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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)

(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION; AND (2) CONTINUING CONNECTED TRANSACTION UNDER RULE 14A.60 OF THE LISTING RULES

THE DISPOSALS

On 12 October 2023 (after trading hours), the First Batch Sellers, being indirect subsidiaries of the Company (as the sellers) and Suzhou Industrial (as the purchaser) entered into the First Batch Share Purchase Agreements. Pursuant to the First Batch Share Purchase Agreements, the First Batch Sellers agreed to sell, and the Purchaser agreed to purchase, among other things, (a) save for Tongyu GCL, the entire equity interest in each of the First Batch Target Companies and (b) approximately 88.58% equity interest in Tongyu GCL.

On 12 October 2023 (after trading hours), the Second Batch Sellers, being indirect subsidiaries of the Company (as the sellers) and Suzhou Industrial (as the purchaser) entered into the Second Batch Share Purchase Agreement. Pursuant to the Second Batch Share Purchase Agreement, the Second Batch Sellers agreed to sell, and the Purchaser agreed to purchase, among other things, the entire equity interest in each of the Second Batch Target Companies.

Upon completion of the 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 completion of the Disposals.

USE OF PROCEEDS FROM THE DISPOSALS

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB1,004,401,100, (ii) the Deferred Receivable of RMB398,668,200 and (iii) the total Net Payable Amount amounting to approximately RMB198,959,900) is expected to be approximately RMB1,602,029,200, which the Company intends to use for debts repayment and to support the investment of natural gas, liquefied natural gas and operating and management services sectors.

CONTINUING CONNECTED TRANSACTIONS UNDER RULE 14A.60 OF THE LISTING RULES

Prior to the date of this announcement, (i) each of the First Batch Target Companies and Luohe Xierun entered into the Management Service Agreements with Suzhou GCL New Energy Operations Management on 25 December 2022 and 9 August 2022, respectively; and (ii) each of the Designated Target Companies entered into the Supplemental Operation Management Service Agreement with Suzhou GCL New Energy Operations Management on 30 June 2023. Pursuant to the Service Agreements, Suzhou GCL New Energy Operations Management has provided and will continue to provide the Designated Target Companies management services on the operation and maintenance of solar power plants after the Disposals.

LISTING RULES IMPLICATIONS

The Disposals

Since one of the applicable percentage ratios in respect of the Disposals exceeds 75%, the entering into of the Share Purchase Agreements constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Upon completion of the 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 completion of the Disposals.

As of the date of this announcement, given that (i) Mr. Zhu Gongshan, Mr. Zhu Yufeng and Zhu Family Trust indirectly held 48.03% equity interest in the Purchaser; (ii) the Zhu Family Trust is a substantial Shareholder that indirectly held 284,022,559 shares of the Company (representing approximately 24.32% of the total issued share capital of the Company), and therefore a connected person of the Company; and (iii) Mr. Zhu Gongshan and Mr. Zhu Yufeng are executive Directors, and therefore considered as connected persons of the Company, the Purchaser is considered to be an associate of connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Share Purchase Agreements constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The SGM will be convened to consider and, if thought fit, to pass resolutions to approve the Share Purchase Agreements and the Disposals.

The Service Agreements

Given that the Purchaser is an associate of the connected persons of the Company, upon completion of the Disposals, except for Tongyu GCL which will become a non-wholly owned subsidiary of the Purchaser, the Target Companies will become wholly-owned subsidiaries of the Purchaser. As a result, the Designated Target Companies will also be considered as connected persons of the Company under Chapter 14A of the Listing Rules and the Service Agreements and the transactions contemplated thereunder will be considered as continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable annual review and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transactions, including issuance of announcements and annual reporting. The Company will comply in full with all applicable reporting, disclosure and, if applicable, Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Service Agreements.

GENERAL

A circular, which will include, among other things, (i) a letter of advice from the Independent Financial Adviser in relation to the terms and conditions of the Share Purchase Agreements; (ii) a recommendation from the Independent Board Committee in relation to the terms and conditions of the Share Purchase Agreements; (iii) further details of the Disposals; and (iv) a notice of SGM, is expected to be despatched to the Shareholders on or before 31 October 2023 as additional time is required to prepare and finalise certain information to be included in the circular.

1. INTRODUCTION

On 12 October 2023 (after trading hours), the First Batch Sellers, being indirect subsidiaries of the Company (as the sellers) and Suzhou Industrial (as the purchaser) entered into the First Batch Share Purchase Agreements. Pursuant to the First Batch Share Purchase Agreements, the First Batch Sellers agreed to sell, and the Purchaser agreed to purchase, among other things, (a) save for Tongyu GCL, the entire equity interest in each of the First Batch Target Companies and (b) approximately 88.58% equity interest in Tongyu GCL.

On 12 October 2023 (after trading hours), the Second Batch Sellers, being indirect subsidiaries of the Company (as the sellers) and Suzhou Industrial (as the purchaser) entered into the Second Batch Share Purchase Agreement. Pursuant to the Second Batch Share Purchase Agreement, the Second Batch Sellers agreed to sell, and the Purchaser agreed to purchase, among other things, the entire equity interest in each of the Second Batch Target Companies.

Upon completion of the 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 completion of the Disposals.

2. THE FIRST BATCH SHARE PURCHASE AGREEMENTS

The principal terms of the First Batch Share Purchase Agreements are set out below:

Date 12 October 2023 (after trading hours)

Parties

- (i) The Sellers:
1. Hebei GCL Tongxin New Energy Development Co., Ltd.* (河北協鑫同心新能源開發有限公司)
 2. Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司)
 3. Shandong GCL New Energy Co., Ltd.* (山東協鑫新能源有限公司)
 4. Suzhou GCL New Energy Kaifa Co., Ltd.* (蘇州協鑫新能源開發有限公司)
 5. Nanjing GCL New Energy Development Co., Ltd.* (南京協鑫新能源發展有限公司)
 6. Guangdong GCL New Energy Investment Co., Ltd.* (廣東協鑫新能源投資有限公司)
 7. Qinghai GCL New Energy Co., Ltd.* (青海協鑫新能源有限公司)

8. Shenyang Xinyuan Photovoltaic Power Co., Ltd.* (瀋陽鑫源光伏電力有限公司)
 9. Suzhou GCL New Energy Development Co., Ltd.* (蘇州協鑫新能源發展有限公司)
 10. Hubei GCL New Energy Investment Co., Ltd.* (湖北協鑫新能源投資有限公司)
- (ii) The Purchaser: Suzhou Industrial Zone Xinkunneng Clean Energy Co., Ltd * (蘇州工業園區鑫坤能清潔能源有限公司)
- (iii) Target Companies:
1. Yixian Guoxin Energy Co., Ltd.* (易縣國鑫能源有限公司)
 2. Huludao Lianshan District GCL Photovoltaic Power Co., Ltd.* (葫蘆島市連山區協鑫光伏電力有限公司)
 3. Huzhu Haoyang Photovoltaic Electric Power Co., Ltd.* (互助昊陽光伏發電有限公司)
 4. Haidong Yuantong Photovoltaic Power Generation Co., Ltd.* (海東市源通光伏發電有限公司)
 5. Shenyang Yuhong District GCL Photovoltaic Power Co., Ltd.* (瀋陽市于洪區協鑫光伏電力有限公司)
 6. Zhuanglang Guangyuan Photovoltaic Power Generation Co., Ltd.* (莊浪光原光伏發電有限公司)
 7. Inner Mongolia Jinxi Energy Co., Ltd.* (內蒙古金曦能源有限公司)
 8. Shandong Wanhai Solar Power Co., Ltd.* (山東萬海電力有限公司)
 9. Beipiao GCL Photovoltaic Power Co., Ltd.* (北票協鑫光伏電力有限公司)
 10. Tongyu GCL Photovoltaic Power Co., Ltd.* (通榆協鑫光伏電力有限公司)
 11. Changsha Xinjia Photovoltaic Power Co., Ltd.* (長沙鑫佳光伏電力有限公司)

12. Weishan Xinneng Solar Power Co., Ltd.* (微山鑫能光伏電力有限公司)
13. Longkou GCL Photovoltaic Power Co., Ltd.* (龍口協鑫光伏電力有限公司)
14. Putian Hanjiang Xinneng Photovoltaic Power Co., Ltd.* (莆田涵江鑫能光伏電力有限公司)
15. Shangqiu Xieneng Photovoltaic Power Co., Ltd.* (商丘協能光伏電力有限公司)
16. Lankao GCL Photovoltaic Power Co., Ltd.* (蘭考協鑫光伏電力有限公司)
17. Luohe Xinli Photovoltaic Power Co., Ltd.* (漯河鑫力光伏電力有限公司)
18. Shanghai GCL New Energy Investment Co., Ltd.* (上海協鑫新能源投資有限公司)
19. Shanwei GCL Photovoltaic Power Co., Ltd.* (汕尾市協鑫光伏電力有限公司)
20. Guangzhou GCL Photovoltaic Power Co., Ltd.* (廣州協鑫光伏電力有限公司)
21. Qinghai Baineng Photovoltaic Investment Management Co., Ltd.* (青海百能光伏投資管理有限公司)
22. Hualong Xiehe Solar Power Generation Co., Ltd.* (化隆協合太陽能發電有限公司)
23. Tongyu Xinyuan Photovoltaic Power Co., Ltd.* (通榆鑫源光伏電力有限公司)
24. Tongyu County Zanjia Poultry Industry Technology Co., Ltd.* (通榆縣咱家禽業科技有限公司)
25. Jilin Yilian New Energy Technology Co., Ltd.* (吉林億聯新能源科技有限公司)
26. Leizhou GCL Photovoltaic Power Co., Ltd.* (雷州協鑫光伏電力有限公司)

27. Xuzhou Xinri Photovoltaic Power Co., Ltd.* (徐州鑫日光伏電力有限公司)
28. Yongzhou GCL Photovoltaic Power Co., Ltd.* (永州協鑫光伏電力有限公司)
29. Taoyuan Xinyuan Photovoltaic Power Co., Ltd.* (桃源縣鑫源光伏電力有限公司)
30. Taoyuan Xinhui Photovoltaic Power Co., Ltd.* (桃源縣鑫輝光伏電力有限公司)
31. Taoyuan Xinneng Photovoltaic Power Co., Ltd.* (桃源縣鑫能光伏電力有限公司)

Subject Matter

Save for Tongyu GCL, the entire equity interest in each of the First Batch Target Companies, and approximately 88.58% equity interest in Tongyu GCL will be sold by the First Batch Sellers to the Purchaser.

The First Batch Target Companies own 31 operational solar power plants in the PRC with grid-connected capacity of approximately 558MW.

