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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)**

### **DISCLOSEABLE TRANSACTIONS WITH SUNGROW POWER SUPPLY CO., LIMITED**

#### **DISCLOSEABLE TRANSACTIONS**

On 31 July 2015, Yu County Jinyang New Energy (a subsidiary of the Company) entered into the New Jinyang EPC Agreement with Sungrow Power, pursuant to which Yu County Jinyang New Energy has agreed to engage Sungrow Power as contractor to provide engineering, procurement and construction services in relation to a 50 MW photovoltaic power station project in Yu County, Yangquan City, Shanxi Province (the “**New Jinyang Project**”) at an estimated consideration of RMB412,500,000 (equivalent to approximately HK\$522,720,000).

We refer to the announcement of the Company dated 10 November 2014 in relation to a number of past transactions including the Phase I Jinyang EPC Agreement, the Phase II Jinyang EPC Agreement and the Phase III Jinyang EPC Agreement (together, the “**Past Jinyang EPC Agreements**”). The Past Jinyang EPC Agreements were entered into with Sungrow Power within the past 12 months.

In addition, subsequent to the Past Jinyang EPC Agreements, the following agreements were entered into with Sungrow Power in the past 12 months:

- (a) the Inner Mongolia Centralised Inverter Purchase Agreement dated 22 October 2014 between Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) as purchaser and Sungrow Power as vendor in relation to the purchase of 25 MW of centralised inverters (equivalent to 25 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB7,750,000 (equivalent to approximately HK\$9,820,800);
- (b) the Suzhou Centralised Inverter Purchase Agreement dated 26 November 2014 between Nanjing GCL New Energy as purchaser and and Sungrow Power as vendor in relation to the purchase of 20 MW of centralised inverters (equivalent to 20 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB6,200,000 (equivalent to approximately HK\$7,856,640); and

(c) the Jiangsu Centralised Inverter Purchase Agreement dated 19 December 2014 between Nanjing GCL New Energy as purchaser and Sungrow Power as vendor in relation to the purchase of 25 MW of centralised inverters (equivalent to 25 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB7,750,000 (equivalent to approximately HK\$9,820,800),

(together with the Past Jinyang EPC Agreements, the “**Previous Agreements**”).

The entering into of the Inner Mongolia Centralised Inverter Purchase Agreement, the Suzhou Centralised Inverter Purchase Agreement and the Jiangsu Centralised Inverter Purchase Agreement (in aggregate) when aggregated with the Past Jinyang EPC Agreements did not constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the New Jinyang EPC Agreement and the Previous Agreements were entered into with Sungrow Power within a 12-month period prior to and inclusive of the date of the New Jinyang EPC Agreement, the New Jinyang EPC Agreement and the Previous Agreements will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the New Jinyang EPC Agreement and the Previous Agreements (in aggregate) exceeds 5% but less than 25%, the entering into of the New Jinyang EPC Agreement and the Previous Agreements, in aggregate, constitute a discloseable transaction of the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **1. DISCLOSEABLE TRANSACTION WITH SUNGROW POWER SUPPLY CO., LIMITED**

On 31 July 2015, Yu County Jinyang New Energy (a subsidiary of the Company) entered into the New Jinyang EPC Agreement with Sungrow Power, pursuant to which Yu County Jinyang New Energy has agreed to engage Sungrow Power as contractor to provide engineering, procurement and construction services in relation to the New Jinyang Project at an estimated consideration of RMB 412,500,000 (equivalent to approximately HK\$522,720,000).

We refer to the announcement of the Company dated 10 November 2014 in relation to a number of past transactions including the Past Jinyang EPC Agreements. The Past Jinyang EPC Agreements were entered into with Sungrow Power within the past 12 months.

