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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)

MAJOR TRANSACTION WITH ZHONGLI SOLAR TECHNOLOGY AND CHANGSHU ZHONGLI SOLAR

MAJOR TRANSACTION WITH ZHONGLI SOLAR TECHNOLOGY AND CHANGSHU ZHONGLI SOLAR

The Board is pleased to announce that on 30 December 2014 the Baotou Zhongli EPC Agreement was entered into between Baotou Zhongli Photovoltaic (a proposed subsidiary of the Company) as the principal, Zhongli Solar Technology as the contractor and Baotou Zhongli Target Company as the pledgor under which Zhongli Solar Technology undertakes to provide the engineering, procurement and construction services in relation to a 30MW photovoltaic solar power station in Baotou City, Inner Mongolia Autonomous Region, PRC.

Baotou Zhongli Photovoltaic will be acquired under the terms of the Baotou Zhongli SPA which was also entered into on 30 December 2014 under which the Purchaser, an indirect wholly owned subsidiary of the Company, agreed to acquire the entire equity interests of the Baotou Zhongli Target Company.

Zhongli Solar Technology and Baotou Zhongli Target Company also entered into the Baotou Zhongli Equity Interest Pledge Agreement on 30 December 2014 under which the Baotou Zhongli Target Company agreed to pledge 100% of the equity interests in Baotou Zhongli Photovoltaic held by it to Zhongli Solar Technology to secure 80% of the total consideration of the Baotou Zhongli EPC Agreement and all the interest accrued on the aforesaid principal amount and all costs and expenses to be incurred by Zhongli Solar Technology for collecting the principal amount and the accrued interest.

Baotou Zhongli Photovoltaic and Zhongli Solar Technology further entered into a Photovoltaic Power Station Development Construction and Management Entrustment Agreement on 30 December 2014 under which Baotou Zhongli Photovoltaic agreed to appoint Zhongli Solar Technology as the contractor to provide the engineering, procurement and construction services in relation to Phase II of Baotou Zhongli EPC Project, a 70MW photovoltaic solar power station in Baotou City, Inner Mongolia Autonomous Region, PRC which intends to increase the capacity of Baotou Zhongli EPC Project from 30MW to 100MW.

In addition, on 30 December 2014 the Gonghe Zhongli EPC Agreement was entered into between Hainan Zhongli Power (a proposed subsidiary of the Company) as the principal, Zhongli Solar Technology as the contractor and Gonghe Zhongli Target Company as the pledgor under which Zhongli Solar Technology undertakes to provide the engineering, procurement and construction services in relation to a photovoltaic solar power station in Gonghe county, Qinghai Province, PRC.

Hainan Zhongli Power will be acquired under the terms of the Gonghe Zhongli SPA which was also entered into on 30 December 2014 under which the Purchaser, an indirect wholly owned subsidiary of the Company, agreed to acquire the entire equity interests of the Gonghe Zhongli Target Company.

Zhongli Solar Technology and Gonghe Zhongli Target Company also entered into the Gonghe Zhongli Equity Interest Pledge Agreement on 30 December 2014 under which Gonghe Zhongli Target Company agreed to pledge 100% of the equity interests in Hainan Zhongli Power held by it to Zhongli Solar Technology to secure 80% of the total consideration of the Gonghe Zhongli EPC Agreement and all the interest accrued on the aforesaid principal amount and all costs and expenses to be incurred by Zhongli Solar Technology for collecting the principal amount and the accrued interest.

The transactions contemplated under the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement are aggregated together on the basis that the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement are in relation to project companies, engineering, procurement and construction services being provided by the same contractor, Zhongli Solar Technology.

As one or more of the applicable percentage ratios in respect of the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement (in aggregate) exceeds 25% but less than 100%, the entering into of those agreements constitutes a major transaction of the Company and the Company is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the Directors and after having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the Major Transaction and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for ratifying and approving the Major Transaction. Pursuant to Rule 14.44 of the Listing Rules, the Company will request a written approval from Elite Time Global (which as at the date of this announcement, held 8,640,000,000 Shares in the Company, representing approximately 62.28% of the issued share capital of the Company) to ratify and approve the Major Transaction. If the Company receives such written Shareholder's approval, no Shareholders' meeting will be held to approve the Major Transaction pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Major Transaction will be despatched to the Shareholders on or before 21 January 2015.

