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**GCL Technology Holdings Limited**  
**協鑫科技控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*  
**(Stock code: 3800)**

**DECLARATION OF CONDITIONAL SPECIAL INTERIM DIVIDEND  
BY WAY OF DISTRIBUTION IN SPECIE OF SHARES IN  
GCL NEW ENERGY HOLDINGS LIMITED (STOCK CODE: 451)  
AND  
CONTINUATION OF THE EXISTING PERPETUAL NOTES AGREEMENT  
WHICH WILL CONSTITUTE A  
CONTINUING CONNECTED TRANSACTION FOLLOWING THE  
COMPLETION OF THE PROPOSED DISTRIBUTION IN SPECIE  
AND  
EXTRAORDINARY GENERAL MEETING**

**(1) CONDITIONAL SPECIAL INTERIM DIVIDED BY WAY OF DISTRIBUTION IN SPECIE**

On 30 August 2022, the Board resolved to declare a conditional special interim dividend by way of a distribution in specie of 8,639,024,713 ordinary shares (the “**DIS Shares**”) of GCL New Energy Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code: 451) (“**GNE**”) which are indirectly held by Elite Time Global Limited, a wholly-owned subsidiary of the Company. As at the date of this announcement, GNE is approximately 44.44% held by Elite Time Global Limited and the DIS Shares represent approximately 37% of the issued share capital of GNE.

The Board considers that the Proposed Distribution in Specie is in the interests of both the Company and the Shareholders, as the Proposed Distribution in Specie shall: (1) upon reduction of the Company's shareholding in GNE, maximise the value of the Company in connection with the Proposed A Share Listing; (2) provide the Shareholders with an opportunity and the flexibility to participate, as shareholders of GNE, in the growth and prospects of GNE directly, and determine the level of their participation in investing in GNE at their own discretion; and (3) serve as a reward for the support that has been given by the Shareholders and simultaneously allow the Group to focus and strengthen its resources on its core business.

The Proposed Distribution in Specie is (i) subject to Independent Shareholders' approval by way of an ordinary resolution at the EGM, at which for the reasons explained below, each of Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited will abstain from voting; and (ii) conditional on the Independent Shareholders' approval for the continuation of the Perpetual Notes Agreement which will constitute a continuing connected transaction of the Company following the completion of the Proposed Distribution in Specie.

The Proposed Distribution in Specie will involve a distribution of the DIS Shares on the basis of 318 DIS Shares for every 1,000 Shares held on the Record Date.

Shareholders whose (i) names appear on the Hong Kong register of members of the Company and (ii) registered addresses are in Hong Kong, will be entitled to a pro-rata number of the DIS Shares (being rounded down to the nearest whole number of the DIS Shares). There will be no fractional distribution of the DIS Shares to the Qualifying Shareholders. Fractional entitlements to the DIS Shares and any DIS Shares left undistributed will be sold in the market, with the net proceeds of such sale being retained for the benefit of the Company.

Details of the arrangement for Shareholders with registered addresses outside Hong Kong are set out in the section headed "*Shareholders with registered addresses outside Hong Kong*" below.

Following completion of the Proposed Distribution in Specie, the Company will reduce its shareholding in GNE from approximately 44.44% to approximately 7.44%.

## **(2) CONTINUATION OF THE EXISTING PERPETUAL NOTES AGREEMENT AND APPROVAL OF THE CONTINUING CONNECTED TRANSACTION UNDER THE EXISTING PERPETUAL NOTES AGREEMENT**

We refer to the announcement published by the Company on 18 November 2016.

On 18 November 2016, the Perpetual Notes Lenders (as lenders) and Nanjing GCL New Energy Development Co., Ltd. (“**Nanjing GCL**”), an indirect wholly-owned subsidiary of GNE (as borrower), entered into a Perpetual Notes Agreement pursuant to which the Perpetual Notes Lenders, each of which as wholly-owned subsidiaries of the Company, agreed to grant a perpetual loan facility in the principal amount of RMB1,800,000,000 to Nanjing GCL.

Immediately following completion of the Proposed Distribution in Specie, Golden Concord Group, a substantial shareholder and a connected person of the Company, will consolidate the financial results of GNE as its subsidiary pursuant to applicable accounting standards. Pursuant to Rule 14A.07(4) of the Listing Rules, GNE will become an associate of Golden Concord Group as a connected person of the Company. Accordingly, the Perpetual Notes will constitute a continuing connected transaction of the Company for the purposes of the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the 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 independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

On 30 August 2022, the Board also resolved that, as a condition of the Proposed Distribution in Specie, the Perpetual Notes will be put forward to the Independent Shareholders for approval as a continuing connected transaction following completion of the Proposed Distribution in Specie.

