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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)

MAJOR TRANSACTION

(1) DISPOSAL OF SUBSIDIARIES

(2) GRANT OF PUT OPTIONS

PREVIOUS DE MINIMIS DISPOSAL AND FIRST PHASE DISPOSALS

Reference is made to the joint announcement of GCL-Poly and the Company dated 30 August 2021 in relation to the Previous De Minimis Disposal and the First Phase Disposals. On 12 July 2021 (after trading hours), Suzhou GCL New Energy, an indirect subsidiary of the Company (as the seller) and Hunan Xinhua (as the purchaser) entered into the Previous De Minimis Agreement. Pursuant to the Previous De Minimis Agreement, Suzhou GCL New Energy agreed to, among other things, sell the entire equity interest in Yanyuan Xian Baiwu to Hunan Xinhua.

Pursuant to the First Phase 90% Equity Interest Share Purchase Agreements, Suzhou GCL New Energy and Xian GCL New Energy agreed to, among other things, sell 90% equity interest in each of Shenmu Pingyuan Power Co., Ltd.* (神木市平元電力有限公司) (“**Shenmu Pingyuan**”), Shenmu Pingxi Power Co., Ltd.* (神木市平西電力有限公司) (“**Shenmu Pingxi**”), Shenmu County Jingdeng Power Co., Ltd.* (神木縣晶登電力有限公司) (“**Shenmu County Jingdeng**”) and Xixian New District GCL Photovoltaic Power Co., Ltd.* (西咸新區協鑫光伏電力有限公司) (“**Xixian New District GCL**”) to the Purchaser. Pursuant to the First Phase 10% Equity Interest Share Purchase Agreements, Suzhou GCL New Energy and Xian GCL New Energy agreed to, among other things, sell 10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser within two years from the closing of the First Phase 90% Equity Interest Disposals and/or immediately upon the occurrence of certain events specified in the First Phase 90% Equity Interest Share Purchase Agreements.

THE SECOND PHASE 90% EQUITY INTEREST SHARE PURCHASE AGREEMENTS

On 13 September 2021 (after trading hours), Xian GCL New Energy, being indirect subsidiary of the Company (as the seller) and Ningxia Hanguang New Energy Co., Ltd.* (寧夏含光新能源有限公司) (as the purchaser) entered into the Second Phase 90% Equity Interest Share Purchase Agreements. Pursuant to the Second Phase 90% Equity Interest Share Purchase Agreements, the Seller agreed to, among other things, sell 90% equity interest in each of Shenmu Jingpu and Shenmu Jingfu to the Purchaser.

Upon completion of the Second Phase 90% Equity Interest Disposals, the Target Companies will cease to be subsidiaries of the Company. Accordingly, the financial results of the Target Companies will no longer be consolidated into the financial statements of the Company upon the 90% Equity Interest Closing.

THE SECOND PHASE 10% EQUITY INTEREST SHARE PURCHASE AGREEMENTS

On 13 September 2021 (after trading hours), Xian GCL New Energy and the Purchaser also entered into the Second Phase 10% Equity Interest Share Purchase Agreements. Pursuant to the Second Phase 10% Equity Interest Share Purchase Agreements, the Seller agreed to, among other things, sell 10% equity interest in each of Shenmu Jingpu and Shenmu Jingfu to the Purchaser within two years from the 90% Equity Interest Closing and/or immediately upon the occurrence of the event specified in the Second Phase 90% Equity Interest Share Purchase Agreements.

USE OF PROCEEDS FROM THE TRANSACTIONS

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB239,528,900 and (ii) the Total Net Payable Amount amounting to approximately RMB666,504,018, minus (iii) the Rectification Cost amounting to approximately RMB2,670,000 and transaction costs of approximately RMB2,000,000) is expected to be approximately RMB901,362,918, which the Company intends to use for repayment of its debts.

LISTING RULES IMPLICATIONS

As Suzhou GCL New Energy and the Seller, being the indirect subsidiaries of the Company, entered into the Previous De Minimis Agreement, the First Phase Share Purchase Agreements and the Second Phase Share Purchase Agreements with Xinhua Hydropower Group within a 12-month period, the Previous De Minimis Disposal, the First Phase Disposals and the Second Phase Disposals shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio in respect of the Disposals exceeds 25% but is less than 75%, the entering into of the Second Phase Disposals constitutes a major transaction for the Company and it shall comply with the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The right to exercise the Second Phase Put Options by the Purchaser is at the discretion of the Company and no premium was paid on the grant of the Second Phase Put Options to the Purchaser. Accordingly, the grant of the Second Phase Put Options does not constitute a notifiable transaction of the Company. The Company will comply with the requirements of Chapter 14 of the Listing Rules if and when the Second Phase Put Options are exercised.

GENERAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the Transactions and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for approving the Transactions. Pursuant to Rule 14.44 of the Listing Rules, the Company will request a written Shareholders' approval from a closely allied group of shareholders, Elite Time Global (which as at the date of this announcement, holds 10,376,602,000 Shares, representing approximately 49.24% of the issued share capital of the Company) and Dongsheng Photovoltaic (which as at the date of this announcement, holds 1,905,978,301 Shares, representing approximately 9.04% of the issued share capital of the Company), to approve the Transactions. If the Company receives such written Shareholders' approval, no Shareholders' meeting will be held to approve the Transactions pursuant to Rule 14.44 of the Listing Rules. If such written Shareholders' approval is not granted, the Company will convene a special general meeting to obtain the Shareholders' approval for the Transactions.

A circular, which will include, among other things, further details of the Transactions, is expected to be despatched to the Shareholders within 15 business days (as defined under the Listing Rules) after the publication of this announcement.