The table below sets out the identity of the First Batch Sellers and the First Batch Target Companies under the First Batch Share Purchase Agreements:

No.	First Batch Share Purchase Agreements	First Batch Sellers	First Batch Target Companies
1.	Hebei GCL Tongxin New Energy Share Purchase Agreement	Hebei GCL Tongxin New Energy	Yixian Guoxin
2.	Suzhou GCL New Energy Investment Share Purchase Agreement	Suzhou GCL New Energy Investment	(i) Huludao Lianshan GCL (ii) Huzhu Haoyang (iii) Haidong Yuantong (iv) Shenyang Yuhong (v) Zhuanglang Guangyuan (vi) Inner Mongolia Jinxi (vii) Shandong Wanhai (viii) Beipiao GCL (ix) Tongyu GCL (x) Changsha Xinjia
3.	Shandong GCL New Energy Share Purchase Agreement	Shandong GCL New Energy	(i) Weishan Xinneng (ii) Longkou GCL
4.	Suzhou GCL New Energy Kaifa Share Purchase Agreement	Suzhou GCL New Energy Kaifa	(i) Putian Hanjiang Xinneng (ii) Shangqiu Xieneng (iii) Lankao GCL (iv) Luohe Xinli
5.	Nanjing GCL New Energy Share Purchase Agreement	Nanjing GCL New Energy	Shanghai GCL New Energy
6.	Guangdong GCL New Energy Share Purchase Agreement	Guangdong GCL New Energy	(i) Shanwei GCL (ii) Guangzhou GCL
7.	Qinghai GCL New Energy Share Purchase Agreement	Qinghai GCL New Energy	(i) Qinghai Baineng (ii) Hualong Xiehe
8.	Shenyang Xinyuan Share Purchase Agreement	Shenyang Xinyuan	Tongyu Xinyuan

No.	First Batch Share Purchase Agreements	First Batch Sellers	First Batch Target Companies
9.	Suzhou GCL New Energy Share Purchase Agreement	Suzhou GCL New Energy	<ul style="list-style-type: none"> (i) Tongyu Zanjia Poultry (ii) Jilin Yilian New Energy (iii) Leizhou GCL (iv) Xuzhou Xinri
10.	Hubei GCL New Energy Share Purchase Agreement	Hubei GCL New Energy	<ul style="list-style-type: none"> (i) Yongzhou GCL (ii) Taoyuan Xinyuan (iii) Taoyuan Xinhui (iv) Taoyuan Xinneng

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

First Batch Consideration

The First Batch Consideration under the First Batch Share Purchase Agreements is RMB990,085,200, which comprises:

No.	First Batch Share Purchase Agreements	First Batch Target Companies	Consideration <i>RMB</i>
1.	Hebei GCL Tongxin New Energy Share Purchase Agreement	Yixian Guoxin	49,300,000
2.	Suzhou GCL New Energy Investment Share Purchase Agreement	(i) Huludao Lianshan GCL (ii) Huzhu Haoyang (iii) Haidong Yuantong (iv) Shenyang Yuhong (v) Zhuanglang Guangyuan (vi) Inner Mongolia Jinxi (vii) Shandong Wanhai (viii) Beipiao GCL (ix) Tongyu GCL (x) Changsha Xinjia	57,900,000 41,000,000 21,100,000 44,900,000 8,800,000 42,061,400 10,200,000 8,500,000 39,683,800 52,300,000
3.	Shandong GCL New Energy Share Purchase Agreement	(i) Weishan Xinneng (ii) Longkou GCL	88,100,000 19,600,000
4.	Suzhou GCL New Energy Kaifa Share Purchase Agreement	(i) Putian Hanjiang Xinneng (ii) Shangqiu Xieneng (iii) Lankao GCL (iv) Luohe Xinli	40,100,000 4,600,000 9,300,000 11,200,000

First Batch Share Purchase			
No.	Agreements	First Batch Target Companies	Consideration RMB
5.	Nanjing GCL New Energy Share Purchase Agreement	Shanghai GCL New Energy	74,700,000
6.	Guangdong GCL New Energy Share Purchase Agreement	(i) Shanwei GCL (ii) Guangzhou GCL	25,200,000 17,700,000
7.	Qinghai GCL New Energy Share Purchase Agreement	(i) Qinghai Baineng (ii) Hualong Xiehe	37,300,000 14,900,000
8.	Shenyang Xinyuan Share Purchase Agreement	Tongyu Xinyuan	16,240,000
9.	Suzhou GCL New Energy Share Purchase Agreement	(i) Tongyu Zanjia Poultry (ii) Jilin Yilian New Energy (iii) Leizhou GCL (iv) Xuzhou Xinri	56,000,000 40,100,000 100,000 61,500,000
10.	Hubei GCL New Energy Share Purchase Agreement	(i) Yongzhou GCL (ii) Taoyuan Xinyuan (iii) Taoyuan Xinhui (iv) Taoyuan Xinneng	48,700,000 26,400,000 9,800,000 12,800,000
Total			<u>990,085,200</u>

Basis of the First Batch Consideration

The consideration of RMB990,085,200 under the First Batch Share Purchase Agreements was determined after arm's length negotiations with reference to:

- (i) the unaudited net assets of the First Batch Target Companies as at the Reference Date, in the aggregate amount of approximately RMB1,590,440,000;
- (ii) the loss making position of certain First Batch Target Companies for the financial years ended 31 December 2022 and 31 December 2021, details of which are set out in the section headed "*Information on the First Batch Target Companies*" in this announcement;
- (iii) the Rectification Cost amounted to the total sum of RMB90,000,000, which will be assumed by the Designated First Batch Target Companies upon execution of the First Batch Share Purchase Agreements, details of which are set out in the section headed "*Rectification Cost*" in this announcement; and
- (iv) the valuation of the First Batch Target Companies of approximately RMB1,069,000,000 as appraised by Cushman & Wakefield Limited (戴德梁行有限公司), an independent valuer using the market approach valuation techniques known as the guideline transaction method and the guideline publicly-traded comparable method, minus the Rectification Cost amounted to the total sum of RMB90,000,000, which is close to the First Batch Consideration. The guideline transaction method utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value whereas the guideline publicly-traded method utilizes information on publicly-traded comparables that are similar to the subject asset to arrive at an indication of value.

Payment Arrangements of the Consideration

The First Batch Consideration shall be paid by the Purchaser to the First Batch Sellers in the following manner:

First instalment Upon obtaining the shareholders' approval for the Disposals, subject to the arrangement described in the paragraph headed "*Earnest Money Agreement*" in this announcement, the Purchaser shall pay the remainder of RMB362,486,700 to the First Batch Sellers' designated bank account within 20 Business Days upon the First Batch Share Purchase Agreements become effective.

Second instalment The Purchaser shall pay a total of RMB307,139,200, being the remaining balance of the First Batch Consideration after the payment of the first instalment of the First Batch Consideration and the Deferred Consideration pending the National Subsidies Compliance Review, to the First Batch Sellers' designated bank account, within 20 Business Days after the fulfilment of all of the following conditions:

- (i) the Handover of Account Passwords and Seals has been delivered and the Management Rights Transfer Confirmation has been signed; and
- (ii) the Registration Procedures in respect of the disposals of the First Batch Sale Shares have been completed.

The Company expects that the Handover of Account Password and Seals, the execution of the Management Rights Transfer Confirmation and the Registration Procedures for the First Batch Sales Shares could be completed within 3 months after obtaining the relevant shareholders' approval for the Disposals.

For the avoidance of doubt, in the event that any of the First Batch Target Companies under the Multiple First Batch Target Companies Share Purchase Agreements has fulfilled conditions (i) and (ii), the Purchaser shall pay the remaining balance corresponding to such First Batch Target Company(ies) without having to wait until all First Batch Target Companies have fulfilled such conditions.

Payment arrangement of the Net Payable Amount

The Amount Payable and the Account Receivables should be determined in accordance with the Reference Date Audit Reports. The Amount Payable will be set off against the Amount Receivable in order to ascertain the Net Payable Amount as at the Reference Date, which will be payable by the First Batch Target Companies to the First Batch Sellers within 30 days from the Closing Date. As at the Reference Date, the Net Payable Amount payable by the First Batch Target Companies to the First Batch Sellers is approximately RMB179,931,400, which comprises:

No.	First Batch Share Purchase Agreements	First Batch Target Companies	Net Payable Amount RMB
1.	Suzhou GCL New Energy Investment Share Purchase Agreement	Tongyu GCL	5,385,900
2.	Shenyang Xinyuan Share Purchase Agreement	Tongyu Xinyuan	53,127,200
3.	Hubei GCL New Energy Share Purchase Agreement	(i) Taoyuan Xinyuan (ii) Taoyuan Xinhui (iii) Taoyuan Xinneng	14,001,700 81,169,600 26,247,000
	Total		<u>179,931,400</u>

Rectification Cost

The First Batch Sellers and the Purchaser agreed that the rectification cost for the engineering and compliance defects of the Designated First Batch Target Companies under the First Batch Share Purchase Agreements (the “**Rectification Cost**”) will amount to the total sum of RMB90 million.

Given that the Rectification Cost, which will be assumed by the Designated First Batch Target Companies, has already been taken into account when determining the First Batch Consideration, the parties agree that the obligation of rectifying the deficiencies, relevant liabilities and risks (if any), shall be borne by the Designated First Batch Target Companies instead of the First Batch Sellers upon execution of the First Batch Share Purchase Agreements.

Transition Period

The profits and losses generated by the First Batch Target Companies during the Transition Period shall be enjoyed and borne by the respective shareholders after Closing in proportion to their shareholding.

Pursuant to the First Batch Share Purchase Agreements, the First Batch Sellers and the Purchaser shall jointly ascertain the Net Payable Amount of the First Batch Target Companies and the interest amount incurred during the Transition Period, which shall then be fully paid by the Purchaser and First Batch Target Companies to the First Batch Sellers within 15 Business Days after the Closing Date. The interest on the Net Payable Amount incurred during the Transition Period shall be calculated at the rate of 5.6% per annum until the sum is fully settled (excluding the day of settlement).

Total Deferred Amount pending the National Subsidies Compliance Review

The First Batch Sellers and Purchaser have agreed that upon Announcement of the National Subsidies Compliance Review, in the event that there is no change to national subsidy amount entitled to be receivable by the Projects, the Purchaser shall pay the Total Deferred Amount of RMB719.1 million to the First Batch Sellers, together with the relevant interest of 4.3% per annum, within 15 Business Days upon the publication or release of the Announcement of the National Subsidies Compliance Review.

The Total Deferred Amount was determined based on the value of the First Batch Target Companies, which in turn was determined with reference to the expected revenue to be generated by the First Batch Target Companies. The expected revenue of the First Batch Target Companies was determined with reference to (i) the expected annual aggregated power generation capacity of the power plants; and (ii) the electricity fee to be received by the First Batch Target Companies. As a result, if the National Subsidies Compliance Review will result in a reduction in the national subsidy amount entitled to be receivable by the Projects (“**Subsidy Amount**”) or any relevant Project being removed from the National Subsidy Catalogue, it affects the expected revenue of the First Batch Target Companies which in turn affects the value of the First Batch Target Companies.

The Total Deferred Amount consists of two parts, namely, the deferred receivable amount to RMB399 million (“**Deferred Receivable**”), and the Deferred Consideration. While the Deferred Consideration forms part of the First Batch Consideration to provide comfort to the Purchaser that the Deferred Consideration will only be payable upon the publication or release of the Announcement of the National Subsidies Compliance Review, the Deferred Receivable does not form part of the First Batch Consideration.

In the event that the National Subsidies Compliance Review will result in a reduction in the national subsidy amount entitled to be receivable by the Projects or any relevant Project being removed from the National Subsidy Catalogue, the parties agree to adjust the First Batch Consideration for the respective First Batch Target Company.

The reduction in the First Batch Consideration (“**Adjusted First Batch Consideration**”) shall be firstly offset against the Deferred Receivable, and then offset against the Deferred Consideration. If the Adjusted First Batch Consideration is greater than the Total Deferred Amount, the First Batch Sellers shall pay the shortfall amount to the Purchaser within 5 Business Days after the Announcement of the National Subsidies Compliance Review.

Given that the National Subsidies Compliance Review will be conducted by relevant authorities of the PRC government, as at the date of this announcement, the Company is unable to ascertain the expected timeline for the Announcement of the National Subsidies Compliance Review.

