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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 DISPOSAL OF A SUBSIDIARY

THE PREVIOUS DISPOSALS

Reference is made to the (i) 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 and (ii) the announcement of the Company dated 13 September 2021 and the circular of the Company dated 29 October 2021 (the “**Circular**”) in relation to the Second Phase Disposals. Unless otherwise defined herein, the capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

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 New Energy Technology Co., Ltd.* (鹽源縣白烏新能源科技有限公司) (“**Yanyuan Xian Baiwu**”) to Hunan Xinhua.

On 30 August 2021 (after trading hours), Suzhou GCL New Energy and Xian GCL New Energy, indirect subsidiaries of the Company (as the sellers) and Ningxia Hanguang (as the purchaser) entered into the First Phase 90% Equity Interest Share Purchase Agreements and the First Phase 10% Equity Interest Share Purchase Agreements. Pursuant to the First Phase Share Purchase Agreements, Suzhou GCL New Energy and Xian GCL New Energy agreed to, among other things, sell the entire 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 by stages.

On 13 September 2021 (after trading hours), Xian GCL New Energy, an indirect subsidiary of the Company (as the seller) and Ningxia Hanguang (as the purchaser) entered into the Second Phase 90% Equity Interest Share Purchase Agreements and the Second Phase 10% Equity Interest Share Purchase Agreements. Pursuant to the Second Phase Share Purchase Agreements, Xian GCL New Energy agreed to, among other things, sell the entire equity interest in each of Shenmu Jingfu Power Co., Ltd.* (神木市晶富電力有限公司) (“**Shenmu Jingfu**”) and Shenmu Jingpu Power Co., Ltd.* (神木市晶普電力有限公司) (“**Shenmu Jingpu**”) to Ningxia Hanguang by stages.

THE THIRD PHASE SHARE PURCHASE AGREEMENT

On 25 January 2022 (after trading hours), Ningxia GCL New Energy, an indirect subsidiary of the Company (as the seller) and Hunan Xinhua (as the purchaser) entered into the Third Phase Share Purchase Agreement. Pursuant to the Third Phase Share Purchase Agreement, Ningxia GCL New Energy agreed to, among other things, sell the entire equity interest in the Target Company to Hunan Xinhua.

Upon completion of the Third Phase Disposal, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the financial statements of the Company upon the Third Phase Disposal.

USE OF PROCEEDS FROM THE TRANSACTIONS

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB8,800,000 and (ii) the Net Payable Amount as at the Reference Date amounting to approximately RMB226,202,586 deduct (iii) expected Rectification Amount amounting to approximately RMB2,280,000) is expected to be approximately RMB232,722,586, which the Company intends to use for repayment of its debts.

LISTING RULES IMPLICATIONS

As the Seller, Xian GCL New Energy and Suzhou GCL New Energy, being the indirect subsidiaries of the Company, entered into the Previous De Minimis Agreement, First Phase Share Purchase Agreements, Second Phase Share Purchase Agreements and Third Phase Share Purchase Agreement with Xinhua Hydropower Group within a 12-month period, the Company is required to consider the effect of aggregation of the Previous Disposals and the Third Phase Disposal 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 (i) the Disposals (on an aggregated basis) exceeds 25% but is less than 75% and (ii) the Third Phase Disposal (on a standalone basis) exceeds 5% but is less than 25% and the Company had complied with the major transaction requirements in respect of the Second Phase Disposals, the entering into of the Third Phase Disposal constitutes a discloseable transaction for the Company and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

1. INTRODUCTION

Reference is made to the (i) 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 and (ii) the announcement of the Company dated 13 September 2021 and the Circular in relation to the Second Phase Disposals. Unless otherwise defined herein, the capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

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.

On 30 August 2021 (after trading hours), Suzhou GCL New Energy and Xian GCL New Energy, indirect subsidiaries of the Company (as the sellers) and Ningxia Hanguang (as the purchaser) entered into the First Phase 90% Equity Interest Share Purchase Agreements and the First Phase 10% Equity Interest Share Purchase Agreements. Pursuant to the First Phase Share Purchase Agreements, Suzhou GCL New Energy and Xian GCL New Energy agreed to, among other things, sell the entire equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to Ningxia Hanguang by stages.

On 13 September 2021 (after trading hours), Xian GCL New Energy, an indirect subsidiary of the Company (as the seller) and Ningxia Hanguang (as the purchaser) entered into the Second Phase 90% Equity Interest Share Purchase Agreements and the Second Phase 10% Equity Interest Share Purchase Agreements. Pursuant to the Second Phase Share Purchase Agreements, Xian GCL New Energy agreed to, among other things, sell the entire equity interest in each of Shenmu Jingpu and Shenmu Jingfu to Ningxia Hanguang by stages.

