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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)**

### **SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION - DISPOSAL OF SUBSIDIARIES**

Reference is made to the announcement of the Company dated 31 December 2024 (the “**Announcement**”). Unless the context requires otherwise, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

The Company would like to provide the following supplemental information in respect of the Announcement.

#### **THE MEMBERSHIP INTEREST PURCHASE AND SALE AGREEMENT**

##### **Closing Incentive Payment**

The Company is pleased to announce that, on 31 December 2024 (United States Pacific Standard Time) (1 January 2025, Hong Kong Time), in accordance with the Membership Interest Purchase and Sale Agreement, the delivery by the Purchaser and the Seller (and vice versa) of the closing deliverables had completed and the Closing contemplated thereunder had taken place. As disclosed in the Announcement, since the Closing had taken place on or before 31 December 2024 (United States Pacific Standard Time), the Seller is entitled to receive the Closing Incentive Payment in the amount of US\$900,000 (equivalent to approximately HK\$7,002,000) in addition to the Consideration.

As at the date of this announcement, both the Consideration and the Closing Incentive Payment had been paid by the Purchaser to the Seller. Accordingly, based on the assumptions set out in the section headed “Financial Impact of the Disposal” in the Announcement and subject to audit, it is estimated that the Group will realise a net profit of approximately US\$427,000 (equivalent to approximately HK\$3,324,000) in connection with the Disposal.

## **Basis of the Consideration**

For the year ended 31 December 2023, the Target Companies generated a positive operating cash flow of approximately US\$696,000 (equivalent to approximately HK\$5,415,000). As at 30 June 2024, the balance of cash and cash equivalents of the Target Companies amounted to approximately US\$4,012,000 (equivalent to approximately HK\$31,213,000). As at 30 June 2024, the Target Companies had borrowings of approximately US\$11,096,000 (equivalent to approximately HK\$86,327,000) which will fall due within one year. Considering the liquidity position, the Target Companies will likely have to undertake efforts to raise significant external capital as a precaution and this would be a factor considered by a potential purchaser. Having considered the unaudited historical cash flow position of the Target Companies above, the Board's commercial judgment of the high likelihood of the Seller's entitlement to the Closing Incentive Payment based on the then status on fulfillment of the conditions to the Closing and the other factors set out in the section headed "Basis of the Consideration" in the Announcement, the Board considered that the determination of the Consideration is fair, reasonable and in the interests of the Company and its shareholders as a whole.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Company's existing solar-related business encompasses two main segments, being solar photovoltaic power plants, and the provision of operation and maintenance, and related supporting services ("**O&M Services**"). Following the completion of the Disposal, the Group continues to own solar photovoltaic facilities totaling approximately 50MW located in Oregon, the United States. Having considered various factors likely to affect the net cash proceeds to be realized from a sale, including, without limitation, the potential buyout fees payable under its existing finance leases and the current market conditions, as at the date of this announcement, the Company does not have any intention or plan to dispose of its interest in the remaining solar photovoltaic facilities in Oregon, the United States in the near future. For the remaining solar photovoltaic generation assets which have not yet been disposed of, the Company intends to continue the ownership and operation of such assets and generate revenue from the sale of electricity from such assets in accordance with the terms of the relevant contracts and licenses currently in place. In keeping with the Company's transformation and adoption of an asset-light model since 2018, the Company has re-aligned its focus to concentrate on actively seeking suitable business opportunities to grow and expand in the O&M Services sector, which is a niche market segment where the Company retains an industry-leading position by leveraging its solar photovoltaic power expertise, by means of, among others, the Company's active pursuit of bidding for third-party O&M Services contracts in the PRC through its subsidiary, Suzhou GCL New Energy Operation and Technology Co., Ltd\* (蘇州協鑫新能源營運科技有限公司). The Company intends to use approximately 80% of the proceeds from the Disposal for upgrading the quality and efficiency of its O&M Services and the capabilities of providing the consulting services for other clean energy sector (by means of, among others, acquiring industry-leading proprietary management platform software and licenses and other intellectual properties rights over certain solar generation technologies and

new recruitment of clean energy experts for the Company) and the remaining approximately 20% of the proceeds from the Disposal for daily operations of the Group (which include, among others, day-to-day operating expenses, investments, equipment purchases and maintenance expenses).

Save as disclosed above, all other contents set out in the Announcement remain unchanged and shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

*\* For the purpose of illustration only, amounts denominated in US\$ in this announcement are translated into HK\$ at the rate of US\$1 = HK\$7.78. This should not be taken as a representation that the United States dollar could actually be converted into Hong Kong dollar at that rate or at all.*

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, 8 January 2025

*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.*