In addition, subsequent to the Past Jinyang EPC Agreements, the following agreements were entered into with Sungrow Power in the past 12 months:

(a) the Inner Mongolia Centralised Inverter Purchase Agreement dated 22 October 2014 between Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) as purchaser and Sungrow Power as vendor in relation to the purchase of 25 MW of centralised inverters (equivalent to 25 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB7,750,000 (equivalent to approximately HK\$9,820,800);

- (b) the Suzhou Centralised Inverter Purchase Agreement dated 26 November 2014 between Nanjing GCL New Energy as purchaser and Sungrow Power as vendor in relation to the purchase of 20 MW of centralised inverters (equivalent to 20 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB6,200,000 (equivalent to approximately HK\$7,856,640); and
- (c) the Jiangsu Centralised Inverter Purchase Agreement dated 19 December 2014 between Nanjing GCL New Energy as purchaser and Sungrow Power as vendor in relation to the purchase of 25 MW of centralised inverters (equivalent to 25 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB7,750,000 (equivalent to approximately HK\$9,820,800),

The aggregate consideration under the Previous Agreements and the New Jinyang EPC Agreement is estimated to be RMB864,700,000 (equivalent to approximately HK\$1,095,747,840).

#### **A. Principal Terms of the New Jinyang EPC Agreement**

##### ***(i) Date***

31 July 2015

##### ***(ii) Parties***

Principal: Yu County Jinyang New Energy

Contractor: Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司)  
 (“**Sungrow Power**”)

Guarantor: the Company

##### ***(iii) Subject matter***

Yu County Jinyang New Energy as the principal agreed to engage Sungrow Power as the contractor to provide engineering, procurement and construction services in relation to a 50MW photovoltaic solar power station project in Yu County, Yangquan City, Shanxi Province, PRC.

##### ***(iv) Consideration***

The consideration for the services under the New Jinyang EPC Agreement is estimated to be RMB412,500,000 (equivalent to approximately HK\$522,720,000).

The New Jinyang EPC Agreement was negotiated and entered into on an arm’s length basis and on normal commercial terms. The consideration under the New Jinyang EPC Agreement was determined with reference to (a) the quality standard of the services to be provided under the New Jinyang EPC Agreement; (b) the completion schedule requirements; (c) the conditions of construction of the New Jinyang Project; (d) the expected return of the New Jinyang Project; and (e) the prevailing market price.

*(v) Payment terms*

The consideration for the services under the New Jinyang EPC Agreement consists of, among other things, (a) a module purchase price of RMB200,000,000 (equivalent to approximately HK\$253,440,000); (b) other equipment purchase price of RMB103,500,000 (equivalent to approximately HK\$131,155,200); (c) design consultation fees and other fees of RMB2,500,000 (equivalent to approximately HK\$3,168,000); (d) construction fees of RMB61,500,000 (equivalent to approximately HK\$77,932,800); and (e) installation fees of RMB45,000,000 (equivalent to approximately HK\$57,024,000), which shall be paid by Yu County Jinyang New Energy in instalments in accordance with the following milestones:

*1. Fees payable other than module purchase price:*

- a. RMB42,500,000 (equivalent to approximately HK\$53,856,000) shall be paid within 10 working days of the New Jinyang EPC Agreement coming into force and Sungrow Power providing a letter of guarantee under the New Jinyang EPC Agreement, provided that the invoice for such payment has been issued to Yu County Jinyang New Energy;
- b. RMB148,750,000 (equivalent to approximately HK\$188,496,000) shall be paid (i) where Yu County Jinyang New Energy has obtained bank financing, within 10 days after on-grid power generation of the New Jinyang Project or (ii) where Yu County Jinyang New Energy has not obtained bank financing, within 90 days after on-grid power generation of the New Jinyang Project, provided that the invoice for such payment has been issued to Yu County Jinyang New Energy;
- c. RMB10,625,000 (equivalent to approximately HK\$13,464,000) subject to final adjustment after the parties have confirmed the completed works, shall be paid within 10 days after (i) the execution of the Confirmation Letter of the Inspection and Acceptance of the Trial Operation and Handing Over of the Project for Production\* (工程試運和移交生產驗收鑒定書) and obtaining the Construction Completion Certificate\* (工程竣工驗收鑒定書) and (ii) Sungrow Power providing a one-year bank guarantee for the same amount to Yu County Jinyang New Energy, provided that the invoice for such payment has been issued to Yu County Jinyang New Energy; and
- d. RMB10,625,000 (equivalent to approximately HK\$13,464,000) subject to final adjustment after the parties have confirmed the completed works, shall be paid within 10 days after the expiry of the 12 month period after the issuance of the Construction Completion Certificate.