The Total Deferred Amount comprises of the following:

No.	First Batch Share Purchase Agreements	First Batch Target Companies	Deferred Consideration (RMB'000)	Deferred Receivable (RMB'000)
1.	Suzhou GCL New Energy Investment Share Purchase Agreement			
		(i) Zhuanglang Guangyuan	82,156	54,184
		(ii) Inner Mongolia Jinxi	–	20,130
		(iii) Shandong Wanhai	157,470	114,300
		(iv) Tongyu GCL	–	6,458
		(v) Changsha Xinjia	17,219	59,901
2.	Nanjing GCL New Energy Share Purchase Agreement			
		(i) Shanghai GCL New Energy	21,000	30,669
3.	Qinghai GCL New Energy Share Purchase Agreement			
		(i) Qinghai Baineng	27,714	12,490
		(ii) Hualong Xiehe	14,900	86,556
4.	Suzhou GCL New Energy Share Purchase Agreement			
		(i) Tongyu Zanjia Poultry	–	4,380
		(ii) Jilin Yilian New Energy	–	9,600
Total			<u>320,459</u>	<u>398,668</u>

Other Undertakings

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

- (i) within six months after the Closing Date, the Purchaser undertakes to provide guarantee substitution or procure the First Batch Target Companies' early repayment of its liabilities owed to the financial institutions in order to release the existing guarantees, being approximately RMB1,721.8 million as of 30 June 2023, provided by the First Batch Sellers or its affiliates in respect of such liabilities;
- (ii) within two years from the Closing Date of the First Batch Share Purchases Agreements, if the tax authority imposes cultivated land occupation tax (耕地佔用稅) on the First Batch Target Companies due to occupation of land in accordance with the laws, policies or land-use planning existed before the Closing Date, such amount shall be borne by the First Batch Sellers. To the best of the Company's knowledge, there is no outstanding cultivated land occupation tax for majority of the First Batch Target Companies, the expected tax range for the remaining First Batch Target Companies will range from RMB 8 to RMB 35 per sq.m. and the First Batch Sellers expects that the maximum amount of such cultivated land occupation tax will be approximately RMB34.9 million;
- (iii) the First Batch Sellers and the Purchaser are legally established and validly existing under the laws of the PRC, and possess the necessary licenses or authorizations to conduct business activities;
- (iv) the First Batch Sellers have complied with the rules, regulations and internal procedures in relation to the transfer of the First Batch Sale Shares;
- (v) all documents and materials provided by the First Batch Sellers and the Purchaser to each other in relation to the transfer of the First Batch Sale Shares are true and accurate;
- (vi) the First Batch Sellers ensure that the First Batch Target Companies will operate the existing business in accordance with normal business practices, and the nature, scope, or mode of business shall not be ceased or changed during the Transition Period;
- (vii) the Purchaser's source of funding for the First Batch Sale Shares is legitimate;
- (viii) the Purchaser will not breach any laws, rules and regulations, articles of associations or contracts by signing or executing the First Batch Share Purchase Agreements; and
- (ix) (applicable to Tongyu GCL) in the event that the Purchaser proposes to acquire the minority shareholding in Tongyu GCL, Suzhou GCL New Energy Investment shall assist the Purchaser in such acquisition.

Conditions Precedent

The completion of the Registration Procedures in respect of the disposal of First Batch Sale Shares shall be subject to the fulfilment of all of the following conditions precedent:

- (i) the First Batch Share Purchase Agreements have been duly executed by all parties in accordance with the law and is effective;
- (ii) the First Batch Equity Pledges have been fully released and relevant equity pledge deregistration procedures have been completed;
- (iii) the Company has obtained approvals from the Board and/or the Shareholders in respect of the disposal of the First Batch Sale Shares and made announcement in respect of the Disposals (if necessary);
- (iv) GCL Energy Technology has obtained approvals from the Board and/or the shareholders in respect of the acquisition of the First Batch Sale Shares and made announcement in respect of the Disposals (if necessary);
- (v) shareholders of the First Batch Target Company agreed in writing to waive the right of first refusal or other similar rights (if any) in respect of the disposal of the First Batch Sale Shares; and
- (vi) the First Batch Target Companies have no major production safety incidents.

For the avoidance of doubt, if any of the First Batch Target Companies has fulfilled all the conditions above, the parties shall proceed to Closing of such First Batch Target Company(ies) without having to wait until all the First Batch Target Companies have fulfilled all the conditions.

Closing

The Closing Date of the First Batch Share Purchase Agreements shall be the date where the Registration Procedures in respect of the transfer of First Batch Sale Shares have been completed.

The First Batch Sellers shall, within seven days after the Closing Date, deliver the Handover of Account Passwords and Seals. The First Batch Sellers and the Purchaser shall complete the transfer of management rights of the First Batch Target Companies and jointly sign on the Management Rights Transfer Confirmation.

Termination

The First Batch Share Purchase Agreement may be terminated by way of serving writing notice to the other party upon the occurrence of the following circumstances, including:

- (i) by any party, in the event that the purpose of the First Batch Share Purchase Agreements cannot be achieved due to force majeure;
- (ii) by the non-defaulting party, in the event that the purpose of the First Batch Share Purchase Agreements cannot be achieved as a result of the defaulting party's default;
- (iii) by the non-defaulting party, in the event that the purpose of the First Batch Share Purchase Agreements cannot be achieved because a party is unable to perform the agreement as a result of bankruptcy, dissolution, or revocation; and
- (iv) by the non-defaulting party, in the event that the defaulting party fails to rectify the breach of agreement within five days after receiving written notice from the non-defaulting party.

For the avoidance of doubt, if the termination condition of any of the First Batch Target Companies is triggered and the transaction in respect of such First Batch Target Company is terminated, the transactions pertaining to the remaining First Batch Target Companies shall continue to proceed.

3. THE SECOND BATCH SHARE PURCHASE AGREEMENT

The principal terms of the Second Batch Share Purchase Agreement are set out below:

Date 12 October 2023 (after trading hours)

Parties

- (i) The Sellers:
1. Tengzhou GCL Photovoltaic Power Generation Co., Ltd.* (滕州協鑫光伏發電有限公司)
 2. Gaotang County Xierong Photovoltaic Power Generation Co., Ltd.* (高唐縣協榮光伏發電有限公司)
 3. Zhengzhou Xiejia New Energy Co., Ltd.* (鄭州協嘉新能源有限公司)
 4. Suzhou GCL New Energy Development Co., Ltd.* (蘇州協鑫新能源發展有限公司)
- (ii) The Purchaser: Suzhou Industrial Zone Xinkunneng Clean Energy Co., Ltd.* (蘇州工業園區鑫坤能清潔能源有限公司)
- (iii) Target Companies:
1. Tengzhou Xintian Photovoltaic Power Generation Co., Ltd.* (滕州鑫田光伏發電有限公司)
 2. Gaotang Xiezhi Photovoltaic Power Generation Co., Ltd.* (高唐協智光伏發電有限公司)
 3. Gaotang Xinwang Photovoltaic Power Generation Co., Ltd.* (高唐鑫旺光伏發電有限公司)
 4. Luohe Xierun New Energy Co., Ltd.* (漯河協潤新能源有限公司)
 5. Gaotang Xiechen Photovoltaic Power Generation Co., Ltd.* (高唐協辰光伏發電有限公司)

Subject Matter

The entire equity interest held in each of the Second Batch Target Companies will be sold by the Second Batch Sellers to the Purchaser.

The Second Batch Target Companies own 5 operational solar power plants in the PRC with grid-connected capacity of approximately 25.86MW.

The table below sets out the Second Batch Target Companies under the Second Batch Share Purchase Agreement:

No.	Second Batch Sellers	Second Batch Target Companies
1.	Tengzhou GCL	Tengzhou Xintian
2.	Gaotang Xierong	(i) Gaotang Xiezhi (ii) Gaotang Xinwang
3.	Zhengzhou Xiejia	Luohe Xierun
4.	Suzhou GCL New Energy	Gaotang Xiechen

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

Second Batch Consideration

The Second Batch Consideration under the Second Batch Share Purchase Agreement is RMB14,315,900, which comprises:

No.	Second Batch Sales Shares	Consideration <i>RMB</i>
1.	Tengzhou GCL	100
2.	Gaotang Xierong	1,546,420
3.	Zhengzhou Xiejia	7,722,480
4.	Suzhou GCL New Energy	<u>5,046,900</u>
Total		<u><u>14,315,900</u></u>

Basis of the Second Batch Consideration

The consideration of RMB14,315,900 under the Second Batch Share Purchase Agreement was determined after arm's length negotiations between the Second Batch Sellers and the Purchaser with reference to:

- (i) the unaudited net assets of the Second Batch Target Companies as at the Reference Date, in the aggregate amount of approximately RMB14,937,000, adjusted by applying a discount of approximately 4.2%; and
- (ii) the valuation of the Second Batch Target Companies of approximately RMB10,000,000 as appraised by Cushman & Wakefield Limited (戴德梁行有限公司), an independent valuer using the market approach valuation techniques known as guideline transaction method and guideline publicly-traded comparable method which is close to the Second Batch Consideration. The guideline transaction method utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value whereas the guideline publicly-traded method utilizes information on publicly-traded comparables that are similar to the subject asset to arrive at an indication of value.

Payment Arrangements of the Second Batch Consideration

The Second Batch Consideration shall be paid by the Purchaser to the Second Batch Sellers in the following manner:

First instalment Upon obtaining the shareholders' approval for the Disposals, subject to the arrangement described in the paragraph headed "*Earnest Money Agreement*" in this announcement, the Purchaser shall pay the remainder of RMB7,157,900 to the Second Batch Sellers' designated bank account within 20 Business Days upon the Second Batch Share Purchase Agreement become effective.

Second instalment The Purchaser shall pay a total of RMB7,158,000, being the remaining balance of the Second Batch Consideration after the payment of the first instalment of the Second Batch Consideration, to the Second Batch Sellers' designated bank account within 20 Business Days after the fulfilment of all of the following conditions:

- (i) the Handover of Account Passwords and Seals have been completed and the Management Rights Transfer Confirmation has been signed; and
- (ii) the Registration Procedures in respect of the disposals of the Second Batch Sale Shares have been completed.

The Company expects that the Handover of Account Password and Seals, the execution of the Management Rights Transfer Confirmation and the Registration Procedures for the Second Batch Sales Shares could be completed within 3 months after obtaining the relevant shareholders' approval for the Disposals.

For the avoidance of doubt, in the event that any of the Second Batch Target Companies has fulfilled conditions (i) and (ii), the Purchaser shall pay the remaining balance corresponding to such Second Batch Target Company(ies) without holding the payment until all Second Batch Target Companies have fulfilled such conditions.

Payment arrangement of the Net Payable Amount

The total Net Payable Amount as at the Reference Date payable by the Second Batch Target Companies to the Second Batch Sellers under the Second Batch Share Purchase Agreement is RMB19,028,500, which comprises:

No.	Second Batch Sales Shares	Net Payable Amount RMB
1.	Tengzhou GCL	—
2.	Gaotang Xierong	500,000
3.	Zhengzhou Xiejia	15,350,000
4.	Suzhou GCL New Energy	<u>3,178,500</u>
Total		<u><u>19,028,500</u></u>

The Amount Payable of the Second Batch Target Companies as at the Reference Date, which shall be determined in accordance with the Reference Date Audit Report, will be set off against the Amount Receivable of the Second Batch Target Companies as at the Reference Date in order to ascertain the Net Payable Amount as at the Reference Date payable by the Second Batch Target Companies to the Second Batch Sellers. The Purchaser and the Second Batch Target Companies shall pay the Net Payable Amount of the Second Batch Target Companies as at the Reference Date to the Second Batch Sellers within 30 days from the Closing Date.

