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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)**

- (1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION;**
- (2) THE ISSUE OF CONSIDERATION SHARES AND CONVERSION SHARES UNDER SPECIFIC MANDATE; AND**
- (3) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE LOANS**

**Financial Adviser to the Company**



**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**

**MESSIS 大有融資**

### **THE ACQUISITION**

The Board is pleased to announce that on 9 January 2025 (after trading hours), the Purchaser (being the Company) and the Seller (being a company ultimately wholly-owned by the Zhu Family Trust) entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell the Sale Share, being the entire issued share capital of the Target Company, at the Consideration of RMB325 million (approximately HK\$345.15 million).

The Consideration shall be satisfied by the Purchaser (i) as to RMB200 million (approximately HK\$212.40 million) by way of cash, (ii) as to RMB65 million (approximately HK\$69.03 million) by way of allotment and issue of Consideration Shares at the issue price of HK\$0.45 per Consideration Share, and (iii) as to HK\$63.72 million (approximately RMB60 million) by way of issue of Convertible Bonds on the Completion Date. The allotment and issue of Consideration Shares and the Conversion Shares are subject to the Specific Mandate to be approved by the Independent Shareholders at the SGM by ordinary resolution.

Upon Completion, the Target Company will become a direct wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Company.

### **FINANCIAL ASSISTANCE IN RELATION TO LOANS PROVIDED BY GCL PETROLEUM**

Prior to the date of this announcement, GCL Petroleum (being an indirect non wholly-owned subsidiary of the Target Company) had entered into the Loan Agreement 1 and the Loan Agreement 2 with Jiangsu Xiexin (being a company ultimately non wholly-owned by the Zhu Family Trust) and Taicang Harbour (being a company ultimately non wholly-owned by the Zhu Family Trust), respectively, pursuant to which GCL Petroleum has provided Loan 1 and Loan 2 to Jiangsu Xiexin and Taicang Harbour, respectively, subject to the terms and conditions contained therein.

Upon Completion, GCL Petroleum will become an indirect non wholly-owned subsidiary of the Company and will continue to provide Loan 1 and Loan 2 to Jiangsu Xiexin and Taicang Harbour, respectively, pursuant to the terms and conditions contained in the Loan Agreement 1 and the Loan Agreement 2.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Acquisition under Rule 14.07 of the Listing Rules exceeds 25% but all of them fall below 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements.

As at the date of this announcement, (i) the Seller is indirectly wholly-owned by Asia Pacific Energy Fund which in turn is ultimately owned by the Zhu Family Trust and (ii) Jiangsu Xiexin and Taicang Harbour are indirect non wholly-owned subsidiaries of Asia Pacific Energy Fund which in turn are ultimately owned 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, the Seller, Jiangsu Xiexin and Taicang Harbour are connected persons of the Company under the Listing Rules.

Accordingly, the Acquisition constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement, circular and Independent Shareholders' approval requirements. Upon Completion, GCL Petroleum will become an indirect non wholly-owned subsidiary of the Company and the continuation of the Loans provided by the Group to Jiangsu Xiexin and Taicang Harbour will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Further, as the highest applicable percentage ratio in respect of the Loan Agreements under Rule 14.07 of the Listing Rules exceeds 25%, the Loan Agreements constitute a major and connected transaction of the Company. Therefore, the Loan Agreements are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and 14A of the Listing Rules.

#### **FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Lee Conway Kong Wai, Mr. Wang Yanguo, Dr. Chen Ying and Mr. Cai Xianhe, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with, among other things, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder and the grant of the Specific Mandate.

The Independent Board Committee has approved the appointment of Messis Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with, among other things, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder and the grant of the Specific Mandate.

#### **THE SGM**

The SGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other things, (i) the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate for the allotment and issue of the Consideration Shares and the Conversion Shares in accordance with the terms of Sale and Purchase Agreement.

The Zhu Family Group (comprising Happy Genius Holdings Limited, Highexcel Investments Limited, Get Famous Investments Limited, Dongsheng Photovoltaic Technology (Hong Kong) Limited, Elite Time Global Limited, Mr. Wang Dong and Ms. Sun Wei holding approximately 6.84%, 0.42%, 0.01%, 6.80%, 6.20%, 0.001% and 0.01% of the total issued share capital of the Company respectively as at the date of this announcement (i.e. 95,801,506 Shares, 5,833,394 Shares, 209,880 Shares, 95,298,915 Shares, 86,878,864 Shares, 11,496 Shares and 90,995 Shares respectively) will abstain from voting at the SGM in respect of the resolution(s) approving, among other things, (i) the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder, and (ii) the grant of the Specific Mandate. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder or any of its associates (as defined in the Listing Rules) has a material interest in the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder or the grant of the Specific Mandate and therefore no other Shareholder would be required to abstain from voting on the relevant resolutions to be proposed at the SGM.

The Consideration Shares and the Conversion Shares will be allotted and issued pursuant to the Specific Mandate. The grant of the Specific Mandate will be sought from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares.

The circular containing, among other things, (i) a letter from the Board containing further details of the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing the view of the Independent Board Committee on the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser advising the Independent Board Committee and the Independent Shareholders; and (iv) notice of the SGM, will be despatched to the Shareholders within 15 Business Days of the date of this announcement under the Listing Rules, which is expected to be on or before 24 January 2025.

**As Completion is subject to the fulfillment and/or waiver (as the case may be) of the Conditions Precedent set out under the section headed "Conditions Precedent of the Sale and Purchase Agreement" in this announcement, including approval by the Independent Shareholders at the SGM. As such, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## 1. INTRODUCTION

The Board is pleased to announce that on 9 January 2025 (after trading hours), the Purchaser (being the Company) and the Seller (being a company ultimately wholly-owned by the Zhu Family Trust) entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell, the Sale Share, being the entire issued share capital of the Target Company, at the Consideration of RMB325 million (approximately HK\$345.15 million).

## 2. THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date: 9 January 2025

Parties: (1) the Company, as the purchaser; and  
(2) Golden Concord, as the seller.

### Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to acquire and the Seller has conditionally agreed to sell, the Sale Share, being the entire issued share capital of the Target Company.

### 2.1. Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration payable by the Purchaser for the Sale Share is RMB325 million (approximately HK\$345.15 million) and shall be satisfied by the Purchaser on the Completion Date in the following manner:

- (a) as to RMB200 million (approximately HK\$212.40 million) to be settled by way of cash;
- (b) as to RMB65 million (approximately HK\$69.03 million) to be settled by way of allotment and issue of Consideration Shares at the issue price of HK\$0.45 per Consideration Share; and
- (c) as to HK\$63.72 million (approximately RMB60 million) to be settled by way of issuance of Convertible Bonds.

The allotment and issue of Consideration Shares and the Conversion Shares (upon exercise of the conversion rights attached to the Convertible Bonds) are subject to the Specific Mandate to be approved by the Independent Shareholders at the SGM by ordinary resolution.

Within two (2) Business Days after the signing of the Sale and Purchase Agreement, the Purchaser shall pay to the Seller a sum of RMB35 million, being seventeen point five percent (17.5%) of the Cash Consideration, as a refundable deposit (“**Deposit**”). The Purchaser’s payment of the Deposit is solely to assure the performance of the Purchaser’s obligations in accordance with the terms and conditions of the Sale and Purchase Agreement.

On the Completion Date, the Deposit shall offset part of the Cash Consideration so that the Deposit shall be credited and applied towards the payment of the Cash Consideration, and the Purchaser shall pay to the Seller the remaining balance of the Cash Consideration.

If the Completion does not occur in accordance with the terms and conditions of the Sale and Purchase Agreement, the Deposit shall be refunded to the Purchaser, without any interest, within three (3) Business Days after the Purchaser provides written instruction to the Seller.

## **2.2. Basis of the Consideration**

The Consideration was arrived at after arm’s length negotiation between the Purchaser and the Seller, after taking into account, among others, (i) the preliminary valuation of the 100% equity interest of the Target Company of RMB530 million as at 31 July 2024 prepared by the Independent Valuer, using the market approach, after deducting the present value of the Unpaid Capital (as defined below) of approximately RMB204.7 million to be paid up by the Purchaser; (ii) the future prospects of the businesses operated by the Target Group; and (iii) the reasons and benefits of the Acquisition as stated under the paragraph headed “Reasons for and benefits of the Acquisition” in this announcement.

The major asset of the Target Company comprises 48% equity interest in GCL Petroleum, which is engaged in the investment in the LNG Receiving Terminal Projects. As at the date of this announcement, the registered capital of GCL Petroleum is RMB800 million and the Seller has not paid up the registered capital of RMB246.5 million in respect of its 48% equity interest in GCL Petroleum (the “**Unpaid Capital**”). Pursuant to the Sale and Purchase Agreement, subsequent to the Completion, the Purchaser will pay up the Unpaid Capital to GCL Petroleum by 30 June 2029 in accordance with the articles of association of GCL Petroleum.

## 2.3. Valuation

### *Valuation approaches*

The Independent Valuer has adopted the summation method under the cost approach, which is suitable for a valuation subject when its value is primarily a factor of the values of the valuation subject's holding assets and liabilities, to estimate the value of the equity interest of the Target Company as at 31 July 2024 (the "**Valuation Date**"). The summation method estimates the value of the equity interest of the Target Company based on the following four major components: (i) 51% equity interest in the Rudong LNG Company; (ii) 48% equity interest in the Maoming Bohe; (iii) the Unpaid Capital; and (iv) the other assets and liabilities of GCL Petroleum.

#### *(i) 51% Equity Interest in the Rudong LNG Company*

The equity interest of the Rudong LNG Company was valued by using the market approach. The Independent Valuer is of the view that the market approach is the most appropriate valuation approach for the valuation of the equity value of the Rudong LNG Company as compared to cost approach or income approach for the following reasons:

- (1) assets for which there is an established secondary market may be valued by market approach;
- (2) using market approach has the benefits of simplicity, clarity, speed and the need for fewer subjective assumptions; and
- (3) applying market approach introduces objectivity as publicly available inputs are used.

There are two common methods under the market approach, namely, guideline public companies method and guideline transaction method. Guideline public company method requires identification of suitable guideline public companies and selection of appropriate trading multiples, while guideline transactions method utilizes information on recent transactions between unrelated parties involving assets with financial metrics that are the same or similar to the subject asset to arrive at an indication of value.

The guideline public company method is not adopted as the number of publicly listed companies with businesses similar to the Rudong LNG Company (i.e., only holding LNG ports in the PRC that are under construction) is insufficient to provide a reasonable valuation benchmark. Therefore, the market value of equity interest in the Rudong LNG Company was developed through the guideline transaction method in the valuation exercise.