2. *Module purchase price:*

- a. RMB40,000,000 (equivalent to approximately HK\$50,688,000) shall be paid within 10 working days of the New Jinyang EPC Agreement coming into force and Sungrow Power providing a letter of guarantee under the New Jinyang EPC Agreement, provided that a value-added tax invoice for such payment has been provided to Yu County Jinyang New Energy;
- b. RMB140,000,000 (equivalent to approximately HK\$177,408,000) shall be paid (i) where Yu County Jinyang New Energy has obtained bank financing, within 10 days after the on-grid power generation of the New Jinyang Project; or (ii) where Yu County Jinyang New Energy has not obtained bank financing, within 90 days after the on-grid power generation of the New Jinyang Project, provided that a value-added tax invoice for such payment has been provided to Yu County Jinyang New Energy;
- c. RMB10,000,000 (equivalent to approximately HK\$12,672,000) subject to final adjustment after the parties have confirmed the completed works, shall be paid within 10 days after (i) the execution of the Confirmation Letter of the Inspection and Acceptance of Trial Operation and Handover of the Project for Project of the New Jinyang Project\* (工程試運和移交生產驗收鑒定書) and obtaining the Construction Completion Certificate\* (工程竣工驗收鑒定書) and (ii) Sungrow Power providing a one-year bank guarantee for the same amount to Yu County Jinyang New Energy, provided that a value-added tax invoice for such payment has been provided to Yu County Jinyang New Energy; and
- d. RMB10,000,000 (equivalent to approximately HK\$12,672,000) subject to final adjustment after the parties have confirmed the completed works, shall be paid within 10 days of the expiry of the 12 month period after the issuance of the Construction Completion Certificate.

*(vi) Guarantee*

The Company irrevocably guarantees the full payment of any and all of the amounts payable by Yu County Jinyang New Energy under the New Jinyang EPC Agreement.

Sungrow Power shall issue a letter of guarantee in an amount of RMB21,250,000 (equivalent to approximately HK\$26,928,000) to guarantee that by end of 2015, (a) the power grid constructed under the New Jinyang EPC Agreement shall be amalgamated with the national grid; and (b) such power grid shall start to generate power.

## **2. PREVIOUS AGREEMENTS**

In addition to the Past Jinyang EPC Agreements, the Company, through its indirect wholly-owned subsidiary Nanjing GCL New Energy, have entered into the Inner Mongolia Centralised Inverter Purchase Agreement, the Suzhou Centralised Inverter Purchase Agreement and the Jiangsu Centralised Inverter Purchase Agreement with Sungrow Power in the past 12 months.

### **A. Principal terms of the Inner Mongolia Centralised Inverter Purchase Agreement**

*(i) Date*

22 October 2014

*(ii) Parties*

Purchaser: Nanjing GCL New Energy

Vendor: Sungrow Power

*(iii) Subject matter*

Nanjing GCL New Energy agreed to purchase and Sungrow Power agreed to sell 25 MW of centralised inverters (equivalent to 25 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB7,750,000 (equivalent to approximately HK\$9,820,800). The centralised inverters under the Inner Mongolia Centralised Inverter Purchase Agreement have been delivered and the consideration has been paid.

*(iv) Basis of consideration*

The Inner Mongolia Centralised Inverter Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration under Inner Mongolia Centralised Inverter Purchase Agreement was determined with reference to (a) the quality standard of the centralised inverters to be provided under the Inner Mongolia Centralised Inverter Purchase Agreement; and (b) the prevailing market price.

