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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)

BUSINESS UPDATE UPDATE ON COMPLETION OF PROJECTS IN 2014 AND FUTURE TARGETS

This announcement is made by the board of directors (the “**Board**”) of GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “**Company**”) to provide an update on the projects of the Company and its subsidiaries (the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that the Group’s solar farms have reached 615.5 megawatts of total operational power installed capacity completed with approval for on-grid connection (“**Grid-connected Capacity**”) as at 31 December 2014. In January 2015, the Group has completed an additional 52.0 megawatts of Grid-Connected Capacity as at the date of this announcement. As a result, the Group’s total Grid-connected Capacity as at the date of this announcement is 667.5 megawatts. Furthermore, the Group has an additional 541 megawatts of capacity under construction.

A breakdown of the 667.5 megawatts of total Grid-connected Capacity is as follows:

- 160 megawatts in Inner Mongolia, 150 megawatts in Jiangsu, 110 megawatts in Shanxi, 100 megawatts in Qinghai, 80 megawatts in Xinjiang, 50 megawatts in Sichuan and 17.5 megawatts in Zhejiang;
- 606 megawatts of which are utility-scale solar farms and 61.5 megawatts of which are distributed power generation; and
- 567.5 megawatts through joint-development and 100 megawatts through acquisitions.

A breakdown of the 541 megawatts of capacity under construction is as follows:

- 150 megawatts in Shaanxi, 130 megawatts in Ningxia, 81 megawatts in Inner Mongolia, 50 megawatts in Hebei, 50 megawatts in Hainan, 50 megawatts in Qinghai and 30 megawatts in Xinjiang; and
- 541 megawatts of which are utility-scale solar farms.

In addition, Nanjing GCL New Energy Development Limited* (南京協鑫新能源發展有限公司) (“**Nanjing GCL New Energy**”), a subsidiary of the Company, and Suzhou GCL-Poly Solar Power Investment Ltd.* (蘇州保利協鑫光伏電力投資有限公司) (“**Suzhou GCL-Poly**”), a subsidiary of GCL-Poly, entered into an operation service agreement on 22 August 2014. Nanjing GCL New Energy provides operation and management services to Suzhou GCL-Poly and its subsidiaries for its photovoltaic solar power plant with installed capacity of 353 megawatts.

Accelerating Self-developed Projects in order to Achieve 2015-2017 Targets and Strategies

Since the completion of the share subscription by GCL-Poly Energy Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited with stock code: 3800, which indirectly holds 62.28% of the issued capital of the Company) (“**GCL-Poly**”) (please refer to the announcement of the Company dated 9 May 2014), the Company’s business expansion and growth has primarily been through joint development and acquisition of completed projects.

The Board expects that in the future, the percentage of self-developed projects will further expand. Currently, the Group has established investment development companies in more than 20 provinces across the country, while the building of distributive and proprietary development teams has also been completed.

GCL New Energy will establish an informatised management platform for the design, supply-chain, engineering management and operational linkage of photovoltaic power station projects. By making use of big data analysis, design optimisation, centralised supply-chain control and automatic operational control system, it will not only ensure safe project execution, but also improve the quality of photovoltaic solar power station as well as long-term operational efficiency.

According to the Group’s plan, the Group’s annual additional Grid-connected Capacity in 2015 is targeted at 2.0 gigawatts. As at the end of 2015, it is expected that the Group’s total operational Grid-connected Capacity will be approximately 2,600 megawatts.

The Group’s targets for additional Grid-connected Capacity for 2016 and 2017 are 2.5 gigawatts and 3.0 gigawatts, respectively. For new on-grid connection projects, the Group will continue to focus on utility-scale solar farm projects, and the expansion of other high-growth businesses, such as distributed power generation, will also be taken into consideration. The Group’s business will continue to be conducted primarily in China, and may be expanded to other high-growth emerging markets.

Financing

The Group has adopted a number of financing methods for its projects, including project loans, short-term loans, financing lease and overseas financing. Given the quality of the Company's power stations and its status as a listed company with cross-border operations, a sound platform for financing future operations will be built.

The Group raised significant overseas financing in 2014. On 24 December 2014, the Company entered into a US\$80 million revolving facility agreement with BOCI Leveraged and Structured Finance Ltd. to fund its working capital and solar farm projects. This is the first unsecured revolving facility in China for solvent solar farms. Such facility is designed to fulfill the capital requirements for solar farms from construction to on-grid connection, providing the Group with an innovative financing platform both in China and abroad for sustainable development. Certain funds for the further development of the Group is proposed to be established through a fund management company set up by the Group and further cooperation with banks and other financial institutions.

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, 26 January 2015

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan, Mr. Tang Cheng, Mr. Zhang Guoxin, 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.

* *for identification purpose only*