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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)

CONTINUING CONNECTED TRANSACTIONS WITH RUDONG GCL SMART ENERGY

THE AGENCY AGREEMENT

On 4 March 2024 (after trading hours), Rudong GCL Smart Energy (an indirect wholly-owned subsidiary of GCL Energy Technology), as principal, and Nanjing GCL New Energy Development (an indirect wholly-owned subsidiary of the Company), as agent, entered into the Agency Agreement, pursuant to which Nanjing GCL New Energy Development agreed to provide Rudong GCL Smart Energy with certain agency services for a term commencing from 4 March 2024 to 31 December 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Rudong GCL Smart Energy is an indirect wholly-owned subsidiary of GCL Energy Technology, which is a majority-controlled company indirectly held by Golden Concord Group (a company held indirectly by the Zhu Family Trust). Given that Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries of the Zhu Family Trust, Golden Concord Group is a connected person of the Company and Rudong GCL Smart Energy is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Agency Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Agency Agreement is more than 0.1% but less than 5%, the entering into of the Agency Agreement is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirements as required under Chapter 14A of the Listing Rules.

1. THE AGENCY AGREEMENT

On 4 March 2024 (after trading hours), Rudong GCL Smart Energy (an indirect wholly-owned subsidiary of GCL Energy Technology), as principal, and Nanjing GCL New Energy Development (an indirect wholly-owned subsidiary of the Company), as agent, entered into the Agency Agreement, pursuant to which Nanjing GCL New Energy Development agreed to provide Rudong GCL Smart Energy with certain agency services for a term commencing from 4 March 2024 to 31 December 2024. The principal terms of the Agency Agreement are set out below.

(i) *Date*

4 March 2024

(ii) *Parties*

Principal: Rudong GCL Smart Energy

Agent: Nanjing GCL New Energy Development

(iii) *Term*

From 4 March 2024 to 31 December 2024

(iv) *Services*

Nanjing GCL New Energy Development agreed to provide certain agency services to Rudong GCL Smart Energy. In particular, to (1) target qualified international LNG resources and LNG terminals and assist the purchase of LNG for Rudong GCL Smart Energy, and (2) facilitate the signing of a natural gas sales and purchase contract between Rudong GCL Smart Energy (or its designated parties) and Shenzhen Energy Gas Investment Holding Co., Ltd.* (深圳能源燃氣投資控股有限公司) (“**Shenzhen Energy Gas Investment**”).

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Shenzhen Energy Gas Investment and its ultimate beneficial owner is a third party independent of and not connected with the Company and its connected persons.

(v) Service fees and payment terms

The service fees payable by Rudong GCL Smart Energy shall be RMB70/ton of the actual trading volume of LNG to be purchased by Rudong GCL Smart Energy pursuant to the Agency Agreement. On the assumption that Rudong GCL Smart Energy will procure the maximum trading volume of 100,000 tons stipulated under the Agency Agreement, the total service fee payable to Nanjing GCL New Energy Development shall amount to RMB7 million. The service fees shall be paid to Nanjing GCL New Energy Development within seven days after the LNG vessels dock for unloading and metering.

2. PRICING BASIS OF THE SERVICE FEES

The service fee of RMB70/ ton is equivalent to approximately 2% of the procurement fee of LNG. The fee of LNG is approximately RMB3,200-4,200 per ton, which is determined with reference to the market price of LNG published by the S&P Global Platts Analytics and is expected to range between US\$7/MMBtu and US\$9/MMBtu from March 2024 to October 2024, plus the estimated transportation fees, processing fees of LNG, value-added tax and other service fees.

The Board has reviewed and was satisfied that the service fees and the terms of the Agency Agreement, which was determined after arm's length negotiation and with reference to the prevailing market prices of the services provided, the cost of providing the services and the scope of work to be provided in respect of the services were fair and reasonable.

3. ANNUAL CAP AND BASIS OF ANNUAL CAP

There were no historical transaction amounts between Rudong GCL Smart Energy and Nanjing GCL New Energy Development.

The annual cap of the service fees to be paid by Rudong GCL Smart Energy to Nanjing GCL New Energy Development is RMB7,000,000. The annual cap was determined with reference to the total service fee payable to Nanjing GCL New Energy Development calculated based on the maximum trading volume of LNG to be purchased by Rudong GCL Smart Energy.