Transition Period

The profits and losses generated by the Second Batch Target Companies during the Transition Period shall be enjoyed and borne by the respective shareholders after Closing in proportion to their shareholding.

Pursuant to the Second Batch Share Purchase Agreement, the Second Batch Sellers and the Purchaser shall jointly ascertain the Net Payable Amount of the Second Batch Target Companies and the interest amount incurred during the Transition Period, which shall then be fully paid by the Purchaser and Second Batch Target Companies to the Second Batch Sellers within 15 Business Days after the Closing Date. The interest on the Net Payable Amount incurred during the Transition Period shall be calculated at the rate of 5.6% per annum until the sum is fully settled (excluding the day of settlement).

Other Undertakings

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

- (i) within six months after the Closing Date, the Purchaser undertakes to provide guarantee substitution or procure the Second Batch Target Companies' early repayment of its liabilities owed to the financial institutions in order to release the existing guarantees, being approximately RMB16.2 million as of 30 June 2023, provided by the Second Batch Sellers or its affiliates in respect of such liabilities;
- (ii) within two years from the Closing Date of the Second Batch Share Purchase Agreement, if the tax authority imposes cultivated land occupation tax (耕地佔用稅) on the Second Batch Target Companies due to occupation of land on in accordance with the laws, policies or land-use planning existed before the Closing Date of the Second Batch Share Purchase Agreement, such amount shall be borne by the Second Batch Sellers. To the best of the Company's knowledge, there is no outstanding cultivated land occupation tax for the Second Batch Target Companies;
- (iii) the Second Batch Sellers and the Purchaser are legally established and validly existing under the laws of the PRC, and possess the necessary licenses or authorizations to conduct business activities;
- (iv) the Second Batch Sellers have complied with the rules, regulations and internal procedures in relation to the transfer of the Second Batch Sale Shares;
- (v) all documents and materials provided by the Purchaser to the Second Batch Sellers in relation to the transfer of the Second Batch Sale Shares are true and accurate;
- (vi) the Second Batch Sellers ensure that the Second Batch Target Companies will operate the existing business in accordance with normal business practices, and the nature, scope, or mode of business shall not be ceased or changed during the Transition Period;

- (vii) the Purchaser's source of funding for the Second Batch Sale Shares is legitimate; and
- (viii) the Purchaser will not breach any laws, rules and regulations, articles of associations or contracts by signing or executing the Second Batch Share Purchase Agreement.

Conditions Precedent

The completion of the Registration Procedures in respect of the disposal of Second Batch Sale Shares shall be subject to the fulfilment of all of the following conditions precedent:

- (i) the Second Batch Share Purchase Agreement has been duly executed by all parties in accordance with the law and is effective;
- (ii) the Second Batch Equity Pledges have been fully released and relevant equity pledge deregistration procedures have been completed;
- (iii) the Company has obtained approvals from the Board and/or the Shareholders in respect of the disposal of the Second Batch Sale Shares and made announcement in relation to the Disposals (if necessary);
- (iv) GCL Energy Technology has obtained approvals from the board and/or the shareholders in respect of the acquisition of the Second Batch Sale Shares and made announcement in relation to the Disposals (if necessary);
- (v) the remaining shareholders of the Second Batch Target Companies agreed in writing to waive the right of first refusal or other similar rights (if any) in respect of the disposal of the Second Batch Sale Shares; and
- (vi) the Second Batch Target Companies have no major production safety incidents.

For the avoidance of doubt, if any of the Second Batch Target Companies has fulfilled all the conditions above, the parties shall proceed to Closing of such Second Batch Target Company(ies) without having to wait until all Second Batch Target Companies have fulfilled all the conditions.

Closing

The Closing Date of the Second Batch Share Purchase Agreement shall be the date of issuance as stated on the new business certificate of the Second Batch Target Companies upon the completion of the Registration Procedures in respect of the disposal of Second Batch Sale Shares. The Second Batch Sellers shall, within seven days after the Closing Date of the Second Batch Share Purchase Agreement, complete the Handover of Account Passwords and Seals.

Termination

The Second Batch Share Purchase Agreement may be terminated by way of serving writing notice to the other party upon the occurrence of any of the following circumstances:

- (i) by any party, in the event that the purpose of the Second Batch Share Purchase Agreement cannot be achieved due to force majeure;
- (ii) by the non-defaulting party, in the event that the purpose of the Second Batch Share Purchase Agreement cannot be achieved as a result of the defaulting party's default;
- (iii) by the non-defaulting party, in the event that the purpose of the Second Batch Share Purchase Agreement cannot be achieved because a party is unable to perform the agreement as a result of bankruptcy, dissolution, or revocation; and
- (iv) by the non-defaulting party, in the event that the defaulting party fails to rectify the breach of agreement within five days after receiving written notice from the non-defaulting party.

For the avoidance of doubt, if the termination condition of any of the Second Batch Target Companies is triggered and the transaction in respect of such Second Batch Target Company is terminated, the transactions pertaining to the remaining Second Batch Target Companies shall continue to proceed.

4. EARNEST MONEY AGREEMENT

Date

12 October 2023 (after trading hours)

Parties

1. GCL New Energy Investment (China) Co., Ltd* (協鑫新能源投資(中國)有限公司)
2. Suzhou Industrial Zone Xinkunneng Clean Energy Co., Ltd* (蘇州工業園區鑫坤能清潔能源有限公司) (the Purchaser)
3. GCL New Energy Holdings Limited (the Company)

Subject Matter

On 12 October 2023, GCL New Energy Investment, the Purchaser and the Company entered into an Earnest Money Agreement, pursuant to which the Purchaser shall pay RMB300 million into GCL New Energy Investment's designated bank account as the earnest money ("**Earnest Money**") in respect of the Disposals within 20 Business Days after the execution of the Earnest Money Agreement.

Use of the Earnest Money

The Earnest Money shall be used to offset the Consideration. After deducting the Earnest Money from the Consideration, the remainder of the Consideration will be paid under the arrangement set out in the paragraph headed “2. *THE FIRST BATCH SHARE PURCHASE AGREEMENTS – Payment Arrangements of the Consideration*” and “3. *THE SECOND BATCH SHARE PURCHASE AGREEMENT – Payment Arrangements of the Second Batch Consideration*” of this announcement.

Return of the Earnest Money

If GCL New Energy Investment and Purchaser fail to complete the Disposals due to the following reasons, including but not limited to, the parties failing to obtain their respective internal approvals and have jointly agreed to terminate the Disposals after the execution of the Share Purchase Agreements, GCL New Energy Investment shall, within 20 Business Days after the receipt of such termination written notice, refund the Earnest Money received in full to the Purchaser.

In the event that GCL New Energy Investment is required to refund the Earnest Money as a result of the termination of the Disposals, the Company shall procure GCL New Energy Investment to refund the Earnest Money to the Purchaser.

Interests on the Earnest Money

In the event that the parties decide to terminate the Disposals due to the failure on the part of the Purchaser in obtaining the relevant internal approval or other reasons caused by the Purchaser, GCL New Energy Investment shall refund all of the Earnest Money to the Purchaser without any interest.

In the event that the Disposals are terminated due to reasons not attributable to the Purchaser, the interest on the Earnest Money shall be calculated in accordance with the formula set out below:

Earnest Money received by GCL New Energy Investment × 5.6% × *actual number of days of receipt* ÷ 365

Exclusivity Period

During the Exclusivity Period, GCL New Energy Investment shall not, whether directly or indirectly, sell the Target Companies to any third party, or enter into any agreement with any parties that conflict with the Disposals.

5. MANAGEMENT SERVICE AGREEMENTS

Prior to the date of this announcement, (i) each of the First Batch Target Companies and Luohe Xierun entered into the Management Service Agreements with Suzhou GCL New Energy Operations Management on 25 December 2022 and 9 August 2022, respectively; and (ii) each of the Designated Target Companies entered into the Supplemental Operation Management Service Agreement with Suzhou GCL New Energy Operations Management on 30 June 2023. Pursuant to the Service Agreements, Suzhou GCL New Energy Operations Management has provided and will continue to provide the Designated Target Companies management services on the operation and maintenance of solar power plants after the Disposals. The material terms of the Service Agreements are as follows:

Parties	<ol style="list-style-type: none">1. Designated Target Companies (as service recipients)2. Suzhou GCL New Energy Operations Management Technology Co., Ltd* (蘇州協鑫新能源運營科技有限公司) (as service provider)
Subject Matter	<p>Suzhou GCL New Energy Operations Management shall (i) provide operation and maintenance services to the solar power plants operated by the Designated Target Companies, including negotiation, execution and performance of external contracts, supervision of the procurement process and daily management service; (ii) provide equipment and facilities management services for the equipment and facilities inside the solar power plants (excluding the transmission line and contralateral equipment) operated by the Designated Target Companies, including operation, maintenance and repair of such equipment and facilities; and (iii) be responsible for the implementation of, among other things, cleaning and maintenance, inspection, anti-accident measures, technical supervision and management, preventive testing (預防性試驗) and other equipment management works. The Service Agreements also introduced an annual power generation reward and punishment scheme.</p>

Term of Agreement	<p>The term of the agreement commenced on 1 July 2023 and will end on 31 December 2026.</p> <p>The Service Agreements shall be automatically renewed for an additional period of one year unless either party objects to it. Upon expiration of the Service Agreements, the Designated Target Companies agree to first consider Suzhou GCL New Energy Operations Management as the preferred service provider for management services related to the operation and maintenance of solar power plants.</p>
Service Fees	<p>The service fees payable by each of the Designated Target Companies range from RMB0.04/watt to RMB0.12/watt, which will depends on the scope of services to be provided to each of the Designated Target Companies. The aggregate maximum annual cap for such services will be approximately RMB40.2 million (after taking into account the 15% upper limit of reward).</p> <p>The annual cap is based on (i) the total amount of service fees payable by the Designated Target Companies during each of the contracted years, (ii) the aggregated power generation capacity to be managed by Suzhou GCL New Energy Operations Management, and (iii) the costs associated with managing and servicing power generation facilities similar to those covered under the Service Agreements, and (iv) the 15% upper limit of reward in relation to the annual power generation capacity as described below.</p> <p>The service fees per watt payable by each of the Designated Target Companies were determined with reference to other existing service contracts with similar service scopes (including the implementation of the reward and penalty policy, details of which are in the paragraph below) that the Company had entered into with other independent third-party customers over the past three years, whereby the relevant service fees of those contracts ranged from RMB0.048/watt to RMB0.098/watt. Considering that the service fees per watt payable by each of the Designated Target Companies are similar to the fee charged to other independent third-party customers, the Company is of the view that the service fees per watt under the Service Agreements are fair and reasonable. The annual cap, which was calculated with reference to the aggregated power generation capacity of each power plant and other factors as set out in the paragraph above, is also considered fair, reasonable, and in the best interests of the Company and the Shareholders as a whole.</p>

