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GCL Technology Holdings Limited

協鑫科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

CONTINUING CONNECTED TRANSACTIONS 2025 WAFER SALE AGREEMENT

THE 2025 WAFER SALE AGREEMENT

Reference is made to the announcement of the Company dated 1 December 2023 in relation to the 2024 Wafer Sale Agreement. In view of the prospective expiry of the 2024 Wafer Sale Agreement on 31 December 2024, on 27 December 2024, GCL Technology Suzhou (an indirect wholly-owned subsidiary of the Company), as the seller, and GCL System Integration, as the buyer, entered into the 2025 Wafer Sale Agreement, pursuant to which the Seller shall sell and the Buyer shall purchase certain amount of wafers during the period from 1 January 2025 to 31 December 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Zhu Family Trust is a substantial shareholder and a connected person of the Company. GCL System Integration is ultimately controlled by Mr. Zhu. Accordingly, GCL System Integration is a connected person of the Company and the transactions contemplated under the 2025 Wafer Sale Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules with reference to the annual cap of the transactions contemplated under the 2025 Wafer Sale Agreement exceeds 0.1% but are all less than 5% and the aggregate transaction amount under the 2025 Wafer Sale Agreement is not less than HK\$3,000,000, the continuing connected transactions contemplated under the 2025 Wafer Sale Agreement are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 27 December 2024, GCL Technology Suzhou (an indirect wholly-owned subsidiary of the Company), as the seller, and GCL System Integration, as the buyer, entered into the 2025 Wafer Sale Agreement, pursuant to which the Seller shall sell and the Buyer shall purchase certain amount of wafers during the period from 1 January 2025 to 31 December 2025.

THE 2025 WAFER SALE AGREEMENT

Principal terms of the 2025 Wafer Sale Agreement are as follows:

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| Date | : | 27 December 2024 |
| Parties | : | (1) GCL Technology Suzhou (as seller) (2) GCL System Integration (as buyer) |
| Subject Matter | : | The Seller shall sell, and the Buyer shall purchase certain amount of wafers during the period from 1 January 2025 to 31 December 2025. |
| Sale Amount and Quantity | : | During the period from 1 January 2025 to 31 December 2025, the total amount of wafers to be sold and purchased under the 2025 Wafer Sale Agreement shall not exceed RMB996,000,000 (including tax). Based on the current market price, the quantity of wafers to be sold and purchased under the 2025 Wafer Sale Agreement amounts to approximately 7.44GW (approximately 930 million pieces). The specific quantity shall be subject to the adjustment based on the actual market price and shall be fixed by aggregating the monthly purchase orders between parties. |
| Price Determination | : | The unit price for the wafers to be sold and purchased under the 2025 Wafer Sale Agreement shall be agreed monthly between the Buyer and the Seller by monthly purchase orders based on the market price. |
| Payment Terms | : | The Buyer shall pay RMB10 million to the Seller as prepayment after the coming into effect of the 2025 Wafer Sale Agreement. Full payment for the corresponding batch of wafer products shall be made within 15 days after the delivery of the wafer products, subject to the detailed arrangement set out in the purchase orders. |
| Conditions precedent | : | The 2025 Wafer Sale Agreement shall come into force after the board and shareholders approvals (if needed) of GCL System Integration and the Company are obtained. As set out in the section headed “Listing Rules Implications” in this announcement, the continuing connected transactions contemplated under the 2025 Wafer Sale Agreement are exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules. |

PRICING POLICY

According to the pricing policy adopted by the Seller, the Seller would collect market information on prices of wafers and determine a standard price list for its wafer products based on the Seller's own situation every month. Sales of wafer products are generally made pursuant to the standard price list, subject to discount to be made to long term customers or customers who pay on a favorable payment terms. Such pricing policy shall equally apply to sales of wafers to connected persons and independent third parties, provided that the prices of wafer products sold to connected persons shall be no less than the average prices of wafer products sold to independent third party customers who purchase similar volume on similar payment terms during the same month.

By following the pricing policy as set out above, wafers would be sold to the Buyer at a price that is consistent with the prices offered to other independent third party customers. In the circumstances, the Directors consider that the pricing policy can ensure that the sales of wafers to the Buyer will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

HISTORICAL TRANSACTION AMOUNTS

The aggregate historical transaction amounts for the sale of wafers by the Seller to the Buyer under (a) the 2023 Wafer Sale Agreement for the period from 26 April 2023 (being the date of the 2023 Wafer Sale Agreement) to 31 December 2023 and (b) the 2024 Wafer Sale Agreement for the eleven months ended 30 November 2024 were approximately RMB783,193,228 and RMB254,703,658.58.

ANNUAL CAP

For the year ending 31 December 2025, the aggregate amount of sales under the 2025 Wafer Sale Agreement is expected to be no more than RMB996,000,000 (including tax), which is the annual cap for the transactions under the 2025 Wafer Sale Agreement for the purpose of Chapter 14A of the Listing Rules.

The annual cap was determined with reference to the following factors:

1. the respective expected demand for products with different sets of specifications in the product mix subject to the 2025 Wafer Sale Agreement;
2. the estimated unit price trend of the wafers during the term of the 2025 Wafer Sale Agreement; and
3. the historical transaction amount between the Buyer and the Seller for the wafers as set out in the paragraph headed "HISTORICAL TRANSACTION AMOUNTS".