An independent board committee has been established to advise the Independent Shareholders on the whether the terms of the Perpetual Notes are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the continuation of the Perpetual Notes as a continuing connected transaction of the Company. The Company has appointed Maxa Capital Limited, as its independent financial adviser to advise the independent board committee and the Independent Shareholders in this regard.

As the existing term of the Perpetual Notes exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, Maxa Capital Limited, as the Company's independent financial adviser, has also been appointed to explain why the Perpetual Notes requires a longer period and to confirm whether it is a normal business practice for agreements of this type to be of such duration.

**(3) OTHER CONTINUING CONNECTED TRANSACTIONS ON MANAGEMENT SERVICES, OPERATION SERVICES AND LEASE AGREEMENT BETWEEN THE COMPANY AND GNE**

Before the date of this announcement, the Group, through its wholly-owned subsidiaries, has entered into other De Minimis Agreements with the subsidiaries of GNE. Immediately following completion of the Proposed Distribution in Specie, such agreements will constitute a continuing connected transaction of the Company.

The Company will comply with Rule 14A.60 of the Listing Rules and make disclosures as and when necessary. As at the date of this announcement, all existing De Minimis Agreements entered into between the Group and the subsidiaries of GNE fall within the de minimis exemption under Rule 14A.76 of the Listing Rules and are fully exempted from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules upon completion of the Proposed Distribution in Specie.

**(4) GENERAL INFORMATION**

The EGM will be convened, among others, to seek Independent Shareholders' approval on the Proposed Distribution in Specie and the continuation of the Perpetual Notes Agreement.

Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, being entities wholly-owned by Golden Concord Group which is a substantial shareholder and a connected person of the Company, will abstain from voting on the resolutions relating to the Proposed Distribution in Specie and the Perpetual Notes at the EGM.

A circular containing, among other things, (i) details of the Proposed Distribution in Specie; (ii) details of the Perpetual Notes Agreement; (iii) a letter from the independent financial adviser containing its advice to the independent board committee and the Independent Shareholders; (iv) recommendation from the independent board committee; and (v) a notice for the EGM and an EGM proxy form, will be despatched to the Shareholders on or around Tuesday, 6 September 2022.

**Shareholders should note that the Proposed Distribution in Specie is subject to the approval by the Independent Shareholders as described in this announcement. Shareholders and/or potential investors in the Company should be aware that implementation of the Proposed Distribution in Specie may or may not become effective. There is no assurance that the Proposed Distribution in Specie will be approved by the Independent Shareholders or will materialise. Meanwhile, the Shareholders and prospective investors are advised to exercise caution in dealing in the Shares.**

**(1) CONDITIONAL SPECIAL INTERIM DIVIDEND BY WAY OF DISTRIBUTION IN SPECIE**

**Basis of entitlement**

On 30 August 2022, the Board resolved to declare a conditional special interim dividend out of the Share Premium Account by way of a distribution in specie of 8,639,024,713 GNE Shares which are currently indirectly held by Elite Time to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date in proportion to their respective shareholding interests in the Company as follows:

**For every 1,000 Shares held .....318 GNE Shares**

The Proposed Distribution in Specie will be effected by Elite Time transferring the DIS Shares held by it directly to the Qualifying Shareholders, subject to Independent Shareholders' approval on the Proposed Distribution in Specie and conditional on the Independent Shareholders' approval for the continuation of the Perpetual Notes as a continuing connected transaction of the Company.

The exact total number of the DIS Shares to be distributed by the Company is subject to adjustments where necessary in order to give effect to the Proposed Distribution in Specie on the basis of 318 DIS Shares for every 1,000 Shares held on the Record Date and such other arrangements in relation to Proposed Distribution in Specie as set out in this announcement.

A Qualifying Shareholder (including a Qualifying Shareholder holding less than 1,000 Shares on the Record Date) will be entitled to a pro-rata number of the DIS Shares (being rounded down to the nearest whole number of the DIS Shares). There will be no fractional distribution of the DIS Shares to the Qualifying Shareholders. Fractional entitlements to the DIS Shares and any DIS Shares left undistributed will be sold in the market, with the net proceeds of such sale being retained for the benefit of the Company.

## **DIS Shares**

As at the date of this announcement, the Company holds 10,376,602,000 GNE Shares, representing approximately 44.44% of the issued share capital of GNE. The GNE Shares are listed on the Main Board of the Stock Exchange (Stock Code: 451).

Subject to the Independent Shareholders' approval on the Proposed Distribution in Specie and conditional on the Independent Shareholders' approval for the Perpetual Notes as a continuing connected transaction of the Company, 8,639,024,713 GNE Shares (the “**DIS Shares**”) will be distributed to the Qualifying Shareholders, representing approximately 37% of the issued share capital of GNE as at the date of this announcement.

Based on the closing price of HK\$0.107 per GNE Share as traded on the Stock Exchange on 30 August 2022, the aggregate market value of the DIS Shares was approximately HK\$924,000,000.

