑫新能源發展有限公司)

## iii. Assets to be acquired

The Sale Shares represent approximately 5.835% equity interest in Suzhou GCL New Energy.

Suzhou GCL New Energy indirectly owns a majority of solar power plants of the Company in the PRC with an aggregate grid-connected capacity of approximately 2,700 MW.

For further information relating to Suzhou GCL New Energy, please refer to the section headed “Information on Suzhou GCL New Energy” below.

## iv. Consideration

The Consideration under the Share Purchase Agreement is RMB1,219,000,000.

The Consideration was determined after arm’s length negotiations between Nanjing GCL New Energy and Sumin Ruineng, taking into account of the Aggregate Investment Amount and the reasons for the Transaction as discussed in the paragraph headed “Reasons for and benefits of the Transaction” below.

## v. Payment Arrangement of the Consideration

The Consideration shall be settled by Nanjing GCL New Energy to Sumin Ruineng in three instalments, in the manner set out below:

|                 | <b>First Deposit</b>  | <b>Second Deposit</b> | <b>Final Payment</b> | <b>Total</b>     |
|-----------------|---|-----------------------|----------------------|------------------|
|                 | RMB219,000,000  | RMB500,000,000        | RMB500,000,000       | RMB1,219,000,000 |
| First Deposit:  | Nanjing GCL New Energy shall pay RMB219,000,000 to Sumin Ruineng before 30 July 2021.                   |                       |                      |                  |
| Second Deposit: | Nanjing GCL New Energy shall pay RMB500,000,000 to Sumin Ruineng before 30 September 2021.              |                       |                      |                  |
| Final Payment:  | Nanjing GCL New Energy shall pay the remaining RMB500,000,000 to Sumin Ruineng before 31 December 2021. |                       |                      |                  |

## vi. Closing

Upon the receipt of the Final Payment, Sumin Ruineng should assist Nanjing GCL New Energy with the completion of the Registration Procedures.

Closing shall take place on the date of issuance as stated on the new business certificate of Suzhou GCL New Energy upon the completion of the Registration Procedures.

## 3. INFORMATION ABOUT THE COMPANY, NANJING GCL NEW ENERGY AND SUMIN RUINENG

### i. The Company

The Company is incorporated in Bermuda as exempted company with limited liability. The principal business of the Company is investment holding. The Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants.

### ii. Nanjing GCL New Energy

Nanjing GCL New Energy is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Nanjing GCL New Energy is principally engaged in the development, operation and management of solar power plants in the PRC.

### iii. Sumin Ruineng

Sumin Ruineng is a private equity investment fund established in the PRC and is sponsored and managed by Sumin Investment. Sumin Ruineng is principally engaged in equity investment and the use of its own funds for overseas investment.

Based on the information provided by Sumin Ruineng and publicly available information, as at the date of this announcement:

- (a) Sumin Ruineng is owned as to (i) approximately 66.62% by Jiangsu International Trust Co., Ltd\* (江蘇省國際信託有限責任公司) (“**Jiangsu International Trust**”) and (ii) approximately 33.38% by Jiangsu Minying Investment Holding Co., Ltd\* (江蘇民營投資控股有限公司) (“**Sumin Investment**”);
- (b) Jiangsu International Trust is owned as to approximately 81.49% by Jiangsu Guoxin Corporation Limited\* (江蘇國信股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002608) and approximately 18.51% by Jiangsu Provincial People’s Government (江蘇省人民政府); and

(c) Sumin Investment is owned as to:

- (i) 10% by Future Land Development Investment Co., Ltd.\* (新城發展投資有限公司), which is wholly-owned by Seazen Group Limited, a company listed on the Stock Exchange (stock code: 1030);
- (ii) 10% by China Minsheng Investment Co., Ltd.\* (中國民生投資股份有限公司) (“**China Minsheng Investment**”) which is a leading global investment company in the PRC. China Minsheng Investment is owned as to (i) approximately 14.91% by Horgos Guoxin Baotai Venture Capital Co., Ltd.\* (霍爾果斯市國信保泰創業投資有限公司) (“**Horgos Guoxin**”) and (ii) approximately 85.09% by 60 other entities, amongst which, no individual entity owned over 9% equity interest in China Minsheng Investment. Horgos Guoxin is owned as to approximately 6.10% by Zhongtai Trust Co., Ltd. (中泰信託有限責任公司) (“**Zhongtai Trust**”) and approximately 93.91% by 49 other entities, amongst which, no individual entity owned over 5% equity interest in Horgos Guoxin. Zhongtai Trust is owned as to (i) approximately 31.57% by China Huawen Investment Holding Co., Ltd. (中國華聞投資控股有限公司) (“**China Huawen**”), (ii) approximately 29.97% by Shanghai New Huang Pu Industrial Group Co. Ltd.\* (上海新黃浦實業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600638) and (iii) approximately 38.46% by four other entities, amongst which, no individual entity owned over 20% equity interest in Zhongtai Trust. China Huawen is wholly-owned by Beijing International Trust Co., Ltd. (北京國際信託有限公司), which is owned as to approximately 34.30% by the Beijing Municipal People’s Government (北京市人民政府) and approximately 65.70% by nine other entities, amongst which, no individual entity owned over 20% equity interest in China Huawen;
- (iii) 10% by Jiangsu Yangzijiang Shipyard Co., Ltd.\* (江蘇揚子江船廠有限公司), which is directly wholly-owned by Yangzijiang Shipbuilding (Holdings) Ltd., a company listed on the Singapore Stock Exchange (stock code: BS6);
- (iv) 10% by GCL Capital Management Co., Ltd.\* (協鑫資本管理有限公司) (“**GCL Capital Management**”), which is in turn owned as to 60% by GCL Group Co., Ltd.\* (協鑫集團有限公司) (“**GCL Group**”) and 40% by Taicang Port GCL Power Generation Co., Ltd.\* (太倉港協鑫發電有限公司) (“**Taicang Port GCL**”). GCL Group is 48.86% owned by GCL (Liaoning) Industrial Co., Ltd.\* (協鑫(遼寧)實業有限公司) (“**GCL Liaoning**”) and 51.14% owned by Jiangsu GCL Construction Management Co., Ltd. (“**Jiangsu GCL Construction**”). GCL Liaoning is wholly-owned by Mr. Zhu Gongshan (a director and the chairman of GCL-Poly and the father of Mr. Zhu Yufeng (being a Director and the chairman of the Company)). Jiangsu GCL Construction is indirectly wholly-owned by Concord Group which is in turn indirectly wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse

Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Yufeng's father, Mr. Zhu Gongshan as beneficiaries (“**Zhu Family Trust**”). Zhu Family Trust also holds 72% equity interest in Taicang Port GCL;

- (v) 10% by Jiangyin Chengxing Industrial Group Co., Ltd.\* (江陰澄星實業集團有限公司) (“**Jiangyin Chengxing**”), which in turn owned as to (i) approximately 51.00% by Li Xing\* (李興); (ii) approximately 26.18% by Wuxi Qiyu Management Consulting Partnership (Limited Partnership)\* (無錫琪瑜管理諮詢合夥企業(有限合夥)) (“**Wuxi Qiyu**”), which is in turn owned as to approximately 56.95% by Li Xing\* (李興), approximately 10.73% by Miao Weifen\* (繆維芬) and approximately 32.32% by 34 other natural person shareholders, amongst which, no individual natural person shareholder owned over 3% equity interest in Wuxi Qiyu and (iii) approximately 22.82% by five natural person shareholders amongst which, no natural person shareholder owned over 8% equity interest in Jiangyin Chengxing;
- (vi) 10% by Nanjing Fullshare Dazhu Technology Co., Ltd.\* (南京豐盛大族科技股份有限公司), a wholly-owned subsidiary of Fullshare Holdings Limited (豐盛控股有限公司) which is listed on the Stock Exchange (stock code: 607);
- (vii) 10% by Jiangsu Shagang Group Co., Ltd.\* (江蘇沙鋼集團有限公司) (“**Jiangsu Shagang**”), which is a global fortune 500 company and one of the largest private steel enterprise in the PRC. Jiangsu Shagang is owned as to (i) approximately 29.32% by Shen Wenrong\* (沈文榮), (ii) approximately 29.10% by Zhangjiagang Free Trade Zone Xinghengde Trading Co., Ltd.\* (張家港保稅區興恆得貿易有限公司) and (iii) as to approximately 41.58% by 37 other shareholders, amongst which, no individual entity owned over 18% equity interest in Jiangsu Shagang;
- (viii) 10% by Hongdou Group Co., Ltd.\* (紅豆集團有限公司) (“**Hongdou Group**”) (by itself and through its subsidiary), which in turn (i) owned as to approximately 40.63% by Zhou Haijiang\* (周海江); (ii) owned as to approximately 37.40% by Zhou Yaoting\* (周耀庭) and (iii) owned as to approximately 21.97% by 25 other natural person shareholders, amongst which, no individual natural person shareholder owned over 5% equity interest in Hongdou Group; and
- (ix) 20% by eight other entities, amongst which, no individual entity owned over 5% equity interest in Sumin Investment.