Payment arrangement	<p>The Designated Target Companies shall pay the service fees to Suzhou GCL New Energy Operations Management on a quarterly basis.</p> <p>Upon the receipt of the valid invoice provided by Suzhou GCL New Energy Operations Management at the end of each quarter, (i) the First Batch Target Companies shall pay 25% of the annual service fees to Suzhou GCL New Energy Operations Management’s designated bank account within 10 days; and (ii) Luohe Xierun shall pay 25% of the annual service fees to Suzhou GCL New Energy Operations Management’s designated bank account within 20 Business Days.</p>
Cost of maintenance of the solar plants	<p>Majority of the cost in relation to the day-to-day management and operations of the power plant, which fall below a specified threshold, shall be borne by Suzhou GCL New Energy Operations Management, and any costs exceeding the threshold should be borne by the Designated Target Companies.</p>
Reward and Penalty Policy	<p>In general, the power plant is expected to generate an annual power capacity equal to or exceeding the Assessment Threshold (as defined below).</p> <p>In the event that the annual power generation capacity fails to reach the assessment threshold as determined by the Designated Target Companies at the beginning of each year, the formula of which is set out below (the “Assessment Threshold”) due to reasons caused by the management performance on the part of Suzhou GCL New Energy Operations Management, Suzhou GCL New Energy Operations Management will compensate the shortfall to the Designated Target Companies in accordance with the benchmark price of the coals in the relevant solar power plants locations (the “Benchmark Price”), which serve as the benchmark price indicator for renewable energy in the PRC. The compensation shall not exceed 15% of the annual service fees in respect of such solar power plant payable by the Designated Target Companies, and such compensation shall be deducted from the amount of service fees payable. If the Designated Target Companies decides to adjust the Assessment Threshold, the adjusted Assessment Threshold (as illustrated below) shall be adopted instead.</p>

In the event that the annual power generation capacity exceeds the Assessment Threshold due to the management performance of the Suzhou GCL New Energy Operations Management, the Designated Target Companies shall reward Suzhou GCL New Energy Operations Management for the surplus based on the Benchmark Price. The reward shall not exceed 15% of the annual service fees for each of the Designated Target Companies.

No rewards or penalties shall be applied if the difference between the annual power generation capacity and the Assessment Threshold (or the adjusted Assessment Threshold) is within 2%.

Assessment Threshold = the actual capacity of the project x the average of the attenuated hours of the solar power plant in the previous three years

Adjusted Assessment Threshold = the actual capacity of the project x adjusted hours (being the number of hours measured according to the radiation level of the irradiator in the year)

Termination

The Service Agreements may be terminated upon the occurrence of certain circumstances, including:

- (i) mutual agreement by both parties;
- (ii) by the non-defaulting party, in the event that the other party delays or refuses to fulfil its obligations under the Management Service Agreement or its performance does not comply with the Management Service Agreement and causes material damage. If the defaulting party fails to rectify the situation after receiving a written notice from the non-defaulting party, the non-defaulting party may terminate the contract;
- (iii) by the non-defaulting party, in the event that a party subcontracts or assigns the Management Service Agreement to any unauthorized parties;
- (iv) by Suzhou GCL New Energy Operations Management if any of the Designated Target Companies fails to pay the service fee within 30 days after the issuance of invoice; and

- (v) by either party, in the event that the solar power plant cannot operate due to the solar power plants being damaged, suspension by the relevant authorities and the power grid companies refuse to enter into an electricity supply agreement with the Designated Target Companies.

6. INFORMATION ON THE PARTIES TO THE SHARE PURCHASE AGREEMENTS

The Company

The Company is incorporated in Bermuda as an 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.

7. INFORMATION ON THE FIRST BATCH SELLERS

1. Hebei GCL Tongxin New Energy Hebei GCL Tongxin New Energy is a company established in the PRC with limited liability, which is wholly owned by Nanjing GCL New Energy, an indirect subsidiary of the Company. Hebei GCL Tongxin New Energy is principally engaged in the operation of solar power plants in the PRC.
2. Suzhou GCL New Energy Investment Suzhou GCL New Energy Investment is a company established in the PRC with limited liability, which is wholly owned by Nanjing GCL New Energy, an indirect subsidiary of the Company. Suzhou GCL New Energy Investment is principally engaged in the development, operation and management of solar power plants in the PRC.
3. Shandong GCL New Energy Shandong GCL New Energy is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Shandong GCL New Energy is principally engaged in the operation of solar power plants in the PRC.

4. Suzhou GCL New Energy Kaifa
Suzhou GCL New Energy Kaifa is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Suzhou GCL New Energy Kaifa is principally engaged in the development, operation and management of solar power plants in the PRC.
5. Nanjing GCL New Energy
Nanjing GCL New Energy is a company established in the PRC with limited liability, which is 91.58% owned by GCL New Energy Investment and 8.42% owned by Jiangsu GCL New Energy Investment Co., Ltd.* (江蘇協鑫新能源投資有限公司), both are indirect subsidiaries of the Company. Nanjing GCL New Energy is principally engaged in the operation of solar power plants in the PRC.
6. Guangdong GCL New Energy
Guangdong GCL New Energy is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Guangdong GCL New Energy is principally engaged in the operation of solar power plants in the PRC.
7. Qinghai GCL New Energy
Qinghai GCL New Energy is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Qinghai GCL New Energy is principally engaged in the operation of solar power plants in the PRC.
8. Shenyang Xinyuan
Shenyang Xinyuan is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Shenyang Xinyuan is principally engaged in the operation of solar power plants in the PRC.

9. Suzhou GCL New Energy Suzhou GCL New Energy is a company established in the PRC with limited liability, which is wholly owned by GCL New Energy Investment, an indirect subsidiary of the Company. Suzhou GCL New Energy is principally engaged in the operation of solar power plants in the PRC.
10. Hubei GCL New Energy Hubei GCL New Energy is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Hubei GCL New Energy is principally engaged in the operation of solar power plants in the PRC.

8. INFORMATION ON THE SECOND BATCH SELLERS

1. Tengzhou GCL Tengzhou GCL is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Tengzhou GCL is principally engaged in the operation of solar power plants in the PRC.
2. Gaotang Xierong Gaotang Xierong is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Gaotang Xierong is principally engaged in the operation of solar power plants in the PRC.
3. Zhengzhou Xiejia Zhengzhou Xiejia is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Kaifa, an indirect subsidiary of the Company. Zhengzhou Xiejia is principally engaged in the operation of solar power plants in the PRC.
4. Suzhou GCL New Energy Suzhou GCL New Energy is a company established in the PRC with limited liability, which is wholly owned by GCL New Energy Investment, an indirect subsidiary of the Company. Suzhou GCL New Energy is principally engaged in the operation of solar power plants in the PRC.

9. INFORMATION ON THE PURCHASER

Suzhou Industrial is a company established in the PRC and an indirect wholly-owned subsidiary of GCL Energy Technology, which is a company established in the PRC with its shares listed on the Shenzhen Stock Exchange (stock code: 002015). To the best knowledge of the Company, as of the date of this announcement, GCL Energy Technology is indirectly owned (i) as to approximately 42.72% by Tianjin Qichen; and (ii) as to approximately 5.31% GCL Innovation. Tianjin Qichen and GCL Innovation are wholly owned by Golden Concord Group Limited. Golden Concord Group Limited is 44.61% owned by Shanghai Qixun and 46.68% owned by Jiangsu GCL Construction and 8.71% owned by GCL-Poly (Taicang Harbour) Limited. Shanghai Qixun is directly wholly owned by Mr. Zhu Yufeng while Jiangsu GCL Construction and GCL-Poly (Taicang Harbour) Limited are indirectly wholly-owned by Golden Concord Group Limited. Golden Concord Group Limited is in turn wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan as beneficiaries. Suzhou Industrial is principally engaged in the production and supply of clean energy, electricity, heat and cooling energy.

10. INFORMATION ON THE FIRST BATCH TARGET COMPANIES

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

No.	First Batch Share Purchase Agreements	Information on the First Batch Target Companies
1.	Hebei GCL Tongxin New Energy Share Purchase Agreement	Yixian Guoxin is a company established in the PRC with limited liability, which is wholly owned by Hebei GCL Tongxin New Energy, an indirect subsidiary of the Company. Yixian Guoxin is principally engaged in the operation of solar power plants in the PRC.
2.	Suzhou GCL New Energy Investment Share Purchase Agreement	Huludao Lianshan GCL is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Huludao Lianshan GCL is principally engaged in the operation of solar power plants in the PRC.

Huzhu Haoyang is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Huzhu Haoyang is principally engaged in the operation of solar power plants in the PRC.

Haidong Yuantong is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Haidong Yuantong is principally engaged in the operation of solar power plants in the PRC.

Shenyang Yuhong is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Shenyang Yuhong is principally engaged in the operation of solar power plants in the PRC.

Zhuanglang Guangyuan is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Zhuanglang Guangyuan is principally engaged in the operation of solar power plants in the PRC.

Inner Mongolia Jinxi is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Inner Mongolia Jinxi is principally engaged in the operation of solar power plants in the PRC.

Shandong Wanhai is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Shandong Wanhai is principally engaged in the operation of solar power plants in the PRC.

Beipiao GCL is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Beipiao GCL is principally engaged in the operation of solar power plants in the PRC.

Tongyu GCL is a company established in the PRC with limited liability, which is 88.5833% owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company and 11.4167% owned by Baicheng Tongyu County Energy Development Co., Ltd.* (白城市通榆縣能源開發有限公司), an independent third company to the Company. Baicheng Tongyu County Energy Development Co., Ltd.* (白城市通榆縣能源開發有限公司) is wholly owned by Tongyu County State-owned Assets Management Service Center* (通榆縣國有資產管理服務中心). Tongyu GCL is principally engaged in the operation of solar power plants in the PRC.

Changsha Xinjia is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Investment, an indirect subsidiary of the Company. Changsha Xinjia is principally engaged in the operation of solar power plants in the PRC.

3. Shandong GCL New Energy
Share Purchase
Agreement

Weishan Xinneng is a company established in the PRC with limited liability, which is wholly owned by Shandong GCL New Energy, an indirect subsidiary of the Company. Weishan Xinneng is principally engaged in the operation of solar power plants in the PRC.

Longkou GCL is a company established in the PRC with limited liability, which is wholly owned by Shandong GCL New Energy, an indirect subsidiary of the Company. Longkou GCL is principally engaged in the operation of solar power plants in the PRC.

4. Suzhou GCL New Energy Kaifa Share Purchase Agreement
- Putian Hanjiang Xinneng is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Kaifa, an indirect subsidiary of the Company. Putian Hanjiang Xinneng is principally engaged in the operation of solar power plants in the PRC.
- Shangqiu Xieneng is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Kaifa, an indirect subsidiary of the Company. Shangqiu Xieneng is principally engaged in the operation of solar power plants in the PRC.
- Lankao GCL is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Kaifa, an indirect subsidiary of the Company. Lankao GCL is principally engaged in the operation of solar power plants in the PRC.
- Luohe Xinli is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy Kaifa, an indirect subsidiary of the Company. Luohe Xinli is principally engaged in the operation of solar power plants in the PRC.
5. Nanjing GCL New Energy Share Purchase Agreement
- Shanghai GCL New Energy is a company established in the PRC with limited liability, which is wholly owned by Nanjing GCL New Energy, an indirect subsidiary of the Company. Shanghai GCL New Energy is principally engaged in the operation of solar power plants in the PRC.
6. Guangdong GCL New Energy Share Purchase Agreement
- Shanwei GCL is a company established in the PRC with limited liability, which is wholly owned by Guangdong GCL New Energy, an indirect subsidiary of the Company. Shanwei GCL is principally engaged in the operation of solar power plants in the PRC.