### **Record Date for dividend entitlement**

The Record Date for determining Shareholders' entitlement to the Proposed Distribution in Specie is Tuesday, 27 September 2022. There will be no book closure for the Proposed Distribution in Specie. In order to qualify for the Proposed Distribution in Specie, all transfer of Shares accompanied by the relevant share certificate must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Tuesday, 27 September 2022.

### **Despatch of Share certificates and CCASS settlement**

It is expected that share certificates for the relevant DIS Shares will be despatched on or about Tuesday, 11 October 2022 by ordinary post at the own risk of the Qualifying Shareholders to their respective addresses shown on the register of members of the Company on the Record Date. Only one share certificate will be issued for all DIS Shares or Qualifying Shareholder.

In the case of a joint holding of Shares, the share certificate for the DIS Shares will be posted to the address shown on the register of members of the Company in respect of such Shares on the Record Date.

Investors holding Shares through CCASS Participants are expected to receive the DIS Shares through their respective stockbrokers or custodians or through their CCASS Investor Participant stock accounts following the despatch of the share certificates of the DIS Shares. Such investors should seek the advice of their respective stockbrokers or other professional advisers in case of doubt.

## **Odd lot matching service**

The Company will arrange for odd lot matching services to be provided for the sale and purchase of odd lots of the DIS Shares, on a best effort basis, to those Qualifying Shareholders entitled to the Proposed Distribution in Specie who wish to acquire odd lots of the DIS Shares to make up a full board lot size of 2,000 GNE Shares, or to dispose of their odd lots of the DIS Shares. Further information on the odd lot matching arrangements will be set out in the EGM circular.

## **Qualifying Shareholders and Non-Qualifying Shareholders**

The Proposed Distribution in Specie will be available to the Shareholders whose (i) names appear on the Hong Kong register of members of the Company and (ii) registered addresses are in Hong Kong, but will not be extended to any Non-Qualifying Shareholders.

### ***Shareholders with registered addresses outside Hong Kong***

Based on the register of members of the Company as at 27 August 2022, there were a total of two Shareholders whose addresses as shown on the register of members of the Company were outside Hong Kong, comprising two overseas jurisdictions, being Macau and the PRC, with a total shareholding of 2,000 Shares, representing in aggregate approximately 0.000007% of the issued share capital of the Company as at the close of business on 27 August 2022.

The Company is in the process of ascertaining whether or not there are any legal or regulatory restrictions which would make extending the Proposed Distribution in Specie to Shareholders whose registered addresses are in a place outside Hong Kong administratively prohibitive or inexpedient. If it is necessary on account of the requirements or restrictions under the laws of the relevant overseas jurisdictions not to extend the Proposed Distribution in Specie to such overseas Shareholders, such overseas Shareholders will be treated as Non-Qualifying Shareholders for purpose of the Proposed Distribution in Specie, as detailed in the section headed “*Arrangement for Non-Qualifying Shareholders*” below.

### ***Arrangement for Non-Qualifying Shareholders***

As the Proposed Distribution in Specie will not be extended to the Non-Qualifying Shareholders, arrangements will be made for the DIS Shares which would otherwise have been transferred to any Non-Qualifying Shareholders to be sold in the market as soon as possible, on or after the date of posting of the share certificates for the DIS Shares (which date is currently expected to be on or about Tuesday, 11 October 2022), and any proceeds of sale, after deduction of expenses and duties, will be distributed in HK\$ to the relevant Non-Qualifying Shareholders, except that net proceeds less than HK\$100 will be retained for the benefit of the Company.

Cheques representing the net proceeds of the sale of such DIS Shares, if any, will be sent to the Non-Qualifying Shareholders at their own risk, within fourteen (14) days after the sale of all such DIS Shares. In the absence of bad faith or willful default, none of the Company or any broker or agent appointed by the Company to effect the sale shall have any liability of any loss whatsoever arising as a result of the timing or the terms of any such sale.

### **Distribution arrangements for PRC Stock Connect Investors**

According to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)), as at 27 August 2022, ChinaClear held 5,819,352,141 Shares.

The PRC Stock Connect Investors will receive DIS Shares pursuant to the Proposed Distribution in Specie and hold the relevant DIS Shares received through ChinaClear. Pursuant to the Shanghai Stock Exchange Measures for the Implementation of Shanghai Connect (上海證券交易所滬港通業務實施辦法) and the Shenzhen Stock Exchange Measures for the Implementation of Shenzhen Connect (深圳證券交易所深港通業務實施辦法), the PRC Stock Connect Investors (or the relevant ChinaClear participants, as the case may be) whose stock accounts in ChinaClear are credited with DIS Shares may only sell them on the Stock Exchange under the Shanghai Connect and the Shenzhen Connect.