(1) INTRODUCTION

This announcement is made by the Company pursuant to Chapter 14 of the Listing Rules.

(2) MAJOR TRANSACTION ENTERED INTO BY THE COMPANY WITH ZHONGLI SOLAR TECHNOLOGY AND CHANGSHU ZHONGLI SOLAR

The Board would like to inform the Shareholders that the Baotou Zhongli EPC Agreement was entered into between Baotou Zhongli Photovoltaic (a proposed subsidiary of the Company under the terms of the Baotou Zhongli SPA) as the principal, Zhongli Solar Technology as the contractor and Baotou Zhongli Target Company as the pledgor on 30 December 2014 under which Zhongli Solar Technology undertakes to provide the engineering, procurement and construction services in relation to a photovoltaic solar power station in Baotou City, Inner Mongolia Autonomous Region, PRC.

On 30 December 2014, the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Baotou Zhongli SPA with the Vendors. Pursuant to the Baotou Zhongli SPA, the Purchaser agreed to acquire the entire equity interests of the Baotou Zhongli Target Company. The Baotou Zhongli Target Company is the sole direct shareholder of Baotou Zhongli Photovoltaic.

Zhongli Solar Technology and Baotou Zhongli Target Company also entered into the Baotou Zhongli Equity Interest Pledge Agreement on 30 December 2014 under which Baotou Zhongli Target Company agreed to pledge 100% of the equity interests in Baotou Zhongli Photovoltaic held by it to Zhongli Solar Technology to secure 80% of the total consideration of the Baotou Zhongli EPC Agreement and all the interest accrued on the aforesaid principal amount and all costs and expenses to be incurred by Zhongli Solar Technology for collecting the principal amount and the accrued interest.

Baotou Zhongli Photovoltaic and Zhongli Solar Technology further entered into a Photovoltaic Power Station Development Construction and Management Entrustment Agreement on 30 December 2014 under which Baotou Zhongli Photovoltaic agreed to

appoint Zhongli Solar Technology as the contractor to provide the engineering, procurement and construction services in relation to Phase II of Baotou Zhongli EPC Project, a 70MW photovoltaic solar power station in Baotou City, Inner Mongolia Autonomous Region, PRC which intends to increase the capacity of Baotou Zhongli EPC Project from 30MW to 100MW.

The Gonghe Zhongli EPC Agreement was also entered into between Hainan Zhongli Power (a proposed subsidiary of the Company under the terms of the Gonghe Zhongli SPA) as the principal, Zhongli Solar Technology as the contractor and Gonghe Zhongli Target Company as the pledgor on 30 December 2014 under which Zhongli Solar Technology undertakes to provide the engineering, procurement and construction services in relation to a photovoltaic solar power station in Gonghe county, Qinghai Province, PRC.

On 30 December 2014, the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Gonghe Zhongli SPA with the Vendors. Pursuant to the Gonghe Zhongli SPA, the Purchaser agreed to acquire the entire equity interests of the Gonghe Zhongli Target Company. The Gonghe Zhongli Target Company is the sole direct shareholder of Hainan Zhongli Power.

Zhongli Solar Technology and Gonghe Zhongli Target Company entered into the Gonghe Zhongli Equity Interest Pledge Agreement on 30 December 2014 under which Gonghe Zhongli Target Company agreed to pledge 100% of the equity interests in Hainan Zhongli Power held by it to Zhongli Solar Technology to secure 80% of the total consideration of the Gonghe Zhongli EPC Agreement and all the interest accrued on the aforesaid principal amount and all costs and expenses to be incurred by Zhongli Solar Technology for collecting the principal amount and the accrued interest.

The aggregate consideration under the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement is RMB818,500,000 (equivalent to approximately HK\$1,020,260,250).

A. PRINCIPAL TERMS OF BAOTOU ZHONGLI EPC AGREEMENT

(i) Date

30 December 2014

(ii) Parties

Principal: Baotou Zhongli Photovoltaic

Contractor: Zhongli Solar Technology

Pledgor: Baotou Zhongli Target Company

(iii) Subject matter

Baotou Zhongli Photovoltaic agreed to engage Zhongli Solar Technology to provide the engineering, procurement and construction services in relation to a 30MW photovoltaic solar power station in Baotou City, Inner Mongolia Autonomous Region, PRC (“**Baotou Zhongli EPC Project**”).