1. INTRODUCTION

Reference is made to the joint announcement of GCL-Poly and the Company dated 30 August 2021 in relation to the Previous De Minimis Disposal and the First Phase Disposals. On 12 July 2021 (after trading hours), Suzhou GCL New Energy, an indirect subsidiary of the Company (as the seller) and Hunan Xinhua (as the purchaser) entered into the Previous De Minimis Agreement. Pursuant to the Previous De Minimis Agreement, Suzhou GCL New Energy agreed to, among other things, sell the entire equity interest in Yanyuan Xian Baiwu to Hunan Xinhua.

Pursuant to the First Phase 90% Equity Interest Share Purchase Agreements, Suzhou GCL New Energy and Xian GCL New Energy agreed to, among other things, sell 90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser. Pursuant to the First Phase 10% Equity Interest Share Purchase Agreements, Suzhou GCL New Energy and Xian GCL New Energy agreed to, among other things, sell 10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County

Jingdeng and Xixian New District GCL to the Purchaser within two years from the closing of the First Phase 90% Equity Interest Disposals and/or immediately upon the occurrence of certain events specified in the First Phase 90% Equity Interest Share Purchase Agreements.

The Board announces that on 13 September 2021 (after trading hours), Xian GCL New Energy, being indirect subsidiary of the Company (as the seller) and Ningxia Hanguang New Energy Co., Ltd.* (寧夏含光新能源有限公司) (as the purchaser) entered into the Second Phase 90% Equity Interest Share Purchase Agreements. Pursuant to the Second Phase 90% Equity Interest Share Purchase Agreements, the Seller agreed to, among other things, sell 90% equity interest in each of Shenmu Jingpu and Shenmu Jingfu to the Purchaser.

Upon completion of the Second Phase 90% Equity Interest Disposals, the Target Companies will cease to be subsidiaries of the Company. Accordingly, the financial results of the Target Companies will no longer be consolidated into the financial statements of the Company upon the 90% Equity Interest Closing.

On 13 September 2021 (after trading hours), Xian GCL New Energy (as the seller) and Ningxia Hanguang New Energy Co., Ltd.* (寧夏含光新能源有限公司) (as the purchaser) also entered into the Second Phase 10% Equity Interest Share Purchase Agreements. Pursuant to the Second Phase 10% Equity Interest Share Purchase Agreements, the Seller agreed to, among other things, sell 10% equity interest in each of Shenmu Jingpu and Shenmu Jingfu to the Purchaser within two years from the 90% Equity Interest Closing and/or immediately upon the occurrence of the event specified in the Second Phase 90% Equity Interest Share Purchase Agreements.

THE SECOND PHASE SHARE PURCHASE AGREEMENTS

The principal terms of the Second Phase Share Purchase Agreements (i.e. the Second Phase 90% Equity Interest Share Purchase Agreements and the Second Phase 10% Equity Interest Share Purchase Agreements) are set out below:

Date

13 September 2021 (after trading hours)

Parties

- (i) The Seller: Xian GCL New Energy Management Co., Ltd.* (西安協鑫新能源管理有限公司)
- (ii) The Purchaser: Ningxia Hanguang New Energy Co., Ltd.* (寧夏含光新能源有限公司)

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

Subject Matter

(a) Subject matter of the Second Phase 90% Equity Interest Share Purchase Agreements

Pursuant to the Second Phase 90% Equity Interest Share Purchase Agreements, the Seller shall sell the 90% equity interest in each of Shenmu Jingpu and Shenmu Jingfu to the Purchaser.

(b) Subject matter of the Second Phase 10% Equity Interest Share Purchase Agreements

Pursuant to the Second Phase 10% Equity Interest Share Purchase Agreements, the Seller shall sell the 10% equity interest in each of Shenmu Jingpu and Shenmu Jingfu to the Purchaser.

The Target Companies collectively own 6 operational solar power plants in the PRC with an aggregate grid-connected capacity of approximately 198 MW.

The table below sets out the Target Companies under each of the Second Phase Share Purchase Agreements:

| Second Phase Share Purchase Agreements | | | |
|--|--|--|---|
| No. | Second Phase 90% Equity Interest Share Purchase Agreements | Second Phase 10% Equity Interest Share Purchase Agreements | Target Companies |
| I | Shenmu Jingfu 90% Equity Interest Share Purchase Agreement | Shenmu Jingfu 10% Equity Interest Share Purchase Agreement | Shenmu Jingfu Power Co., Ltd.* (神木市晶富電力有限公司) |
| II | Shenmu Jingpu 90% Equity Interest Share Purchase Agreement | Shenmu Jingpu 10% Equity Interest Share Purchase Agreement | Shenmu Jingpu Power Co., Ltd.* (神木市晶普電力有限公司) |

For further information relating to the Target Companies, please refer to the section headed “Information on the Target Companies” below.

Closing

(a) 90% Equity Interest Closing

The Second Phase 90% Equity Interest Share Purchase Agreements shall become effective upon the fulfillment of the following conditions:

- (i) the Second Phase 90% Equity Interest Share Purchase Agreements have been signed by the legal representative or authorised representative of each party and affixed the official seal by each party;
- (ii) the Transactions have been approved by the board of directors of Xinhua Hydropower (as defined below); and
- (iii) the Transactions have been approved by the shareholders of the Purchaser.

If the abovementioned conditions (ii) and (iii) are not fulfilled within 30 days after the signing of the Second Phase 90% Equity Interest Share Purchase Agreements, the Seller shall have the right to terminate the Second Phase 90% Equity Interest Share Purchase Agreements and neither party shall be held liable for breach of contract, and each party shall bear all expenses incurred by it respectively.