### **Reasons and benefits of the payment of the special interim dividend out of the Share Premium Account by way of a distribution in specie**

The Board considered the following matters when deciding to implement the Proposed Distribution in Specie:

1. the Proposed Distribution in Specie shall, upon reduction of the Company’s shareholding in GNE, maximise the Company’s value in connection with Proposed A Share Listing;
2. the Proposed Distribution in Specie serves as a reward for the support that has been given by the Shareholders and simultaneously allows the Group to focus and strengthen its resources on its core business; and
3. the Proposed Distribution in Specie will provide the Shareholders with an opportunity and the flexibility to participate, as shareholders of GNE, in the growth and prospects of GNE directly, and determine the level of their participation in investing in GNE at their own discretion.

In light of the above, the Board considered that the Proposed Distribution in Specie is in the interests of both the Company and the Shareholders.

## Effects of the payment of the Proposed Distribution in Specie

Immediately after completion of the Distribution, the Company will, through Elite Time, hold the remaining 1,737,577,287 GNE Shares, representing approximately 7.44% of the issued share capital of GNE as at the date of this announcement.

## Shareholders' approval as required by the Articles of Association

The Proposed Distribution in Specie is subject to the approval of the Independent Shareholders by way of ordinary resolution at the EGM as required by Article 137 of the Articles of Association. The EGM is currently expected to be convened on Thursday, 22 September 2022.

## Tentative Timetable for the Proposed Distribution in Specie <sup>(Note 1)</sup>

Latest date of dealing in Shares cum-entitlement to  
the Proposed Distribution in Specie ..... Friday, 23 September 2022

Commencement of dealing in Shares on an  
ex-entitlement basis ..... Monday, 26 September 2022

Latest date and time for lodging transfer(s) of  
Shares and Record Date for entitlement to the  
Proposed Distribution in Specie <sup>(Note 2)</sup> ..... 4:30 p.m. on Tuesday, 27 September 2022

Despatch to Shareholders of certificates in relation  
to the Relevant Shares distributed pursuant to the  
Proposed Distribution in Specie ..... On or before Tuesday, 11 October 2022

*Note 1: All times refer to Hong Kong local time. The above expected timetable is an indication only and may be varied by the Company. Should there be any change to the expected timetable, further announcement will be made by the Company as and when appropriate.*

*Note 2: The Record Date refers to the date for determining Shareholders' entitlement to the Proposed Distribution in Specie, details of which are set out in the section headed "Record Date for dividend entitlement" above.*

We refer to the announcement published by GNE on 17 August 2022 in relation to the proposed share consolidation and change in board lot size of GNE ("**Proposed Share Consolidation**"). Given that the Proposed Distribution in Specie will take place around the same period as set out in the expected timetable for the Share Consolidation and Proposed Share Consolidation, we understand that GNE will delay the expected timetable for the Proposed Share Consolidation in order to avoid confusion to investors and shareholders. For further details, please refer to the announcement published by GNE on 30 August 2022.

\* *There will be no book closure for the Proposed Distribution in Specie. In order to qualify for the Proposed Distribution in Specie, all transfer of Shares accompanied by the relevant share certificate must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Tuesday, 27 September 2022.*

**Shareholders should note that the Proposed Distribution in Specie is subject to the approval by the Independent Shareholders as described in this announcement. Shareholders and/or potential investors in the Company should be aware that implementation of the Proposed Distribution in Specie may or may not become effective. There is no assurance that the Proposed Distribution in Specie will be approved or will materialise. Meanwhile, the Shareholders and prospective investors are advised to exercise caution in dealing in the Shares.**

### **Information on the Company**

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The principal business of the Company is investment holding. The Company is principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing and operating of solar farms. As at the date of this announcement, the Company is interested in approximately 44.44% of the issued share capital of GNE.

### **Information on GNE**

GNE is incorporated in Bermuda as an exempted company with limited liability. The principal business of GNE is investment holding. The GNE Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants.

## **(2) CONTINUATION OF THE EXISTING PERPETUAL NOTES AGREEMENT AND APPROVAL OF THE CONTINUING CONNECTED TRANSACTION UNDER THE EXISTING PERPETUAL NOTES AGREEMENT**

### **Principal terms of the Perpetual Notes Agreement**

We refer to the announcement of the Company dated 18 November 2016.

On 18 November 2016, the Perpetual Notes Lenders (as lenders) and Nanjing GCL, an indirect wholly-owned subsidiary of GNE (as borrower), entered into a Perpetual Notes Agreement pursuant to which the Perpetual Notes Lenders, each of which as wholly-owned subsidiaries of the Company, agreed to grant a perpetual loan facility in a principal amount of RMB1,800,000,000 to Nanjing GCL.