Guangzhou GCL is a company established in the PRC with limited liability, which is wholly owned by Guangdong GCL New Energy, an indirect subsidiary of the Company. Guangzhou GCL is principally engaged in the operation of solar power plants in the PRC.

7. Qinghai GCL New Energy Share Purchase Agreement

Qinghai Baineng is a company established in the PRC with limited liability, which is wholly owned by Qinghai GCL New Energy, an indirect subsidiary of the Company. Qinghai Baineng is principally engaged in the operation of solar power plants in the PRC.

Hualong Xiehe is a company established in the PRC with limited liability, which is wholly owned by Qinghai GCL New Energy, an indirect subsidiary of the Company. Hualong Xiehe is principally engaged in the operation of solar power plants in the PRC.

8. Shenyang Xinyuan Share Purchase Agreement

Tongyu Xinyuan is a company established in the PRC with limited liability, which is wholly owned by Shenyang Xinyuan, an indirect subsidiary of the Company. Tongyu Xinyuan is principally engaged in the operation of solar power plants in the PRC.

9. Suzhou GCL New Energy Share Purchase Agreement

Tongyu Zanjia Poultry is a company incorporated in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Tongyu Zanjia Poultry is principally engaged in the operation of solar power plants in the PRC.

Jilin Yilian New Energy is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Jilin Yilian New Energy is principally engaged in the operation of solar power plants in the PRC.

Leizhou GCL is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Leizhou GCL is principally engaged in the operation of solar power plants in the PRC.

Xuzhou Xinri is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Xuzhou Xinri is principally engaged in the operation of solar power plants in the PRC.

10. Hubei GCL New Energy
Share Purchase
Agreement

Yongzhou GCL is a company established in the PRC with limited liability, which is wholly owned by Hubei GCL New Energy, an indirect subsidiary of the Company. Yongzhou GCL is principally engaged in the operation of solar power plants in the PRC.

Taoyuan Xinyuan is a company established in the PRC with limited liability, which is wholly owned by Hubei GCL New Energy, an indirect subsidiary of the Company. Taoyuan Xinyuan is principally engaged in the operation of solar power plants in the PRC.

Taoyuan Xinhui is a company established in the PRC with limited liability, which is wholly owned by Hubei GCL New Energy, an indirect subsidiary of the Company. Taoyuan Xinhui is principally engaged in the operation of solar power plants in the PRC.

Taoyuan Xinneng is a company established in the PRC with limited liability, which is wholly owned by Hubei GCL New Energy, an indirect subsidiary of the Company. Taoyuan Xinneng 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 years ended 31 December 2021 and 31 December 2022 of each of the First Batch Target Companies prepared in accordance with China Accounting Standards:

No.	First Batch Target Companies	For the year ended 31 December			
		2022	2022	2021	2021
		Profit/(loss) before taxation RMB'000	Profit/(loss) after taxation RMB'000	Profit/(loss) before taxation RMB'000	Profit/(loss) after taxation RMB'000
1.	Beipiao GCL	(3,522)	(3,522)	(9,384)	(9,384)
2.	Changsha Xinjia	1,554	898	10,491	9,115
3.	Guangzhou GCL	845	739	1,082	1,082
4.	Haidong Yuantong	(1,202)	(1,202)	(3,046)	(3,046)
5.	Hualong Xiehe	(814)	(856)	(1,390)	(1,390)
6.	Huludao Lianshan GCL	(1,758)	(1,992)	(1,965)	(2,497)
7.	Huzhu Haoyang	2,600	2,406	(1,673)	(1,704)
8.	Inner Mongolia Jinxi	2,414	2,052	1,202	1,032
9.	Jilin Yilian New Energy	3,066	2,104	1,367	1,228
10.	Lankao GCL	(808)	(812)	(267)	(267)
11.	Leizhou GCL	(5,892)	(5,892)	(4,585)	(4,585)
12.	Longkou GCL	334	304	(147)	(127)
13.	Luohe Xinli	523	500	1,028	1,002
14.	Putian Hanjiang Xinneng	2,457	2,658	5,436	4,756
15.	Qinghai Baineng	833	759	(485)	(485)
16.	Shandong Wanhai	1,909	1,839	470	425
17.	Shanghai GCL New Energy	(5,216)	(5,216)	730	730
18.	Shangqiu Xieneng	(763)	(763)	(53)	(53)
19.	Shanwei GCL	2,717	2,378	1,901	1,663
20.	Shenyang Yuhong	3,641	3,113	1,511	1,324
21.	Taoyuan Xinhui	135	135	(593)	(593)
22.	Taoyuan Xinneng	(3,103)	(2,860)	3,389	2,919
23.	Taoyuan Xinyuan	699	922	5,366	4,400
24.	Tongyu GCL	5,034	3,775	5,728	4,815
25.	Tongyu Xinyuan	4,020	3,097	655	459
26.	Tongyu Zanjia Poultry	62	52	(6,425)	(6,416)
27.	Weishan Xinneng	1,277	1,029	300	300
28.	Xuzhou Xinri	(2,379)	(2,379)	(3,822)	(3,822)
29.	Yixian Guoxin	(11,861)	(11,861)	(13,964)	(13,964)
30.	Yongzhou GCL	(643)	(568)	3,126	2,724
31.	Zhuanglang Guangyuan	(3,782)	(3,782)	(2,238)	(2,238)

The audited net assets as at 31 December 2022 and unaudited net assets as at the Reference Date (i.e. 30 June 2023) of the First Batch Target Companies amounted to approximately RMB913,076,000 and approximately RMB1,590,440,000, respectively.

11. INFORMATION ON THE SECOND BATCH TARGET COMPANIES

The table below sets out the information on the Second Batch Target Companies under the Second Batch Share Purchase Agreement:

No.	The Second Batch Target Companies	Information on the Second Batch Target Companies
1.	Tengzhou Xintian	Tengzhou Xintian is a company established in the PRC with limited liability, which is wholly owned by Tengzhou GCL, an indirect subsidiary of the Company. Tengzhou Xintian is principally engaged in the operation of solar power plants in the PRC.
2.	Gaotang Xiezhi	Gaotang Xiezhi is a company established in the PRC with limited liability, which is wholly owned by Gaotang Xierong, an indirect subsidiary of the Company. Gaotang Xiezhi is principally engaged in the operation of solar power plants in the PRC.
3.	Gaotang Xinwang	Gaotang Xinwang is a company established in the PRC with limited liability, which is wholly owned by Gaotang Xierong, an indirect subsidiary of the Company. Gaotang Xinwang is principally engaged in the operation of solar power plants in the PRC. Luohe Xierun is a company established in the PRC with limited liability, which is wholly owned by Zhengzhou Xiejia, an indirect subsidiary of the Company. Luohe Xierun is principally engaged in the operation of solar power plants in the PRC.
4.	Gaotang Xiechen	Gaotang Xiechen is a company established in the PRC with limited liability, which is wholly owned by Suzhou GCL New Energy, an indirect subsidiary of the Company. Gaotang Xiechen 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 years ended 31 December 2021 and 31 December 2022 of each of the Second Batch Target Companies prepared in accordance with China Accounting Standards:

No.	Second Batch Target Companies	For the year ended 31 December			
		2022		2021	
		Profit/(loss) before taxation	Profit/(loss) after taxation	Profit/(loss) before taxation	Profit/(loss) after taxation
		RMB'000	RMB'000	RMB'000	RMB'000
1.	Tengzhou Xintian	–	–	–	–
2.	Gaotang Xiezhi	–	–	–	–
3.	Gaotang Xinwang	–	–	–	–
4.	Luohe Xierun	657	657	–	–
5.	Gaotang Xiechen	(12)	(12)	–	–

The audited net assets as at 31 December 2022 and unaudited net assets as at the Reference Date (i.e. 30 June 2023) of the Second Batch Target Companies amounted to approximately RMB6,225,000 and approximately RMB14,937,000, respectively.

Note:

Tengzhou Xintian, Gaotang Xiezhi and Gaotang Xinwang started operation in 2023 and thus there was no profit/(loss) before and after taxation recorded for the years ended 31 December 2022 and 2021. Luohe Xierun and Gaotang Xiechen started operation in 2022 and thus there was no profit/(loss) before and after taxation recorded for the year ended 31 December 2021.

12. INFORMATION ON GCL NEW ENERGY INVESTMENT

GCL New Energy Investment is a company established in the PRC with limited liability, which is indirectly wholly owned by the Company. GCL New Energy Investment is principally engaged in the operation of solar power plants in the PRC.

13. INFORMATION ON SUZHOU GCL NEW ENERGY OPERATIONS MANAGEMENT

Suzhou GCL New Energy Operations Management is a company established in the PRC with limited liability, which is indirectly wholly owned by the Company. Suzhou GCL New Energy Operations Management is principally engaged in the management and operation of solar power plants in the PRC.

14. FINANCIAL IMPACT OF THE DISPOSALS

Upon 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 Disposals of approximately RMB604,976,900 and such loss is calculated with reference to the difference between the sum of the Consideration of RMB1,004,401,100, and the net asset value of the Target Companies of approximately RMB1,605,377,000 as at the Reference Date, after deducting related transaction costs of approximately RMB4,000,000. The actual loss as a result of the Disposals to be recorded by the Group is subject to audit and will be reassessed after completion of the Disposals.

15. USE OF PROCEEDS FROM THE DISPOSALS

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB1,004,401,100, (ii) the Deferred Receivable of RMB398,668,200 and (iii) the total Net Payable Amount amounting to approximately RMB198,959,900) is expected to be approximately RMB1,602,029,200, which the Company intends to use for debts repayment and to support the investment of natural gas, liquefied natural gas and operating and management services sectors.

16. REASONS FOR AND BENEFITS OF THE DISPOSALS

Upon completion of the Disposals, 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 RMB2,590,871,000 and the gearing ratio of the Group will decrease by approximately 16%, calculated with reference to the unaudited condensed interim consolidated financial information of the Group as at 30 June 2023, thus effectively reducing the financial risks.

The Disposals are the final steps taken by the Group to dispose all its solar power plants except for the solar power plants in the United States of America and achieve its “transformation and upgrade” development objective and transformation to an asset-light model. Solar power generating business is a capital intensive industry, which relies on external financing in order to fund for the construction of solar power plants while the recovery of capital investment takes a long period of time. Also, the tariff adjustments (i.e. the government subsidies) accounted for more than 50% of our total revenue for each of the financial year. The prolonged delay in receiving the tariff adjustments has seriously affected the cashflow of the Group. Given the Target Companies highly rely on external financing in order to obtain investment capital for new solar power plant project development and operating cashflow for daily operation, any interest rate changes will have an impact on the capital expenditure and finance expense of the Target Companies, hence, affecting operating results of the Group. Furthermore, it is highly uncertain as to whether the Target Companies can successfully renew its existing loans or obtain new capital in the current economic environment. It will increase the liquidity risks of the Group. Therefore, transformation into an asset-light model, being the business model adopted by the Company, by disposing all its solar power plants is an effective way to reduce its debts and interest rate exposure.

In addition to optimizing the finances structure under the asset-light model, the Group sought to explore opportunities to expand its business by providing operation, management and maintenance services, in particular to other solar power plant operators in the PRC (including purchasers of certain solar power plant projects disposed by the Group), thereby generating an additional and stable source of income. Also, the Group could leverage on its established development strength, scientific research capabilities and extensive experience in intelligent operation in the solar energy development and power operation sector while continuing to reduce its finance cost and the size of debts. As at 30 June 2023, the Group had entered into various contracts with 134 solar power plants to provide operation and maintenance services with total installed capacity of approximately 4,695MW to successfully accomplished market-oriented reform and asset-light transformation. For the six months ended 30 June 2023, the revenue from the solar power plants operation and management services and solar related supporting services income of the Group amounted to RMB66 million and RMB39 million respectively.