The 90% Equity Interest Closing is subject to the fulfilment of the following conditions precedents:

- (i) the Second Phase 90% Equity Interest Share Purchase Agreements have been signed by the parties and become effective;
- (ii) the Purchaser has paid the 90% Equity Interest First Instalment to the Seller;
- (iii) all pledges over the Sale Shares have been completely released and the pledge cancellation registration procedures have been completed;
- (iv) the Company has obtained Shareholders' approval for the Second Phase 90% Equity Interest Share Purchase Agreements (if required, the Seller shall, in principle, obtain shareholders' approval within 90 days after the signing of the Second Phase 90% Equity Interest Share Purchase Agreements); and
- (v) (applicable to Shenmu Jingpu only) the guarantee and deposit arrangement in connection with the financial lease agreements and ancillary agreements entered into between Shenmu Jingpu and the financial institutions specified in the Shenmu Jingpu 90% Equity Interest Share Purchase Agreement has been released with the cooperation of the Seller.

The date of approval of issuance of the new business certificate of each of the Target Companies upon the completion of the Registration Procedures in respect of the Second Phase 90% Equity Interest Disposals shall be the 90% Equity Interest Closing Date.

(b) 10% Equity Interest Closing

Within two years from the 90% Equity Interest Closing Date, if the relevant PRC government authority issue notice(s) to levy land tax and fee (including but not limited to urban land use tax, cultivated land occupation tax and late fee) in respect of the photovoltaic array area of the Target Companies in accordance with the laws, regulations or policies existed before the Reference Date (the “**Levy Notice**”), such amount payable by the relevant Target Company up to the Reference Date shall be borne by the Seller in proportion to its equity interest in the relevant Target Company after the 90% Equity Interest Closing (the “**Levy Amount**”). The Seller agreed to compensate the Purchaser or the relevant Target Company for such Levy Amount paid to the relevant PRC government authority.

Within two years from the 90% Equity Interest Closing Date and/or immediately upon the issue of the Levy Notice, the Purchaser shall purchase the 10% Equity Interest from the Seller.

The date of approval of issuance of the new business certificate of each of the Target Companies upon the completion of the Registration Procedures in respect of the Second Phase 10% Equity Interest Disposals shall be the 10% Equity Interest Closing Date.

Consideration

The consideration for the Target Companies is comprised of (i) the consideration under each of the Second Phase 90% Equity Interest Share Purchase Agreements consist of the share price of the 90% Equity Interest Sale Shares (“**90% Equity Interest Share Price**”); and (ii) the consideration under each of the Second Phase 10% Equity Interest Share Purchase Agreements, which consists of (a) the share price of the 10% Equity Interest Sale Shares (“**10% Equity Interest Share Price**”) and (b) the interest incurred on 10% Equity Interest Share Price at an annual interest rate of 4.9% for the period from the effective date of the Second Phase 90% Equity Interest Share Purchase Agreements up to 10% Equity Interest Closing Date (“**Interest Amount**”). The annual interest rate of 4.9% was determined with reference to the current benchmark lending rate of 4.65% promulgated by the People’s Bank of China for a term of over five years. As the rate of 4.9% is close to the current benchmark lending rate, the Directors believe and consider that such rate is fair and reasonable.

The table below sets out the share price under each of the Second Phase Share Purchase Agreements:

| No. | Target Companies | 90% Equity Interest Share Price RMB | 10% Equity Interest Share Price RMB | Total Share Price RMB |
|--------------|-------------------------|--|--|--------------------------------------|
| I | Shenmu Jingfu | 9,298,000 | 1,033,100 | 10,331,100 |
| II | Shenmu Jingpu | <u>206,278,000</u> | <u>22,919,800</u> | <u>229,197,800</u> |
| Total | | <u>215,576,000</u> | <u>23,952,900</u> | <u>239,528,900</u> |

Basis of the Consideration

The Consideration under each of the Second Phase Share Purchase Agreements was determined after arm's length negotiations between the Seller and the Purchaser, having taken into account of, among other things:

- (i) the net asset value of each of the Target Companies as at the Reference Date;
- (ii) the profitability of the Target Companies for the financial years ended 31 December 2020 and 31 December 2019, details of which can be found in the section headed "Information on the Target Companies" of this announcement;
- (iii) the reasons for the Second Phase Disposals as discussed in the paragraph headed "Reasons for and Benefits of the Transactions" below; and
- (iv) the cash flow position of the Target Companies as at the Reference Date.

Payment Arrangements of the Consideration

(a) *Payment arrangement of the 90% Equity Interest Consideration*

The aggregate 90% Equity Interest Consideration under each of the Second Phase 90% Equity Interest Share Purchase Agreements shall be paid by the Purchaser to the Seller in the following manner:

| No. | Second Phase 90% Equity Interest Share Purchase Agreements | 90% Equity Interest First Instalment | 90% Equity Interest Second Instalment |
|--------------|--|--------------------------------------|---------------------------------------|
| | | RMB | RMB |
| I | Shenmu Jingfu 90% Equity Interest Share Purchase Agreement | 4,649,000 | 4,649,000 |
| II | Shenmu Jingpu 90% Equity Interest Share Purchase Agreement | <u>103,139,000</u> | <u>103,139,000</u> |
| Total | | <u>107,788,000</u> | <u>107,788,000</u> |

90% Equity Interest First Instalment The Purchaser shall pay a total of RMB107,788,000 (the “**90% Equity Interest First Instalment**”) to the Seller within seven Business Days after the signing of the Second Phase 90% Equity Interest Share Purchase Agreements.

90% Equity Interest Second Instalment The Purchaser shall pay a total of RMB107,788,000 (the “**90% Equity Interest Second Instalment**”) to the Seller within seven Business Days after the fulfilment of the following conditions:

- (i) the completion of the Registration Procedures, the amendments of the articles of association and the issuance of new business licence of the Target Companies in respect of the Second Phase 90% Equity Interest Disposals;
- (ii) the delivery and handover of the corporate and statutory documents of the respective Target Company specified in the Second Phase 90% Equity Interest Share Purchase Agreements have been completed; and

- (iii) (applicable to Shenmu Jingfu only) the release of the guarantee between Shenmu Jingfu and the financial institution specified in the Shenmu Jingfu 90% Equity Interest Share Purchase Agreement with the cooperation of the Seller.