The principal terms of the Perpetual Notes Agreement are set out as follows:

- Date: 18 November 2016
- Parties:
- (1) GCL Technology (Suzhou) Co., Ltd.\* (協鑫科技(蘇州)有限公司 (formerly known as GCL-Poly (Suzhou) New Energy Co., Ltd.\* (保利協鑫(蘇州)新能源有限公司)), as a lender
  - (2) Jiangsu GCL Silicon Material Technology Development Co.,Ltd. (江蘇協鑫硅材料科技發展有限公司), as a lender
  - (3) Suzhou GCL Photovoltaic Technology Co., Ltd. (蘇州協鑫光伏科技有限公司), as a lender
  - (4) Taicang GCL Photovoltaic Technology Co., Ltd. (太倉協鑫光伏科技有限公司), as a lender
  - (5) Nanjing GCL as borrower
- Maximum amount: RMB1,800,000,000.00 (the “**Maximum Amount of the Perpetual Notes**”)
- Withdrawal schedule: Subject to the lenders’ consent and the relevant PRC rules and regulatory requirements, the borrower can withdraw the Perpetual Notes in stages based on its financial needs (the “**Perpetual Notes Withdrawal**”). The borrower shall withdraw the Maximum Amount of the Perpetual Notes by 31 December 2017
- Term: Indefinite
- Interest rate: For each Perpetual Notes Withdrawal, the interest rate is 7.3% per annum for the first two years, 9% per annum for the third to fourth year and is capped at 11% per annum starting from the fifth year, which amounts to a maximum interest payment of RMB210,000,000.00 per year
- Maturity date: There is no maturity date

Repayment terms: The interest shall be repaid on the 21st day of the last month of each quarter (the “**Interest Payment Date**”). The borrower shall have the right to defer any due and payable interest payment indefinitely by notifying the lenders five working days before the Interest Payment Date.

If the borrower chooses to defer interest payment, for as long as there is any deferred interest payment not yet paid in full, the borrower is not permitted to declare and pay dividends to its shareholders.

The lenders shall have no right at any time to request repayment of the Perpetual Notes from the borrower, but the borrower shall have the right, but not the obligations, to repay the Perpetual Notes amount by notifying the lenders in writing five working days before the repayment of the Perpetual Notes.

Security: None

Purpose: Borrower intends to use RMB1,800,000,000.00 to repay the short term borrowings and fund investment projects and operational activities.

The Company understands that Nanjing GCL declared and paid dividend to its shareholders in 2018, 2019 and 2020 (“**Historical Dividend Distribution**”) while interest payments under the Perpetual Notes were being deferred during such period, thereby constituting a breach of its undertaking which triggered an event of default (“**Event of Default**”) under the Perpetual Notes Agreement. Upon triggering the Event of Default, the Perpetual Notes Lenders are entitled to, amongst other things, demand a full repayment of the outstanding principal and accrued interests, demand indemnification on losses and damages caused by Nanjing GCL and terminate the Perpetual Notes Agreement. The Perpetual Notes Lenders have not exercised its right under the event of default provisions in the Perpetual Notes. As at 30 June 2022, the outstanding principal amount (together with such deferred interests) under the Perpetual Notes was approximately RMB2,637,272,222.

On 30 August 2022, the Perpetual Notes Lenders granted a waiver to Nanjing GCL on the Event of Default resulting from the Historical Dividend Distribution on the following bases:

- (1) the Nanjing GCL undertakes that no dividend will be declared or paid without the Perpetual Notes Lenders’ consent until all deferred interests under the Perpetual Notes are fully repaid;

- (2) the Nanjing GCL undertakes to start repaying the outstanding principal amount (together with such deferred interests) under the Perpetual Notes after GNE's full repayment of the outstanding principal amount of USD Senior Notes (as at the date of this announcement amounted to US\$374,835,963) and its accrued interest; and
- (3) all other terms under the Perpetual Notes remain in full force and effect.

### **Listing Rules implication**

Immediately following completion of the Proposed Distribution in Specie, Golden Concord Group, a substantial shareholder and a connected person of the Company, will consolidate the financial results of GNE as its subsidiary pursuant to applicable accounting standards. Pursuant to Rule 14A.07(4) of the Listing Rules, GNE will become an associate of Golden Concord Group as a connected person of the Company. Accordingly, the existing Perpetual Notes Agreement will constitute a continuing connected transaction of the Company for the purposes of the Listing Rules..

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the 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 independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 30 August 2022, the Board also resolved that, as a condition of the Proposed Distribution in Specie, the Perpetual Notes will be put forward to the Independent Shareholders for approval as a continuing connected transaction following completion of the Proposed Distribution in Specie.

An independent board committee has been established to advise the Independent Shareholders on the whether the terms of the Perpetual Notes are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the continuation of the Perpetual Notes as a continuing connected transaction of the Company. The Company has appointed Maxa Capital Limited, as its independent financial adviser to advise the independent board committee and the Independent Shareholders in this regard.

