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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)

**(1) SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
WITH CHINA CHEMICAL ENGINEERING GROUP
AND
(2) VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE
CONSTRUCTION PROGRESS OF THE LESHAN PROJECT**

Reference is made to the announcement of GCL Technology Holdings Limited (the “**Company**”) dated 14 June 2022 in relation to two supplemental agreements entered into between Leshan GCL New Energy and subsidiaries of the China Chemical Engineering Group for the engineering, construction and installation services of Leshan Project (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

The Board wishes to provide additional information on the payment terms and the basis of consideration of the Other Leshan Agreements.

PAYMENT TERMS OF THE OTHER LESHAN AGREEMENTS

As the Other Leshan Agreements relates to the certain design, construction and EPC services of the Leshan Project, payments to be made under the Other Leshan Agreements were separately classified into (i) equipment fees, (ii) raw material fees, (iii) construction installation fees, (iv) design fees, and (v) indirect costs.

The above fees and costs will be paid by the Group in instalments, depending on whether project milestones agreed by the agreement are met. Project milestones include, among other things, (i) the signing of the respective Other Leshan Agreements, (ii) satisfaction of the delivery condition of the relevant machineries, raw materials and installation work agreed by the agreement, (iii) submission of the design drawings, module and feasibility study report, (iv) monthly progress payment upon inspection by Leshan GCL New Energy, (v) passing of performance assessment, (vi) acceptance of services upon further performance inspection, and (vii) expiry of warranty period without quality issue (as the case may be).

BASIS OF CONSIDERATION OF THE OTHER LESHAN AGREEMENTS

The Other Leshan Agreements were negotiated and entered into on an arm's length basis and on normal. The final amount of consideration payable under the Other Leshan Agreements may be adjusted downward, taking into account of a number of factors such as costs of raw materials and changes in the construction plan and the design of the project after consultation with the respective contractor.

The maximum total consideration under the Other Leshan Agreements was determined with reference to (i) the quality standard and cost of the services to be provided, (ii) the profit margin of the design, construction and EPC projects, and (iii) the prevailing market price of similar services. In determining the prevailing market price of similar services, the Company has made reference to, among others, the costs of similar projects located in Leshan and other factors such as (a) the weather and (b) the fluctuating costs of transportation, pay level, raw materials and equipment purchase prices.

CONSTRUCTION PROGRESS OF THE LESHAN PROJECT

The Board also wishes to keep the shareholders and potential investors of the Company informed of the latest business development of the Group on a voluntary basis.

As of the date of this announcement, part of the existing production module of the Leshan Project with a production capacity of 100,000 tonnes of granular silicon has completed the engineering construction and installation and been in debugging stage and ready for production, which will be put into production gradually and all of which are expected to be put into operation by the end of the year.

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

Hong Kong, 21 June 2022

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