### **B. Principal terms of the Suzhou Centralised Inverter Purchase Agreement**

*(i) Date*

26 November 2014

*(ii) Parties*

Purchaser: Nanjing GCL New Energy

Vendor: Sungrow Power

*(iii) Subject matter*

Nanjing GCL New Energy agreed to purchase and Sungrow Power agreed to sell 20 MW of centralised inverters (equivalent to 20 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB6,200,000 (equivalent to approximately HK\$7,856,640). The centralised inverters under the Suzhou Centralised Inverter Purchase Agreement have been delivered and the consideration has been paid.

*(iv) Basis of consideration*

The Suzhou Centralised Inverter Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration under Suzhou Inverter Purchase Agreement was determined with reference to (a) the quality standard of the centralised inverters to be provided under the Suzhou Centralised Inverter Purchase Agreement; and (b) the prevailing market price.

**C. Principal terms of the Jiangsu Centralised Inverter Purchase Agreement**

*(i) Date*

19 December 2014

*(ii) Parties*

Purchaser: Nanjing GCL New Energy

Vendor: Sungrow Power

*(iii) Subject matter*

Nanjing GCL New Energy agreed to purchase and Sungrow Power agreed to sell 25 MW of centralised inverters (equivalent to 25 sets, each set being two 500 kW inverters and one centralised outdoor protector) at a total consideration of RMB7,750,000 (equivalent to approximately HK\$9,820,800). The centralised inverters under the Jiangsu Centralised Inverter Purchase Agreement have been delivered and the consideration has been paid.

*(iv) Basis of consideration*

The Jiangsu Centralised Inverter Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration under Jiangsu Centralised Inverter Purchase Agreement was determined with reference to (a) the quality standard of the centralised inverters to be provided under the Jiangsu Centralised Inverter Purchase Agreement; and (b) the prevailing market price.

The entering into of the Inner Mongolia Centralised Inverter Purchase Agreement, the Suzhou Centralised Inverter Purchase Agreement and the Jiangsu Centralised Inverter Purchase Agreement (in aggregate) when aggregated with the Past Jinyang EPC Agreements did not constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules.

### **3. REASONS AND BENEFITS OF THE DISCLOSEABLE TRANSACTIONS**

Since May 2014, the Company has announced various renewable energy projects and acquisitions relating to the new nature and scope of the business of the 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, 4 December 2014, 6 January 2015, 12 February 2015 and 2 March 2015.

As a developer of greenfield projects, the Group has to engage contractors to provide engineering, procurement and constructions services, and technical and design services to construct its power generation projects. Sungrow Power is an established 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 believe and consider that the terms of the New Jinyang EPC Agreement and the Previous Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **4. LISTING RULES IMPLICATIONS**

The entering into of the Inner Mongolia Centralised Inverter Purchase Agreement, the Suzhou Centralised Inverter Purchase Agreement and the Jiangsu Centralised Inverter Purchase Agreement (in aggregate) when aggregated with the Past Jinyang EPC Agreements did not constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the New Jinyang EPC Agreement and the Previous Agreements were entered into with Sungrow Power within a 12-month period prior to and inclusive of the date of the New Jinyang EPC Agreement, the New Jinyang EPC Agreement and the Previous Agreements will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the New Jinyang EPC Agreement and the Previous Agreements (in aggregate) exceeds 5% but less than 25%, the entering into of the New Jinyang EPC Agreement and the Previous Agreements, in aggregate, constitute a discloseable transaction of the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable inquiry, Sungrow Power and its ultimate beneficial owner are third parties independent of the Company and are not connected persons of the Company.

### **5. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTIONS**

#### **Sungrow Power**

Sungrow Power is principally engaged in (i) researching and developing, manufacturing, selling and integrating new energy power generation equipment, distributed power and related product; (ii) providing services and transferring technology in relation to the aforementioned products; (iii) designing, developing, investing, constructing and operating renewable energy power generation project; and (iv) researching, developing,



manufacturing and selling power and electronic equipment, electrical transmission and control apparatus, uninterruptible power supplies, power reserve and power quality control device.

## 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. The Group is also engaged in manufacturing and selling of printed circuit boards.

