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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)**

### **VOLUNTARY ANNOUNCEMENT**

#### **INVESTMENT IN HENGSHAN JINGHE SOLAR ENERGY COMPANY LIMITED**

This is a voluntary announcement made by GCL New Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for keeping the shareholders of the Company and potential investors informed of the latest business development of the Group.

Reference is made to the announcement of the Company dated 21 May 2014 in relation to certain investment initiatives of the Group, including that the Company entered into a cooperation agreement (the “**Cooperation Agreement**”) with 西安黃河光伏科技股份有限公司 (Xian Huanghe Photovoltaic Technology Co., Ltd.\*) (“**Huanghe Solar**”) regarding the co-development and construction of the Yu Lin Heng Shan (榆林橫山) photovoltaic project with a production capacity of 150 MW (the “**Huanghe Project**”). Under the Cooperation Agreement, the Company and Huanghe Solar agreed to both inject capital into the relevant project company in which the Company would eventually have majority control of the relevant project company.

The Company is pleased to announce that on 28 August 2014, 蘇州協鑫新能源投資有限公司 (Suzhou GCL New Energy Investment Company Limited\*) (“**Suzhou GCL New Energy**”), an indirect wholly-owned subsidiary of the Company, has entered into a definitive capital injection agreement (the “**Agreement**”) with Huanghe Solar. Pursuant to the Agreement and subject to the terms and conditions of the Agreement, Suzhou GCL New Energy has agreed to subscribe for 91% equity interest in 橫山晶合太陽能發電有限公司 (Hengshan Jinghe Solar Energy Company Limited\*) (the “**Target Company**”) at a total consideration of RMB81.9 million (the “**Subscription**”). Huanghe Solar will own the remaining 9% of the Target Company following the completion of the Agreement.

#### **INFORMATION ON THE TARGET COMPANY**

The Target Company is a company incorporated in the People’s Republic of China which is engaged in the construction of the solar photovoltaic power projects and the sales of ancillary solar photovoltaic power equipment.

## **REASONS FOR AND BENEFIT OF THE SUBSCRIPTION**

Renewable energy is a core focus of the Group's business and the Group would like to continue to invest in, construct and develop additional photovoltaic power stations. Upon completion of the Subscription, the Group would increase its photovoltaic projects by an additional 150MW. In view of (i) the increasing demand for renewable energy in the People's Republic of China; (ii) the emphasis placed on renewable energy by the People's Republic of China government in its twelfth five-year plan; and (iii) the synergy between the Group's existing power generation operations with the Target Company, the Board (including the independent non-executive Directors) considers the Subscription provide an opportunity for the Group to further expand in the solar energy industry which is core part of the Group's strategy.

## **REQUIREMENT OF THE LISTING RULES**

Pursuant to Rule 14.04(1)(f) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong (the "**Listing Rules**"), the establishment of a joint venture will not be subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules if the Company establishes a joint venture where:

- (i) the joint venture is engaging in a single purpose project which is of a revenue nature in the ordinary and usual course of business of the Company;
- (ii) the joint venture arrangement is on an arm's length basis and on normal commercial terms; and
- (iii) the joint venture agreement contains clause(s) to the effect that the joint venture may not, without its partners' unanimous consent:
  - (a) change the nature or scope of its business; or
  - (b) enter into any transactions which are not on an arm's length basis.

The Board confirms that (i) the Target Company engages in the development of photovoltaic power generation facilities which is of a revenue nature and in the ordinary and usual course of business of the Company; (ii) the joint venture arrangement between Suzhou GCL New Energy and Huanghe Solar is on an arm's length basis and on normal commercial terms and (iii) the joint venture agreement contain clauses to the effect that the Target Company may not without its partners' unanimous consent to change the nature or scope of its business or enter into any transactions which are not on an arm's length basis. Accordingly, the Subscription does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the directors of the Company, and having made all reasonable enquires, Huanghe Solar and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

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

Hong Kong, 28 August 2014

*As at the date of this announcement, the executive Directors are Mr. Zhu Gongshan, Mr. Tang Cheng, Mr. Gu Xin, Ms. Hu Xiaoyan, Mr. Yip Sum Yin, the non-executive Directors are Ms. Sun Wei and Mr. Yu Baodong, the independent non-executive Directors are Mr. Wang Bohua, Mr. Xu Songda, Mr. Han Qing-hua and Mr. Lee Conway Kong Wai.*

\* *English name for identification only*