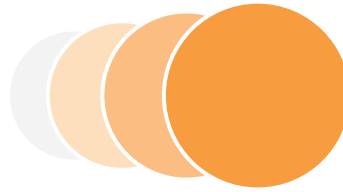


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GOLDEN SOLAR

GOLDEN SOLAR NEW ENERGY TECHNOLOGY HOLDINGS LIMITED

金陽新能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1121)

**DISCLOSEABLE TRANSACTION
IN RELATION TO A LEASE AGREEMENT**

LEASE AGREEMENT

The Board announces that on 1 August 2023 (after trading hours), Xuzhou Jinsheng as the lessor and Golden Solar Xuzhou, an indirect wholly-owned subsidiary of the Company, as the lessee entered into the Lease Agreement for the Lease of the Premises for an initial term of 3 years from 1 November 2023 to 31 October 2026 in relation to the Wafer Project.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 applicable to the Company, as a result of the entering into of the Lease Agreement, it is estimated that the Group shall recognise an additional right-of-use asset representing its right to use the Premises in the total amount of approximately RMB67,000,000 (equivalent to approximately HK\$72,360,000) which is based on the estimated leased area of the Premises of approximately 52,928 sq.m. for the first 6 months and approximately 69,580 sq.m. for the remainder of the Lease. As such, the transactions under the Lease Agreement will be recognised as an acquisition of right-of-use assets which will constitute a transaction under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Lease Agreement is more than 5% but less than 25%, the entering into of the Lease Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 22 October 2021 (the “**Announcement**”) in relation to the 20 gigawatts large-sized heterojunction silicon wafer project (the “**Wafer Project**”). Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

LEASE AGREEMENT

The Board announces that on 1 August 2023 (after trading hours), Xuzhou Jinsheng as the lessor and Golden Solar Xuzhou, an indirect wholly-owned subsidiary of the Company, as the lessee entered into the Lease Agreement for the lease (the “**Lease**”) of the Premises for an initial term of 3 years from 1 November 2023 to 31 October 2026 in relation to the Wafer Project.

The principal terms of the Lease Agreement are set out below:

Date:	1 August 2023
Parties:	(1) Xuzhou Jinsheng as lessor; and (2) Golden Solar Xuzhou as lessee

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Xuzhou Jinsheng and its ultimate beneficial owner, the State-owned Assets Supervision and Administration Commission of Xuzhou Municipal People’s Government* (徐州市人民政府國有資產監督管理委員會), are Independent Third Parties, respectively. Xuzhou Jinsheng is principally engaged in (i) project management services; (ii) park management services; (iii) municipal facility management; (iv) undertaking project construction business for holding companies; (v) landscaping and greening construction; (vi) earthwork construction; (vii) urban greening management; (viii) contracting projects; and (ix) technical engineering services.

Premises:	The Premises
Total constructed area:	Approximately 144,874 sq.m.
Permitted use:	For research and development and production purposes and as office premises of Golden Solar Xuzhou in relation to the Wafer Project.
Term:	From 1 November 2023 to 31 October 2026

Monthly rent:

RMB30.6 (equivalent to approximately HK\$33.05) per sq.m. per month payable monthly in cash in advance, the total monthly rent of the Premises is to be determined with reference to the actual used area of the Premises upon the commencement of the Lease. As at the date of this announcement, the estimated leased area of the Premises is approximately 52,928 sq.m. for the first 6 months and approximately 69,580 sq.m. for the remainder of the Lease.

Pursuant to the Wafer Project Agreement (as supplemented), Golden Solar Xuzhou may be entitled to certain benefits/rental incentives in relation to the refund of the Lease as set out below:

Provided that Golden Solar Xuzhou achieves the target tax amount in each of the respective years within the three years from 1 August 2023, being the date of the Lease Agreement, as calculated by the formulae set out below, Golden Solar Xuzhou will receive a refund of 100% of the rent (excluding value-added tax) for each of the respective years within the three years from the date of the Lease Agreement. The target tax amount for each of the respective years within the three years from the date of the Lease Agreement shall be calculated by the following formulae:

First year (actual leased area of the Premises / actual constructed area of the Premises) x 50% x RMB50,000,000 (equivalent to approximately HK\$54,000,000);

Second year (actual leased area of the Premises / actual constructed area of the Premises) x 50% x RMB200,000,000 (equivalent to approximately HK\$216,000,000); and

Third year (actual leased area of the Premises / actual constructed area of the Premises) x 55% x RMB400,000,000 (equivalent to approximately HK\$432,000,000).

Notwithstanding the above, upon negotiations between the Xuzhou Economic Zone Management Committee and Golden Solar Xuzhou, the target tax amount in each year within the three years from the date of the Lease Agreement may be subject to change depending on the actual market conditions and the parties shall enter into further agreements to reflect the same.

There shall be a refund of the rental incentives received by Golden Solar Xuzhou to the Xuzhou Economic Zone Management Committee in the event Golden Solar Xuzhou does not achieve the target tax amount in each of the respective years within the three years from the date of the Lease Agreement.

Deposit: RMB1,000,000 (equivalent to approximately HK\$1,080,000)

Purchase right: During the term of the Lease, Golden Solar Xuzhou may, based on its production and operational needs, purchase from Xuzhou Jinsheng the Premises (including but not limited to land, plants, etc.) at a purchase price to be appraised by an independent third party valuer agreed between Xuzhou Jinsheng and Golden Solar Xuzhou. Upon the exercise of such purchase right, the rent actually paid (without benefits of the rental incentives as set out above) by Golden Solar Xuzhou can be set off against the purchase price.