### ***Comparable transactions***

Selection criteria for market comparable transactions include:

- (1) the subject companies of the comparable transactions mainly engage in the construction and management of LNG receiving terminal in the PRC (i.e. within the same industry as the Rudong LNG Company);
- (2) the availability of sufficient operational and financial data, including the price-to-book (“P/B”) multiple, of the subject companies as at the Valuation Date; and
- (3) the comparable transactions were announced within the three-year period preceding the Valuation Date.

The Independent Valuer is of the view that the LNG terminal industry is highly regulated with significant entry barriers, resulting in a scarcity of related transactions in the PRC. The Independent Valuer has identified an exhaustive list of comparable transactions of respective acquirers and target companies that satisfy the above-mentioned selection criteria, details of which are set out below:

<b>Company name of the acquirer (stock code)</b>	<b>Target company and its business description</b>	<b>Implied valuation<sup>(1)</sup> of the target company <i>(approximately RMB million)</i></b>	<b>Latest available net book value<sup>(2)</sup> of the target company <i>(approximately RMB million)</i></b>	<b>Implied P/B multiple<sup>(3)</sup> of the target company</b>
ENN Natural Gas Co., Ltd. (SHSE: 600803)	ENN (Zhoushan) LNG Co., Ltd. (“ <b>ENN Zhoushan</b> ”)  ENN Zhoushan is mainly engaged in the construction, management and operation of Zhoushan LNG receiving terminal which is the first large-scale LNG receiving terminal approved by the National Energy Administration of PRC to be invested, constructed and managed by a private enterprise (“ <b>Comparable Transaction 1</b> ”).	9,500	2,929	3.24

Company name of the acquirer (stock code)	Target company and its business description	Implied valuation <sup>(1)</sup> of the target company <i>(approximately RMB million)</i>	Latest available net book value <sup>(2)</sup> of the target company <i>(approximately RMB million)</i>	Implied P/B multiple <sup>(3)</sup> of the target company
Binhai Investment Company Limited (SEHK:2886)	Sinopec Tianjin LNG Co., Ltd. (“ <b>Sinopec Tianjin</b> ”)	9,653	4,491	2.15

Sinopec Tianjin is principally engaged in the construction and operation of LNG receiving terminals and piers, as well as the storage, processing and sales of LNG products (“**Comparable Transaction 2**”, together with the Comparable Transaction 1, the “**Comparable Transactions**”).

*Notes:*

- (1) Data of the Comparable Transactions, including the implied valuation of the respective target companies, based on the percentage ownership forming the subject of the transaction and the consideration, as at the respective transaction dates, were sourced from Capital IQ.
- (2) The latest available net book values of the subject companies in the Comparable Transactions represented their respective net asset values as extracted from their respective latest published annual reports, interim reports or quarterly reports as at the respective transaction dates.
- (3) The implied P/B multiples of the subject companies in the Comparable Transactions were calculated by dividing the implied valuation of the target companies of the Comparable Transaction by the latest available net book value of the target companies as at the respective transaction dates.

As (i) the dates of the Comparable Transactions are different from the Valuation Date, and the market conditions as at those transaction dates are different from that as at the Valuation Date; and (ii) the equity interests forming the subject of Comparable Transaction 1 was over 50% such that the acquirer was obtaining control in the target company while GCL Petroleum has no control over Rudong LNG Company despite its 51% equity interests, adjustments have been made with regard to differences in market conditions and minority discounts have been applied in the preliminary valuation.

As a result, the implied P/B multiples were further adjusted downwards taking into consideration (i) the market condition adjustment of 81% (i.e. a discount of 19%) to reflect the different market conditions and the changes in the general industry risks between the Valuation Date and the respective transaction dates; and (ii) a discount for lack of control (“DLOC”) of 23.6% for Comparable Transaction 1 to arrive at the average of the adjusted P/B ratio of the Comparable Transactions of 1.87, which was adopted in the preliminary valuation of Rudong LNG Company.

	<b>Comparable Transaction 1</b>	<b>Comparable Transaction 2</b>
Implied P/B multiples before adjustments	3.24	2.15
Market condition adjustments	81%	81%
DLOC	23.6%	N/A
Adjusted P/B multiple	2.00	1.74

The average of the adjusted P/B multiple of the Comparable Transactions, i.e. 1.87 was adopted in the preliminary valuation.

The Independent Valuer observed that the LNG terminals in the Comparable Transactions are in operation, whereas the Rudong LNG Company’s terminal is still under construction. However, with the construction of the LNG terminal nearing 90% completion and with government approvals having been obtained, the risk related to an unfinished project is minimal.

*(ii) 48% Equity Interest in the Maoming Bohe*

For valuation of the equity interest in the Maoming LNG Company, as the Maoming LNG Receiving Terminal Project is still in research phase and the government has yet to grant the relevant approvals, the valuation of the Maoming LNG Company is mainly based on its book value.

*(iii) Unpaid Capital*

According to the articles of association of GCL Petroleum, the latest date for the relevant shareholder of GCL Petroleum to pay up the Unpaid Capital is on 30 June 2029.

The Unpaid Capital is assumed to be received by GCL Petroleum on 30 June 2029 which is less than 4.91 years from the Valuation Date. Based on the RMB benchmark loan rate over 5-years published by the People’s Bank of China as at the Valuation Date, a discount rate of 3.85% was adopted. The present value of the Unpaid Capital was calculated based on the 3.85% discount rate and a 4.91-years term.

The Director considers that the utilisation of present value on the Unpaid Capital, on the basis of (i) the benchmark loan rate published by the People's Bank of China and (ii) the term of 4.91 years according to the articles of association of GCL Petroleum, is fair and reasonable for the valuation of the Unpaid Capital and the equity interest in the Target Group as a whole.

*(iv) Other Assets and Liabilities*

The other assets and liabilities of GCL Petroleum are valued based on their respective book values with adjustment considering their market values.

As a result, the Independent Valuer arrived at the valuation of the equity value in the Target Group as a whole of approximately RMB530 million as at the Valuation Date after taking into account (i) an adjusted P/B multiple of 1.87 times, which was determined based on the P/B multiples of the above identified Comparable Transactions after adjustments for DLOC and the market condition movements between the transaction dates and the Valuation Date, (ii) the unaudited consolidated net assets value of the Rudong LNG Company and Maoming LNG Company as at 31 July 2024, (iii) the present value of the Unpaid Capital of approximately RMB204.7 million and (iv) the book values for the other assets and liabilities of GCL Petroleum as at the Valuation Date.

#### **2.4. The Consideration Shares and the Issue Price**

The Consideration Shares represent (i) approximately 10.94% of the issued share capital of the Company as at the date of this announcement and (ii) approximately 9.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issue of Consideration Shares).

The issue price of HK\$0.45 per Consideration Share was arrived at after arm's length negotiation with the Seller after taking into account of the prevailing market price of the Shares and recent market conditions which represents:

- (i) a discount of approximately 2.17% to the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on 9 January 2025, being the date of the Sale and Purchase Agreement;
- (ii) a discount of approximately 4.86% to the average of the closing price of HK\$0.473 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to 9 January 2025, being the date of the Sale and Purchase Agreement; and

- (iii) a discount of approximately 3.02% to the average of the closing price of HK\$0.464 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to 9 January 2025, being the date of the Sale and Purchase Agreement.

The aggregate nominal value of share capital for the Consideration Shares is approximately HK\$12.73 million. The Consideration Shares, when allotted and issued, will rank pari passu in all aspects with, and having the same rights in all aspects with the other Shares in issue on the date of allotment and issue of the Consideration Shares.

The issuance of the Consideration Shares will have a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.48%, represented by the theoretical diluted price of approximately HK\$0.471 per Share as compared to the benchmarked price of approximately HK\$0.473 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of this announcement of HK\$0.460 per Share; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five trading days immediately prior to the date of this announcement of HK\$0.473 per Share).

The issuance of the Consideration Shares will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the issuance of the Consideration Shares is in compliance with Rule 7.27B of the Listing Rules.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate to allot, issue and deal in the Consideration Shares. The grant of the Specific Mandate will be sought from the Independent Shareholders at the SGM. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Company has conducted the following issue of equity securities in the past 12 months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
22 April 2024	Issue of new Shares under general mandate	Approximately HK\$59.7 million	To support the cost relating to the investment, research and development of natural gas, liquefied natural gas and integrated energy project management business and to develop the operation and maintenance services for other energy sectors; and general working capital of the Group.	HK\$59.7 million

Save as disclosed above, there has not been any equity fund raising activity conducted by the Company in the past 12 months immediately preceding the date of this announcement.

## 2.5 Convertible Bonds

HK\$63.72 million (approximately RMB60 million), being approximately 18.5% of the Consideration, shall be satisfied by way of the issuance of the convertible bonds by the Company to the Purchaser, in an equivalent principal amount entitling the holder(s) thereof to convert into a total of 141,600,000 Conversion Shares at the initial Conversion Price of HK\$0.45 per Conversion Share (the “**Convertible Bonds**”).

The principal terms of the Convertible Bonds are summarised as follows:

Issuer:	The Company
Principal amount:	HK\$63.72 million (approximately RMB60 million)
Maturity date:	36 months from the date of issue of the Convertible Bonds or any such other date as mutually agreed to in writing between, and shortened or extended by, the Company and the holder(s) of the Convertible Bonds (the “ <b>Maturity Date</b> ”)
Interest rate:	1.0 % per annum payable in every six calendar months
Conversion period:	The period commencing from the date of issue of the Convertible Bonds up to the close of business on the seventh Business Day immediately preceding the Maturity Date (the “ <b>Conversion Period</b> ”)
Conversion rights:	<p>Holder of the Convertible Bonds will have the right, during the Conversion Period, to convert the Convertible Bonds in whole or in part (in multiples of the authorized denomination in HK\$ as stated in the Convertible Bonds instrument to be executed by the Company on the Completion Date (“<b>CB Instrument</b>”)) of the outstanding principal amount of the Convertible Bonds into Conversion Shares, provided that:</p> <ul style="list-style-type: none"><li>(i) upon exercise of the conversion rights, the holder(s) of the Convertible Bonds and their respective associates, together with any parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a change of control of the Company (as defined in the Takeovers Code) or a mandatory offer obligation under Rule 26 of the Takeovers Code; and</li><li>(ii) the exercise of the conversion rights will not result in the Company being in breach of any provision of the Listing Rules, including the requirement to maintain any prescribed minimum percentage of the issued share capital of the Company held by the public.</li></ul>

Conversion Price:

The initial Conversion Price of the Convertible Bonds shall be HK\$0.45 per Conversion Share, subject to any adjustments as set out and in accordance with the terms and conditions of the CB Instrument, and represents:

- (i) a discount of approximately 2.17% to the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement;
- (ii) a discount of approximately 4.86% to the average closing price of approximately HK\$0.473 per Share as quoted on the Stock Exchange in the five (5) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and
- (iii) a discount of approximately 3.02% to the average closing price of approximately HK\$0.464 per Share as quoted on the Stock Exchange in the ten (10) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The initial Conversion Price was determined after arm's length negotiation between the Company and the Seller with reference to, among others, the prevailing trading prices of the Shares. The Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser) are of the view that the Conversion Price is fair and reasonable.