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

17. REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SERVICE AGREEMENTS

In line with the Group's asset-light transformation business strategy as described in the section headed under "*Reasons for and benefits of the Disposals*", the Group has been actively developing its operation and management outsourcing business to expand its source of income, and for the purpose of creating a more sustainable business model.

By entering into the Service Agreements, the Group has provided and will continue to provide management services on the operation and maintenance of solar power plants to the Designated Target Companies.

Based on the above reasons and having considered all relevant factors, the Directors believed and considered that the terms of the Service Agreements were on normal commercial terms, were fair and reasonable and that the entering into of the Service Agreements was in the interests of the Company and the Shareholders as a whole.

18. LISTING RULES IMPLICATIONS

The Disposals

Since one of the applicable percentage ratios in respect of the Disposals exceeds 75%, the entering into of the Share Purchase Agreements constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Upon completion of the 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 completion of the Disposals.

As of the date of this announcement, given that (i) Mr. Zhu Gongshan, Mr. Zhu Yufeng, and Zhu Family Trust indirectly held 48.03% equity interest in the Purchaser; (ii) the Zhu Family Trust is a substantial Shareholder that indirectly holds 284,022,559 shares of the Company (representing approximately 24.32% of the total issued share capital of the Company), and therefore a connected person of the Company; and (iii) Mr. Zhu Gongshan and Mr. Zhu Yufeng are executive Directors, and therefore considered as connected persons of the Company, the Purchaser is considered to be an associate of connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of the Share Purchase Agreements constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The SGM will be convened to consider and, if thought fit, to pass resolutions to approve the Share Purchase Agreements and the Disposals.

The Service Agreements

Given that the Purchaser is an associate of the connected persons of the Company, upon completion of the Disposals, except for Tongyu GCL which will become a non-wholly owned subsidiary of the Purchaser, the Target Companies will become wholly-owned subsidiaries of the Purchaser. As a result, the Designated Target Companies will also be considered as connected persons of the Company under Chapter 14A of the Listing Rules and the Service Agreements and the transactions contemplated thereunder will be considered as continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable annual review and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transaction, including issuance of announcements and annual reporting. The Company will comply in full with all applicable reporting, disclosure and, if applicable, Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Service Agreements.

19. GENERAL

A circular, which will include, among other things, (i) a letter of advice from the Independent Financial Adviser in relation to the terms and conditions of the Share Purchase Agreements; (ii) a recommendation from the Independent Board Committee in relation to the terms and conditions of the Share Purchase Agreements; (iii) further details of the Disposals; and (iv) a notice of SGM, is expected to be despatched to the Shareholders on or before 31 October 2023 as additional time is required to prepare and finalise certain information to be included in the circular.

20. DEFINITIONS

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

“Announcement of the National Subsidies Compliance Review”	the publication or release of the National Subsidies Compliance Review Documents, or if the parties agree that the verification results of such Projects have been made clear in accordance with such National Subsidies Compliance Review Documents
“Amount Payable”	the amount payable (if any) by the Target Companies to the Sellers and their affiliates (if applicable, including other subsidiaries of the Company) under the Share Purchase Agreements

“Amount Receivable”	the amount receivable (if any) by the Target Companies from the Sellers and their affiliates (if applicable, including other subsidiaries of the Company) under the Share Purchase Agreements
“Beipiao GCL”	Beipiao GCL Photovoltaic Power Co., Ltd.* (北票協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary 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
“Changsha Xinjia”	Changsha Xinjia Photovoltaic Power Co., Ltd.* (長沙鑫佳光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Closing”	the closing in respect of the disposal of the respective Sale Shares under each of the Share Purchase Agreements
“Closing Date”	the date of issuance as stated on the new business certificate of the Target Companies upon the completion of the Registration Procedures in respect of the disposal of the Sale Shares
“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 First Batch Consideration and the Second Batch Consideration
“Deferred Consideration”	being RMB320 million to be paid by the Purchaser within 15 Business Days upon the publication or release of the Announcement of the National Subsidies Compliance Review

“Designated First Batch Target Companies”	Yixian Guoxin, Weishan Xinneng, Longkou GCL, Tongyu Zanjia Poultry, Jilin Yilian New Energy, Leizhou GCL and Xuzhou Xinri
“Designated Target Companies”	the First Batch Target Companies and Luohe Xierun
“Directors”	the directors of the Company
“Disposals”	the disposals under the Share Purchase Agreements
“Dongsheng Photovoltaic”	Dongsheng Photovoltaic Technology (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Jurong GCL Integrated Technology Co., Ltd.* (句容協鑫集成科技有限公司) which is in turn wholly-owned by GCL System Integration Technology Co., Ltd. (“ GCL System Integration ”). Jiangsu GCL Construction, Golden Concord Group Limited and Yingkou Qiyin Investment Management Co., Ltd.* (營口其印投資管理有限公司) owns approximately 24.2% of GCL System Integration in aggregate. 營口其印投資管理有限公司 and Jiangsu GCL Construction are parties acting in concert with Golden Concord Group Limited. Golden Concord Group Limited is 44.61% owned by Shanghai Qixun and 46.68% owned by Jiangsu GCL Construction and 8.71% owned by GCL-Poly (Taicang Harbour) Limited. Shanghai Qixun is directly wholly owned by Mr. Zhu Yufeng while Jiangsu GCL Construction and GCL-Poly (Taicang Harbour) Limited are indirectly wholly-owned by Golden Concord Group Limited. Golden Concord Group Limited is in turn wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan as beneficiaries
“Earnest Money”	RMB300 million earnest money paid by the Purchaser into GCL New Energy Investment’s designated bank account in respect of the Disposals
“Earnest Money Agreement”	an agreement dated 12 October 2023 entered into between GCL New Energy Investment, the Purchaser and the Company in relation to the payment of Earnest Money for the Disposals

“Exclusivity Period”	The period commencing from the date of payment of the Earnest Money to 31 December 2023
“First Batch Consideration”	the consideration for disposing of the First Batch Sale Shares
“First Batch Equity Pledge”	the existing pledge of the First Batch Sale Shares by the First Batch Sellers in favour of certain financial institutions to secure the existing loans of the First Batch Target Companies
“First Batch Sale Shares”	the entire equity interest in the First Batch Target Companies (except Tongyu GCL) and 88.5833% equity interest in Tongyu GCL held by the First Batch Sellers as at the date of this announcement
“First Batch Sellers”	Hebei GCL Tongxin New Energy, Suzhou GCL New Energy Investment, Shandong GCL New Energy, Suzhou GCL New Energy Kaifa, Nanjing GCL New Energy, Guangdong GCL New Energy, Qinghai GCL New Energy, Shenyang Xinyuan, Suzhou GCL New Energy and Hubei GCL New Energy
“First Batch Share Purchase Agreements”	Hebei GCL Tongxin New Energy Share Purchase Agreement, Suzhou GCL New Energy Investment Share Purchase Agreement, Shandong GCL New Energy Share Purchase Agreement, Suzhou GCL New Energy Kaifa Share Purchase Agreement, Nanjing GCL New Energy Share Purchase Agreement, Guangdong GCL New Energy Share Purchase Agreement, Qinghai GCL New Energy Share Purchase Agreement, Shenyang Xinyuan Share Purchase Agreement, Suzhou GCL New Energy Share Purchase Agreement and Hubei GCL New Energy Share Purchase Agreement
“First Batch Target Companies”	Yixian Guoxin, Huludao Lianshan GCL, Huzhu Haoyang, Haidong Yuantong, Shenyang Yuhong, Zhuanglang Guangyuan, Inner Mongolia Jinxi, Shandong Wanhai, Beipiao GCL, Tongyu GCL, Changsha Xinjia, Xuzhou Xinri, Weishan Xinneng, Longkou GCL, Putian Hanjiang Xinneng, Shanqiu Xieneng, Lankao GCL, Luohe Xinli, Shanghai GCL New Energy, Shanwei GCL, Guangzhou GCL, Qinghai Baineng, Hualong Xiehe, Tongyu Xinyuan, Tongyu Zanjia Poultry, Jilin Yilian New Energy, Leizhou GCL, Yongzhou GCL, Taoyuan Xinyuan, Taoyuan Xinhui and Taoyuan Xinneng

“Gaotang Xiechen”	Gaotang Xiechen Photovoltaic Power Generation Co., Ltd.* (高唐協辰光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Gaotang Xierong”	Gaotang County Xierong Photovoltaic Power Generation Co., Ltd.* (高唐縣協榮光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Gaotang Xiezhi”	Gaotang Xiezhi Photovoltaic Power Generation Co., Ltd.* (高唐協智光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Gaotang Xinwang”	Gaotang Xinwang Photovoltaic Power Generation Co., Ltd.* (高唐鑫旺光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“GCL Energy Technology”	GCL Energy Technology Co. Ltd. (協鑫能源科技股份有限公司), a company incorporated in the PRC with its shares listed on the Shenzhen Stock Exchange with stock code 002015
“GCL Innovation”	GCL Innovation Holdings Co., Ltd.* (協鑫創展控股有限公司), a company established in the PRC with limited liability, which is wholly owned by Golden Concord Group Limited
“GCL New Energy Investment”	GCL New Energy Investment (China) Co., Ltd.* (協鑫新能源投資(中國)有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Group”	the Company and its subsidiaries
“Golden Concord Group Limited”	Golden Concord Group Limited (協鑫集團有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Asia Pacific Energy Fund Limited
“Guangdong GCL New Energy”	Guangdong GCL New Energy Investment Co., Ltd.* (廣東協鑫新能源投資有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company

“Guangdong GCL New Energy Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Guangdong GCL New Energy in relation to the sale of the entire equity interest in Shanwei GCL and Guangzhou GCL
“Guangzhou GCL”	Guangzhou GCL Photovoltaic Power Co., Ltd.* (廣州協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Handover of Account Passwords and Seals”	handover of online encryption keys of all bank accounts and all corporate seals of the Target Companies to the Purchaser
“Haidong Yuantong”	Haidong Yuantong Photovoltaic Power Generation Co., Ltd.* (海東市源通光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Hebei GCL Tongxin New Energy”	Hebei GCL Tongxin New Energy Development Co., Ltd.* (河北協鑫同心新能源開發有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Hebei GCL Tongxin New Energy Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Hebei GCL Tongxin New Energy in relation to the sale of the entire equity interest in Yixian Guoxin
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hualong Xiehe”	Hualong Xiehe Solar Power Generation Co., Ltd.* (化隆協合太陽能發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Hubei GCL New Energy”	Hubei GCL New Energy Investment Co., Ltd.* (湖北協鑫新能源投資有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Hubei GCL New Energy Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Hubei GCL New Energy in relation to the sale of the entire equity interest in Yongzhou GCL, Taoyuan Xinyuan, Taoyuan Xinhui and Taoyuan Xinneng