(iv) Basis of consideration

The consideration for the services under the Baotou Zhongli EPC Agreement shall be RMB281,000,000 (equivalent to approximately HK\$350,266,500).

Baotou Zhongli EPC Agreement was negotiated and entered into on an arm’s length basis and on normal commercial terms. The consideration under Baotou Zhongli EPC Agreement was determined with reference to (a) the quality standard of the services to be provided under the Baotou Zhongli EPC Agreement; (b) the profit margin of the project; and (c) the prevailing market price.

(v) Payment terms

The consideration for the services under Baotou Zhongli EPC Agreement shall be paid by Baotou Zhongli Photovoltaic to Zhongli Solar Technology in five instalments in accordance with the following milestones provided that (a) the construction of the power grid constructed under the Baotou Zhongli EPC Agreement has been completed and the power grid has started to generate power prior to 31 January 2015 and (b) the power grid constructed under the Baotou Zhongli EPC Agreement has been amalgamated with the national grid.

1. First instalment: RMB143,310,000 (equivalent to approximately HK\$178,635,915) (i.e. representing 51% of the consideration) shall be paid by Baotou Zhongli Photovoltaic prior to 31 March 2015 provided that Zhongli Solar Technology has procured that all approvals and licenses and all agreements required for the operation of Baotou Zhongli EPC Project by the relevant PRC governmental authorities have been obtained or entered into by Baotou Zhongli Photovoltaic or other relevant party;
2. Second instalment: RMB81,490,000 (equivalent to approximately HK\$101,577,285) (i.e. representing 29% of the consideration) to be paid prior to 30 June 2015 provided that Baotou Zhongli Photovoltaic has obtained financing;
3. Third instalment: RMB14,050,000 (equivalent to approximately HK\$17,513,325) (i.e. representing 5% of the consideration) to be paid once Zhongli Solar Technology has procured the Baotou Zhongli EPC Project to be included in the Catalogue of Additional Subsidies for Renewable Electricity Prices (the First Group) of 2015 and the final accounting of Baotou Zhongli EPC Project upon its completion has been completed;
4. Fourth instalment: RMB14,050,000 (equivalent to approximately HK\$17,513,325) (i.e. representing 5% of the consideration) to be paid once Zhongli Solar Technology has provided Baotou Zhongli Photovoltaic with all necessary licenses and approvals issued by the relevant PRC governmental

authorities (including the final inspection and acceptance certificate) and the final accounting of Baotou Zhongli EPC Project upon its completion has been completed; and

5. Fifth instalment: RMB28,100,000 (equivalent to approximately HK\$35,026,650) (i.e. representing 10% of the consideration) to be paid upon the expiration of the warranty period of the power grid constructed under the Baotou Zhongli EPC Agreement provided that by then there are no quality issues with the power grid or such issues have been properly resolved.

If the date on which the unit price for the subsidized electricity (which is set at RMB0.90 per kwh) becomes effective pursuant to the governmental approval obtained by Zhongli Solar Technology is later than the date required by Baotou Zhongli Target Company, or the governmental approval obtained by Zhongli Solar Technology requires the unit electricity price to be lower than RMB0.90 per kwh, the Vendors shall reimburse the Baotou Zhongli Target Company an amount equal to the product of the actual amount of electricity generated by the Baotou Zhongli EPC Project multiplied by the difference between RMB0.90 and the actual unit electricity price.

(vi) Conditions precedent

The Baotou Zhongli EPC Agreement shall be conditional on the Company complying with the requirements of the Listing Rules.