The issuance of the Conversion Shares will have a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.45%, represented by the theoretical diluted price of approximately HK\$0.471 per Share as compared to the benchmarked price of approximately HK\$0.473 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of this announcement of HK\$0.460 per Share; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) trading days immediately prior to the date of this announcement of HK\$0.473 per Share).

The issuance of the Conversion Shares will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the issuance of the Conversion Shares is in compliance with Rule 7.27B of the Listing Rules.

The issuance of both the Consideration Shares and the Conversion Shares will have a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 0.85%, represented by the theoretical diluted price of approximately HK\$0.469 per Share as compared to the benchmarked price of approximately HK\$0.473 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the date of this announcement of HK\$0.460 per Share; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) trading days immediately prior to the date of this announcement of HK\$0.473 per Share).

The issuance of both the Consideration Shares and the Conversion Shares will not result in a theoretical dilution effect of 25% or more on their own. As such, the theoretical dilution impact of the issuance of both the Consideration Shares and the Conversion Shares is also in compliance with Rule 7.27B of the Listing Rules.

Adjustment to Conversion  
Price:

The Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the CB Instrument upon the occurrence of the following events:

- (i) an alteration of the nominal amount of the Shares by reason of consolidation, subdivision or otherwise;
- (ii) an issue of Shares credited as fully paid to the Shareholders by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve), other than Shares issued in lieu of a cash dividend;
- (iii) a capital distribution (as defined in the terms and conditions of the CB Instrument) to Shareholders being made by the Company;

- (iv) a rights issue of the Shares to all or substantially all Shareholders, or a grant to all or substantially all Shareholders any options or warrants to subscribe for the Shares, in each case at less than 80% of the market price of the Shares;
- (v) an issue of Shares being made wholly for cash at a price less than 80% of the market price of the Shares;
- (vi) an issue wholly for cash by the Company of securities convertible into or exchangeable for or carrying rights of subscription for Shares, at a consideration per Share which is less than 80% of the market price of the Shares, or the conversion, exchange or subscription rights of any such securities (other than in accordance with the terms applicable thereto) are altered or modified so that the consideration per Share is less than 80% of the market price of the Shares; and
- (vii) a modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in the events (iv) to (vi) above so that the effective consideration per Share is less than 80% of the market price of the Shares.

Conversion Shares:

Based on the initial Conversion Price of HK\$0.45 per Conversion Share, a maximum of 141,600,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full.

The Conversion Shares represent (i) approximately 10.1% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.2% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

The aggregate nominal value of the Conversion Shares (with a par value of HK\$0.083 each) will be HK\$11.75 million.

The issuance of the Convertible Bonds and allotment and issue of the Conversion Shares are subject to the Specific Mandate to be sought at the SGM.

Redemption:	The Company shall redeem any Convertible Bonds which remain outstanding on the Maturity Date by repaying the holder(s) of the Convertible Bonds all outstanding principal amount together with interest accrued thereon.
Transferability:	The Convertible Bonds are freely transferable by the holders thereof in whole or in part (in the authorized denomination in HK\$ as stated in the CB Instrument) of the outstanding principal amount of the Convertible Bonds, provided that no Convertible Bonds may be transferred to any connected persons of the Company without the prior written consent of the Company.
Voting rights:	Holder(s) of the Convertible Bonds shall not be entitled to attend or vote at any meetings of the Company by reason only of it being a holder of the Convertible Bonds.
Listing:	No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.  The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds.
Ranking:	The Conversion Shares will, when allotted and issued, rank pari passu in all respects among themselves and with all other fully paid Shares in issue.
Status:	The Convertible Bonds constitute direct, unconditional, unsubordinated, unguaranteed and unsecured obligations of the Company and shall at all times rank pari passu with all other present and future unsecured, unguaranteed and unsubordinated obligations of the Company.
Events of default:	After the occurrence of an event of default as specified in the CB Instrument, a holder of the Convertible Bonds may give notice to the Company that the Convertible Bonds are immediately due and payable.

## 2.6. Conditions Precedent of the Sale and Purchase Agreement

Completion is subject to and conditional upon the satisfaction or waiver (if applicable) of the following conditions:

- (i) the approval by the Independent Shareholders at the SGM of, among other things, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder, the grant of the Specific Mandate for the allotment and issue of the Consideration Shares and the Conversion Shares;
- (ii) the granting of the approval for the listing of, and permission to deal in the Consideration Shares and the Conversion Shares by the Listing Committee of the Stock Exchange and the Stock Exchange not having withdrawn or revoked such approval;
- (iii) all waiver, consent or approval (including that of the Stock Exchange) which are required for the Acquisition and other transactions contemplated under the Sale and Purchase Agreement having been obtained or made;
- (iv) the Seller having obtained all necessary authorisation, consent and approval for the Acquisition and other transactions contemplated under the Sale and Purchase Agreement from the applicable regulatory body (including, the competent authorities and their respective authorised agencies) in the PRC;
- (v) the Purchaser having completed its due diligence on the Target Group (including, without limitation, in respect of its financial, business, legal, litigation, tax or other aspects) and the result is satisfactory to the Purchaser in all respect;
- (vi) there has not been any actual, reasonably foreseeable or potential Material Adverse Effect in respect of the valuation or the business of the Target Group (including but not limited to its assets);
- (vii) the Seller's warranties remain true, accurate and not misleading in all respects, and will be observed through to the Completion;
- (viii) the Target Group having obtained or made all necessary consents, waivers, licenses, registrations, declarations, or filings required for the Acquisition and other transactions contemplated under the Sale and Purchase Agreement and the operation of the Target Group's business before the Completion, including but not limited to, all necessary approvals from the Stock Exchange, the SFC, applicable competent regulatory authorities and other third parties; and

- (ix) GCL Petroleum (as guarantor) having been released from a guarantee provided in favor of LSCCB (as guarantee) for a term loan in the outstanding principal amount of approximately RMB550 million advanced by LSCCB (as lender) to the southwest branch of Golden Concord Group Limited (PRC) (as borrower) before the Completion.

The Purchaser may waive any of the above-mentioned Conditions Precedent (other than Conditions Precedent (i) to (iv) above which cannot be waived) in writing. If the Conditions Precedent have not been fulfilled in full (or waived, where applicable) on or before the Long Stop Date, either the Purchaser or the Seller is entitled to terminate the Sale and Purchase Agreement, and all rights and obligations of the parties under the Sale and Purchase Agreement (other than clauses relating to confidentiality, publicity, fees and taxes, assignability, entire agreement, governing law, jurisdiction and other customary provisions under the Sale and Purchase Agreement which shall remain in full force and effect) shall cease and terminate, and no party to the Sale and Purchase Agreement shall have any claim against or liability to the other party with respect to any matter referred to in the Sale and Purchase Agreement save for any antecedent breaches of the Sale and Purchase Agreement.

As at the date of this announcement, none of the Conditions Precedent have been satisfied or waived.

## **2.7. Completion**

Completion shall take place on the fifth Business Day (or any other date as the Purchaser and the Seller may agree in writing) after all Conditions Precedent have been fulfilled (or waived, where applicable) in accordance with the Sale and Purchase Agreement.

Upon Completion, the Target Company will become a direct wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Company.

## **2.8. Ranking of the Consideration Shares and the Conversion Shares**

The Consideration Shares and the Conversion Shares, when issued and fully-paid, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Consideration Shares and the Conversion Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Consideration Shares and the Conversion Shares.

## **2.9. Specific Mandate**

The issue of the Consideration Shares and the Conversion Shares is subject to the approval by the Independent Shareholders. An ordinary resolution will be proposed at the SGM to seek, among other things, the Specific Mandate to issue the Consideration Shares and the Conversion Shares pursuant to the Sale and Purchase Agreement.