As the existing term of the Perpetual Notes exceeds three years, pursuant to Rule 14A.52 of the Listing Rules, Maxa Capital Limited, as the Company's independent financial adviser, has also been appointed to explain why the Perpetual Notes requires a longer period and to confirm whether it is a normal business practice for agreements of this type to be of such duration.

## **Reasons, benefits and basis of the continuation of the Perpetual Notes Agreement**

The Company has a long term business relationship with GNE and still holds approximately 7.44% after the Proposed Distribution of Specie. The continuation of the Perpetual Notes will provide the necessary liquidity required by GNE in sustaining its operations, while the termination of the Perpetual Notes may have a substantial financial impact on Nanjing GCL and the GNE Group as a whole, which may in turn jeopardise the existing business relationship between GNE and the Company. Furthermore, the Board takes the view that (i) the existing interest rate under the Perpetual Notes is fair and reasonable and is in line with customary market terms, (ii) the loan size is relatively insignificant to the total assets of the Company as a whole, and (iii) there is a reasonable expectation that Nanjing GCL will start repaying the outstanding principal amount (together with such deferred interests) under the Perpetual Notes after GNE's full repayment of the outstanding principal amount and its accrued interest under the USD Senior Notes once it is financially viable.

The Directors (excluding the independent non-executive directors whose view will be expressed in the circular after considering the opinion of the independent financial adviser) believe that the terms of the Perpetual Notes are fair and reasonable, conducted on normal commercial terms, in the ordinary and usual course of business of the Company, and are in the interest of the Company and the Shareholders as a whole.

## **Information on Nanjing GCL**

Nanjing GCL, a limited liability company incorporated in PRC, is an indirect wholly-owned subsidiary of GCL New Energy Holdings Limited (a company listed on the Stock Exchange with stock code: 451). The principal business of Nanjing GCL is principally engaged in the development, operation and management of solar power plants in PRC.

## Information on the Perpetual Notes Lenders

(1) *GCL Technology (Suzhou) Co., Ltd.\** (協鑫科技(蘇州)有限公司)

GCL Technology (Suzhou) Co., Ltd.\*, a limited liability company incorporated in the PRC, is a wholly-owned subsidiary of the Company. Its principal business is investment holding.

(2) *Jiangsu GCL Silicon Material Technology Development Co.,Ltd.* (江蘇協鑫硅材料科技發展有限公司)

Jiangsu GCL Silicon Material Technology Development Co.,Ltd.\*, a limited liability company incorporated in the PRC, is a wholly-owned subsidiary of the Company. Its principal business is investment holding.

(3) *Suzhou GCL Photovoltaic Technology Co., Ltd.* (蘇州協鑫光伏科技有限公司)

Suzhou GCL Photovoltaic Technology Co., Ltd., a limited liability company incorporated in the PRC, is a wholly-owned subsidiary of the Company. Its principal business is investment holding.

(4) *Taicang GCL Photovoltaic Technology Co., Ltd.* (太倉協鑫光伏科技有限公司)

Taicang GCL Photovoltaic Technology Co., Ltd., a limited liability company incorporated in the PRC, is a wholly-owned subsidiary of the Company. Its principal business is investment holding.

### **(3) OTHER CONTINUING CONNECTED TRANSACTIONS ON MANAGEMENT SERVICES, OPERATION SERVICES AND LEASE AGREEMENT BETWEEN THE COMPANY AND GNE**

Before the date of this announcement, the Group, through its wholly-owned subsidiaries, has entered into certain management services, operation services and lease agreements with the subsidiaries of GNE, including, amongst others, the following transactions (collectively, known as the “**De Minimis Agreements**”):

| <b>Parties</b>   | <b>Date of agreement</b> |
|--|--------------------------|
| Suzhou GCL Operation (a wholly-owned subsidiary of GNE) and Suzhou GCL-Poly (a wholly-owned subsidiary of the Group)                             | 1 June 2021              |
| GCL New Energy, Inc. (a wholly-owned subsidiary of GNE) and GCL Solar Energy (a wholly-owned subsidiary of the Group)                            | 23 May 2022              |
| Suzhou GCL Operation (a wholly-owned subsidiary of GNE) and Suzhou GCL Industrial Applications Research (a wholly-owned subsidiary of the Group) | 30 September 2020        |
| Suzhou GCL Operation (a wholly-owned subsidiary of GNE) and Wuhan Huaxin (a wholly-owned subsidiary of the Group)                                | 10 August 2022           |

Immediately following completion of the Proposed Distribution in Specie, Golden Concord Group, a substantial shareholder of the Company, will consolidate the financial results of the GNE Group (including the above wholly-owned subsidiaries of GNE) as its subsidiaries pursuant to applicable accounting standards. Therefore, each of the De Minimis Agreements will constitute a continuing connected transaction of the Company.

