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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)

PROFIT WARNING

This announcement is made by GCL New Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 7 February 2021 (the “**Announcement**”) in relation to, among others, the business update of the Company. Unless otherwise stated, capitalized terms used herein shall denote the same meanings as those defined in the Announcement.

The Board wishes to further inform the Shareholders and potential investors that during the Year, the Group had entered into a series of disposals of its solar power plants, which had enabled the Company to gradually reduce its liabilities and reduce its financial risks. As a result of the Disposals, the aggregate installed capacity of the remaining solar power plants held by the Group decreased from approximately 5.7GW as at 31 December 2019 to approximately 5.0GW as at 31 December 2020, which has affected and may also affect the Group’s overall profitability deriving from the solar power plants operation going forward.

The Company has further assessed other impairment indicators for the solar power plants currently held by the Group. Based on the information currently available and with reference to the impairment assessment by the management of the Company under the principle of prudence, it is expected that the Group would incur a further non-cash impairment loss of not less than RMB500 million for the Year.

Moreover, the Group has assessed the recoverability of certain receivables which has been long outstanding. A one-time non-cash impairment loss of not less than RMB300 million is expected to be recognized from these receivables. The Board is currently reviewing its options to recover these receivables and shall take all appropriate measures to protect the rights and interests of the Company and the Shareholders. The management of the Company is still confident that the Company can recover these receivables by taking the relevant appropriate actions in the foreseeable near future.

Based on the above reasons, the Group is expected to incur a net loss of not less than RMB900 million for the Year as compared to a net profit of approximately RMB605

million for the year ended 31 December 2019.

The Company is still in the process of finalizing the audited consolidated annual results of the Group for the Year. Accordingly, the information contained in this announcement is based on information currently available to the Board and a preliminary assessment of the latest management accounts of the Group for the Year, which have not been audited or reviewed by the independent auditors of the Company nor reviewed by the audit committee of the Company. Such information will be subject to finalization and necessary adjustments.

The audited consolidated annual results of the Group for the Year is expected to be published on or around 29 March 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 15 March 2021

As at the date of this announcement, the Board comprises Mr. Zhu Yufeng (Chairman), Mr. Liu Genyu and Ms. Hu Xiaoyan as executive directors; Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai as non-executive directors; and Mr. Wang Bohua, Mr. Xu Songda, Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying as independent non-executive directors.