(vii) Equity interest pledge

Zhongli Solar Technology and Baotou Zhongli Target Company entered into the Baotou Zhongli Equity Interest Pledge Agreement on 30 December 2014 under which Baotou Zhongli Target Company agreed to pledge 100% of the equity interests in Baotou Zhongli Photovoltaic held by it to Zhongli Solar Technology as a security for the following payments:

1. 80% of the total consideration for the services under Baotou Zhongli EPC Agreement payable to Zhongli Solar Technology; and
2. all interest accrued on the aforesaid principal amount (including overdue interest), damages, compensations payable to Zhongli Solar Technology, all costs and expenses incurred for Zhongli Solar Technology to collect the principal amount, the accrued interest and other payments referred to herein (including without limitation fees and expenses related to litigation or arbitration proceedings, travel, enforcement, appraisal and attorney's fees) and other payments payable by Baotou Zhongli Photovoltaic to Zhongli Solar Technology.

(viii) Phase II of Baotou Zhongli EPC Project

Baotou Zhongli Photovoltaic and Zhongli Solar Technology entered into a Photovoltaic Power Station Development Construction and Management Entrustment Agreement on 30 December 2014 under which Baotou Zhongli Photovoltaic agreed to appoint Zhongli Solar Technology as the contractor to provide the engineering, procurement and construction services in relation to Phase II of Baotou Zhongli EPC Project, a 70MW photovoltaic solar power station in Baotou City, Inner Mongolia Autonomous Region, PRC which intends to increase the capacity of Zhongli EPC Project from 30MW to 100MW. Baotou Zhongli Photovoltaic and Zhongli Solar Technology will enter into a definitive engineering, procurement and construction services agreement after Zhongli Solar Technology obtains from the Development and Reform Commission the quota for constructing Phase II of Baotou Zhongli EPC Project.

B. PRINCIPAL TERMS OF GONGHE ZHONGLI EPC AGREEMENT

(i) Date

30 December 2014

(ii) Parties

Principal: Hainan Zhongli Power

Contractor: Zhongli Solar Technology

Pledgor: Gonghe Zhongli Target Company

(iii) Subject matter

Hainan Zhongli Power agreed to engage Zhongli Solar Technology to provide the engineering, procurement and construction services in relation to a 50MW photovoltaic solar power station in Gonghe County, Qinghai Province, PRC (“Gonghe Zhongli EPC Project”).

(iv) Basis of consideration

The consideration for the services under the Gonghe Zhongli EPC Agreement shall be RMB522,500,000 (equivalent to approximately HK\$651,296,250).

Gonghe Zhongli EPC Agreement was negotiated and entered into on an arm’s length basis and on normal commercial terms. The consideration under Gonghe Zhongli EPC Agreement was determined with reference to (a) the quality standard of the services to be provided under the Gonghe Zhongli EPC Agreement; (b) the profit margin of the project; and (c) the prevailing market price.

(v) Payment terms

The consideration for the services under Gonghe Zhongli EPC Agreement shall be paid by Hainan Zhongli Power to Zhongli Solar Technology in five instalments in accordance with the following milestones provided that (a) the construction of the power grid constructed under the Gonghe Zhongli EPC Agreement has been completed and the power grid has started to generate power prior to 31 March 2015 and (b) the power grid constructed under the Gonghe Zhongli EPC Agreement has been amalgamated with the national grid.

1. First instalment: RMB266,475,000 (equivalent to approximately HK\$332,161,087.50) (i.e. representing 51% of the consideration) shall be paid by Hainan Zhongli Power prior to 31 March 2015 provided that Zhongli Solar Technology has procured that all approvals and licenses and all agreements required for the operation of Gonghe Zhongli EPC Project by the relevant PRC governmental authorities have been obtained or entered into by Hainan Zhongli Power or other relevant party;
2. Second instalment: RMB151,525,000 (equivalent to approximately HK\$188,875,912.50) (i.e. representing 29% of the consideration) to be paid prior to 30 June 2015 provided that Hainan Zhongli Power has obtained financing;
3. Third instalment: RMB26,125,000 (equivalent to approximately HK\$32,564,812.50) (i.e. representing 5% of the consideration) to be paid once Zhongli Solar Technology has procured the Gonghe Zhongli EPC Project to be included in the Catalogue of Additional Subsidies for Renewable Electricity Prices (the First Group) of year 2015 and the final accounting of Gonghe Zhongli EPC Project upon its completion has been completed;
4. Fourth instalment: RMB26,125,000 (equivalent to approximately HK\$32,564,812.50) (i.e. representing 5% of the consideration) to be paid once Zhongli Solar Technology has provided Hainan Zhongli Power with all necessary licenses and approvals issued by the relevant PRC governmental authorities (including the final inspection and acceptance certificate) and the final accounting of Gonghe Zhongli EPC Project upon its completion has been completed; and
5. Fifth instalment: RMB52,250,000 (equivalent to approximately HK\$65,129,625) (i.e. representing 10% of the consideration) to be paid upon the expiration of the warranty period of the power grid constructed under the Gonghe Zhongli EPC Agreement provided that by then there are no quality issues with the power grid or such issues have been properly resolved.