During the term of the Lease, Golden Solar Xuzhou shall have the right of first refusal to purchase the Premises under the same terms and conditions if Xuzhou Jinsheng sells part of or all of its ownership in the Premises.

Renewal: Upon expiry of the term of the Lease and unless Xuzhou Jinsheng transfers the title of the Premises to Golden Solar Xuzhou, Golden Solar Xuzhou has the priority right to renew the Lease under the same terms and conditions as the Lease Agreement for an aggregate period of not less than 20 years. Golden Solar Xuzhou must provide the notice of renewal of the Lease to Xuzhou Jinsheng in writing 2 months prior to the expiry of the Lease and both parties will enter into a renewal agreement for a specific term of the renewed Lease upon mutual agreement.

If the Lease is renewed, the parties shall negotiate whether to increase the rent of the Premises with reference to the operating and profitability conditions of Golden Solar Xuzhou and the economic conditions prevalent at such time. The rate of increase of the rent of the Premises shall not exceed 2% over the previous year's rent for every three-year period.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Company is an investment holding Company.

The Group is principally engaged in (i) the manufacturing and sale of photovoltaic products; (ii) the manufacturing and sale of slippers, sandals and casual footwear; (iii) the manufacturing, sale and trading of graphene-based products and related services; (iv) the provision of technology licensing services; and (v) investment holding.

Pursuant to the Wafer Project Agreement (as supplemented by the Supplemental Wafer Project Agreement), for the purpose of supporting the development of the heterojunction silicon wafer project, Xuzhou Economic Zone Management Committee will provide plant and peripheral facilities, infrastructure incentives with a total amount of up to RMB400 million in cash, and other economic support for the Group's continuous expansion of wafer production capacity and business at its production base, being the Premises, in the Xuzhou Economic & Technological Development Zone.

Golden Solar Xuzhou will utilise the Premises as its production base for the Wafer Project to supply for the Group's heterojunction solar cells and modules. By entering into the Lease Agreement, Golden Solar Xuzhou will establish its own silicon wafer production base, and will be entitled to benefit from the plant and peripheral facilities, infrastructure and rental incentives offered by the Xuzhou Economic Zone Management Committee in support of the Wafer Project. The Premises will also become a major upstream production base to supply silicon wafer to the Group's high efficiency heterojunction solar cells and modules, as well as consumer flexible modules for cost reduction purpose.

Having considered the reasons as mentioned above and taking into account the rent of the Premises as determined by the actual used area of the Premises upon the commencement of the Lease, the Board considers that the terms of the Lease Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 applicable to the Company, as a result of the entering into of the Lease Agreement, it is estimated that the Group shall recognise an additional right-of-use asset representing its right to use the Premises in the total amount of approximately RMB67,000,000 (equivalent to approximately HK\$72,360,000) which is based on the estimated leased area of the Premises of approximately 52,928 sq.m. for the first 6 months and approximately 69,580 sq.m. for the remainder of the Lease. As such, the transactions under the Lease Agreement will be recognised as an acquisition of right-of-use assets which will constitute a transaction under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Lease Agreement is more than 5% but less than 25%, the entering into of the Lease Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Golden Solar New Energy Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1121)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Golden Solar Xuzhou”	Golden Solar Silicon Science & Technology (Xu Zhou) Co., Ltd.* (金陽硅業科技(徐州)有限公司), an indirect wholly-owned subsidiary of the Company which is principally engaged in the manufacturing and sale of photovoltaic products
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Lease Agreement”	the lease agreement dated 1 August 2023 and entered into between Xuzhou Jinsheng as lessor and Golden Solar Xuzhou as lessee for an initial term of 3 years from 1 November 2023 to 31 October 2026
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Premises”	the building and ancillary facilities with total construction area of approximately 144,874 sq.m. on the land located at 大黃山街道高新路以西、緯一路以南、規劃路以東、緯二路以北 (Dahuangshan Street west of Gaoxin Road, south of Weiyi Road, east of Guihua Road, north of Weier Road*) in Xuzhou, the PRC

“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wafer Project Agreement”	the wafer project agreement dated 21 October 2021 and entered into between the Xuzhou Economic Zone Management Committee and Golden Solar Xuzhou in relation to the Wafer Project and supplemented on 1 August 2023
“Xuzhou Economic Zone Management Committee”	Xuzhou Economic & Technological Development Zone Management Committee* (徐州經濟技術開發區管理委員會), a government entity of Xuzhou, the PRC, and an Independent Third Party which is principally engaged in administrative and management affairs of Xuzhou Economic and Technological Development Zone
“Xuzhou Jinsheng”	Xuzhou Jinsheng Construction & Engineering Management Company Limited* (徐州金昇建設工程管理有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement have been translated at the rate RMB1.0 = HK\$1.08. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

On behalf of the Board
Golden Solar New Energy Technology Holdings Limited
Leung Tsz Chung
Chairman

Hong Kong, 1 August 2023

As at the date of this announcement, the executive Directors are Mr. Leung Tsz Chung and Mr. Zheng Jingdong; the non-executive Director is Ms. Lin Weihuan; and the independent non-executive Directors are Ms. An Na, Mr. Chen Shaohua and Professor Zhao Jinbao.