Save that the Concord Group, through its non wholly-owned subsidiaries, indirectly holds 10% equity interest in Sumin Investment, which in turn holds approximately 33.38% in Sumin Ruineng, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of Sumin Ruineng and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

#### 4. INFORMATION OF SUZHOU GCL NEW ENERGY

Suzhou GCL New Energy is a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company. Suzhou GCL New Energy is indirectly owned as to approximately 94.165% by the Company. Suzhou GCL New Energy is principally engaged in photovoltaic power investment, investment management and consultation, business management consultation, technology development, technology transfer, technical advice related to photovoltaic power projects, and sales of photovoltaic materials and equipment. Suzhou GCL New Energy indirectly owns a majority of solar power plants of the Company in the PRC.

Set out below is an extract of the audited financial statements of Suzhou GCL New Energy for each of the financial years ended 31 December 2020 and 31 December 2019 prepared in accordance with China Accounting Standards:

| <b>Year ended 31 December 2020</b> |                                  | <b>Year ended 31 December 2019</b> |                                  |
|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| <b>Profit before<br/>taxation</b>  | <b>Profit after<br/>taxation</b> | <b>Profit before<br/>taxation</b>  | <b>Profit after<br/>taxation</b> |
| <i>RMB'000</i>                     | <i>RMB'000</i>                   | <i>RMB'000</i>                     | <i>RMB'000</i>                   |
| 707,410                            | 572,441                          | 1,337,259                          | 1,236,352                        |

The net asset value of Suzhou GCL New Energy extracted from the audited accounts for the year ended 31 December 2020 of Suzhou GCL New Energy prepared in accordance with China Accounting Standards is approximately RMB15,837,783,162.

#### 5. REASONS FOR AND BENEFITS OF THE TRANSACTION

As mentioned in the section headed “Information on Suzhou GCL New Energy”, Suzhou GCL New Energy indirectly owns a majority of solar power plants of the Company in the PRC. By acquiring the remaining approximately 5.835% equity interest in Suzhou GCL New Energy from Sumin Ruineng, Suzhou GCL New Energy will become a wholly-owned subsidiary of the Company. Given that the Company will have complete control over Suzhou GCL New Energy after the completion of the Transaction, Suzhou GCL New Energy will no longer be required to obtain the consent of Sumin Ruineng and will solely take into account of the interest of the Company for key corporate actions. Therefore, Suzhou GCL New Energy can maximise its autonomy to manage its operations, streamline the decision making process of Suzhou GCL New Energy (including, among others, disposals of operational solar power plants in order to achieve an asset light model) and enhance the profit return of the operational solar power plants indirectly owned by Suzhou GCL New Energy.

Based on the above reasons and having considered all relevant factors, the Directors believe and consider that the terms of the Transaction are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## 6. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Transaction exceeds 5% but is less than 25% for the Company, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Mr. Zhu Yufeng, has a beneficial interest in the Concord Group, and Ms. Hu Xiaoyan, Ms. Sun Wei and Mr. Yeung Man Chung, Charles are the senior management of the Concord Group, all of them have abstained from voting on the resolutions of the Board to approve the Transaction.