4. INTERNAL CONTROL MEASURES

In addition to the annual review by the auditors and independent non-executive Directors pursuant to the requirements of Chapter 14A of the Listing Rules, the Company has implemented or will implement the following internal control measures:

- a) The compliance department and other departments responsible for the connected transactions of the Company will assess the terms of proposed connected transactions, such as pricing, with reference to its expected costs, price level of the independent third parties and profit margin of similar services in the market. The compliance department of the Company will review and monitor the total transaction amount under the Agency Agreement to ensure that the aggregate transaction amount will not exceed the annual cap of the Agency Agreement. Such compliance department will be monitored by company secretary of the Company.
- b) All departments must report and consult to the compliance department in advance in relation to the connected transaction agreements that occur in the company's daily operations.
- c) The management of the Company will determine the procedures for disclosure of each connected transactions in accordance with the Listing Rules and immediately organizes the implementation and the relevant department including financial department shall assist in providing all the information required for disclosure.
- d) The independent non-executive Directors will conduct annual independent review on the above control measures and the transactions to ensure that the transactions are entered into through arm's length negotiations and on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the transactions; and
- e) The auditors of the Company would also conduct an annual review on the pricing basis and the annual cap under the Agency Agreement. The Company will facilitate the provision of necessary information to its independent non-executive Directors and auditors for the purpose of such review.

The Board is of the view that the above measures and procedures can ensure that the pricing and other contract terms for the continuing connected transactions of the Group are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and that the continuing connected transactions are conducted as agreed under the Agency Agreement and in compliance with Chapter 14A of the Listing Rules.

5. REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE AGENCY AGREEMENT

The Agency Agreement was entered into in the usual and ordinary course of the Group's business and the terms of the Agency Agreement were determined after arm's length negotiations between the parties. The Group has a professional LNG trading team which can achieve the marketization of the LNG trading. Thus, the transactions contemplated under the Agency Agreement can enhance the Group's income as well as optimize the purchasing costs for Rudong GCL Smart Energy. The Directors (including the independent non-executive Directors) are of the view that the Agency Agreement was entered into in the ordinary and usual course of the business of the Group, and on normal commercial terms which are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

6. BOARD APPROVAL

As (i) Rudong GCL Smart Energy is an associate of Golden Concord Group, which is a company held indirectly by the Zhu Family Trust of which Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng) are beneficiaries; and (ii) Mr. Wang Dong and Mr. Gu Zengcai (all being executive Directors), Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai (all being non-executive Directors) are executives of the companies controlled by the Zhu Family Trust, each of the above Directors is deemed to have a material interest in the transactions contemplated under the Agency Agreement. Accordingly, each of Mr. Zhu Gongshan, Mr. Zhu Yufeng, Mr. Wang Dong, Mr. Gu Zengcai, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, and Mr. Fang Jiancai have abstained from voting on the relevant Board resolution in respect of the Agency Agreement. Save as the above, none of the Directors have a material interest in the transactions contemplated under the Agency Agreement or is required to abstain from voting on the Board resolution in respect of the Agency Agreement and the transactions contemplated thereunder.

7. INFORMATION ON THE PARTIES TO THE AGENCY AGREEMENT

The Group

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

Rudong GCL Smart Energy

Rudong GCL Smart Energy is a company incorporated in the PRC with limited liability and is an indirect subsidiary of GCL Energy Technology. It is principally engaged in the trading of natural gas/LNG, power generation and sales of petroleum products.

Nanjing GCL New Energy Development

Nanjing GCL New Energy Development is a company incorporated in the PRC with limited liability and is an indirect subsidiary of the Company. It is principally engaged in trading of natural gas, the operation of solar power plants, energy project technical consulting, procurement and wholesale of new energy materials and equipment, and commission agency.

8. LISTING RULES IMPLICATIONS

As at the date of this announcement, Rudong GCL Smart Energy is an indirect wholly-owned subsidiary of GCL Energy Technology, which is a majority-controlled company indirectly held by Golden Concord Group (a company held indirectly by the Zhu Family Trust). Given that Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries of the Zhu Family Trust, Golden Concord Group is a connected person of the Company and Rudong GCL Smart Energy is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Agency Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Agency Agreement is more than 0.1% but less than 5%, the entering into of the Agency Agreement is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirements as required under Chapter 14A of the Listing Rules.

9. DEFINITIONS

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

“Agency Agreement”	the agency agreement between Rudong GCL Smart Energy and Nanjing GCL New Energy Development dated 4 March 2024 in relation to the provision of certain agency services by Nanjing GCL New Energy Development to Rudong GCL Smart Energy
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange with stock code of 451

“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) 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 of 002015
“Golden Concord Group”	Golden Concord Group Limited, an indirect wholly-owned company of the Zhu Family Trust
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas
“majority-controlled company”	has the same meaning ascribed to it under the Listing Rules
“Nanjing GCL New Energy Development”	Nanjing GCL New Energy Development Co., Ltd* (南京協鑫新能源發展有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Rudong GCL Smart Energy”	GCL Smart Energy (Rudong) Co., Ltd* (協鑫智慧能源(如東)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GCL Energy Technology
“Share(s)”	ordinary shares of one-twelfth (1/12) of a Hong Kong dollar each (equivalent to HK\$0.083) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules

“Zhu Family Trust” the discretionary trust known as the “Asia Pacific Energy Fund”, of which Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng) are beneficiaries

“%” per cent

** for identification purpose only*

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

Hong Kong, 4 March 2024

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Yufeng, Mr. Wang Dong and Mr. Gu Zengcai 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.