On 25 January 2022 (after trading hours), Ningxia GCL New Energy, an indirect subsidiary of the Company (as the seller) and Hunan Xinhua (as the purchaser) entered into the Third Phase Share Purchase Agreement. Pursuant to the Third Phase Share Purchase Agreement, Ningxia GCL New Energy agreed to, among other things, sell the entire equity interest in the Target Company to Hunan Xinhua.

Upon completion of the Third Phase Disposal, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the financial statements of the Company upon completion of the Third Phase Disposal.

2. THE THIRD PHASE SHARE PURCHASE AGREEMENT

The principal terms of the Third Phase Share Purchase Agreement are set out below:

Date

25 January 2022

Parties

- (i) The Seller: Ningxia GCL New Energy Investment Co., Ltd.* (寧夏協鑫新能源投資有限公司)
- (ii) The Purchaser: Hunan Xinhua Water Conservancy and Electric Power Co., Ltd.* (湖南新華水利電力有限公司)

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

The entire equity interest held in the Target Company will be sold by the Seller to the Purchaser.

The Target Company owns 1 operational solar power plant in the PRC with an aggregate grid-connected capacity of approximately 30MW.

For further information relating to the Target Company, please refer to the section headed "Information on the Target Company" below.

Consideration

The Consideration under the Third Phase Share Purchase Agreement is RMB8,800,000.

Basis of the Consideration

The Consideration under the Third Phase Share Purchase Agreement 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 the Target Company as at the Reference Date;
- (ii) the profitability of the Target Company 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 Company" of this announcement;

(iii) the reasons for the Third Phase Disposal as discussed in the paragraph headed “Reasons for and Benefits of the Transactions” below; and

(iv) the cash flow position of the Target Company as at the Reference Date.

Payment Arrangement of the Consideration

The Consideration under the Third Phase Share Purchase Agreement shall be paid by the Purchaser to the Seller in the following manner:

First instalment: The Purchaser shall pay a total of RMB5,280,000 (the “**First Instalment**”), to the Seller within five Business Days upon the signing of the Third Phase Share Purchase Agreement.

Second instalment: The Purchaser shall pay a total of RMB3,520,000, being the remaining balance of the Consideration (the “**Second Instalment**”), to the Seller within five Business Days after the Handover of Account Passwords and Seals and the Handover of Assets and Information.

Payment arrangement of the Net Payable Amount

The Net Payable Amount (i.e. approximately RMB226,202,586 as at the Reference Date) payable by the Target Company to the Seller shall be determined in accordance with the Audit Report.

The Target Company shall pay the Net Payable Amount, after deducting the Rectification Amount, to the Seller within 45 days after the Closing Date.

Payment arrangement of the Rectification Amount

The Seller undertakes to rectify the engineering and compliance defects specified under the Third Phase Share Purchase Agreement within one month from the Closing Date. It is expected that the Rectification Amount amounts to RMB2,280,000.

If the Seller fails to rectify certain engineering and compliance defects within the agreed deadline, the Purchaser shall be entitled to deduct the Rectification Amount from the Net Payable Amount payable by the Target Company to the Seller.

Other Undertakings

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

- (i) within ten Business Days from the completion of Registration Procedures, the Seller shall complete the delivery and handover of the assets, corporate documents and seals of the Target Company as specified in the Third Phase Share Purchase Agreement to the Purchaser, and the Seller and the Purchaser shall sign the handover list and the confirmation in relation to the handover of corporate documents and seals;
- (ii) within six months after the Closing Date, the Purchaser undertakes to provide guarantee substitution or procure the Target Company's early repayment of its liabilities owed to the financial institutions in order to release the existing guarantees provided by the Seller or its affiliates in respect of such liabilities;
- (iii) within three years from the Closing Date, if the tax authority imposes any supplemental tax amount, surcharge or penalty on the actions of Target Company prior to the Closing Date based on the laws and policies existed prior to the Closing Date, such amount payable by the Target Company to the tax authority shall be borne by the Seller and the Purchaser is entitled to recover such amount paid by the Purchaser and Target Company to the tax authority from the Seller; and
- (iv) in the event of any other circumstance specified in the Third Phase Share Purchase Agreement that may cause the Seller to be liable for any damages or compensation to the Target Company, the Purchaser is entitled to request the Seller to pay the amount of such damages or compensation.

Conditions Precedent

The Closing under the Third Phase Share Purchase Agreement is subject to the fulfilment of all of the following conditions:

- (i) the relevant procedures in relation to the discharge of the Existing Share Pledges have been completed; and
- (ii) the relevant permits, approvals and authorisations specified in the Third Phase Share Purchase Agreement have been obtained in accordance with the applicable laws.