### 3. INFORMATION ON THE PARTIES TO THE SALE AND PURCHASE AGREEMENT

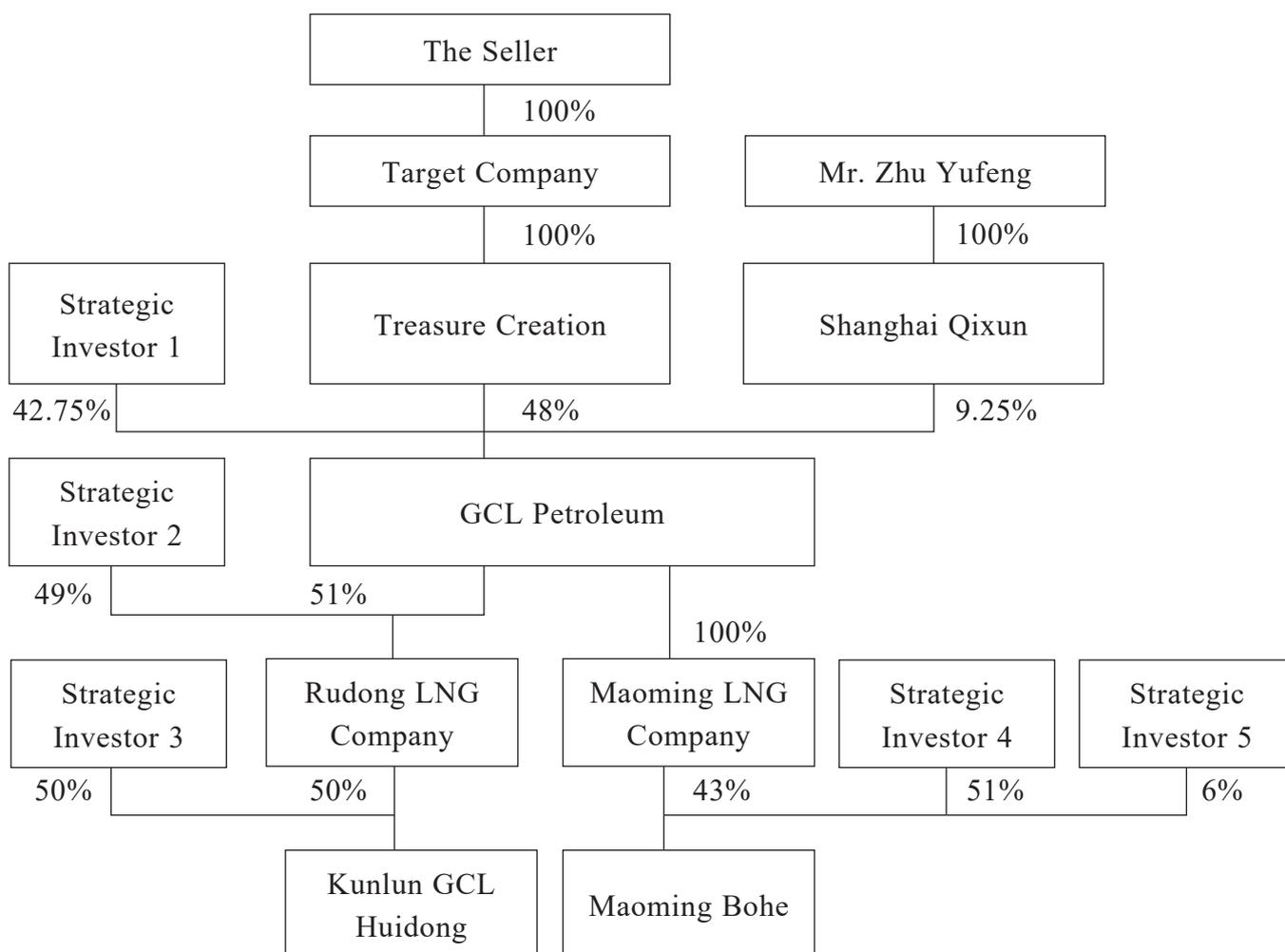
#### 3.1. Information of the Seller

The Seller is an investment holding company incorporated under the laws of Hong Kong with limited liability, the entire issued share capital of which is indirectly wholly-owned by Asia Pacific Energy Fund, which in turn is ultimately owned by the Zhu Family Trust.

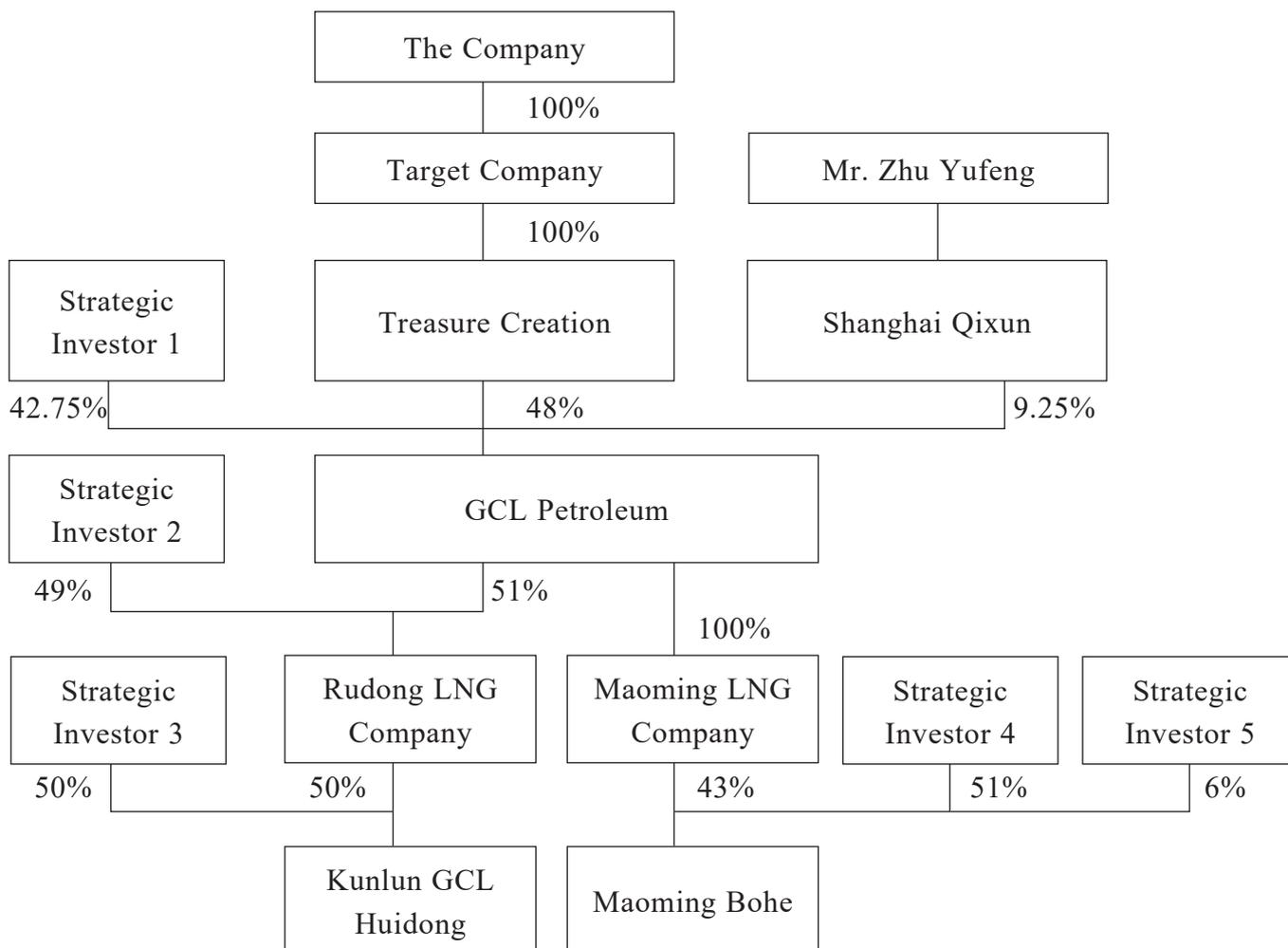
#### 3.2. Information of the Target Group

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Target Company, through its indirect wholly-owned subsidiary, GCL Petroleum, invested in Rudong LNG Receiving Terminal Project and Maoming LNG Receiving Terminal Project.

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



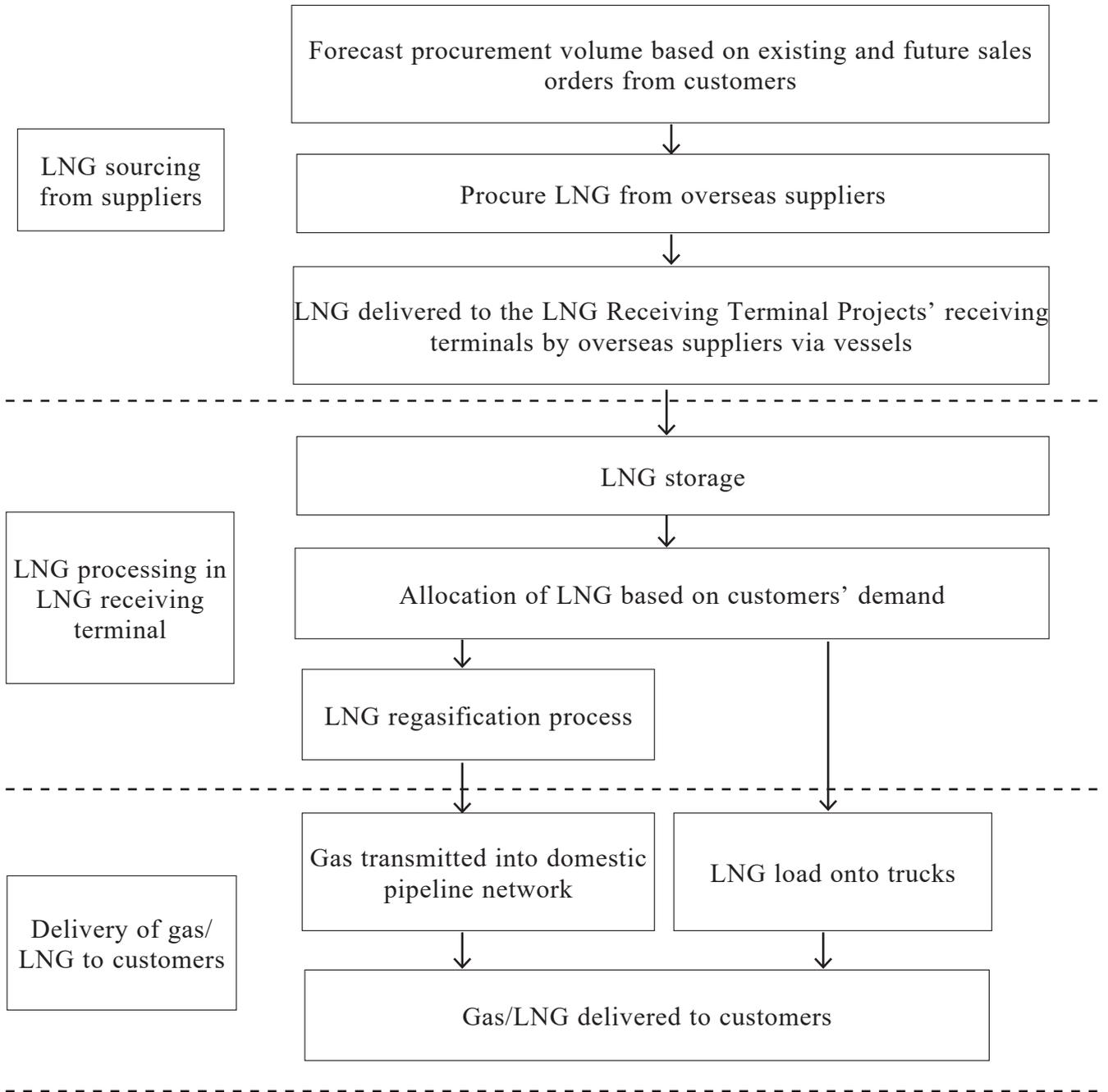
Set out below is the shareholding structure of the Target Group upon Completion:



The table below sets out the information of the Target Group:

<b>Companies</b>	<b>Place of incorporation/ establishment</b>	<b>Information on companies within the Target Group</b>
Target Company	British Virgin Islands	It is a wholly-owned subsidiary of the Seller and is principally engaged in investment holding.
Treasure Creation	Hong Kong	It is a wholly-owned subsidiary of the Target Company and is principally engaged in investment holding.
GCL Petroleum	PRC	It is a non wholly-owned subsidiary of Treasure Creation and is owned as to 48% by Treasure Creation and is principally engaged in the investment of petroleum infrastructure projects (including the Rudong LNG Receiving Terminal Project and the Maoming LNG Receiving Terminal Project) and provision of related technical and consultancy services. It is accounted for as a subsidiary in the consolidated financial statements of the Target Company.
Rudong LNG Company	PRC	It is owned as to 51% by GCL Petroleum and is principally engaged in the construction, development, investment, management and operation of the LNG Receiving Terminal Projects. It is accounted for in the consolidated financial statements of the Target Company using equity method.
Kunlun GCL Huidong	PRC	It is owned as to 50% by Rudong LNG Company and is principally engaged in operation of ports, including the activities involving port cargo loading and unloading.
Maoming LNG Company	PRC	It is a wholly-owned subsidiary of GCL Petroleum and is principally engaged in construction and management of the LNG Receiving Terminal Projects, including construction, development, investment and operation of harbors, docks, LNG Receiving Terminal Projects and other infrastructures.
Maoming Bohe	PRC	It is owned as to 48% by Maoming LNG Company and is principally engaged in import and export of goods, provision, development, exchange, assignment and promotion of technical and consultancy services, loading and unloading activities of port cargo as well as leasing of ship. It is accounted for in the consolidated financial statements of the Target Company using equity method.