## 7. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

|                               |   |
|-------------------------------|---|
| “Aggregate Investment Amount” | aggregate investment amount of RMB1,500,000,000 made by Sumin Ruineng to Suzhou GCL New Energy pursuant to the Capital Increase Agreements  |
| “Board”                       | the board of Directors  |
| “Business Day”                | a day on which banks in China are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC  |
| “Closing”                     | closing of the Transaction in accordance with the Share Purchase Agreement  |
| “Company”                     | GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 451) |
| “Concord Group”               | Golden Concord Group Limited, a company incorporated in Hong Kong with limited liability  |
| “connected person(s)”         | has the same meaning ascribed to it under the Listing Rules   |
| “Consideration”               | the consideration for the transaction contemplated under the Share Purchase Agreement   |
| “Directors”                   | the directors of the Company  |



|                                     |   |
|-------------------------------------|---|
| “GCL-Poly”                          | GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800). As at the date of this announcement, the Company is a subsidiary of GCL-Poly |
| “Group”                             | the Company and its subsidiaries  |
| “Hong Kong”                         | Hong Kong Special Administrative Region of the PRC  |
| “Listing Rules”                     | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “MW”                                | megawatt(s)   |
| “Nanjing GCL New Energy”            | Nanjing GCL New Energy Development Co., Ltd.* (南京協鑫新能源發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement   |
| “PRC”                               | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan   |
| “Previous Acquisition”              | the acquisition of approximately 1.345% equity interest in Suzhou GCL New Energy from Sumin Ruineng pursuant to the Previous Share Purchase Agreement   |
| “Previous Share Purchase Agreement” | an equity transfer agreement dated 29 March 2019 entered into between Nanjing GCL New Energy and Sumin Ruineng in relation to the acquisition of approximately 1.345% equity interest in Suzhou GCL New Energy  |
| “Registration Procedures”           | the registration procedures in respect of the change of shareholders of Suzhou GCL New Energy   |

|                            |  |
|----------------------------|--|
| “RMB”                      | Renminbi, the lawful currency of the PRC   |
| “Sale Share(s)”            | the approximately 5.835% equity interest in Suzhou GCL New Energy held by Sumin Ruineng  |
| “Share Purchase Agreement” | an equity transfer agreement dated 6 July 2021 entered into between Nanjing GCL New Energy (as the purchaser) and Sumin Ruineng (as the seller) in relation to the acquisition of approximately 5.835% equity interest in Suzhou GCL New Energy  |
| “Shareholders”             | the shareholders of the Company  |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited  |
| “subsidiaries”             | has the same meaning ascribed to it under the Listing Rules  |
| “Sumin Ruineng”            | Sumin Ruineng Wuxi Equity Investment Partnership (Limited Partnership)* (蘇民睿能無錫股權投資合夥企業(有限合夥)), a limited liability partnership established in the PRC and is sponsored and managed by Sumin Investment. Save that the Concord Group, through its non wholly-owned subsidiaries, indirectly holds 10% equity interest in Sumin Investment, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of Sumin Ruineng and its ultimate beneficial owners is a third party independent of the Company and its connected persons |
| “Suzhou GCL New Energy”    | Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company as at the date of this announcement   |

“Transaction” the transaction contemplated under the Share Purchase Agreement  
“%” per cent.

\* *All of the English titles or names of the PRC entities, as well as certain items contained in this announcement have been included for identification purpose only and may not necessarily be the official English translations of the corresponding Chinese titles or names. If there is any inconsistency between the English translations and the Chinese titles or names, the Chinese titles or names shall prevail.*

By order of the Board  
**GCL New Energy Holdings Limited**  
協鑫新能源控股有限公司  
**Zhu Yufeng**  
Chairman

Hong Kong, 6 July 2021

*As at the date of this announcement, the Board comprises Mr. Zhu Yufeng (Chairman), Mr. Liu Genyu and Ms. Hu Xiaoyan as executive directors of the Company; Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai as non-executive directors of the Company; and Mr. Xu Songda, Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying as independent non-executive directors of the Company.*