(b) Payment arrangement of the 10% Equity Interest Consideration

The aggregate 10% Equity Interest Consideration under each of the Second Phase 10% Equity Interest Share Purchase Agreements shall be paid by the Purchaser to the Seller in the following manner:

10% Equity Interest First Instalment

The first instalment payment of the 10% Equity Interest (the “**10% Equity Interest First Instalment**”) shall be calculated in the following manner:

$$(A - B) \times 50\%$$

A = the aggregate 10% Equity Interest Share Price, i.e. RMB23,952,900

B^(Note) = the Levy Amount payable by the relevant Target Company or the Purchaser to the relevant PRC government authority

Note: In case B is higher than RMB11,976,500, the remaining Levy Amount payable by the relevant Target Company or the Purchaser to the relevant PRC government authority shall be deducted from the second instalment payment of the 10% Equity Interest (the “**10% Equity Interest Second Instalment**”).

The Purchaser shall pay the 10% Equity Interest First Instalment to the Seller within seven Business Days after the commencement of the acquisition procedure of the 10% Equity Interest Sale Shares.

10% Equity Interest Second Instalment

The 10% Equity Interest Second Instalment shall be calculated in the following manner:

A-C-D+E

A = the aggregate 10% Equity Interest Share Price, i.e. RMB23,952,900

C = the 10% Equity Interest First Instalment

D = the remaining Levy Amount payable by the relevant Target Company or the Purchaser to the relevant PRC government authority (if applicable)

E = Interest Amount

The Purchaser shall pay the 10% Equity Interest Second Instalment to the Seller within seven Business Days after the completion of the Registration Procedures in respect of the Second Phase 10% Equity Interest Disposals.

Payment arrangement of the Amount Payable

The Amount Payable as at the Reference Date will be set off against the Amount Receivable as at the Reference Date in order to ascertain the Net Payable (Receivable) Amount as at the Reference Date.

The table below sets out the Net Payable Amount of each of the Target Companies under each of the Second Phase Share Purchase Agreements as at the Reference Date:

| No. | Second Phase Share Purchase Agreements | Initial Net Payable Amount ^(Note) RMB | Rectification Cost ^(Note) RMB | Actual Net Payable Amount ^(Note) RMB |
|-------|---|---|---|--|
| I | Shenmu Jingfu Share Purchase Agreements | 303,852,755 | (1,100,000) | 302,752,755 |
| II | Shenmu Jingpu Share Purchase Agreements | <u>362,651,263</u> | <u>(1,570,000)</u> | <u>361,081,263</u> |
| Total | | <u>666,504,018</u> | <u>(2,670,000)</u> | <u>663,834,018</u> |

Note: The actual Net Payable Amount under each of the Second Phase Share Purchase Agreements payable by the Purchaser to the Seller represents the deduction of the agreed rectification cost for the engineering and compliance defects of each of the Target Companies under each of the Second Phase Share Purchase Agreements (“**Rectification Cost**”) from the initial Net Payable Amount to be received by the Seller or Suzhou GCL New Energy (as the case may be) under each of the Second Phase Share Purchase Agreements.

The Purchaser shall procure the Target Companies to repay the Total Net Payable Amount as at the Reference Date (i.e. RMB666,504,018), which is interest bearing, after deducting the Rectification Cost (i.e. RMB2,670,000) to the Seller within 60 days after the 90% Equity Interest Closing.

The Purchaser and the Target Companies agreed to repay the Net Payable Amount incurred during the Transition Period and the interest to the Seller and its affiliates within seven Business Days after the issue of the Closing Audit Report, which shall be issued within 20 days after the 90% Equity Interest Closing.

Grant of the Second Phase Put Options

(a) Specified Event

If any of the solar power plants operated by the Target Companies is partially demolished due to non-compliance of the relevant government notice in relation to the occupation and use of forest land as at the Reference Date (the “**Specified Event**”), the Seller and the Purchaser agreed to further negotiate to ascertain the amount of compensation payable by the Seller to the Purchaser upon the occurrence of the Specified Event.

In the event that the Purchaser and the Seller are unable to reach a consensus through negotiation, subject to each of the Seller and the Purchaser obtaining its respective internal approval(s) (including Board approval and Shareholders’ approval (if required)) for the exercise of the Second Phase Put Options, the Purchaser shall be entitled to exercise the Second Phase Put Options and require the Seller to repurchase the disposed Sale Shares from the Purchaser. Accordingly, the right to exercise the Second Phase Put Options by the Purchaser is subject to the discretion of the Seller.

(b) Repurchase price

The repurchase price for the Sale Shares (the “**Repurchase Price**”) shall be calculated in the following manner:

- (i) the Consideration paid by the Purchaser;
- (ii) all of the funds injected, lent and paid by the Purchaser to the Target Companies after becoming a shareholder of the Target Companies;

- (iii) all other funds injected by the Purchaser to the Target Companies;
- (iv) interest incurred on the sum of items (i) to (iii) above at an annual interest rate of 4.9% for the number of days since the Purchaser actually paid the Consideration or the amount of capital contribution set out in items (ii) and (iii) above until the date of full payment of the Repurchase Price by the Seller; and
- (v) the Purchaser shall fully refund the profits earned from the Target Companies since the Reference Date.

The Purchaser and the Seller have considered the negative impact caused by the Specified Event in determining the Repurchase Price during the course of negotiation of the Second Phase Share Purchase Agreements. The Purchaser and the Seller agreed that the occurrence of the Specified Event is remote but it would be highly disruptive to the operation of the solar power plants of the Target Companies if such Specified Event occur. This would lead to fundamental change of the fair value of such solar power plants, and therefore the Purchaser would not have agreed to purchase the disposed Sale Shares from the Seller unless the Seller agreed to a “return mechanism” of the disposed Sale Shares by granting the Second Phase Put Options to the Purchaser at the Repurchase Price.