If the date on which the unit price for the subsidized electricity (which is set at RMB0.95 per kwh) becomes effective pursuant to the governmental approval obtained by Zhongli Solar Technology is later than the date required by Gonghe Zhongli Target Company, or the governmental approval obtained by Zhongli Solar Technology requires the unit electricity price to be lower than RMB0.95 per kwh, the Vendors shall reimburse the Gonghe Zhongli Target Company an amount equal to

the product of the actual amount of electricity generated by the Gonghe Zhongli EPC Project multiplied by the difference between RMB0.95 and the actual unit electricity price.

(vi) Conditions precedent

The Gonghe Zhongli EPC Agreement shall be conditional on the Company complying with the requirements of the Listing Rules.

(vii) Equity interest pledge

Zhongli Solar Technology and Gonghe Zhongli Target Company entered into the Gonghe Zhongli Equity Interest Pledge Agreement on 30 December 2014 under which Gonghe Zhongli Target Company agreed to pledge 100% of the equity interests in Hainan Zhongli Power held by it to Zhongli Solar Technology as a security for the following payments:

1. 80% of the total consideration for the services under Gonghe Zhongli EPC Agreement payable to Zhongli Solar Technology; and
2. all interest accrued on the aforesaid principal amount (including overdue interest), damages, compensations payable to, all costs and expenses incurred by Zhongli Solar Technology to collect the principal amount, the accrued interest and other payments referred to herein (including without limitation fees and expenses related to litigation or arbitration proceedings, travel, enforcement, appraisal and attorney's fees) and other payments payable by Baotou Zhongli Photovoltaic to Zhongli Solar Technology.

C. PRINCIPAL TERMS OF BAOTOU ZHONGLI SPA

(i) Date

30 December 2014

(ii) Parties

Purchaser: Suzhou GCL New Energy

Vendors: Zhongli Solar Technology and Changshu Zhongli Solar

(iii) Equity Interests to be acquired

Pursuant to and subject to the terms and conditions of the Baotou Zhongli SPA, the Purchaser agreed to acquire the entire equity interest in the Baotou Zhongli Target Company. Upon completion, the Baotou Zhongli Target Company will become a directly owned subsidiary of the Purchaser and an indirectly owned subsidiary of the Company. The Baotou Zhongli Target Company is the sole direct shareholder of Baotou Zhongli Photovoltaic. Zhongli Solar Technology held 90% of the equity interests of Baotou Zhongli Target Company, and Changshu Zhongli Solar held 10% of the equity interests of Baotou Zhongli Target Company prior to the completion of the Baotou Zhongli SPA.

(iv) Consideration

Pursuant to the Baotou Zhongli SPA, the total consideration of RMB10,000,000 (equivalent to approximately HK\$12,465,000) shall be paid to the Vendors. In particular, 90% of the total consideration, i.e., RMB9,000,000 (equivalent to approximately HK\$11,218,500), shall be paid to Zhongli Solar Technology within two business days after Baotou Zhongli SPA becomes effective, and 10% of the total consideration, i.e., RMB1,000,000 (equivalent to approximately HK\$1,246,500) shall be paid to Changshu Zhongli Solar within two business days after Baotou Zhongli SPA becomes effective.

The consideration was determined on normal commercial terms after arm's length negotiations between the Purchaser and the Vendors after taking into account, among others, the new capital to be injected into the Baotou Zhongli Target Company and the registered capital following the completion of the Baotou Zhongli SPA.

(v) Completion

Completion shall take place on the date of the change of the registered shareholders of the Baotou Zhongli Target Company with the local Administration for Industry and Commerce, which is expected to take place within four business days after the Baotou Zhongli SPA becomes effective.