INFORMATION ON THE PARTIES TO THE 2025 WAFER SALE AGREEMENT

The Group and GCL Technology Suzhou

The Company is a company incorporated in the Cayman Islands with limited liability. The principal business of the Company is investment holding. The Group is principally engaged in the manufacturing and sale of polysilicon and wafers products as well as the developing, owning and operation of solar farms.

GCL Technology Suzhou is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The principal business of GCL Technology Suzhou is the sale of solar products.

GCL System Integration

GCL System Integration is a company established in the PRC and the shares of which are listed on the Shenzhen Stock Exchange. The principal business of GCL System Integration is research, development, manufacturing and distribution of solar system, including solar materials and solar modules.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

By entering into the 2025 Wafer Sale Agreement, the Group would be able to secure the sale of wafers in an amount of RMB996,000,000 (including tax) in the year ending 31 December 2025 at the price consistent with price at which GCL Technology Suzhou sells to its independent third party customers.

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2025 Wafer Sale Agreement, the transactions contemplated thereunder and the proposed annual cap are fair and reasonable, on normal commercial terms or better, entered into in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Zhu Family Trust is a substantial shareholder and a connected person of the Company. GCL System Integration is ultimately controlled by Mr. Zhu. Accordingly, GCL System Integration is a connected person of the Company and the transactions contemplated under the 2025 Wafer Sale Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules with reference to the annual cap of the transactions contemplated under the 2025 Wafer Sale Agreement exceeds 0.1% but are all less than 5% and the aggregate transaction amount under the 2025 Wafer Sale Agreement is not less than HK\$3,000,000, the continuing connected transactions contemplated under the 2025 Wafer Sale Agreement are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As at the date of this announcement, Mr. Zhu and Mr. Zhu Yufeng are beneficiaries of the Zhu Family Trust and therefore have material interest in the transactions contemplated under the 2025 Wafer Sale Agreement and have abstained from voting on the resolutions of the Board in respect of the approval of the 2025 Wafer Sale Agreement. Mr. Zhu Zhanjun, Ms. Sun Wei and Mr. Yeung Man Chung, Charles hold management positions in a company controlled by the Zhu Family Trust. To avoid potential conflict of interest from a good corporate governance perspective, Mr. Zhu Zhanjun, Ms. Sun Wei and Mr. Yeung Man Chung, Charles have also abstained from voting on the resolutions of the Board in respect of the approval of the 2025 Wafer Sale Agreement. Save for the Directors mentioned above, none of the other Directors has a material interest or potential conflict of interest in the transactions contemplated under the 2025 Wafer Sale Agreement, and therefore no other Director has abstained from voting on such Board resolutions.

DEFINITIONS

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

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| “2023 Wafer Sale Agreement” | the wafer sale agreement dated 26 April 2023 entered into between GCL Technology Suzhou (as seller) and GCL System Integration (as buyer) for the sale and purchase of certain amount of wafers during the period from 26 April 2023 to 31 December 2023 |
| “2024 Wafer Sale Agreement” | the wafer sale agreement dated 1 December 2023 entered into between GCL Technology Suzhou (as seller) and GCL System Integration (as buyer) for the sale and purchase of certain amount of wafers during the period from 1 January 2024 to 31 December 2024 |
| “2025 Wafer Sale Agreement” | the wafer sale agreement dated 27 December 2024 entered into between GCL Technology Suzhou (as seller) and GCL System Integration (as buyer) for the sale and purchase of certain amount of wafers during the period from 1 January 2025 to 31 December 2025 |
| “Board” | the board of Directors |

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| “Company” | GCL Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed to it in the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “GCL System Integration” or “Buyer” | GCL System Integration Technology Co., Ltd.* (協鑫集成科技股份有限公司), a company established in the PRC with its shares listed in the Shenzhen Stock Exchange (stock code: 002506) |
| “GCL Technology Suzhou” or “Seller” | GCL Technology Suzhou Co., Ltd.* (協鑫科技(蘇州)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Zhu” | Mr. Zhu Gongshan, the Chairman and an executive Director of the Company |
| “Mr. Zhu Yufeng” | Mr. Zhu Yufeng, son of Mr. Zhu and an executive Director of the Company |
| “PRC” | for the purpose of this announcement, the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “subsidiaries” | has the meaning given to it under the Listing Rules |
| “wafer(s)” | solar grade silicon wafer(s) |
| “Zhu Family Trust” | the discretionary trust known as the “Asia Pacific Energy Fund”, of which Mr. Zhu and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu) are beneficiaries |
| “%” | per cent. |

** All of the English titles or names of the PRC entities, as well as certain items contained in this announcement have been included for identification purpose only and may not necessarily be the official English translations of the corresponding Chinese titles or names. If there is any inconsistency between the English translations and the Chinese titles or names, the Chinese titles or names shall prevail.*

By order of the Board
GCL Technology Holdings Limited
協鑫科技控股有限公司
Zhu Gongshan
Chairman

Hong Kong, 27 December 2024

As at the date of this announcement, the board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Yufeng, Mr. Zhu Zhanjun, Mr. Lan Tianshi, Ms. Sun Wei and Mr. Yeung Man Chung, Charles as executive directors; Ir. Dr. Ho Chung Tai, Raymond, Dr. Shen Wenzhong, Mr. Li Junfeng and Mr. Yip Tai Him as independent non-executive directors.