“Huludao Lianshan GCL”	Huludao Lianshan District GCL Photovoltaic Power Co., Ltd.* (葫蘆島市連山區協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Huzhu Haoyang”	Huzhu Haoyang Photovoltaic Electric Power Co., Ltd.* (互助昊陽光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Independent Shareholders”	the Shareholders other than Elite Time Global Limited, Dongsheng Photovoltaic, Golden Concord Group Limited, Mr. Zhu Gongshan, Mr. Zhu Yufeng and their associates (if any)
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors, to advise the Independent Shareholders on the Share Purchase Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms and conditions of the Share Purchase Agreements.
“Inner Mongolia Jinxi”	Inner Mongolia Jinxi Energy Co., Ltd.* (內蒙古金曦能源有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Jiangsu GCL Construction”	Jiangsu GCL Construction Management Co., Ltd.* (江蘇協鑫建設管理有限公司), a company established in the PRC with limited liability, which is indirectly wholly-owned by Golden Concord Group Limited
“Jilin Yilian New Energy”	Jilin Yilian New Energy Technology Co., Ltd.* (吉林億聯新能源科技有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Lankao GCL”	Lankao GCL Photovoltaic Power Co., Ltd.* (蘭考協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Leizhou GCL”	Leizhou GCL Photovoltaic Power Co., Ltd.* (雷州協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company

“Longkou GCL”	Longkou GCL Photovoltaic Power Co., Ltd.* (龍口協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Luohe Xierun”	Luohe Xierun New Energy Co., Ltd.* (漯河協潤新能源有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Luohe Xinli”	Luohe Xinli Photovoltaic Power Co., Ltd.* (漯河鑫力光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Management Rights Transfer Confirmation”	the confirmation to be jointly signed by the Purchaser and the relevant Target Company, which confirm the Handover of Account Passwords and Seals
“Management Service Agreements”	the operational management service agreement(s) entered into between (i) each of First Batch Target Companies and Suzhou GCL New Energy Operations Management on 25 December 2022, and (ii) Luohe Xierun and Suzhou GCL New Energy Operations Management on 9 August 2022
“Multiple First Batch Target Companies Share Purchase Agreements”	Suzhou GCL New Energy Investment Share Purchase Agreement, Shandong GCL New Energy Share Purchase Agreement, Guangdong GCL New Energy Share Purchase Agreement, Qinghai GCL New Energy Share Purchase Agreement, Suzhou GCL New Energy Share Purchase Agreement and Hubei GCL New Energy Share Purchase Agreement
“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, which is an indirect subsidiary of the Company
“Nanjing GCL New Energy Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Nanjing GCL New Energy in relation to the sale of the entire equity interest in Shanghai GCL New Energy

“National Subsidy Catalogue”	National Renewable Energy Tariff Surcharge Subsidy Catalogue (可再生能源電價附加資金補助目錄) under the Renewable Energy Law (中華人民共和國可再生能源法)
“National Subsidies Compliance Review”	the compliance reviews to be conducted on the Projects for the purposes of obtaining national subsidies
“National Subsidies Compliance Review Documents”	the relevant announcement, policies or documents issued by competent authority, confirming the results of the National Subsidies Compliance Review for the Projects
“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
“Net Receivable Amount”	the amount equivalent to the difference between the Amount Payable and the Amount Receivable in the event that the Amount Payable is less than the Amount Receivable
“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
“Projects”	Inner Mongolia Jinxi, Zhuanglang Guangyuan, Tongyu GCL, Shandong Wanhai, Changsha Xinjia, Shanghai GCL New Energy, Qinghai Baineng, Hualong Xiehe, Tongyu Zanjia Poultry, and Jilin Yilian New Energy
“Purchaser” or “Suzhou Industrial”	Suzhou Industrial Zone Xinkunneng Clean Energy Co., Ltd. * (蘇州工業園區鑫坤能清潔能源有限公司), a company established in the PRC, details of which are set out in the paragraph headed “ <i>Information on the Purchaser</i> ”
“Putian Hanjiang Xinneng”	Putian Hanjiang Xinneng Photovoltaic Power Co., Ltd.* (莆田涵江鑫能光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Qinghai Baineng”	Qinghai Baineng Photovoltaic Investment Management Co., Ltd.* (青海百能光伏投資管理有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company

“Qinghai GCL New Energy”	Qinghai GCL New Energy Co., Ltd.* (青海協鑫新能源有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Qinghai GCL New Energy Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Qinghai GCL New Energy in relation to the sale of the entire equity interest in Qinghai Baineng and Hualong Xiehe
“Reference Date”	30 June 2023
“Reference Date Audit Report”	the audit report prepared by Moore Stephens Da Hua CPAs (Shanghai Branch) to audit the financial status of each of the Target Companies for a period up to the Reference Date in accordance with the Share Purchase Agreements
“Registration Procedures”	the registration procedures in respect of the change of shareholders of the Target Companies and other relevant filing procedures in respect of the Share Purchase Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	First Batch Sale Shares and Second Batch Sale Shares
“Second Batch Consideration”	the consideration for disposing of the Second Batch Sale Shares
“Second Batch Equity Pledge”	the existing pledge of the Second Batch Sale Shares by the Second Batch Sellers in favour of certain financial institutions to secure the existing loans of the Second Batch Target Companies
“Second Batch Sale Shares”	the entire equity interest in the Second Batch Target Companies held by the Second Batch Sellers as at the date of this announcement
“Second Batch Sellers”	Tengzhou GCL, Gaotang Xierong, Zhengzhou Xiejia and Suzhou GCL New Energy
“Second Batch Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser with Tengzhou GCL, Gaotang Xierong, Zhengzhou Xiejia and Suzhou GCL New Energy in relation to the sale of the entire equity interest in each of Tengzhou Xintian, Gaotang Xiezhì, Gaotang Xinwang, Luohe Xierun and Gaotang Xiechen

“Second Batch Target Companies”	Tengzhou Xintian, Gaotang Xiezhi, Gaotang Xinwang, Luohe Xierun and Gaotang Xiechen
“Sellers” and each a “Seller”	the First Batch Sellers and the Second Batch Sellers
“Service Agreements”	the Management Service Agreements and Supplemental Operation Management Service Agreement
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Disposals and the entering into and performance of obligations under the Share Purchase Agreements
“Shandong GCL New Energy”	Shandong GCL New Energy Co., Ltd.* (山東協鑫新能源有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Shandong GCL New Energy Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Shandong GCL New Energy in relation to the sale of the entire equity interest in Weishan Xinneng and Longkou GCL
“Shandong Wanhai”	Shandong Wanhai Solar Power Co., Ltd.* (山東萬海電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Shanghai GCL New Energy”	Shanghai GCL New Energy Investment Co., Ltd.* (上海協鑫新能源投資有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Shanghai Qixun”	Shanghai Qixun Investment Management Co., Ltd.* (上海其旬投資管理有限公司), a company established in the PRC with limited liability, which is wholly owned by Mr. Zhu Yufeng
“Shangqiu Xieneng”	Shangqiu Xieneng Photovoltaic Power Co., Ltd.* (商丘協能光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company

“Shanwei GCL”	Shanwei GCL Photovoltaic Power Co., Ltd.* (汕尾市協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Shareholders”	the shareholders of the Company
“Share Purchase Agreements” and each a “Share Purchase Agreement”	the First Batch Share Purchase Agreements and the Second Batch Share Purchase Agreement
“Shenyang Xinyuan”	Shenyang Xinyuan Photovoltaic Power Co., Ltd.* (瀋陽鑫源光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Shenyang Xinyuan Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Shenyang Xinyuan in relation to the sale of the entire equity interest in Tongyu Xinyuan
“Shenyang Yuhong”	Shenyang Yuhong District GCL Photovoltaic Power Co., Ltd.* (瀋陽市于洪區協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Operation Management Service Agreement”	the supplemental operation management service agreement entered into between each of the Designated Target Companies and Suzhou GCL New Energy Operations Management on 30 June 2023
“Suzhou GCL New Energy”	Suzhou GCL New Energy Development Co., Ltd.* (蘇州協鑫新能源發展有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Suzhou GCL New Energy Kaifa”	Suzhou GCL New Energy Kaifa Co., Ltd.* (蘇州協鑫新能源開發有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company

“Suzhou GCL New Energy Kaifa Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Suzhou GCL New Energy Kaifa in relation to the sale of the entire equity interest in Putian Hanjiang Xinneng, Shangqiu Xieneng, Lankao GCL and Luohe Xinli
“Suzhou GCL New Energy Investment”	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, which is an indirect subsidiary of the Company
“Suzhou GCL New Energy Investment Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Suzhou GCL New Energy Investment in relation to the sale of the entire equity interest in Huludao Lianshan GCL, Huzhu Haoyang, Haidong Yuantong, Shenyang Yuhong, Zhuanglang Guangyuan, Inner Mongolia Jinxi, Shandong Wanhai, Beipiao GCL and 88.5833% equity interest in Tongyu GCL
“Suzhou GCL New Energy Operations Management”	Suzhou GCL New Energy Operations Management Technology Co., Ltd* (蘇州協鑫新能源運營科技有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Suzhou GCL New Energy Share Purchase Agreement”	an equity transfer agreement dated 12 October 2023 entered into between the Purchaser and Suzhou GCL New Energy in relation to the sale of the entire equity interest in Tongyu Zanjia Poultry, Jilin Yilian New Energy and Leizhou GCL
“Taoyuan Xinhui”	Taoyuan Xinhui Photovoltaic Power Co., Ltd.* (桃源縣鑫輝光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Taoyuan Xinneng”	Taoyuan Xinneng Photovoltaic Power Co., Ltd.* (桃源縣鑫能光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Taoyuan Xinyuan”	Taoyuan Xinyuan Photovoltaic Power Co., Ltd.* (桃源縣鑫源光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company

“Target Companies” and each a “Target Company”	the First Batch Target Companies and the Second Batch Target Companies
“Tengzhou GCL”	Tengzhou GCL Photovoltaic Power Generation Co., Ltd.* (滕州協鑫光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Tengzhou Xintian”	Tengzhou Xintian Photovoltaic Power Generation Co., Ltd.* (滕州鑫田光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Tianjin Qichen”	Tianjin Qichen Investment Management Co., Ltd.* (天津其辰投資管理有限公司), a company established in the PRC with limited liability, which is wholly owned by Golden Concord Group Limited
“Tongyu GCL”	Tongyu GCL Photovoltaic Power Co., Ltd.* (通榆協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Tongyu Xinyuan”	Tongyu Xinyuan Photovoltaic Power Co., Ltd.* (通榆鑫源光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Tongyu Zanjia Poultry”	Tongyu County Zanjia Poultry Industry Technology Co., Ltd.* (通榆縣咱家禽業科技有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Total Deferred Amount”	the total sum of Deferred Receivable and Deferred Consideration
“Transition Period”	the period between the Reference Date and the Closing Date
“Weishan Xinneng”	Weishan Xinneng Solar Power Co., Ltd. (微山鑫能光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company

“Xuzhou Xinri”	Xuzhou Xinri Photovoltaic Power Co., Ltd.* (徐州鑫日光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Yixian Guoxin”	Yixian Guoxin Energy Co., Ltd.* (易縣國鑫能源有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Yongzhou GCL”	Yongzhou GCL Photovoltaic Power Co., Ltd.* (永州協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Zhengzhou Xiejia”	Zhengzhou Xiejia New Energy Co., Ltd.* (鄭州協嘉新能源有限公司), a company established in the PRC with limited liability, which is an indirect subsidiary of the Company
“Zhuanglang Guangyuan”	Zhuanglang Guangyuan Photovoltaic Power Generation Co., Ltd.* (莊浪光原光伏發電有限公司), a company established in the PRC with limited liability, which is an indirect 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, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries

* *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 Gongshan
Chairman

Hong Kong, 12 October 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.