D. PRINCIPAL TERMS OF GONGHE ZHONGLI SPA

(i) Date

30 December 2014

(ii) Parties

Purchaser: Suzhou GCL New Energy

Vendors: Zhongli Solar Technology and Changshu Zhongli Solar

(iii) Equity Interests to be acquired

Pursuant to and subject to the terms and conditions of the Gonghe Zhongli SPA, the Purchaser agrees to acquire the entire equity interest in the Gonghe Zhongli Target Company. Upon completion, the Gonghe Zhongli Target Company will become a directly owned subsidiary of the Purchaser and an indirectly owned subsidiary of the Company. Gonghe Zhongli Target Company is the sole direct shareholder of Hainan Zhongli Power. Zhongli Solar Technology held 90% of the equity interests of Gonghe Zhongli Target Company, and Changshu Zhongli Solar held 10% of the equity interests of Gonghe Zhongli Target Company prior to the completion of the Gonghe Zhongli SPA.

(iv) Consideration

Pursuant to the Gonghe Zhongli SPA, the total consideration of RMB5,000,000 (equivalent to approximately HK\$6,232,500) shall be paid to the Vendors. In particular, 90% of the total consideration, i.e., RMB9,000,000 (equivalent to approximately HK\$11,218,500), shall be paid to Zhongli Solar Technology within

two business days after Gonghe Zhongli SPA becomes effective, and 10% of the total consideration, i.e., RMB1,000,000 (equivalent to approximately HK\$1,246,500) shall be paid to Changshu Zhongli Solar within two business days after Gonghe Zhongli SPA becomes effective.

The consideration was determined on normal commercial terms after arm's length negotiations between the Purchaser and the Vendors after taking into account, among others, the new capital to be injected into the Gonghe Zhongli Target Company and the registered capital following the completion of the Gonghe Zhongli SPA.

(v) Completion

Completion shall take place on the date of the change of the registered shareholders of the Gonghe Zhongli Target Company with the local Administration for Industry and Commerce, which is expected to take place within four business days after the Gonghe Zhongli SPA becomes effective.

E. REASONS AND BENEFITS OF THE MAJOR TRANSACTION

Since May 2014, the Company has announced various renewable energy projects and acquisitions showing the new nature and scope of the business of Group, including the Company's announcements dated 21 May 2014, 26 August 2014, 28 August 2014, 6 October 2014, 10 November 2014, 28 November 2014 and 4 December 2014.

As a developer of greenfield projects, the Group has to engage contractors to provide engineering, procurement and constructions services to construct its solar power generation projects. Zhongli Solar Technology is a well-known EPC contractor and has extensive local resources. The Group believes that it can deliver service at a quality standard which meets the expectations of the Group.

Based on the above reasons, the Directors consider, confirm and ratify that the terms of Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement are fair and reasonable and major transactions entered into by the Company with Changshu Zhongli Solar and Zhongli Solar Technology had been carried out on normal commercial terms in the ordinary course of business of the Company and in the interests of the Company and the Shareholders as a whole.

F. INFORMATION ON THE PARTIES TO THE MAJOR TRANSACTION

Baotou Zhongli Photovoltaic

Baotou Zhongli Photovoltaic is principally engaged in (i) making investment in, constructing, providing maintenance and management service for photovoltaic power stations, (ii) development of photovoltaic power station technology and equipment, (iii) providing consulting technical services in respect of photovoltaic electricity generation projects, and (iv) wholesaling and retailing of photovoltaic equipment, hardware, electrical appliances and mechanical and electrical products (subject to necessary governmental approvals).

Hainan Zhongli Power

Hainan Zhongli Power is principally engaged in (i) making investment in, constructing, providing maintenance and management service for photovoltaic power stations, (ii) development of photovoltaic power station technology and equipment, (iii) providing consulting technical services in respect of photovoltaic electricity generation projects, and (iv) wholesaling and retailing of photovoltaic equipment, hardware, electrical appliances and mechanical and electrical products (subject to necessary governmental approvals).