The LNG Receiving Terminal Projects are comprehensive infrastructures designed to import LNG, being natural gas that has been cooled down to liquid state for efficiency of storage and transport, to the LNG receiving terminals via LNG carriers, which can bridge the gap between global LNG supply and local natural gas demand. Following the regasification process, LNG is transformed back into natural gas which is versatile and has comparatively lower environmental impact than other fossil fuels. Set out below is a summarised flow chart explaining the workflow:



The major assets of the Target Group comprise its investments in the LNG Receiving Terminal Projects, namely the Rudong LNG Receiving Terminal Project and the Maoming LNG Receiving Terminal Project, which are used for the storage of the offloaded LNG transported from overseas via LNG vessels.

The Rudong LNG Receiving Terminal Project is located in Rudong County, Jiangsu province of the PRC. Construction of the Rudong LNG Receiving Terminal Project commenced in September 2022. The Rudong LNG Receiving Terminal Project comprises two main components, namely, (i) a storage and processing station and (ii) a receiving terminal. The storage and processing station is equipped with two LNG storage tanks, unloading and loading systems, and gasification output systems. The construction of these facilities is expected to complete in the second quarter of 2025. The Rudong LNG Receiving Terminal Project is designed to handle approximately three million tons of LNG annually. The total capacity of its storage tanks is 400,000 cubic meters with fully enclosed concrete roofs. The receiving terminal primarily consists of an LNG unloading dock with a capacity of approximately 217 thousand cubic meters. Its construction is expected to complete in the fourth quarter of 2025. As at the date of this announcement, the Target Group has invested approximately RMB1,130,110,000 into the project.

The Maoming LNG Receiving Terminal Project is located in Maoming County, Guangdong province of the PRC. Construction for the Maoming LNG Receiving Terminal Project is expected to commence subject to the approval by the relevant PRC regulatory authorities. According to the development plan prepared by the Target Group, assuming the construction of the Maoming LNG Receiving Terminal Project is approved in 2025, its operation is expected to commence in 2028. Similar to the Rudong LNG Receiving Terminal Project, the Maoming LNG Receiving Terminal Project is also designed to process approximately three million tons of LNG annually. The storage tanks of the Maoming LNG Receiving Terminal Project have a total capacity of 400,000 cubic meters with fully enclosed concrete roofs. The receiving terminal of the project primarily includes an LNG unloading dock with a capacity of approximately 266 thousand cubic meters. As at the date of this announcement, the Target Group has invested approximately RMB50,000,000 into the project.

The Rudong LNG Receiving Terminal Project is operated by Rudong LNG Company, which is indirectly owned as to approximately 24.5% by the Target Company. According to the joint venture agreement of Rudong LNG Company, all decisions made during the shareholders' meeting require the unanimous approval of all shareholders of Rudong LNG Company. As GCL Petroleum does not have control over Rudong LNG Company, Rudong LNG Company is accounted for in the consolidated financial statements of the Target Company using equity method. The Maoming LNG Receiving Terminal Project is operated by Maoming LNG Company, which is indirectly owned as to approximately 20.6% by the Target Company and is accounted for in the consolidated financial statements of the Target Company using equity method.

### 3.3. Financial information of the Target Group

Set out below is a summary of the financial information in the unaudited consolidated financial statements of the Target Company for the two financial years ended 31 December 2022 and 31 December 2023 and the seven months ended 31 July 2024 prepared in accordance with IFRS:

	<b>For the year ended 31 December 2022 (RMB'000)</b>	<b>For the year ended 31 December 2023 (RMB'000)</b>	<b>For the seven months ended 31 July 2024 (RMB'000) (Note)</b>
Net (loss)/profit before taxation	(8,856)	(15,470)	9,153
Net (loss)/profit after taxation	(8,856)	(15,470)	9,153

#### *Note*

The net profit of approximately RMB9.2 million before and after taxation incurred for the seven months ended 31 July 2024 mainly arose from gain on extinguishment of loan to a related party due to changes of loans terms, which was included in other gains and losses, and was non-cash in nature.

The unaudited consolidated net assets value of the Target Company was approximately RMB359 million as at 31 July 2024.

### 3.4. Information of the Company

The Company is incorporated in Bermuda as an exempted company with limited liability. The principal business of the Company is investment holding. The Group is principally engaged in (i) provision of operation and management services of solar power plants; (ii) provision of solar related supporting services; (iii) the sale of electricity; and (iv) the sale of LNG and related products trading.

### 3.5. Effect of the Acquisition on the shareholding structure of the Company and the allotment and issue of the Conversion Shares

Assuming that (1) there will be no change in the issued share capital of the Company other than the allotment and issue of the Consideration Shares and the Conversion Shares; and (2) no Share Options will be exercised, the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after the issue and allotment of the Consideration Shares and (iii) immediately after the full conversion of the Convertible Bonds and the allotment and issue of the Conversion Shares are set out below for illustrative purposes:

	As at the date of this Announcement		Immediately after the allotment and issue of the Consideration Shares		Immediately upon full conversion of the Convertible Bonds at the initial Conversion Price after Completion <i>(Note 8)</i>	
	<i>Number of Shares</i>	<i>Approximate %</i> <i>(Note 5)</i>	<i>Number of Shares</i>	<i>Approximate %</i> <i>(Note 6)</i>	<i>Number of Shares</i>	<i>Approximate %</i> <i>(Note 7)</i>
	<b><i>Zhu Family Group (Note 8)</i></b>					
Golden Concord Group Limited <i>(Note 1)</i>	–	–	153,400,000	9.87%	295,000,000	17.39%
Happy Genius Holdings Limited <i>(Note 1)</i>	95,801,506	6.84	95,801,506	6.16%	95,801,506	5.65%
Highexcel Investments Limited <i>(Note 1)</i>	5,833,394	0.42	5,833,394	0.38%	5,833,394	0.34%
Get Famous Investments Limited <i>(Note 1)</i>	209,880	0.01	209,880	0.01%	209,880	0.01%
Dongsheng Photovoltaic Technology (Hong Kong) Limited <i>(Note 2)</i>	95,298,915	6.80	95,298,915	6.13%	95,298,915	5.62%
Elite Time Global Limited <i>(Note 3)</i>	86,879,864	6.20	86,878,864	5.59%	86,878,864	5.12%
Mr. Wang Dong <i>(Note 4)</i>	11,496	0.00	11,496	0.00%	11,496	0.00%
Ms. Sun Wei <i>(Note 4)</i>	90,995	0.01	90,995	0.01%	90,995	0.01%
Sub-total	284,125,050	20.28	437,525,050	28.15%	579,125,050	34.15%
Public shareholders	1,116,797,876	79.72	1,116,797,876	71.85%	1,116,797,876	65.85%
Total	1,400,922,926	100.00	1,554,322,926	100.00%	1,695,922,926	100.00%

*Notes:*

- (1) An aggregate of 101,844,780 Shares, being approximately 7.27% equity interest of the Company, are collectively held by Happy Genius Holdings Limited, Highexcel Investments Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord. Golden Concord is wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund. Asia Pacific Energy Fund is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan as beneficiaries.
- (2) Dongsheng Photovoltaic Technology (Hong Kong) Limited is wholly-owned by GCL System Integration Technology (Su Zhou) Co., Ltd.\* (協鑫集成科技(蘇州)有限公司) which is in turn wholly-owned by GCL System Integration Technology Co., Ltd. (“**GCL System Integration**”). Jiangsu GCL Construction Management Co., Ltd.\* (江蘇協鑫建設管理有限公司) (“**Jiangsu GCL Construction**”), Golden Concord Group Limited (PRC) and Yingkou Qiyin Investment Management Co., Ltd.\* (營口其印投資管理有限公司) (“**Yingkou Qiyin**”) own approximately 24.2% of GCL System Integration in aggregate. Yingkou Qiyin and Jiangsu GCL Construction are parties acting in concert with Golden Concord Group Limited (PRC). Golden Concord Group Limited (PRC) is 44.61% owned by Shanghai Qixun and 46.68% owned by Jiangsu GCL Construction and 8.71% owned by GCL-Poly (Taicang Harbour) Limited. Shanghai Qixun is directly wholly-owned by Mr. Zhu Yufeng while Jiangsu GCL Construction and GCL-Poly (Taicang Harbour) Limited are indirectly wholly-owned by Golden Concord.
- (3) 86,878,864 Shares, being approximately 6.2% equity interest of the Company, are held by Elite Time Global Limited which is wholly-owned by GCL Technology Holdings Limited and is in turn owned as to 22.49% by Asia Pacific Energy Fund.
- (4) As Mr. Wang Dong and Ms. Sun Wei, who are executive Director and non-executive Director respectively, are executives of the companies controlled by the Zhu Family Group, they are members of the Zhu Family Group.
- (5) The percentage was calculated on the basis of 1,400,922,926 Shares in issue as at the date of this announcement and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.
- (6) The percentage was calculated on the enlarged issued share capital of the Company as a result of the issue of the Consideration Shares comprising of 153,400,000 Shares and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.
- (7) The percentage was calculated on the enlarged issued share capital of the Company as a result of the issue of the Consideration Shares comprising of 153,400,000 Shares and the full conversion of the Convertible Bonds and the allotment and issue of Conversion Shares comprising 141,600,000 Shares and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.
- (8) For illustration purpose only. In practice, conversion of the Convertible Bonds (in whole or in part) will not occur as under the terms and conditions of the Convertible Bonds, if, as a result of such conversion, among others, change of control of the Company (as defined in the Takeovers Code) or mandatory offer obligation (as defined in the Takeovers Code) will be triggered. For details, please refer to the section headed “Convertible Bonds – Conversion rights” in this announcement.

