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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)**

### **UPDATE ON PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

Reference is made to the announcements of the Company dated 17 August 2022 (the “**Share Consolidation Announcement**”) and 30 August 2022 (the “**Update Announcement**”). Unless otherwise defined, the capitalised terms used in this announcement shall have the same meaning as defined the Share Consolidation Announcement.

As disclosed in the Update Announcement, given that the conditional special interim dividend by way of a distribution in specie of 8,639,024,713 ordinary Shares (“**Proposed Distribution in Specie**”) to the shareholders of GCL Technology Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code: 3800)(“**GCL Technology**”) and the Change in Board Lot Size were proposed to take place around the same period, 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.

On 22 September 2022, GCL Technology published an announcement to inform its shareholders, among other things, that the shareholders of GCL Technology have approved the Proposed Distribution in Specie in its extraordinary general meeting held on the same day. Given the Proposed Distribution in Specie will proceed based on the timeline set out in the circular of GCL Technology dated 6 September 2022, the Board wishes to update the Shareholders on the latest arrangement and revised expected timetable for the proposed Share Consolidation and Change in Board Lot Size.

## **PROPOSED SHARE CONSOLIDATION**

As disclosed in the Share Consolidation Announcement, the Board proposes that every twenty (20) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 23,348,715,441 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the SGM, upon the Share Consolidation becoming effective, there will be 1,167,435,772 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$150,000,000 but will be divided into 1,800,000,000 Consolidated Shares of HK\$0.083 (being 1/12) each.

## **NO CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 2,000 Existing Shares. It was proposed in the Share Consolidation Announcement that, 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. However, having considered the recent stock price of the Company and the minimum transaction costs for a securities trade, the Board considers that it would be appropriate to maintain the current board lot size of 2,000 Shares in order to enable the Company to comply with the expected board lot value of not less than HK\$2,000 under the Guide. Based on the closing price of HK\$0.063 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,520.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or before Tuesday, 11 October 2022.

**Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of its conditions. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **BACKGROUND**

Reference is made to the Share Consolidation Announcement and the Update Announcement. Unless otherwise defined, the capitalised terms used in this announcement shall have the same meaning as defined in the Share Consolidation Announcement.

As disclosed in the Update Announcement, given that the Proposed Distribution in Specie and the Change in Board Lot Size were proposed to take place around the same period, 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.

On 22 September 2022, GCL Technology published an announcement to inform its shareholders, among other things, that the shareholders of GCL Technology have approved the Proposed Distribution in Specie in its extraordinary general meeting held on the same day. Given the Proposed Distribution in Specie will proceed based on the timeline set out in the circular of GCL Technology dated 6 September 2022, the Board wishes to update the Shareholders on the latest arrangement and revised expected timetable for the proposed Share Consolidation and Change in Board Lot Size.

### **PROPOSED SHARE CONSOLIDATION**

As disclosed in the Share Consolidation Announcement, the Board proposes that every twenty (20) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Save that the Share Consolidation is expected to become effective on Monday, 31 October 2022 subject to the fulfilment of its conditions, there are no other changes to the details of the proposed Share Consolidation as set out in the sections headed “Effects of the Share Consolidation”, “Conditions of the Share Consolidation”, “Listing Application”, “Adjustments in relation to other securities of the Company”, “Fractional entitlement to Consolidated Shares” and “Arrangement on odd lot trading” of the Share Consolidation Announcement.

### **NO CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 2,000 Existing Shares. It was proposed in the Share Consolidation Announcement that, 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. However, having considered the recent stock price of the Company and the minimum transaction costs for a securities trade, the Board considers that it would be appropriate to maintain the current board lot size of 2,000 Shares in order to enable the Company to comply with the expected board lot value of not less than HK\$2,000 under the Guide. Based on the closing price of HK\$0.063 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,520.