The Seller and the Purchaser shall cooperate to discharge the Existing Share Pledges within 90 Business Days from the date of Third Phase Share Purchase Agreement. In the event that the Seller fails to complete the relevant procedures in relation to the discharge of Existing Share Pledges within 90 Business Days from the date of Third Phase Share Purchase Agreement, either party is entitled to terminate the Third Phase Share Purchase Agreement.

Transition Period Arrangement

During the Transition Period, the profit or loss of the Target Company shall be enjoyed or borne by the Purchaser.

Closing Audit Report

Pursuant to the Third Phase Share Purchase Agreement, the Purchaser shall engage an auditing agency to audit the financials of the Target Company for the period from the Reference Date to the Closing Date and prepare the Closing Audit Report within a month after the Closing Date.

3. INFORMATION ON THE PARTIES TO THE THIRD PHASE SHARE PURCHASE AGREEMENT

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.

Ningxia GCL New Energy

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

4. INFORMATION ON THE PURCHASER

Hunan Xinhua is a company established in the PRC with limited liability. Hunan Xinhua is mainly engaged in investment of power infrastructure and hydropower projects, consultancy services of hydropower technology and power projects, power business, contracting of mechanical engineering constructions and power facilities, as well as sale, design, development and maintenance of power and mechanical engineering equipment.

As confirmed by Hunan Xinhua and as at the date of this announcement, Hunan Xinhua is held as to approximately 99.63% by Xinhua Hydropower Company Limited* (新華水力發電有限公司) and approximately 0.37% by Hunan Sheng Hydropower Company Limited* (湖南省水利電力有限責任公司) (“**Hunan Sheng Hydropower**”). Xinhua Hydropower Company Limited* (新華水力發電有限公司) is owned as to (i) 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 (ii) 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. Hunan

Sheng Hydropower is owned as to (i) approximately 95.38% by Hunan Water Conservancy Development Investment Co., Ltd.* (湖南省水利發展投資有限公司), which is in turn indirectly owned as to 91% by the State-owned Assets Supervision and Administration Commission of the People's Government of Hunan Province in the PRC and 9% by the People's Government of Hunan Province, and (ii) approximately 4.62% by 31 other entities, amongst which, no individual entity owned over 0.8% equity interest in Hunan Sheng Hydropower.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Hunan Xinhua and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

5. INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability, which is directly wholly-owned by Ningxia GCL New Energy and an indirect subsidiary of the Company. The Target Company 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 the Target Company prepared in accordance with China Accounting Standards:

For the year ended 31 December			
2020		2019	
Profit before taxation	Profit after taxation	Profit before taxation	Profit after taxation
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
12,034	12,030	11,763	11,763

The unaudited net assets as at the Reference Date (i.e. 31 August 2021) and the audited net assets as at 31 December 2020 of the Target Company amounted to approximately RMB6,346,120 and approximately RMB10,774,590, respectively.

6. FINANCIAL IMPACT OF THE TRANSACTIONS

Upon the Closing, the Target Company will cease to be a subsidiary of the Group, and the profit and loss, as well as the assets and liabilities of the Target Company 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 gain on the Third Phase Disposal of approximately RMB173,880 and such gain is calculated with reference to the difference between the Consideration of approximately RMB8,800,000 and the net asset value of the Target Company based on the unaudited financial statements of the Target Company as at the Reference Date of approximately RMB6,346,120, after deducting Rectification Amount

amounting to approximately RMB2,280,000. The actual gain as a result of the Third Phase Disposal to be recorded by the Group is subject to audit and will be reassessed after completion of the Third Phase Disposal.

7. USE OF PROCEEDS FROM THE TRANSACTIONS

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB8,800,000 and (ii) the Net Payable Amount as at the Reference Date amounting to approximately RMB226,202,586 deduct (iii) expected Rectification Amount amounting to approximately RMB2,280,000) is expected to be approximately RMB232,722,586, which the Company intends to use for repayment of its debts.

8. 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. After the Closing, the Target Company will no longer be a subsidiary of the Group, and the profit and loss as well as the assets and liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group. The cash derived from the Transactions amounting to approximately RMB232,722,586 will be used for further repayment of debts, and the gearing ratio of the Group will decrease by approximately 0.1%, 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 Third Phase Share Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