As at the date of this announcement, the outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company consist of 18,695,263 Share Options at an exercise price of a range between HK\$7.14 to HK\$12.12 per Share Option, among which the following members of the Zhu Family Concert Group are a holder of the followings:

<b>Name of holder within the Zhu Family Group</b>	<b>No. of Share Options held</b> <i>Note (a)</i>	<b>Exercise price</b>
Mr. Zhu Yufeng	875,000	HK\$7.14
Ms. Sun Wei	500,000	HK\$7.14
Mr. Yeung Man Chung, Charles	250,000	HK\$7.14
Mr. Fang Jiancai	250,000	HK\$7.14

*Note:*

(a) None of the Share Options granted to the holders within the Zhu Family Group has been vested.

Save as disclosed above, the Group has no outstanding warrants, options, convertible securities or other derivatives convertible into Shares, and no share or loan capital of the Group has been put under option or agreed conditionally or unconditionally to be put under option and no other conversion right affecting the Shares or other derivatives in respect of securities which are being offered for or which carry voting rights have been issued or granted or agreed conditionally or unconditionally to be issued or granted.

#### **4. FINANCIAL ASSISTANCE IN RELATION TO THE LOANS PROVIDED BY GCL PETROLEUM**

Prior to the entering into of the Sale and Purchase Agreement, GCL Petroleum had entered into the Loan Agreement 1 and the Loan Agreement 2 with Jiangsu Xiexin and Taicang Harbour, respectively, pursuant to which GCL Petroleum had provided Loan 1 and Loan 2 to Jiangsu Xiexin and Taicang Harbour, respectively, subject to the terms and conditions contained therein. Taicang Harbour and Jiangsu Xiexin are indirect non wholly-owned subsidiaries of Asia Pacific Energy Fund which in turn are ultimately owned 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, Jiangsu Xiexin and Taicang Harbour are connected persons of the Company. Upon Completion, GCL Petroleum will become an indirect non wholly-owned subsidiary of the Company and the Loans will become a connected transaction of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, the outstanding principal amount under the Loan Agreement 1 and the Loan Agreement 2 are RMB111 million (approximately HK\$117.88 million) and RMB70 million (approximately HK\$74.34 million), respectively.

#### 4.1. The Loan Agreement 1

A summary of the salient terms of the Loan Agreement 1 is set out below:

Parties:	(1) GCL Petroleum (as lender)  (2) Jiangsu Xiexin (as borrower)
Principal amount:	RMB111,025,453.8 (approximately HK\$117.91 million). As at the date of this announcement, the outstanding principal amount is RMB111 million (approximately HK\$117.88 million).
Purpose of Loan 1:	The Loan 1 should be applied towards purposes which are in compliance with the laws, regulations and rules of the PRC.
Term of Loan 1:	From the actual drawdown date to 31 July 2027 (“ <b>Repayment Date 1</b> ”)
Interest:	Interest-free for the period from the actual drawdown date to 31 July 2024 and an interest rate of 3.85% per annum for the period from 1 August 2024 to 31 July 2027
Repayment:	Loan 1 shall be repaid in one instalment on the Repayment Date 1 or any earlier date provided that GCL Petroleum has given early repayment notice to Jiangsu Xiexin in which case Jiangsu Xiexin shall repay Loan 1 within 30 days upon receiving such notice (“ <b>Early Repayment Date 1</b> ”). In the event the Repayment Date 1 or the Early Repayment Date 1 is not a Business Day, it will automatically be postponed to the next business day that follows.  Interest of Loan 1 accrues from 1 August 2024 and shall be paid in one instalment on the Repayment Date 1.

## 4.2. The Loan Agreement 2

A summary of the salient terms of the Loan Agreement 2 is set out below:

Parties:	(1) GCL Petroleum (as lender)  (2) Taicang Harbour (as borrower)
Principal amount:	RMB70 million (approximately HK\$74.34 million). As at the date of this announcement, the outstanding principal amount is RMB70 million (approximately HK\$74.34 million).
Purpose of Loan 2:	The Loan 2 should be applied towards purposes which are in compliance with the laws, regulations and rules of the PRC.
Term of Loan 2:	From the commencement date agreed in the Loan Agreement 2 to 31 July 2027 (“ <b>Repayment Date 2</b> ”)
Interest:	An interest rate of 3% per annum for the period from 1 January 2024 to 31 July 2024 and an interest rate of 3.85% per annum for the period from 1 August 2024 to 31 July 2027
Repayment:	Loan 2 shall be repaid in one instalment on the Repayment Date 2 or any earlier date provided that GCL Petroleum has given early repayment notice to Taicang Harbour in which case Taicang Harbour shall repay Loan 2 within 30 days upon receiving such notice (“ <b>Early Repayment Date 2</b> ”). In the event the Repayment Date 2 or the Early Repayment Date 2 is not a Business Day, it will automatically be postponed to the next business day that follows.  Interest of Loan 2 accrues from the actual drawdown date and shall be paid in one instalment on the Repayment Date 2.

## 4.3. Information on the parties to the Loan Agreements

For information on GCL Petroleum, please refer to the section headed “3.2. Information of the Target Group” in this announcement.

Jiangsu Xiexin is a company established in the PRC with limited liability, which is principally engaged in the investment in electric power project, provision of operational and consulting services for electric power projects and technical consulting services. As of the date of this announcement, Jiangsu Xiexin is owned as to approximately 60%, 31.16%, 6.67% and 2.17% by Golden Concord Group Limited (PRC), Nanjing Anrui Xinneng Electric Power Industry Investment Fund Enterprise (Limited Partnership)\* (南京安瑞鑫能電力產業投資基金企業(有限合夥)) (“**Nanjing Anrui**”), Suzhou Gongneng Energy Co., Ltd. (蘇州共能能源有限公司) (“**Suzhou Gongneng**”) and Suzhou Henneng Investment Co., Ltd.\* (蘇州恒能投資有限公司) (“**Suzhou Henneng**”), respectively. Golden Concord Group Limited (PRC) is ultimately held as to 55.39% and 44.61% by Asia Pacific Energy Fund and Mr. Zhu Yufeng, an executive Director, respectively. Nanjing Anrui is held as to approximately 75%, 24.92% and 0.08% by Taicang Harbour, Nanjing Xinneng Sunshine Industrial Investment Fund Enterprise (Limited Partnership)\* (南京鑫能陽光產業投資基金企業(有限合夥)) and Shannan Guotai Xinneng Investment Management Co., Ltd.\* (山南國泰鑫能投資管理有限公司) respectively. Suzhou Gongneng is a wholly-owned subsidiary of Taicang Harbour. Suzhou Henneng is owned as to 40%, 30% and 30% by Shen Xiao (沈曉), An Lingyi (安令毅) and Sun Xingping (孫興平) respectively, who are executives of the companies controlled by the Zhu Family Group.

Taicang Harbour is a company established in the PRC with limited liability, which is principally engaged in the generation of clean coal combustion thermal power, production and sales of electric power, heat and ancillary products and provision of the corresponding technical services. As of the date of this announcement, Taicang Harbour is owned as to 72%, 19%, 6% and 3% by GCL-Poly (Taicang Harbour) Limited (保利協鑫(太倉港)有限公司) (“**GCL-Poly (Taicang Harbour)**”), Zhongneng Electric Power (Suzhou) Co., Ltd.\* (眾能電力(蘇州)有限公司) (“**Zhongneng Electric**”), Strong Charm Limited (倡力有限公司) (“**Strong Charm**”) and Suzhou Henneng, respectively. GCL-Poly (Taicang Harbour) is a wholly-owned subsidiary of Prottime Investments Limited (保泰投資有限公司) which in turn is ultimately wholly-owned by the Asia Pacific Energy Fund. Zhongneng Electric is owned as to approximately 75.14% by Taicang GCL Power Co., Ltd.\* (太倉港協鑫發電有限公司), which is ultimately controlled by the Asia Pacific Energy Fund, and approximately 24.86% by ICBC Financial Asset Investment Co., Ltd.\* (工銀金融資產投資有限公司), a company established in the PRC with limited liability and wholly-owned by Industrial and Commercial Bank of China Limited\* (中國工商銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and offshore preference shares of which are listed on the Stock Exchange (H shares stock code: 1398 and USD preference shares stock code: 4620), and the A shares and domestic preference shares of which are listed on the Shanghai Stock Exchange (A shares stock code: 601398 and domestic preference shares stock codes: 360011), respectively. To the best knowledge of the Directors after making reasonable enquiry, Strong Charm is wholly-owned by Chen Shenghong (陳勝洪), who is an independent third party to the Company.

## 5. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) provision of operation and management services of solar power plants; (ii) provision of solar related supporting services; (iii) the sale of electricity; and (iv) the sale of LNG and related products trading.

The Group has been operating the business of solar power plant since 2014. Since 2018, the Company has started to transform to an asset-light model through, among others, (i) the “build-transfer-operating model”, i.e. providing engineering, procurement, construction, and subsequent operational and maintenance services in respect of photovoltaic or solar power generation projects owned by external parties; (ii) the transfer and disposal of equity interests in project companies holding photovoltaic or solar power generation plant by the Company, (iii) the joint development model and (iv) the provision of operation and maintenance (“O&M”) services in connection with solar or photovoltaic power generation to external parties. The adoption of an asset-light model empowers the Group to stay in the solar power business by disposing its indebted subsidiaries and generating stable income from the provision of O&M services.

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 service 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 service 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) (“**GCL Operation Tech**”). GCL Operation Tech is among the earliest batch of companies in the PRC that have been awarded the highest industry-qualification in the industry. As a national high-tech enterprise, the Group was also the first in the PRC to be accredited as a “5A Solar Power Plants Operation and Maintenance Service Provider”. On the other hand, the Company is in the process of 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. Additionally, it plans to explore potential overseas expansion opportunities in O&M services, and has made preliminary contacts with potential business partners including owners of solar photovoltaic farms in the Middle East and in Southeast Asia.