The Company will comply with Rule 14A.60 of the Listing Rules and make disclosures as and when necessary. Nevertheless, all the existing De Minimis Agreements entered into between the Group and each of Suzhou GCL Operation, GCL New Energy, Inc. and Suzhou GCL Operation fall within the de minimis exemption under Rule 14A.76 of the Listing Rules and is fully exempted from shareholders’ approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules upon completion of the Proposed Distribution in Specie.

#### **(4) GENERAL INFORMATION**

##### **Despatch of Circular and EGM**

The EGM will be convened, among others, to seek Independent Shareholders' approval on the Proposed Distribution in Specie and the continuation of the Perpetual Notes Agreement. Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, being entities wholly-owned by Golden Concord Group which is a substantial shareholder and a connected person of the Company, will abstain from voting on the resolutions relating to the Proposed Distribution in Specie and the Perpetual Notes at the EGM.

A circular containing, among other things, (i) details of the Proposed Distribution in Specie; (ii) details of the Perpetual Notes Agreement; (iii) a letter from the independent financial adviser containing its advice to the independent board committee and the Independent Shareholders; (iv) recommendation from the independent board committee; and (v) a notice for the EGM and an EGM proxy form, will be despatched to the Shareholders on or around Tuesday, 6 September 2022.

##### **Interconditionality of the resolutions for the approval of the Proposed Distribution in Specie and the continuation of the Perpetual Notes Agreement**

The resolutions for the approval of the Proposed Distribution in Specie and the continuation of the Perpetual Notes Agreement are interconditional upon each other. Accordingly, if for any reason the continuation of the Perpetual Notes Agreement is not approved, the Proposed Distribution in Species will not proceed, and vice versa.

##### **EGM Record Date and Closure of Register of Members**

The Company is currently expected to convene the EGM on Thursday, 22 September 2022, and put an ordinary resolution to the Shareholders for approving, among other things, the payment of a special interim dividend by way of a distribution in specie. Detailed arrangement of the EGM will be set out in the notice for the EGM to be despatched in the future.

For determining Shareholders' eligibility to attend and vote at the EGM, the register of members of the Company is expected to be closed from Monday, 19 September 2022 to Thursday, 22 September 2022 (both dates inclusive). During such period, no transfer of Shares will be registered. In order to be eligible to attend the EGM, Shareholders should ensure that all transfers accompanied by the relevant transfer certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 16 September 2022.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

|                              |   |
|------------------------------|---|
| “Articles of Association”    | the articles of association of the Company, as amended from time to time  |
| “associate”                  | has the meaning given to it under the Listing Rules   |
| “Board”                      | the board of Directors of the Company   |
| “CCASS”                      | the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited  |
| “CCASS Investor Participant” | a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation   |
| “ChinaClear”                 | means China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)   |
| “Company”                    | GCL Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 3800)               |
| “De Minimis Agreements”      | has the meaning ascribed to it under the section headed “ <i>Other continuing connected transactions on management services, operation services and lease agreement between the Company and GNE</i> ” |
| “Director(s)”                | director(s) of the Company  |
| “DIS Shares”                 | 8,639,024,713 GNE Shares, representing approximately 37% of the issued share capital of GNE as at the date of this announcement   |
| “Distribution Ratio”         | distribution of the DIS Shares on the ratio of 318 DIS Share for every 1,000 Shares held on the Record Date   |

|                        |   |
|------------------------|---|
| “EGM”                  | an extraordinary general meeting of the Company currently expected to be convened on Thursday, 22 September 2022 for the Shareholders to consider and, if thought fit, approve the Proposed Distribution in Specie and the continuation of the Perpetual Notes Agreement constituting a continuing connected transaction; |
| “Elite Time”           | Elite Time Global Limited, a wholly-owned subsidiary of the Company, which owns 10,376,602,000 GNE Shares as at the date of this announcement;  |
| “GCL New Energy, Inc.” | GCL New Energy, Inc., a corporation established under the laws of Delaware, U.S. and as at the date of this announcement, is an indirect wholly-owned subsidiary of GNE   |
| “GCL Solar Energy”     | GCL Solar Energy Limited, a company incorporated in Hong Kong with limited liability and as at the date of this announcement, is an indirect subsidiary of the Company  |
| “GNE”                  | GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 451)   |
| “GNE Group”            | GNE and its subsidiaries  |
| “GNE Shareholder(s)”   | holder(s) of the GNE Shares   |
| “GNE Share(s)”         | ordinary share(s) of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to approximately HK\$0.004167) in the share capital of GNE   |
| “Golden Concord Group” | Golden Concord Group Limited, an indirect wholly-owned company of the Zhu Family Trust  |
| “Group”                | the Company and its subsidiaries  |
| “HK\$”                 | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”            | Hong Kong Special Administrative Region of the PRC  |