Changshu Zhongli Solar

Changshu Zhongli Solar is principally engaged in (i) assembling and sale of photovoltaic components and modules, (ii) sale of photovoltaic materials, photovoltaic products and components, equipment and components of photovoltaic power stations, mechanical and electrical products, hardware and electrical appliances, (iii) providing designing, consulting and technical services for photovoltaic power stations, and (iv) importing and exporting goods and technologies (except for goods and technologies which can only be imported or exported by companies designated by governmental authorities or are prohibited from being imported or exported)(subject to necessary governmental approvals).

Zhongli Solar Technology

Zhongli Solar Technology is principally engaged in (i) researching, developing, manufacturing and sale of photovoltaic electricity generating products, (ii) providing technical, consulting and installing and commissioning services for photovoltaic solar power products, (iii) investing in and operating photovoltaic power stations, (iv) providing engineering, procurement and construction services for photovoltaic power stations, (v) importing and exporting goods and technologies (except for goods and technologies which can only be imported or exported by companies designated by governmental authorities or are prohibited from being imported or exported), and (vi) breeding and sale of aquatic products (except for aquatic seedlings) (subject to necessary governmental approvals).

Baotou Zhongli Target Company

Baotou Zhongli Target Company is principally engaged in (i) making investment in, constructing, providing maintenance and management service for photovoltaic power stations, (ii) development of photovoltaic power station technology and equipment, (iii) providing technical consulting services in respect of photovoltaic electricity generation projects, and (iv) sales of photovoltaic equipment, hardware, electrical appliances, transport equipment, household electrical appliances, mechanical equipment and electrical products.

Gonghe Zhongli Target Company

Gonghe Zhongli Target Company is principally engaged in (i) development of photovoltaic power station technology and equipment, (ii) making investment in, constructing, providing maintenance and management service for photovoltaic power stations, and (iii) sales of photovoltaic equipment, hardware, electrical appliances, mechanical equipment and electrical products.

As at the date of this announcement, the Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Changshu Zhongli Solar and Zhongli Solar Technology, and the ultimate beneficial owners of Changshu Zhongli Solar and Zhongli Solar Technology are third parties independent of the Company and the connected persons of the Company.

G. LISTING RULES IMPLICATIONS

Each of Baotou Zhongli EPC Agreement and Gonghe Zhongli EPC Agreement was entered into by Baotou Zhongli Photovoltaic and Hainan Zhongli Power respectively prior to each of them becoming a subsidiary of the Company under the terms of the Baotou Zhongli SPA and the Gonghe Zhongli SPA. Therefore, the Board considers that the abovementioned agreements shall be deemed to be transactions entered into by the Group.

The transactions contemplated under the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement are aggregated together on the basis that the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement are in relation to a project company, engineering, procurement and construction services being provided by the same contractor, Zhongli Solar Technology.

As one or more of the applicable percentage ratios in respect of the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement (in aggregate) exceeds 25% but less than 100%, the entering into of those agreements constitutes a major transaction of the Company and the Company is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

H. GENERAL

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the Directors and after having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the Major Transaction and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for ratifying and approving the Major Transaction. Pursuant to Rule 14.44 of the Listing Rules, the Company will request a written approval from Elite Time Global (which as at the date of this announcement, held 8,640,000,000 Shares in the Company, representing approximately 62.28% of the issued share capital of the Company) to ratify and approve the Major Transaction. If the Company receives such written Shareholder's approval, no Shareholders' meeting will be held to approve the Major Transaction pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the Major Transaction will be despatched to the Shareholders on or before 21 January 2015.

(3) INFORMATION ON THE GROUP

The Group is principally engaged in development, construction, investment, operation and management of photovoltaic power station projects as well as providing energy storage, energy efficiency, intelligent micro-grid and energy distribution solutions to its customers and joint venture partners.