In 2024, the O&M service segment of the Group had undergone significant development and expansion. As at 30 June 2024, the Group had entered into O&M service contracts with close to 300 solar power plants across the country, which had a total installed capacity of approximately 7.3GW, representing a major share of the market. In July 2024, the Group had entered into a three-year O&M service contract with each of Nanjing Xinneng Intelligent Storage Technology Co., Ltd.\* (南京鑫能智儲科技有限公司) and Zhongwei Xinhua Technology Co., Ltd. \* (中衛鑫華科技有限公司). As at 31 October 2024, the total installed capacity under the O&M service contracts had increased to approximately 9.5GW. For the ten months ended 31 October 2024, such O&M service contracts had generated revenue in the amount of approximately RMB226 million for the Group. The Group had further signed and won the bid for additional O&M service contracts through to the end of 2024. As at 31 December 2024, the Company had entered into O&M service contracts which had a total installed capacity of approximately 12.5GW.

Besides the Group's principal solar power business, to promptly capitalize on potential opportunities emerging from the overall shifts in the development landscape of the natural gas industry, the Group has been actively looking into the LNG business segment by, among other activities, analyzing and assessing the natural gas industry both domestically and internationally, as well as engaging in constructive discussions with potential business partners such as POLY-GCL Petroleum Group Holdings Limited.

Since 2023, the Group has been building a team of highly skilled and resourceful LNG professionals to spearhead efforts in promoting the diversified growth of its LNG business and accelerating the marketization of its LNG trade, with the goal of increasing the Group's revenue.

The Acquisition is a natural progression from the existing LNG business of the Company. The LNG Receiving Terminal Projects can complement the Group's LNG trading business by offering LNG storage and processing capacity to build up inventory during the off-season and satisfy market demand during the peak season.

### **Complement the LNG trading business model**

The LNG receiving terminals offer the Group its own LNG storage capacity, which can reduce storage costs when fulfilling existing long-term LNG procurement contracts and enhance the Group's bargaining power when sourcing LNG from suppliers and traders. Additionally, these terminals enable the Group to procure LNG from the international market, diversifying its natural gas supply sources and providing stable and reliable support for expanding its downstream business.

## **Share of income from the joint venture**

With the capacity offered by the LNG Receiving Terminal Project, Rudong LNG Company, being a joint venture indirectly owned as to 51% by the Target Company, can enter into terminal use agreements to, among others, lease the LNG receiving terminal to other energy companies and collect processing fees and storage charges in return.

Upon completion of the Acquisition, as a shareholder of Rudong LNG Company through the Target Company, the Group can also utilise these storage services at fair or preferential rates, thereby enhancing its price competitiveness in downstream markets. This arrangement optimises capital efficiency through the joint venture structure while sharing operational costs and responsibilities with the joint venture partner.

Having considered the above factors, the Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser) are of the view that, though the Acquisition is not in the ordinary and usual course of business of the Group, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **6. REASONS FOR AND BENEFITS OF THE LOAN AGREEMENTS**

Jiangsu Xiexin and Taicang Harbour are both subsidiaries controlled by Golden Concord. The provisions of Loan 1 and Loan 2 to Jiangsu Xiexin and Taicang Harbour respectively are funded by GCL Petroleum's idle capital, and the terms of the Loan Agreement 1 and the Loan Agreement 2 were arrived at by GCL Petroleum after arm's length negotiations and are on normal commercial terms. The interest rate of 3.85% per annum which is applicable to the Loans from 1 August 2024 is higher than the one-year loan prime rate of 3.35% released by the People's Bank of China in September 2024 and the RMB deposit rates offered by the banks to the Group, thereby enabling GCL Petroleum to receive stable interest income utilising its idle capital.

In addition, under the terms of the Loan Agreement 1 and the Loan Agreement 2, GCL Petroleum has the right to demand Jiangsu Xiexin and Taicang Harbour for early repayment of the outstanding amount of the Loans by serving a 30-day notice to Jiangsu Xiexin or Taicang Harbour. This offers a flexible mechanism to GCL Petroleum or the Group to optimize the use of its capital. Having considered the interest income to be received by GCL Petroleum on the idle capital and the flexible mechanism to optimize the use of its capital, the Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser) considered that the terms of the Loan Agreements are fair and reasonable and is in the interest of the Company and its shareholders as a whole.

## 7. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition under Rule 14.07 of the Listing Rules exceeds 25% but all of them fall below 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements.

As at the date of this announcement, (i) the Seller is indirectly wholly-owned by Asia Pacific Energy Fund which in turn is ultimately owned by the Zhu Family Trust and (ii) Jiangsu Xiexin and Taicang Harbour are indirect non wholly-owned subsidiaries of Asia Pacific Energy Fund which in turn are ultimately owned 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, the Seller, Jiangsu Xiexin and Taicang Harbour are connected persons of the Company under the Listing Rules.

Accordingly, the Acquisition constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement, circular and Independent Shareholders' approval requirements. Upon Completion, GCL Petroleum will become an indirect non wholly-owned subsidiary of the Company and the continuation of the Loans provided by the Group to Jiangsu Xiexin and Taicang Harbour will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Further, as the highest applicable percentage ratio in respect of the Loan Agreements under Rule 14.07 of the Listing Rules exceeds 25%, the Loan Agreements constitute a major and connected transaction of the Company. Therefore, the Loan Agreements are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and 14A of the Listing Rules.

Mr. Zhu Gongshan, Mr. Zhu Yufeng, Mr. Wang Dong, Mr. Gu Zengcai, Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai, being the Directors, are also executives of companies controlled by the Zhu Family Group. The above-named Directors, present at the relevant Board meeting, were not counted towards the quorum and abstained from voting on the relevant Board resolutions to approve, among other things, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder, the grant of the Specific Mandate.

Save as disclosed above, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, no other Director has any material interest in the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder and was required to abstain from voting on the relevant Board resolutions.

## **8. FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Lee Conway Kong Wai, Mr. Wang Yanguo, Dr. Chen Ying and Mr. Cai Xianhe, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with, among other things, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder and the grant of the Specific Mandate.

The Independent Board Committee has approved the appointment of Messis Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with, among other things, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder and the grant of the Specific Mandate.

## **9. THE SGM**

The SGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other things, (i) the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate for the allotment and issue of the Consideration Shares and the Conversion Shares in accordance with the terms of Sale and Purchase Agreement. The voting in relation to the Acquisition, the Loan Agreements and the grant of the Specific Mandate at the SGM will be conducted by way of a poll.

The Zhu Family Group (comprising Happy Genius Holdings Limited, Highexcel Investments Limited, Get Famous Investments Limited, Dongsheng Photovoltaic Technology (Hong Kong) Limited, Elite Time Global Limited, Mr. Wang Dong and Ms. Sun Wei holding approximately 6.84%, 0.42%, 0.01%, 6.80%, 6.20%, 0.001% and 0.01% of the total issued share capital of the Company respectively as at the date of this announcement (i.e. 95,801,506 Shares, 5,833,394 Shares, 209,880 Shares, 95,298,915 Shares, 86,878,864 Shares, 11,496 Shares and 90,995 Shares respectively) will abstain from voting at the SGM in respect of the resolution(s) approving, among other things, (i) the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate. Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholder or any of its associates (as defined in the Listing Rules) has a material interest in the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder or the grant of the Specific Mandate, and therefore no other Shareholder would be required to abstain from voting on the relevant resolutions to be proposed at the SGM.

The Consideration Shares and the Conversion Shares will be allotted and issued pursuant to the Specific Mandate. The grant of the Specific Mandate and the Conversion Shares will be sought from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares and the Conversion Shares.

The circular containing, among other things, (i) a letter from the Board containing further details of the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing the view of the Independent Board Committee on the Sale and Purchase Agreement, the Loan Agreements and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser advising the Independent Board Committee and the Independent Shareholders; and (iv) notice of the SGM, will be despatched to the Shareholders within 15 Business Days of the date of this announcement under the Listing Rules, which is expected to be on or before 24 January 2025.

**As Completion is subject to the fulfillment and/or waiver (as the case may be) of the Conditions Precedent set out under the section headed “Conditions Precedent of the Sale and Purchase Agreement” in this announcement, including approval by the Independent Shareholders at the SGM. As such, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares or securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## 10. DEFINITIONS

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

“Acquisition”	the sale and purchase of the Sale Share from the Seller to the Company;
“Asia Pacific Energy Fund”	means Asia Pacific Energy Fund Limited, a company incorporated in the Bahamas with limited liability, which is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan, as beneficiaries;
“Board”	the board of Directors;
“Business Day(s)”	a day (excluding Saturday, Sunday and public holidays) on which commercial banks are open for business in Hong Kong and the PRC;

“Cash Consideration”	cash in the amount of RMB200 million (approximately HK\$212.40 million) to be paid by the Purchaser to the Seller on the Completion Date to partially settle the Consideration pursuant to the Sale and Purchase Agreement;
“Company” or “Purchaser”	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 (stock code: 451);
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement;
“Completion Date”	means the fifth Business Day after which all Conditions Precedent have been fulfilled (or waived); or any other date as the Purchaser and the Seller may agree in writing;
“Conditions Precedent”	the conditions precedent in relation to the sale and purchase of the Sale Share in accordance with the terms of the Sale and Purchase Agreement;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable for the Sale Share under the Sale and Purchase Agreement;
“Consideration Share(s)”	153,400,000 Shares to be allotted and issued by the Company to the Seller as partial settlement of the Consideration pursuant to the Sale and Purchase Agreement;
“Conversion Price”	HK\$0.45 per Conversion Share, subject to any adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds;
“Conversion Shares”	Shares of the Company issued to the holder(s) of the Convertible Bonds upon the exercise of the conversion rights pursuant to the terms and conditions of the Convertible Bonds;

“Convertible Bonds”	the convertible bonds to be created and issued by the Company to settle part of the Consideration, and convertible into Shares pursuant to the terms and conditions of the Convertible Bonds and the Sale and Purchase Agreement;
“Director(s)”	director(s) of the Company;
“Golden Concord Group Limited (PRC)”	Golden Concord Group Limited* (協鑫集團有限公司), a company established in the PRC with limited liability;
“GCL Petroleum”	GCL Petroleum and Natural Gas Co. Ltd.* (協鑫石油天然氣有限公司), a company incorporated in the PRC with limited liability, which is an indirect non wholly-owned subsidiary of the Target Company as at the date of this announcement;
“GCL Technology”	GCL Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800);
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board;
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Lee Conway Kong Wai, Mr. Wang Yanguo, Dr. Chen Ying and Mr. Cai Xianhe, established for the purpose of advising the Independent Shareholders in connection with, among other things, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder, and the grant of the Specific Mandate;

