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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)**

### **CONNECTED TRANSACTION RENEWAL OF LEASE AGREEMENT WITH SUZHOU GCL INDUSTRIAL APPLICATIONS RESEARCH**

Reference is made to the announcement of the Company dated 30 September 2020, in relation to, among other things, the Existing Lease Agreement entered into between Suzhou GCL Operation (an indirect wholly-owned subsidiary of the Company) and Suzhou GCL Industrial Applications Research.

#### **NEW LEASE AGREEMENT**

On 27 September 2023 (after trading hours), Suzhou GCL New Energy (an indirect wholly-owned subsidiary of the Company) as lessee and Suzhou GCL Industrial Applications Research as lessor entered into the New Lease Agreement, pursuant to which Suzhou GCL Industrial Applications Research agreed to lease the Premises to Suzhou GCL New Energy for a term of two years commencing from 1 October 2023 to 30 September 2025 (both dates inclusive). The rent payable by Suzhou GCL New Energy to Suzhou GCL Industrial Applications Research is RMB740,201.25 per month.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL Technology. Given that (i) GCL Technology is an associate of Golden Concord Group, which is a company indirectly held by the Zhu Family Trust; and (ii) Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries of the Zhu Family Trust, Golden Concord Group is a connected person of the Company and Suzhou GCL Industrial Applications Research is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the New Lease Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16 “Leases”, the Group is expected to recognize the value of the right-of-use assets on its consolidated statement of financial position in connection with the New Lease Agreement, this transaction will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules. As at the date of this announcement, the unaudited value of the right-of-use assets recognized under the New Lease Agreement is approximately RMB17,177,940, being the present value of aggregated lease payments to be made in accordance with HKFRS 16 “Leases”. A discount rate of 3.45% is adopted in calculating the present value of the aggregated lease payments.

As the highest applicable percentage ratio in respect of the New Lease Agreement is more than 0.1% but less than 5%, the entering into of the New Lease Agreement is subject to the reporting and announcement requirements but is exempt from the shareholders’ approval requirements as required under Chapter 14A of the Listing Rules.

As (i) Suzhou GCL Industrial Applications Research is an associate of Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng); and (ii) Mr. Wang Dong and Ms. Hu Xiaoyan (both being executive Directors), Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai (all being non-executive Directors) are executives of the companies controlled by the Zhu Family Trust, each of the above Directors is deemed to have a material interest in the transactions contemplated under the New Lease Agreement. Accordingly, each of Mr. Zhu Gongshan, Mr. Zhu Yufeng, Mr. Wang Dong, Ms. Hu Xiaoyan, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, and Mr. Fang Jiancai have abstained from voting on the relevant Board resolution in respect of the New Lease Agreement.

Reference is made to the announcement of the Company dated 30 September 2020, in relation to, among other things, the Existing Lease Agreement entered into between Suzhou GCL Operation (an indirect wholly-owned subsidiary of the Company) and Suzhou GCL Industrial Applications Research.

## **1. NEW LEASE AGREEMENT**

On 27 September 2023 (after trading hours), Suzhou GCL New Energy (an indirect wholly-owned subsidiary of the Company) as lessee and Suzhou GCL Industrial Applications Research as lessor entered into the New Lease Agreement, pursuant to which Suzhou GCL Industrial Applications Research agreed to lease the Premises to Suzhou GCL New Energy for a term of two years commencing from 1 October 2023 to 30 September 2025 (both dates inclusive). The rent payable by Suzhou GCL New Energy to Suzhou GCL Industrial Applications Research is RMB740,201.25 per month. The principal terms of the New Lease Agreement are set out below.

### ***(i) Date***

27 September 2023

***(ii) Parties***

**Lessor:** Suzhou GCL Industrial Applications Research

**Lessee:** Suzhou GCL New Energy

***(iii) Premises***

Suzhou GCL Industrial Applications Research agreed to renew the lease of the Premises, a commercial property of 9,869.35 square meters in Suzhou Industrial Park, PRC, with Suzhou GCL New Energy for business purposes.

***(iv) Term***

Two years commencing from 1 October 2023 to 30 September 2025 (both dates inclusive)

***(v) Basis of the consideration***

The New Lease Agreement was negotiated and entered into on an arm's length basis between the parties with reference to the prevailing market rent of a comparable class of commercial premises in Suzhou. The monthly rent is exclusive of management fees, utilities, facilities maintenance and carparking expenses, which will be borne by Suzhou GCL New Energy.

***(vi) Rent and other charges***

The rent is agreed at a rate of RMB75 per square meter per month (exclusive of management fees). As a result, the rent payable by Suzhou GCL New Energy to Suzhou GCL Industrial Applications Research is RMB740,201.25 per month. The relevant rent is payable to Suzhou GCL Industrial Applications Research before the end of each quarter. Suzhou GCL Industrial Applications Research shall be entitled to claim at a rate of 0.05% of the unpaid portion of the rent against Suzhou GCL New Energy for each overdue day. The aggregate value of the rental payable by the Suzhou GCL New Energy under the New Lease Agreement is RMB17,764,830, which is expected to be financed by the internal resources of the Group.

During the term of the New Lease Agreement, the management fees, utilities, facilities maintenance and carparking expenses will be borne by Suzhou GCL New Energy.