(4) DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

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| “associate(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Baotou Zhongli EPC Agreement” | the agreement dated 30 December 2014 (including annexures) entered into between as the Baotou Zhongli Photovoltaic as the principal, Zhongli Solar Technology as the contractor and Baotou Zhongli Target Company as the pledgor under which Zhongli Solar Technology undertakes to provide the design, exploration, construction, installation of the Baotou Zhongli EPC Project |
| “Baotou Zhongli Equity Interest Pledge Agreement” | The equity interest pledge agreement dated 30 December 2014 entered into between Baotou Zhongli Target Company and Zhongli Solar Technology |
| “Baotou Zhongli Photovoltaic” | Baotou Zhongli Talesun Photovoltaic Power Generation Company Limited* (包頭市中利騰輝光伏發電有限公司), a company incorporated in the PRC and is a proposed subsidiary of the Company |
| “Baotou Zhongli SPA” | the share transfer agreement dated 30 December 2014 entered into between the Purchaser and the Vendors in relation to the acquisition of the Baotou Zhongli Target Company |
| “Baotou Zhongli Target Company” | Changzhou Zhonghui Solar Technology Company Limited* (常州中輝光伏科技有限公司), a PRC incorporated company wholly owned by the Vendors prior to the completion of the Baotou Zhongli SPA and the sole direct shareholder of Baotou Zhongli Photovoltaic |
| “Board” | the board of the Directors |
| “Changshu Zhongli Solar” | Changshu Zhongli Talesun Solar Materials Company Limited* (常熟中利騰輝光伏材料有限公司), a PRC incorporated company |

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| “Company” | GCL New Energy Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange, with stock code 451. As at the date of this announcement, Elite Time Global holds approximately 62.28% of the issued share capital of the Company |
| “connected person(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Elite Time Global” | Elite Time Global Limited, a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of GCL-Poly which, as at the date of this announcement, holds 8,640,000,000 Shares representing approximately 62.28% of the issued share capital of the Company |
| “GCL-Poly” | GCL-Poly Energy 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, with stock code 3800 |
| “Gonghe Zhongli EPC Agreement” | the agreement dated 30 December 2014 (including annexures) entered into between Hainan Zhongli Power as the principal, Zhongli Solar Technology as the contractor and Gonghe Zhongli Target Company as the pledgor under which Zhongli Solar Technology undertakes to provide the design, exploration, construction, installation of Gonghe Zhongli EPC Project |
| “Gonghe Zhongli Equity Interest Pledge Agreement” | The equity interest pledge agreement dated 30 December 2014 entered into between Gonghe Zhongli Target Company and Zhongli Solar Technology |
| “Gonghe Zhongli SPA” | the share transfer agreement dated 30 December 2014 entered into between the Purchaser and the Vendors in relation to the acquisition of the Gonghe Zhongli Target Company |
| “Gonghe Zhongli Target Company” | Changzhou Xintian New Energy Company Limited* (常州新天新能源有限公司), a PRC incorporated company wholly owned by the Vendors prior to the completion of the Gonghe Zhongli SPA and the sole direct shareholder of Hainan Zhongli Power |
| “Group” | the Company and its subsidiaries |
| “Hainan Zhongli Power” | Zhongli Talesun Hainan Power Company Limited* (中利騰輝海南電力有限公司), a company incorporated in the PRC and is a proposed subsidiary of the Company |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Major Transaction” | all the transactions entered into pursuant to the Baotou Zhongli EPC Agreement, Baotou Zhongli SPA, Gonghe Zhongli EPC Agreement, Gonghe Zhongli SPA, Baotou Zhongli Equity Interest Pledge Agreement, Gonghe Zhongli Equity Interest Pledge Agreement and Photovoltaic Power Station Development Construction and Management Entrustment Agreement |
| “Photovoltaic Power Station Development Construction and Management Entrustment Agreement” | the photovoltaic power station development construction and management entrustment agreement dated 30 December 2014 entered into between Baotou Zhongli Photovoltaic and Zhongli Solar Technology |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan |
| “Purchaser” or “Suzhou GCL New Energy” | Suzhou GCL New Energy Investment Company Limited* (蘇州協鑫新能源投資有限公司), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | ordinary share(s) of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiaries” | has the same meaning ascribed to it under the Listing Rules |
| “Vendors” | Zhongli Solar Technology and Changshu Zhongli Solar |
| “Zhongli Solar Technology” | Zhongli Talesun Solar Technology Company Limited* (中利騰輝光伏科技有限公司), a company incorporated in the PRC |
| “%” | per cent. |

* For identification purpose only

This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.2465, being the exchange rate prevailing on 29 December 2014. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

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

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, 30 December 2014