9. LISTING RULES IMPLICATIONS

As the Seller, Xian GCL New Energy and Suzhou GCL New Energy, being the indirect subsidiaries of the Company, entered into the Previous De Minimis Agreement, First Phase Share Purchase Agreements, Second Phase Share Purchase Agreements and Third Phase Share Purchase Agreement with Xinhua Hydropower Group within a 12-month period, the Company is required to consider the effect of aggregation of the Previous Disposals and the Third Phase Disposal 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 (i) the Disposals (on an aggregated basis) exceeds 25% but is less than 75% and (ii) the Third Phase Disposal (on a standalone basis) exceeds 5% but is less than 25% and the Company had complied with the major transaction requirements in respect of the Second Phase Disposals, the entering into of the Third Phase Disposal constitutes a discloseable transaction for the Company and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

10. DEFINITIONS

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

“affiliates”	for the purpose of this announcement, means affiliates of the Target Company, which shall include Ningxia GCL New Energy
“Amount Payable”	the amount payable (if any) by the Target Company to the Seller and its affiliates (if applicable, including other subsidiaries of the Company) as at the Closing Date under the Third Phase Share Purchase Agreement
“Amount Receivable”	the amount receivable (if any) by the Target Company from the Seller and its affiliates (if applicable, including other subsidiaries of the Company) as at the Closing Date under the Third Phase Share Purchase Agreement
“Audit Report”	the audit report prepared by an auditing agency to audit the financial statement of the Target Company as at the Reference Date
“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 Third Phase Disposal in accordance with the Third Phase Share Purchase Agreement
“Closing Audit Report”	the closing audit report prepared by an auditing agency appointed by the Purchaser to audit the financial status of the Target Company in the period from the Reference Date to the Closing Date in accordance with the Third Phase Share Purchase Agreement
“Closing Date”	the date of issuance as stated on the new business certificate of the Target Company upon the completion of the Registration Procedures of the Third Phase Disposal
“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 consideration for the Third Phase Disposal
“Directors”	the directors of the Company
“Disposals”	the Previous Disposals and the Third Phase Disposal
“Existing Share Pledges”	the pledges of the Sale Shares by Ningxia GCL New Energy to certain financial institutions
“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 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 disposal of the entire equity interest in Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL by stages as contemplated under the First Phase Share Purchase Agreements
“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
“Group”	the Company and its subsidiaries
“Handover of Account Passwords and Seals”	handover of online encryption keys of all bank accounts and all corporate seals of the Target Company by Ningxia GCL New Energy or the Target Company to Hunan Xinhua

“Handover of Assets and Information”	handover of all assets and information of the Target Company, including but not limited to financial data, operational information and project approval status, by Ningxia GCL New Energy or the Target Company to Hunan Xinhua
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hunan Xinhua” or “Purchaser”	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)
“Net Payable Amount”	the amount equivalent to the difference between the Amount Payable and the Amount Receivable of the Target Company in the event that the Amount Payable is more than the Amount Receivable
“Ningxia GCL New Energy” or “Seller”	Ningxia GCL New Energy Investment Co., Ltd.* (寧夏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
“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
“Previous Disposals”	the Previous De Minimis Disposal, the First Phase Disposals and the Second Phase Disposals
“Rectification Amount”	the agreed rectification amount for the engineering and compliance defects of the Target Company under the Third Phase Share Purchase Agreement

“Reference Date”	31 August 2021
“Registration Procedures”	the registration procedures in respect of the change of shareholders of the Target Company and other relevant filing procedures in respect of the Third Phase Disposal in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire equity interest in the Target Company
“Second Phase 10% Equity Interest Share Purchase Agreements”	a series of two equity transfer agreements dated 13 September 2021 entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 10% equity interest in each of Shenmu Jingfu and Shenmu Jingpu
“Second Phase 90% Equity Interest Share Purchase Agreements”	a series of two equity transfer agreements dated 13 September 2021 entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 90% equity interest in each of Shenmu Jingfu and Shenmu Jingpu
“Second Phase Disposals”	the disposal of the entire equity interest in Shenmu Jingfu and Shenmu Jingpu by stages as contemplated under the Second Phase Share Purchase Agreements
“Second Phase Share Purchase Agreements”	the Second Phase 90% Equity Interest Share Purchase Agreements and the Second Phase 10% Equity Interest Share Purchase Agreements
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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”	Ningxia Xinken Jianquan Photovoltaic Power Company Limited* (寧夏鑫墾簡泉光伏電力有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company as at the date of this announcement
“Third Phase Disposal”	the proposed disposal of the entire equity interest in the Target Company by Ningxia GCL New Energy to Hunan Xinhua as contemplated under the Third Phase Share Purchase Agreement

“Third Phase Share Purchase Agreement”	an equity transfer agreement dated 25 January 2022 entered into between Ningxia GCL New Energy and Hunan Xinhua in relation to the sale of the Sale Shares
“Transactions”	the transactions contemplated under the Third Phase Share Purchase Agreement
“Transition Period”	the period between the Reference Date and the Closing Date

* *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, 25 January 2022

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.