The Directors have considered that the grant of Second Phase Put Options at the Repurchase Price is in line with the market practice and would facilitate the Group to achieve its transformation to an asset-light model through the Second Phase Disposals. Having considered the factors set out in the section headed “Reasons for and benefits of the Transactions” in this announcement, the Directors considered that the Repurchase Price is fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

Other Undertakings

The Seller and the Purchaser agreed to be subject to certain undertakings, including but not limited to, the following undertakings:

- (i) within seven days from the 90% Equity Interest Closing Date, the Seller shall complete the delivery and handover of the corporate documents and seals of each of the Target Companies as specified in the Second Phase 90% Equity Interest Share Purchase Agreements to the Purchaser;
- (ii) the Seller shall cooperate with the financial institutions or the investment partner (as the case may be) to terminate all pledge agreements and release all pledges over the Sale Shares prior to the 90% Equity Interest Closing Date;

- (iii) in the event of any other circumstance specified in the Second Phase Share Purchase Agreements that may cause the Seller to be liable for any damages or compensation to the Target Companies, the Purchaser is entitled to request the Seller to pay the amount of such damages or compensation to the Target Companies;
- (iv) (applicable to Shenmu Jingpu only) within 60 days after the 90% Equity Interest Closing Date, the Purchaser undertakes to provide guarantee substitution or procure Shenmu Jingpu's early repayment of its liabilities owed to the financial institutions and all third party debtors of Shenmu Jingpu (i.e. debtors of Shenmu Jingpu other than the Seller and its affiliates) in order to release the existing guarantees provided by the Seller or its affiliates in respect of such liabilities;
- (v) (applicable to Shenmu Jingpu only) after the 90% Equity Interest Closing and during the time when the Seller continue to hold equity interest in Shenmu Jingpu, if the Purchaser provides guarantee substitutions in respect of the financial debts of Shenmu Jingpu, the Seller shall provide counter guarantee to the Purchaser in respect of the relevant financial debts of Shenmu Jingpu in proportionate to the Seller's shareholding in Shenmu Jingpu as at the time when the Purchaser provides such guarantee substitutions; and
- (vi) the Seller confirms that all payments under the supplemental agreements in relation to the leasing of land specified in the 90% Equity Interest Share Purchase Agreements have been fully paid. In the event that the Target Companies are required to make any payments pursuant to the above supplemental agreements, the Seller shall be responsible for such costs.

Transition Period Arrangement

While the financial information of the Target Companies remains consolidated in the consolidated financial statements of the Company during the Transition Period, the Seller and the Purchaser agreed that (i) profit and loss for the period from the Reference Date up to 120 days after the Reference Date shall be enjoyed and borne by the Seller and the Purchaser in proportion to its equity interest in each of the Target Companies after the 90% Equity Interest Closing and (ii) profit and loss for the period from the 120 days after the Reference Date up to the 90% Equity Interest Closing Date shall be enjoyed and borne by the Seller provided that the aforementioned period shall not be longer than two months.

Guarantee arrangement in respect of the 90% Equity Interest First Instalment

Nanjing GCL New Energy shall provide a guarantee to the Purchaser to secure, among others, the closing obligations of the Seller under the Second Phase 90% Equity Interest Share Purchase Agreements from the date of receipt of the 90% Equity Interest First Instalment. Such guarantee shall be released by the Purchaser upon the completion of the 90% Equity Interest Closing.

Guarantee arrangement in respect of the 10% Equity Interest First Instalment

Nanjing GCL New Energy shall provide a guarantee to the Purchaser to secure, among others, the closing obligations of the Seller under the Second Phase 10% Equity Interest Share Purchase Agreements from the date of receipt of the 10% Equity Interest First Instalment. Such guarantee shall be released by the Purchaser upon the completion of the 10% Equity Interest Closing.

2. INFORMATION ON THE PARTIES TO THE SECOND PHASE SHARE PURCHASE AGREEMENTS

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. As at the date of this announcement, the Company is a subsidiary of GCL-Poly.

Xian GCL New Energy

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

3. INFORMATION ON THE PURCHASER

Ningxia Hanguang is a company established in the PRC with limited liability and is principally engaged in the investment and development of renewable energy in the PRC. As confirmed by Ningxia Hanguang and as at the date of this announcement, Ningxia Hanguang is owned as to:

- (i) approximately 42% by Xinhua Hydropower Co., Ltd* (新華水力發電有限公司) (“**Xinhua Hydropower**”). Xinhua Hydropower is owned as to (a) 55% by China National Nuclear Corporation* (中國核工業集團有限公司), which is in turn wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council in the PRC, and (b) 45% by Xinhua Water Conservancy Holding Group Co., Ltd.* (新華水利控股集團有限公司), which is in turn wholly-owned by Comprehensive Affairs Bureau of the Ministry of Water Resources* (水利部綜合事業局) in the PRC;
- (ii) approximately 40% by Ningxia Water Investment Group Co., Ltd* (寧夏水務投資集團有限公司) which is indirectly wholly-owned by the People’s Government of Ningxia Hui Autonomous Region (寧夏回族自治區人民政府);

- (iii) approximately 13.33% by Beijing Nengda Electric Power Investment Co., Ltd.* (北京能達電力投資有限公司) which is owned as to (a) 90% by Beijing Jianghe Mingpeng Economic and Trade Co., Ltd.* (北京江河明鵬經貿有限公司) which is in turn owned as to 40% by Luo Lin* (羅琳), 30% by Wan Xiang* (萬翔) and 30% by Shi Jingchen* (石景晨) and (b) 10% by Qingdao Hanrun International Trade Co., Ltd.* (青島瀚潤國際貿易有限公司) which is in turn owned as to 70% by Niu Yongjun* (牛勇軍) and 30% by Fan Jia* (范佳); and
- (iv) approximately 4.67% by China Power Construction Ningxia Engineering Co., Ltd (中電建寧夏工程有限公司), which is indirectly wholly-owned by the State Council of the PRC (中國國務院).

