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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)

INSIDE INFORMATION

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This announcement is made by GCL New Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.19 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

PROPOSED DISTRIBUTION IN SPECIE BY SHAREHOLDER

On 30 August 2022, GCL Technology Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with stock code: 3800) (“**GCL Technology**”), a controlling shareholder of the Company, published an announcement on, among other things, the declaration of a conditional special interim dividend by way of a distribution in specie of 8,639,024,713 ordinary shares of the Company (“**Shares**”) to the shareholders of GCL Technology (the “**Proposed Distribution in Specie**”).

As at the date of this announcement, GCL Technology holds 10,376,602,000 Shares through Elite Time Global Limited, its wholly-owned subsidiary, representing approximately 44.44% of the issued share capital of the Company. Following completion of the Proposed Distribution in Specie, GCL Technology will, through Elite Time Global Limited, hold the remaining 1,737,577,287 Shares, representing approximately 7.44% of the issued share capital of Company, and will cease to be a controlling shareholder of the Company.

The Proposed Distribution in Specie is subject to approval by the independent shareholders of GCL Technology at its extraordinary general meeting currently expected to be held on 22 September 2022. For further details in relation to the Proposed Distribution in Specie, please refer to the announcement published by GCL Technology on 30 August 2022.

TECHNICAL BREACH OF RULE 13.19 OF THE LISTING RULES

We refer to the announcement of the Company dated 18 November 2016 (the “**Perpetual Notes Announcement**”). Unless otherwise stated, capitalised terms used in this section shall have the same meanings as those defined in the Perpetual Notes Announcement.

Under the Perpetual Notes, the Borrower has the right to defer interest payments. The Borrower has exercised such right on every interest due date and therefore, as at 30 June 2022, the outstanding principal amount (together with such deferred interests) under the Perpetual Notes was approximately RMB2,637,272,222. The Borrower has also undertaken in the Perpetual Notes not to declare and pay dividends to its shareholders under the Perpetual Notes if any interest payment is being deferred or unpaid by the Borrower.

It has come to the attention of the Company that due to unintentional and inadvertent oversight in 2018, 2019 and 2020, the Borrower declared and paid dividends to its shareholders (the “**Historical Dividend Distribution**”) while interest payments were being deferred. These actions constituted an event of default under the Perpetual Notes (the “**Event of Default**”), resulting in the Lenders being entitled to, amongst other things, (a) demand a full repayment of the outstanding principal and accrued interests; (b) demand indemnification on losses and damages caused by Borrower; and (c) terminate the Perpetual Notes.

The Company would like to explain that the dividend in 2018, 2019 and 2020 were made by the Borrower solely for the purpose of repayments of offshore external debts due and payable by the Group in order for the Group to fulfill its repayment obligations and to avoid any debt default by the Group.

On 30 August 2022, a written waiver to the Borrower in respect of the Event of Default resulting from the Historical Dividend Distribution was provided by the Lenders on the bases that: (1) the Borrower undertakes that no dividend will be declared or paid without the Lenders’ consent until all deferred interests under the Perpetual Notes are fully repaid; (2) the Borrower undertakes to start repaying the outstanding principal amount (together with such deferred interests) under the Perpetual Notes after the Company fully repays the outstanding principal amount (as at the date of this announcement amounted to USD374,835,963) and its accrued interest under the USD Senior Notes; and (3) all other terms under the Perpetual Notes continue to be in full force and effect.

Since the Perpetual Notes are significant to the Company's operations and a written waiver to the Event of Default for the Historical Dividend Distribution was not obtained before 30 August 2022, the Company technically breached Rule 13.19 of the Listing Rules. However, the Company has now taken prompt actions to review the Perpetual Notes agreement in detail and to ensure due compliance of its terms and of the Listing Rules.

For the purpose of this announcement, "USD Senior Notes" means the 10.0% senior notes due 2024 (ISIN: XS2350477308) issued by the Company on 16 June 2021.

UPDATE ON THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

As set out in the announcement of the Company dated 17 August 2022 (the "**Share Consolidation Announcement**"), the Board proposed that (i) every twenty (20) existing shares (the "**Existing Shares**") in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share (the "**Consolidated Shares**") (the "**Share Consolidation**") and (ii) subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 2,000 Existing Shares to 1,000 Consolidated Shares (the "**Change in Board Lot Size**"). Given that the Proposed Distribution in Specie and the Change in Board Lot Size will take place around the same period as set out in the expected timetable for the Share Consolidation and the Change in Board Lot Size in the Share Consolidation Announcement, the Company wishes to delay the expected timetable for the Share Consolidation and the Change in Board Lot Size in order to avoid confusion to the Shareholders regarding the logistical arrangement of the Share Consolidation and Change in Board Lot Size. The Company will publish a further announcement regarding the revised timetable for the Share Consolidation and the Change in Board Lot Size as and when appropriate (the "**Further Announcement**").

A circular for the Company (the "**Circular**"), containing, among other things, further details of the proposed Share Consolidation and the notice convening the special general meeting, was expected to be despatched to the Shareholders on or before Monday, 5 September 2022. As additional time is required to finalise the contents of the Circular (including the revised timetable for the Share Consolidation and the Change in Board Lot Size), the despatch of the Circular will be delayed and the revised despatch date of the Circular will be updated in the Further Announcement.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

** Shareholding percentages set forth in this announcement have been subject to rounding adjustments.*

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, 30 August 2022

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. Xu Songda, Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying as independent non-executive Directors.