## REASONS FOR THE SHARE CONSOLIDATION

In light of the change in arrangement of the proposed Share Consolidation (i.e. proceed without the Change in Board Lot Size), the Company would like to provide the following updated information on the reasons for the Share Consolidation.

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The Guide has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The proposed Share Consolidation will bring a corresponding upward adjustment in the trading price of the Company per board lot of the Consolidated Shares and will reduce the transaction costs and fees per transaction due to increase in value of each new board lot. Taking into account the effect of the Share Consolidation, it is expected that the implementation will (i) result in an overall increase in the board lot value of the Shares and enable the Company to comply with the expected board lot value of not less than HK\$2,000 as set out in the Guide, and (ii) attract more investors and extend the shareholder base of the Company by making investment in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

In view of the above, the Board considers that the Share Consolidation is necessary to achieve the above-mentioned purposes, in particular to ensure the Company's compliance with the trading requirements under the Listing Rules and the Guide. Taking into account of the potential benefits and the insubstantial amount of costs expected to be incurred, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plan to carry out other corporate actions which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

## **Exchange of certificates for Consolidated Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be Monday, 31 October 2022, Shareholders may on or after Monday, 31 October 2022 and until Tuesday, 6 December 2022 (both days inclusive), submit their existing share certificates in yellow colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates in light green colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of new share certificates.

After 4:10 p.m. on Friday, 2 December 2022, trading will only be in Consolidated Shares which share certificates will be issued in light green colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

## **REVISED EXPECTED TIMETABLE**

The revised expected timetable for the Share Consolidation is set out below. The revised expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the revised expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of circular with notice of the SGM .....	On or before Tuesday, 11 October 2022
Latest time for lodging transfers of shares in order to qualify for attendance and voting at the SGM .....	4:30 p.m. on Friday, 21 October 2022
Register of members closes (both days inclusive) .....	Monday, 24 October 2022 to Thursday, 27 October 2022
Latest time for lodging forms of proxy for the SGM .....	10:30 a.m. on Tuesday, 25 October 2022
Date and time of the SGM .....	10:30 a.m. on Thursday, 27 October 2022
Publication of the announcement of the results of the SGM .....	Thursday, 27 October 2022

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.**

Effective date of the Share Consolidation..... Monday, 31 October 2022

First day of free exchange of existing share certificates  
for new share certificates for Consolidated Shares ..... Monday, 31 October 2022

Dealing in the Consolidated Shares commences ..... 9:00 a.m. on  
Monday, 31 October 2022

Original counter for trading in the Existing Shares in  
board lots of 2,000 Existing Shares (in the form of  
existing share certificates) temporarily closes ..... 9:00 a.m. on  
Monday, 31 October 2022

Temporary counter for trading in the Consolidated  
Shares in board lots of 100 Consolidated Shares (in  
the form of existing share certificates) opens ..... 9:00 a.m. on  
Monday, 31 October 2022

Original counter for trading in the Consolidated Shares  
in board lots of 2,000 Consolidated Shares (in the  
form of new share certificates for the Consolidation  
Shares) re-opens ..... 9:00 a.m. on  
Monday, 14 November 2022

Parallel trading in the Consolidated Shares (in the form  
of new share certificates for the Consolidated Shares  
and existing share certificates) commences ..... 9:00 a.m. on  
Monday, 14 November 2022

Designated broker starts to stand in the market to  
provide matching services for odd lots of the  
Consolidated Shares..... 9:00 a.m. on  
Monday, 14 November 2022

Designated broker ceases to stand in the market to  
provide matching services for odd lots of the  
Consolidated Shares ..... 4:00 p.m. on  
Friday, 2 December 2022

Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes ..... 4:10 p.m. on Friday, 2 December 2022

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends ..... 4:10 p.m. on Friday, 2 December 2022

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares..... 4:30 p.m. on Tuesday, 6 December 2022

## **GENERAL**

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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, 22 September 2022

*As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Yufeng, Mr. Wang Dong and Ms. Hu Xiaoyan 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.*