“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the Loan Agreements, and the transactions contemplated thereunder and the grant of the Specific Mandate;
“Independent Shareholder(s)”	the Shareholder(s) other than the Zhu Family Group and any Shareholders who have a material interest in the resolutions to be passed at the SGM and must abstain from voting on the resolutions under the Listing Rules;
“independent third party(ies)”	person(s) who or company(ies) who is/are third party(ies) independent of the Company and its connected person;
“Independent Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer engaged by the Company;
“Jiangsu Xiexin”	Jiangsu Xiexin Electric Power Co., Ltd.* (江蘇協鑫電力有限公司), a company incorporated in the PRC with limited liability;
“Kunlun GCL Huidong”	Kunlun GCL Huidong LNG Terminal Rudong Co., Ltd.* (昆侖協鑫匯東液化天然氣碼頭如東有限公司), a company incorporated in the PRC with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended and supplemented from time to time);
“LNG”	liquefied natural gas;
“LNG Receiving Terminal Projects”	collectively, the Rudong LNG Receiving Terminal Project and the Maoming LNG Receiving Terminal Project;
“Loan 1”	the term loan in the principal amount of RMB111,025,453.80, provided by GCL Petroleum to Jiangsu Xiexin in accordance with the terms of the Loan Agreement 1;
“Loan 2”	the term loan in the principal amount of RMB70,000,000, provided by GCL Petroleum to Taicang Harbour in accordance with the terms of the Loan Agreement 2;

“Loans”	collectively, Loan 1 and Loan 2;
“Loan Agreements”	collectively, the Loan Agreement 1 and the Loan Agreement 2;
“Loan Agreement 1”	the loan agreement dated 31 December 2023 as supplemented by the supplemental loan agreement dated 31 July 2024 and the second supplemental loan agreement dated 1 August 2024 each entered into between GCL Petroleum and Jiangsu Xiexin relating to Loan 1, details of which are disclosed in the section headed “4. FINANCIAL ASSISTANCE IN RELATION TO THE LOANS PROVIDED BY GCL PETROLEUM – The Loan Agreement 1” in this announcement;
“Loan Agreement 2”	the loan agreements dated 18 January 2023, 10 February 2023 and 17 February 2023, and the loan agreement dated 31 December 2023 as supplemented by the supplemental loan agreement dated 31 July 2024 and the second supplemental loan agreement dated 1 August 2024 each entered into between GCL Petroleum and Taicang Harbour relating to Loan 2, details of which are disclosed in the section headed “4. FINANCIAL ASSISTANCE IN RELATION TO THE LOANS PROVIDED BY GCL PETROLEUM – The Loan Agreement 2” in this announcement;
“Long Stop Date”	30 June 2025 or such later date as may be agreed in writing by the Seller and the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement;
“LSCCB”	Leshan City Commercial Bank Co., Ltd. (樂山市商業銀行股份有限公司);
“Maoming Bohe”	Maoming Bohe LNG Co., Ltd.* (茂名博賀液化天然氣有限公司), a company incorporated in the PRC with limited liability;
“Maoming LNG Company”	GCL Liquefied Natural Gas (Maoming) Co., Ltd.* (協鑫液化天然氣(茂名)有限公司), a company incorporated in the PRC with limited liability;
“Maoming LNG Receiving Terminal Project”	the LNG receiving terminal project located in Maoming County, Guangdong province of the PRC being carried out by Maoming Bohe;

“Material Adverse Effect”	(i) a material adverse effect on (a) the business, assets, properties, financial condition, operation, prospects or results of operations of the Target Group taken as a whole or any member of the Target Group, and (b) the ability of the Seller to perform its obligations under the Sale and Purchase Agreement, or (ii) or other significant obstacles or delays for the Seller in completing the transactions contemplated under the Sale and Purchase Agreement;
“Ningbo Zhongping”	Ningbo Zhongping Corporate Management Co., Ltd* (寧波仲平企業管理有限公司), a company established in the PRC with limited liability and to the best knowledge of the Directors after making reasonable enquiry, is owned as to approximately 51.075% by Wang Kaiguo (王開國), approximately 21.102% by Qian Hong (錢紅), and approximately 27.823% by 12 other individual shareholders with each holding no more than 10% equity interests in Ningbo Zhongping, respectively, as at the date of this announcement;
“PAT”	means profit after tax of the Target Group;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Rudong LNG Company”	GCL Huidong LNG Rudong Co., Ltd.* (協鑫匯東液化天然氣如東有限公司), a company incorporated in the PRC with limited liability, which is a non wholly-owned subsidiary of GCL Petroleum as at the date of this announcement;
“Rudong LNG Receiving Terminal Project”	the LNG receiving terminal project located in Rudong County, Jiangsu province of the PRC being carried out by Rudong LNG Company;

“Sale and Purchase Agreement”	the sale and purchase agreement between the Company and the Seller dated 9 January 2025, pursuant to which the Company conditionally agreed to acquire and the Seller conditionally agreed to sell the Sale Share;
“Sale Share”	1 ordinary share of US\$1 each of the Target Company beneficially owned by the Seller;
“Seller” or “Golden Concord”	Golden Concord Group Limited (協鑫集團有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of Asia Pacific Energy Fund, which in turn is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan as beneficiaries;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to consider and, if thought fit, approve, among others, the Sale and Purchase Agreement and the Loan Agreements and the transactions contemplated thereunder, and the grant of the Specific Mandate;
“Shanghai Guoping”	Shanghai Guoping Private Investment Equity Fund Partnership (Limited Partnership)* (上海國珲私募投資基金合夥企業(有限合夥)), a limited partnership established in the PRC for equity investment;
“Shanghai Qixun”	Shanghai Qixun Investment Management Co., Ltd.* (上海其旬投資管理有限公司), a company incorporated in the PRC with limited liability;
“Share(s)”	ordinary share(s) of one-twelfth (1/12) of HK\$1.00 each (equivalent to HK\$0.083) in the share capital of the Company;

“Share Option(s)”	the 18,695,263 outstanding option(s) to subscribe for 18,695,263 new Shares granted under the share option scheme adopted by the Company on 15 October 2014, consisting of (i) 2,175,000 outstanding options to subscribe for 2,175,000 new Shares at an exercise price of HK\$7.14 per Share Option which is exercisable from 3 November 2021 to 2 November 2031; (ii) 12,924,187 outstanding options to subscribe for 12,924,187 new Shares at an exercise price of HK\$7.68 per Share Option which is exercisable from 26 February 2021 to 25 February 2031; and (iii) 3,596,076 outstanding options to subscribe for 3,596,076 new Shares at an exercise price of HK\$12.12 per Share Option which is exercisable from 24 July 2015 to 23 July 2025;
“Shareholder(s)”	the holder(s) of the Shares;
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders at the SGM to the Directors to allot and issue the Consideration Shares and the Conversion Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategic Investor 1”	Jiaxing Guomao Carbon Neutrality Equity Investment Partnership (Limited Partnership)* (嘉興國瑁碳中和股權投資合夥企業(有限合夥)), a limited partnership established in the PRC for equity investment pursuant to the partnership agreement(s) entered into by and among Ningbo Zhongping and Xuzhou Xinyuhong as the general partners and Jiangsu Xiexin and Shanghai Guoping as the limited partners, as at the date of this announcement, and according to the best knowledge of the Directors after making reasonable enquiry;
“Strategic Investor 2”	Pacific Energy Investment (Nantong) Co., Ltd.* (太平洋能源投資(南通)有限公司), a company established in the PRC with limited liability and to the best knowledge of the Directors after making reasonable enquiry, is owned as to 93.92% by Kumulla Investments Limited (“ <b>Kumulla</b> ”) (a company established in the British Virgin Islands with limited liability), as at the date of this announcement, and to the best knowledge of the Directors after making reasonable enquiry with Kumulla, Kumulla is indirectly owned by RGE Limited and is ultimately controlled by the family of Mr. Sukanto Tanoto (陳江和先生家族);

“Strategic Investor 3”	PetroChina Jiangsu LNG Co., Ltd* (中石油江蘇液化天然氣有限公司), a company established in the PRC with limited liability and to the best knowledge of the Directors after making reasonable enquiry, is owned as to 55%, 35% and 10% by Strategic Investor 4, Pacific Energy Corporation Limited (太平洋能源有限公司) (a company incorporated in Hong Kong with limited liability which is majority-owned by Kumulla) and Jiangsu Guoxin Group Limited* (江蘇省國信集團有限公司) (a company established in the PRC with limited liability which in turn is wholly-owned by the Jiangsu Provincial People’s Government (江蘇省人民政府)), respectively, as at the date of this announcement;
“Strategic Investor 4”	Kunlun Energy Company Limited (昆侖能源有限公司) (a company established in Bermuda with limited liability with its shares listed on the Stock Exchange with stock code 135);
“Strategic Investor 5”	Guangzhou Development Gas Investment Co., Ltd.* (廣州發展燃氣投資有限公司), a company established in the PRC with limited liability and to the best knowledge of the Directors after making reasonable enquiry, is wholly-owned by Guangzhou Development Group Incorporated (廣州發展集團股份有限公司), a company established in the PRC with limited liability and with its A shares listed on the Shanghai Stock Exchange with stock code 600098), as at the date of this announcement;
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules;
“Taicang Harbour”	Taicang Harbour Golden Concord Electric-power Generation Co., Ltd.* (太倉港協鑫發電有限公司), a company incorporated in the PRC with limited liability;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time);

“Target Company”	Harmonic Century Global Limited (和世環球有限公司), a company incorporated in the British Virgin Islands with limited liability;
“Target Group”	the Target Company and its subsidiaries;
“Treasure Creation”	Treasure Creation International Holding Limited (創富國際控股有限公司), a company incorporated in Hong Kong with limited liability;
“U.S.”	The United States of America;
“US\$”	U.S. dollars, the lawful currency of the U.S.;
“Xuzhou Xinyuhong”	Xuzhou Xinyuhong Corporate Management Co., Ltd.* (徐州鑫禦泓企業管理有限公司), a company established in the PRC with limited liability, and to the best knowledge of the Directors after making reasonable enquiry, is ultimately owned as to 51% and 49% by Taicang Harbour and Golden Concord Group Limited (PRC), respectively, as at the date of this announcement;
“Zhu Family Group”	Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and the son of Mr. Zhu Gongshan), Golden Concord, Happy Genius Holdings Limited, Highexcel Investments Limited, Get Famous Investments Limited, Dongsheng Photovoltaic Technology (Hong Kong) Limited, Elite Time Global Limited, Mr. Wang Dong (an executive Director) and Ms. Sun Wei (a non-executive Director);
“Zhu Family Trust”	the discretionary trust known as the “Asia Pacific Energy Fund”, of which Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and the son of Mr. Zhu Gongshan) are beneficiaries; and
“%”	per cent

***For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.062.***

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, 9 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

\* *for identification purpose only*