4. INFORMATION ON THE TARGET COMPANIES

The table below sets out the information on the Target Companies under each of the Second Phase Share Purchase Agreements:

| Second Phase Share | | |
|---------------------------|---|--|
| No. | Purchase Agreements | Information on the Target Companies |
| I | Shenmu Jingfu Share Purchase Agreements | Shenmu Jingfu is a company established in the PRC with limited liability, which is directly wholly-owned by Xian GCL New Energy and an indirect subsidiary of the Company. Shenmu Jingfu is principally engaged in the operation of solar power plants in the PRC. |
| II | Shenmu Jingpu Share Purchase Agreements | Shenmu Jingpu is a company established in the PRC with limited liability, which is directly wholly-owned by Xian GCL New Energy and an indirect subsidiary of the Company. Shenmu Jingpu is principally engaged in the operation of solar power plants in the PRC. |

Set out below is an extract of the audited financial statements prepared for the financial year ended 31 December 2019 and financial year ended 31 December 2020 of each of the Target Companies prepared in accordance with China Accounting Standards:

| | | For the year ended 31 December | | | |
|-----------------------|-------------------------|---------------------------------------|-----------------|-----------------|-----------------|
| | | 2020 | | 2019 | |
| Second Phase | | Profit | Profit | Profit | Profit |
| Share Purchase | | before | after | before | after |
| Agreements | Target Companies | taxation | taxation | taxation | taxation |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| I | Shenmu Jingfu | 12,403 | 11,204 | 4,514 | 4,398 |

| | | For the year ended 31 December | | | |
|-----------------------|-------------------------|---------------------------------------|-----------------|-----------------|-----------------|
| | | 2020 | | 2019 | |
| Second Phase | | Profit | Profit | Profit | Profit |
| Share Purchase | | before | after | before | after |
| Agreements | Target Companies | taxation | taxation | taxation | taxation |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| II | Shenmu Jingpu | 14,790 | 14,790 | 14,400 | 14,400 |

The unaudited net assets as at the Reference Date (i.e. 30 April 2021) and the audited net assets as at 31 December 2020 of the Target Companies amounted to approximately RMB366,656,603 and approximately RMB360,186,851, respectively.

5. FINANCIAL IMPACT OF THE TRANSACTIONS

Upon the 90% Equity Interest Closing, the Target Companies will cease to be subsidiaries of the Group, and the profit and loss, as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the Group.

As at the date of this announcement, it is estimated that the Group will realise a net loss on the Second Phase Disposals of approximately RMB131,797,703 and such loss is calculated with reference to the difference between the aggregate Consideration of approximately RMB239,528,900, minus the Rectification Cost of RMB2,670,000 and the net asset value of Sale Shares based on the unaudited financial statements of the Target Companies as at the Reference Date of approximately RMB366,656,603, after deducting related transaction costs of approximately RMB2,000,000. The actual loss as a result of the Second Phase Disposals to be recorded by the Group is subject to audit and will be reassessed after completion of the Second Phase Disposals.

6. USE OF PROCEEDS FROM THE TRANSACTIONS

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB239,528,900 and (ii) the Total Net Payable Amount amounting to approximately RMB666,504,018, minus (iii) the Rectification Cost amounting to approximately RMB2,670,000 and transaction costs of approximately RMB2,000,000) is expected to be approximately RMB901,362,918, which the Company intends to use for repayment of its debts.

7. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As part of its “transformation and upgrade” development objective, the Company has been taking steps towards transforming to an asset-light model. Upon the 90% Equity Interest Closing, the Target Companies will no longer be subsidiaries of the Group, and the profit and loss as well as the assets and liabilities of the Target Companies will no longer be consolidated

into the consolidated financial statements of the Group. The liabilities of the Group will decrease by approximately RMB815,802,000. Furthermore, the cash derived from the Transactions amounting to approximately RMB901,362,918 will be used for further repayment of debts, and the gearing ratio of the Group will decrease by approximately 1.6%, calculated with reference to the unaudited financial statements of the Group as at 30 June 2021, thus effectively reducing the financial risks.

Based on the above reasons and having considered all relevant factors, the Directors believe and consider that the terms of the Transactions are on normal commercial terms, are fair and reasonable and that the entering into of the Second Phase Share Purchase Agreements is in the interests of the Company and the Shareholders as a whole.

8. LISTING RULES IMPLICATIONS

As Suzhou GCL New Energy and the Seller, being the indirect subsidiaries of the Company, entered into the Previous De Minimis Agreement, the First Phase Share Purchase Agreements and the Second Phase Share Purchase Agreements with Xinhua Hydropower Group within a 12-month period, the Previous De Minimis Disposal, the First Phase Disposals and the Second Phase Disposals shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio in respect of the Disposals exceeds 25% but is less than 75%, the entering into of the Second Phase Disposals constitutes a major transaction for the Company and it shall comply with the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The right to exercise the Second Phase Put Options by the Purchaser is at the discretion of the Company and no premium was paid on the grant of the Second Phase Put Options to the Purchaser. Accordingly, the grant of the Second Phase Put Options does not constitute a notifiable transaction of the Company. The Company will comply with the requirements of Chapter 14 of the Listing Rules if and when the Second Phase Put Options are exercised.

9. GENERAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the Transactions and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for approving the Transactions. Pursuant to Rule 14.44 of the Listing Rules, the Company will request a written Shareholders' approval from a closely allied group of shareholders, Elite Time Global (which as at the date of this announcement, holds 10,376,602,000 Shares, representing approximately 49.24% of the issued share capital of the Company) and Dongsheng Photovoltaic (which as at the date of this announcement, holds 1,905,978,301 Shares, representing approximately 9.04% of the issued share capital of the Company), to approve the Transactions. If the Company receives such

written Shareholders' approval, no Shareholders' meeting will be held to approve the Transactions pursuant to Rule 14.44 of the Listing Rules. If such written Shareholders' approval is not granted, the Company will convene a special general meeting to obtain the Shareholders' approval for the Transactions.

A circular, which will include, among other things, further details of the Transactions, is expected to be despatched to the Shareholders within 15 business days (as defined under the Listing Rules) after the publication of this announcement.

10. DEFINITIONS

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

| | |
|-------------------------------------|--|
| “10% Equity Interest Closing” | closing of the Second Phase 10% Equity Interest Disposals in accordance with the Second Phase 10% Equity Interest Share Purchase Agreements |
| “10% Equity Interest Closing Date” | the date of approval of issuance of the new business certificate of the Target Companies upon the completion of the Registration Procedures in respect of the Second Phase 10% Equity Interest Disposals |
| “10% Equity Interest Consideration” | the consideration for the Second Phase 10% Equity Interest Disposals |
| “10% Equity Interest Sale Shares” | 10% equity interest in each of Shenmu Jingfu and Shenmu Jingpu |
| “90% Equity Interest Closing” | closing of the Second Phase 90% Equity Interest Disposals in accordance with the Second Phase 90% Equity Interest Share Purchase Agreements |
| “90% Equity Interest Closing Date” | the date of approval of issuance of the new business certificate of the Target Companies upon the completion of the Registration Procedures in respect of the Second Phase 90% Equity Interest Disposals |
| “90% Equity Interest Consideration” | the consideration for the Second Phase 90% Equity Interest Disposals |
| “90% Equity Interest Sale Shares” | 90% equity interest in each of Shenmu Jingfu and Shenmu Jingpu |

| | |
|--------------------------|--|
| “Affiliates” | for the purpose of the announcement, means affiliates of each of the Target Companies, which shall include Xian GCL New Energy |
| “Amount Payable” | the amount payable (if any) by the Target Companies to the Seller and its affiliates (if applicable, including other subsidiaries of the Company) |
| “Amount Receivable” | the amount receivable (if any) by the Target Companies from the Seller and its affiliates (if applicable, including other subsidiaries of the Company) |
| “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 Audit Report” | the closing audit report prepared by an auditing agency appointed by the Purchaser to audit the financial status of the Target Companies during the period from the Reference Date to the 90% Equity Interest Closing Date in accordance with the Second Phase 90% Equity Interest Share Purchase Agreements |
| “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 and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451 |
| “connected persons” | has the same meaning ascribed to it under the Listing Rules |
| “Consideration” | the 90% Equity Interest Consideration and the 10% Equity Interest Consideration |
| “Directors” | the directors of the Company |
| “Disposals” | the Previous De Minimis Disposal, the First Phase Disposals and the Second Phase Disposals |
| “Dongsheng Photovoltaic” | Dongsheng Photovoltaic Technology (Hong Kong) Limited (東昇光伏科技(香港)有限公司), a company incorporated in Hong Kong with limited liability and is indirect wholly-owned by GCL System Integration |

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|---|--|
| “Elite Time Global” | Elite Time Global Limited (傑泰環球有限公司), a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of GCL-Poly |
| “First Phase 10% Equity Interest Disposals” | the proposed disposals of 10% equity interest in each of Shenmu Pingyuan Power Co., Ltd.* (神木市平元電力有限公司) (“ Shenmu Pingyuan ”), Shenmu Pingxi Power Co., Ltd.* (神木市平西電力有限公司) (“ Shenmu Pingxi ”), Shenmu County Jingdeng Power Co., Ltd.* (神木縣晶登電力有限公司) (“ Shenmu County Jingdeng ”) and Xixian New District GCL Photovoltaic Power Co., Ltd.* (西咸新區協鑫光伏電力有限公司) (“ Xixian New District GCL ”) to Ningxia Hanguang as contemplated under the First Phase 10% Equity Interest Share Purchase Agreements |
| “First Phase 10% Equity Interest Share Purchase Agreements” | a series of four equity transfer agreements dated 30 August 2021 entered into between Suzhou GCL New Energy, Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL |
| “First Phase 90% Equity Interest Disposals” | the proposed disposals of 90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to Ningxia Hanguang as contemplated under the First Phase 90% Equity Interest Share Purchase Agreements |
| “First Phase 90% Equity Interest Share Purchase Agreements” | a series of four equity transfer agreements dated 30 August 2021 entered into between Suzhou GCL New Energy, Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL |
| “First Phase Disposals” | the First Phase 90% Equity Interest Disposals and the First Phase 10% Equity Interest Disposals |
| “First Phase Put Options” | the put options granted to the Purchaser under the First Phase 90% Equity Interest Share Purchase Agreements, pursuant to which the Purchaser is entitled to request Suzhou GCL New Energy and Xian GCL New Energy (as the case may be) to repurchase the sale shares from the Purchaser |

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|---|---|
| “First Phase Share Purchase Agreements” | the First Phase 90% Equity Interest Share Purchase Agreements and the First Phase 10% Equity Interest Share Purchase Agreements |
| “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 and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this announcement, the Company is a subsidiary of GCL-Poly |
| “GCL System Integration” | GCL System Integration Technology Co., Ltd.* (協鑫集成科技股份有限公司), a company established in the PRC with its shares listed on the Small & Medium Enterprises Board of the Shenzhen Stock Exchange (stock code: 002506) |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Hunan Xinhua” | Hunan Xinhua Water Conservancy and Electric Power Co., Ltd.* (湖南新華水利電力有限公司), a company established in the PRC with limited liability and an independent third party to the Company |
| “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 subsidiary of the Company as at the date of this announcement |
| “Net Payable Amount” | the amount equivalent to the difference between the Amount Payable and the Amount Receivable in the event that the Amount Payable is more than the Amount Receivable |
| “Ningxia Hanguang” or “Purchaser” | Ningxia Hanguang New Energy Co., Ltd.* (寧夏含光新能源有限公司), a company established in the PRC with limited liability and an independent third party to the Company |