## **2. REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE NEW LEASE AGREEMENT**

The Premises are used by the Group for business purpose, mainly to satisfy the needs for daily office of the staff and normal business operation. In order to ensure the Group to secure continuous use of the Premises as its head office in Suzhou, PRC, Suzhou GCL New Energy has entered into the New Lease Agreement with Suzhou GCL Industrial Applications Research. In addition, as the gross floor area of the Premises leased under the New Lease Agreement will be reduced in half as compared to that under the Existing Lease Agreement, the Company will save costs in respect of renting office space in Suzhou, PRC accordingly.

Having considered all relevant factors, the Directors (including the independent non-executive Directors) are of the view that the New Lease Agreement was entered into in the ordinary and usual course of the business of the Group, and on normal commercial terms which are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **3. INFORMATION ON THE PARTIES TO THE NEW LEASE AGREEMENT**

### **The Group**

The Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants.

### **Suzhou GCL Industrial Applications Research**

Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL Technology. It is a company incorporated in the PRC and is principally engaged in (i) the research and development, testing and sales of monocrystalline silicon, polysilicon, LED semiconductor lighting, OLED display, motive battery and related products; (ii) the development of energy saving technology, technology consultancy, technology services and technology transfer; (iii) the import of raw and auxiliary materials, machinery and equipment and related technologies required by the research and development of Suzhou GCL Industrial Applications Research; and (iv) the export of self-produced products and related technology.

### **Suzhou GCL New Energy**

Suzhou GCL New Energy is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It principally engaged in photovoltaic power investment, investment management and consultation, business management consultation, technology development, technology transfer, technical advice related to photovoltaic power projects, and sales of photovoltaic materials and equipment.

#### 4. LISTING RULES IMPLICATIONS

As at the date of this announcement, Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL Technology. Given that (i) GCL Technology is an associate of Golden Concord Group, which is a company indirectly held by the Zhu Family Trust; and (ii) Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries of the Zhu Family Trust, Golden Concord Group is a connected person of the Company and Suzhou GCL Industrial Applications Research is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the New Lease Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16 “Leases”, the Group is expected to recognize the value of the right-of-use assets on its consolidated statement of financial position in connection with the New Lease Agreement, this transaction will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules. As at the date of this announcement, the unaudited value of the right-of-use assets recognized under the New Lease Agreement is approximately RMB17,177,940, being the present value of aggregated lease payments to be made in accordance with HKFRS 16 “Leases”. A discount rate of 3.45% is adopted in calculating the present value of the aggregated lease payments.

As the highest applicable percentage ratio in respect of the New Lease Agreement is more than 0.1% but less than 5%, the entering into of the New Lease Agreement is subject to the reporting and announcement requirements but is exempt from the Shareholders’ approval requirements as required under Chapter 14A of the Listing Rules.

As (i) Suzhou GCL Industrial Applications Research is an associate of Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng); and (ii) Mr. Wang Dong and Ms. Hu Xiaoyan (both being executive Directors), Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai (all being non-executive Directors) are executives of the companies controlled by the Zhu Family Trust, each of the above Directors is deemed to have a material interest in the transactions contemplated under the New Lease Agreement. Accordingly, each of Mr. Zhu Gongshan, Mr. Zhu Yufeng, Mr. Wang Dong, Ms. Hu Xiaoyan, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, and Mr. Fang Jiancai have abstained from voting on the relevant Board resolution in respect of the New Lease Agreement.

## 5. DEFINITIONS

In this announcement, unless otherwise specified, the following terms have the following meanings:

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 (stock code: 451)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Lease Agreement”	the lease agreement between Suzhou GCL Operation and Suzhou GCL Industrial Applications Research dated 30 September 2020
“GCL Technology”	GCL Technology Holdings Limited (協鑫科技控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800)
“Golden Concord Group”	Golden Concord Group Limited, an indirect wholly-owned company of the Zhu Family Trust
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Lease Agreement”	the lease agreement between Suzhou GCL New Energy and Suzhou GCL Industrial Applications Research dated 27 September 2023
“PRC”	the People’s Republic of China
“Premises”	the partial premises with 9,869.35 square meters situated at 4th floor of headquarters building, No. 28 Xinqing Road, Suzhou Industrial Park, PRC

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of one-twelfth (1/12) of a Hong Kong dollar each (equivalent to HK\$0.083) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL Industrial Applications Research”	Suzhou GCL Industrial Applications Research Co., Ltd.* (蘇州協鑫工業應用研究院有限公司), a company established in the PRC with limited liability and, as at the date of this announcement, an indirect wholly-owned subsidiary of GCL Technology
“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, as at the date of this announcement, an indirect wholly-owned subsidiary of the Company
“Suzhou GCL Operation”	Suzhou GCL New Energy Operation Technology Co., Ltd.* (蘇州協鑫新能源運營科技有限公司), a company incorporated in the PRC with limited liability and, as at the date of this announcement, an indirect wholly-owned subsidiary of the Company
“Zhu Family Trust”	the discretionary trust known as the “Asia Pacific Energy Fund”, of which Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng) are beneficiaries
“%”	per cent

\* for identification purpose only

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

Hong Kong, 27 September 2023

*As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Yufeng, Mr. Wang Dong 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. Lee Conway Kong Wai, Mr. Wang Yanguo, Dr. Chen Ying and Mr. Cai Xianhe as independent non-executive Directors of the Company.*