|                                 |   |
|---------------------------------|---|
| “Independent Shareholders”      | Shareholders other than Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited   |
| “Listing Rules”                 | the Rules Governing the Listing of Securities on The Stock Exchange   |
| “Macau”                         | Macau Special Administrative Region of the PRC  |
| “Nanjing GCL”                   | Nanjing GCL New Energy Development Co., Ltd., an indirect wholly-owned subsidiary of GNE  |
| “Non-Qualifying Shareholder(s)” | those Shareholder(s) (if any) whose (respective) address(es) as shown on the register of members of the Company on the Record Date is/are in place(s) outside of Hong Kong, and whom is/are excluded from receiving the DIS Shares in the Proposed Distribution in Specie on account either of the legal or regulatory requirements or restrictions by the Board out of necessity or expediency   |
| “Perpetual Notes”               | the existing loan provided by the Perpetual Notes Lenders to Nanjing GCL pursuant to the Perpetual Notes Agreement  |
| “Perpetual Notes Agreement”     | the perpetual notes agreement entered into between Nanjing GCL and the Perpetual Notes Lenders dated 18 November 2016   |
| “Perpetual Notes Lenders”       | collectively, <ul style="list-style-type: none"> <li>(1) GCL Technology (Suzhou) Co., Ltd.* (協鑫科技(蘇州)有限公司 (formerly known as GCL-Poly (Suzhou) New Energy Co., Ltd.* (保利協鑫(蘇州)新能源有限公司))</li> <li>(2) Jiangsu GCL Silicon Material Technology Development Co., Ltd. (江蘇協鑫硅材料科技發展有限公司)</li> <li>(3) Suzhou GCL Photovoltaic Technology Co., Ltd. (蘇州協鑫光伏科技有限公司) and</li> <li>(4) Taicang GCL Photovoltaic Technology Co., Ltd. (太倉協鑫光伏科技有限公司).</li> </ul> |
| “PRC”                           | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan   |

|   |   |
|---|---|
| “Proposed A Share Listing”                    | the potential listing of the Company on a stock exchange in the PRC, as detailed in the announcements published by the Company dated 9 February 2022, 23 May 2022 and 15 August 2022  |
| “Proposed Distribution in Specie”             | the distribution of a conditional special interim dividend out of the Share Premium Account by way of a distribution in specie of the GNE Shares in the proportion of 318 GNE Shares for every 1,000 Shares to the Qualifying Shareholders whose names appear on the registers of members of the Company on the Record Date |
| “Qualifying Shareholder(s)”                   | the Shareholder(s) whose name(s) appear on the registers of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)  |
| “Record Date”                                 | Tuesday, 27 September 2022  |
| “Share Premium Account”                       | the share premium account of the Company from time to time  |
| “Shareholder(s)”                              | the shareholder(s) of the Company   |
| “Share(s)”                                    | ordinary share(s) of HK\$0.10 each in the share capital of the Company  |
| “Stock Exchange”                              | The Stock Exchange of Hong Kong Limited   |
| “subsidiaries”                                | has the meaning given to it under the Listing Rules   |
| “Suzhou GCL Industrial Applications Research” | Suzhou GCL Industrial Applications Research Co., Ltd* (蘇州協鑫工業應用研究院有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company   |
| “Suzhou GCL Operation”                        | Suzhou GCL New Energy Operation and 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 and an indirect wholly-owned subsidiary of GNE   |
| “Suzhou GCL-Poly”                             | Suzhou GCL-Poly Solar Power Investment Ltd.* (蘇州保利協鑫光伏電力投資有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company   |
| “U.S.”  | United States of America  |

|                    |  |
|--------------------|--|
| “USD Senior Notes” | the 10.0% senior notes due 2024 (ISIN: XS2350477308) issued by GNE on 16 June 2021. For further details, please refer to the announcement published by GNE on 18 March 2022  |
| “Wuhan Huaxin”     | Wuhan Huaxinyi Energy Co., Ltd.* (武漢華鑫易能源有限公司), a company incorporated in the PRC with limited liability and as at the date of this announcement, is an indirect subsidiary of the Company                                       |
| “Zhu Family Trust” | the discretionary trust known as “Asia Pacific Energy Fund”, of which Mr. Zhu Gongshan, the Chairman and an executive director of the Company and his family (including Mr. Zhu Yufeng, an executive Director) are beneficiaries |
| %                  | per cent.  |

\* *Shareholding percentages set forth in this announcement have been calculated on the assumption that there is no change in the issued share capital of GNE from the date of this announcement to the Record Date and have been subject to rounding adjustments.*

\* *The timetable for Proposed Distribution in Specie and EGM set out in this announcement is for illustrative purposes only and is subject to amendment. If there are any changes to the expected timetable, the Company will make a separate announcement in due course.*

\* *All of the English titles or names of the PRC companies 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, 30 August 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 and Mr. Yeung Man Chung, Charles as executive Directors; Ir. Dr. Raymond Ho Chung Tai, Mr. Yip Tai Him and Dr. Shen Wenzhong as independent non-executive Directors*