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| “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 De Minimis Agreement” | an equity transfer agreement dated 12 July 2021 entered into between Suzhou GCL New Energy and Hunan Xinhua in relation to the sale of the entire equity interest in Yanyuan Xian Baiwu |
| “Previous De Minimis Disposal” | the disposal of the entire equity interest in Yanyuan Xian Baiwu by Suzhou GCL New Energy to Hunan Xinhua as contemplated under the Previous De Minimis Agreement |
| “Reference Date” | 30 April 2021 |
| “Registration Procedures” | the registration procedures in respect of the change of shareholders of the respective target company and other relevant filing procedures in respect of the Previous De Minimis Disposal, the First Phase Disposals and the Second Phase Disposals in the PRC (as the case may be) |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Shares” | 90% Equity Interest Sale Shares and 10% Equity Interest Sale Shares |
| “Second Phase 10% Equity Interest Disposals” | the proposed disposals of 10% equity interest in each of Shenmu Jingfu and Shenmu Jingpu by Xian GCL New Energy to Ningxia Hanguang as contemplated under the Second Phase 10% Equity Interest Share Purchase Agreements |
| “Second Phase 10% Equity Interest Share Purchase Agreements” | Shenmu Jingfu 10% Equity Interest Share Purchase Agreement and Shenmu Jingpu 10% Equity Interest Share Purchase Agreement |
| “Second Phase 90% Equity Interest Disposals” | the proposed disposals of 90% equity interest in each of Shenmu Jingfu and Shenmu Jingpu by Xian GCL New Energy to Ningxia Hanguang as contemplated under the Second Phase 90% Equity Interest Share Purchase Agreements |

| | |
|--|---|
| “Second Phase 90% Equity Interest Share Purchase Agreements” | Shenmu Jingfu 90% Equity Interest Share Purchase Agreement and Shenmu Jingpu 90% Equity Interest Share Purchase Agreement |
| “Second Phase Disposals” | the Second Phase 90% Equity Interest Disposals and the Second Phase 10% Equity Interest Disposals |
| “Second Phase Put Options” | the put options granted to the Purchaser under the Second Phase 90% Equity Interest Share Purchase Agreements, pursuant to which the Purchaser is entitled to request the Seller to repurchase the Sale Shares from the Purchaser |
| “Second Phase Share Purchase Agreements” | the Second Phase 90% Equity Interest Share Purchase Agreements and the Second Phase 10% Equity Interest Share Purchase Agreements |
| “Seller” or “Xian GCL New Energy” | Xian GCL New Energy Management Co., Ltd.* (西安協鑫新能源管理有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company |
| “Shares” | share(s) in the share capital of the Company |
| “Shareholders” | the shareholders of the Company |
| “Shenmu Jingfu” | Shenmu Jingfu Power Co., Ltd.* (神木市晶富電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Xian GCL New Energy and an indirect subsidiary of the Company as at the date of this announcement |
| “Shenmu Jingfu 10% Equity Interest Share Purchase Agreement” | an equity transfer agreement dated 13 September 2021 (after trading hours) entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 10% equity interest in Shenmu Jingfu |
| “Shenmu Jingfu 90% Equity Interest Share Purchase Agreement” | an equity transfer agreement dated 13 September 2021 (after trading hours) entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 90% equity interest in Shenmu Jingfu |
| “Shenmu Jingfu Share Purchase Agreements” | Shenmu Jingfu 90% Equity Interest Share Purchase Agreement and Shenmu Jingfu 10% Equity Interest Share Purchase Agreement |

| | |
|--|---|
| “Shenmu Jingpu” | Shenmu Jingpu Power Co., Ltd.* (神木市晶普電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Xian GCL New Energy and an indirect subsidiary of the Company as at the date of this announcement |
| “Shenmu Jingpu 10% Equity Interest Share Purchase Agreement” | an equity transfer agreement dated 13 September 2021 (after trading hours) entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 10% equity interest in Shenmu Jingpu |
| “Shenmu Jingpu 90% Equity Interest Share Purchase Agreement” | an equity transfer agreement dated 13 September 2021 (after trading hours) entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 90% equity interest in Shenmu Jingpu |
| “Shenmu Jingpu Share Purchase Agreements” | Shenmu Jingpu 90% Equity Interest Share Purchase Agreement and Shenmu Jingpu 10% Equity Interest Share Purchase Agreement |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the same meaning ascribed to it under the Listing Rules |
| “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 |
| “Target Company(ies)” | Shenmu Jingfu and Shenmu Jingpu |
| “Total Net Payable Amount” | the Net Payable Amount of all of the Target Companies |
| “Transactions” | the transactions contemplated under the Second Phase 90% Equity Interest Share Purchase Agreements and the Second Phase 10% Equity Interest Share Purchase Agreements |
| “Transition Period” | the period between the Reference Date and the 90% Equity Interest Closing Date |
| “Xinhua Hydropower Group” | Hunan Xinhua and the Purchaser which are owned as to approximately 99.63% and 42% by Xinhua Hydropower, respectively and whose decisions to entered into the Disposals are subject to the approval of Xinhua Hydropower |

“Yanyuan Xian Baiwu”

Yanyuan Xian Baiwu New Energy Technology Co., Ltd.* (鹽源縣白鳥新能源科技有限公司), a company established in the PRC with limited liability, which ceased to be wholly-owned by Suzhou GCL New Energy and ceased to be an indirect subsidiary of the Company since 16 August 2021

“%”

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, 13 September 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.