## 6. DEFINITIONS

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

“Board”	the board of the Directors
“Company”	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, with stock code 451
“connected persons”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Inner Mongolia Centralised Inverter Purchase Agreement”	the agreement dated 22 October 2014 between Nanjing GCL New Energy as purchaser and Sungrow Power as vendor in relation to the purchase of 75 units of centralised inverters
“Jiangsu Centralised Inverter Purchase Agreement”	the agreement dated 19 December 2014 between Nanjing GCL New Energy as purchaser and and Sungrow Power as vendor in relation to the purchase of 75 units of centralised inverters
“kW”	kilowatt(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd., an indirect wholly owned subsidiary of the Company which is incorporated in the PRC with limited liability

“New Jinyang EPC Agreement”	the agreement dated 31 July 2015 entered into between Yu County Jinyang New Energy (as the principal) and Sungrow Power undertakes to provide engineering, procurement and construction services in relation to New Jinyang Project
“New Jinyang Project”	the 50 MW photovoltaic solar power station project in Yu County, Yangquan City, Shanxi Province
“Past Jinyang EPC Agreements”	collectively, the Phase I Jinyang EPC Agreement, the Phase II Jinyang EPC Agreement and the Phase III Jinyang EPC Agreement
“Phase I Jinyang EPC Agreement”	the agreement dated 14 October 2014 entered into between Yu County Jinyang New Energy as the principal and Sungrow Power as the contractor under which Sungrow Power undertakes to provide the engineering, procurement and construction services in relation to phase I (20MW) of a 50MW photovoltaic solar power station project in Yu County, Yangquan City, Shanxi Province
“Phase II Jinyang EPC Agreement”	the agreement dated 15 October 2014 entered into between Yu County Jinyang New Energy as the principal and Sungrow Power as the contractor under which Sungrow Power undertakes to provide the engineering, procurement and construction services in relation to phase II (20MW) of a 50MW photovoltaic solar power station project in Yu County, Yangquan City, Shanxi Province
“Phase III Jinyang EPC Agreement”	the agreement dated 18 October 2014 entered into between Yu County Jinyang New Energy as the principal and Sungrow Power as the contractor under which Sungrow Power undertakes to provide engineering, procurement and construction services in relation to phase III (10MW) of a 50MW photovoltaic solar power station project in Yu County, Yangquan City, Shanxi Province, PRC
“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
“Previous Agreements”	collectively, the Past Jinyang EPC Agreements, the Inner Mongolia Centralised Inverter Purchase Agreement, the Jiangsu Centralised Inverter Purchase Agreement and the Suzhou Centralised Inverter Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares 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
“Sungrow Power”	Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shenzhen Stock Exchange
“Suzhou Centralised Inverter Purchase Agreement”	the agreement dated 26 November 2014 between Nanjing GCL New Energy as purchaser and and Sungrow Power as vendor in relation to the purchase of 60 units of centralised inverters
“Yu County Jinyang New Energy”	Yu County Jinyang New Energy Power Generation Co., Ltd.* (孟縣晉陽新能源發電有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“%”	per cent.

*This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.2672, being the exchange rate prevailing on 30 July 2015. 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.*

*\* All of the English titles or names of the PRC laws and regulations, as well as certain items contained in this announcement have been included for identification purpose only and may not necessarily be the official English translations of the corresponding Chinese titles or names. If there is any inconsistency between the English translations and the Chinese titles or names, the Chinese titles or names shall prevail.*

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, 31 July 2015

*As at the date of this announcement, the executive Directors are Mr. Zhu Gongshan, Mr. Tang Cheng, Mr. Sun Xingping, Ms. Hu Xiaoyan and Mr. Yip Sum Yin; the non-executive Directors are Mr. Zhu Yufeng, Ms. Sun Wei and Mr. Sha Hongqiu; and the independent non-executive Directors are Mr. Wang Bohua, Mr. Xu Songda, Mr. Wang Yanguo, Mr. Lee Conway Kong Wai and Dr. Chen Ying.*