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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) DISCLOSEABLE TRANSACTION IN RELATION TO LOAN AGREEMENTS AND (2) FUTURE ACQUISITION ARRANGEMENT

On 12 August 2015, the Company, through its indirect wholly owned subsidiary Suzhou GCL New Energy, entered into the Cooperation Agreement with Lvjing Investment and Shaanxi Lvhua regarding certain photovoltaic power station projects in an aggregate of 360MW in Shenmu County, Shaanxi Province, PRC (the “**Projects**”). The Projects comprise (i) two 20MW distributed photovoltaic power stations being developed by Borrower A (“**Project A**”); (ii) two 20MW distributed photovoltaic power stations being developed by Borrower B (“**Project B**”); (iii) a 100MW centralised photovoltaic power station and two 20MW distributed photovoltaic power stations being developed by Borrower C (“**Project C**”); and (iv) a 100MW centralised photovoltaic power station and two 20 MW distributed photovoltaic power stations being developed by Borrower D (“**Project D**”). Borrower A and Borrower B are each wholly owned subsidiaries of Lvjing Investment. Borrower C and Borrower D are each held as to 80% equity interest by Lvjing Investment and 20% equity interest by Shaanxi Lvhua

LOAN AGREEMENTS

Pursuant to the Cooperation Agreement, on 12 August 2015, Suzhou GCL New Energy as lender entered into the following loan agreements:

- (i) a loan agreement with Borrower A as borrower in relation to a loan in the principal amount of RMB47,780,000 (equivalent to approximately HK\$59,457,432) (“**Loan A**”);

- (ii) a loan agreement with Borrower B as borrower in relation to a loan in the principal amount of RMB47,780,000 (equivalent to approximately HK\$59,457,432) (“**Loan B**”);
- (iii) a loan agreement with Borrower C as borrower in relation to a loan in the principal amount of RMB182,220,000 (equivalent to approximately HK\$226,754,568) (“**Loan C**”); and
- (iv) a loan agreement with Borrower D as borrower in relation to a loan in the principal amount of RMB182,220,000 (equivalent to approximately HK\$226,754,568) (“**Loan D**”),
- (together, the “**Loan Agreements**”).

FUTURE ACQUISITION ARRANGEMENT

Pursuant to the Cooperation Agreement, Suzhou GCL New Energy shall have the right (but not the obligation) to acquire from Lvjing Investment and/or Shaanxi Lvhua any or all of the equity interests of Borrower A, Borrower B, Borrower C and Borrower D respectively in the event of any default under the respective Loan Agreements (the “**Call Option**”) at the exercise price and terms to be agreed among the relevant parties with reference to the then valuation of the relevant equity interests. The exercise of the Call Option shall be at the discretion of Suzhou GCL New Energy and subject to the requirements of any applicable laws and the Listing Rules.

LISTING RULES IMPLICATIONS

The exercise of the Call Option is at the discretion of Suzhou GCL New Energy. According to Rule 14.75 of the Listing Rules, on the grant of the Call Option, only the premium (which is nil) will be taken into consideration for calculating the percentage ratios. The Company will comply with the relevant Listing Rules on the exercise of the Call Option and make further announcement if necessary.

As the Loan Agreements and the Call Option all relate to the Projects, the Loan Agreements and the Call Option 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 Loan Agreements and the Call Option (in aggregate) exceeds 5% but less than 25%, the entering into of the Loan Agreements and the Cooperation Agreement, 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 IN RELATION TO LOAN AGREEMENTS AND (2) FUTURE ACQUISITION ARRANGEMENT

On 12 August 2015, the Company, through its indirect wholly owned subsidiary Suzhou GCL New Energy, entered into the Cooperation Agreement with Lvjing Investment and Shaanxi Lvhua regarding the development of the Projects. The Projects comprise Project A, Project B, Project C and Project D. Borrower A and Borrower B are each wholly owned subsidiaries of Lvjing Investment. Borrower C and Borrower D are each held as to 80% equity interest by Lvjing Investment and 20% equity interest by Shaanxi Lvhua.

LOAN AGREEMENTS

Pursuant to the Cooperation Agreement, on 12 August 2015, Suzhou GCL New Energy as lender entered into the following loan agreements:

- (i) a loan agreement with Borrower A as borrower in relation to a loan in the principal amount of RMB47,780,000 (equivalent to approximately HK\$59,457,432);
- (ii) a loan agreement with Borrower B as borrower in relation to a loan in the principal amount of RMB47,780,000 (equivalent to approximately HK\$59,457,432);
- (iii) a loan agreement with Borrower C as borrower in relation to a loan in the principal amount of RMB182,220,000 (equivalent to approximately HK\$226,754,568); and
- (iv) a loan agreement with Borrower D as borrower in relation to a loan in the principal amount of RMB182,220,000 (equivalent to approximately HK\$226,754,568).

The aggregate amount of the Loan Agreements is RMB460,000,000 (equivalent to approximately HK\$572,424,000).

FUTURE ACQUISITION ARRANGEMENT

Pursuant to the Cooperation Agreement, Suzhou GCL New Energy shall have the right (but not the obligation) to acquire from Lvjing Investment and/or Shaanxi Lvhua any or all of the equity interests of Borrower A, Borrower B, Borrower C and Borrower D respectively in the event of any default under the respective Loan Agreements under the Call Option at the exercise price and terms to be agreed among the relevant parties with reference to the then valuation of the relevant equity interests. The exercise of the Call Option shall be at the discretion of Suzhou GCL New Energy and subject to the requirements of any applicable laws and the Listing Rules.

I. PRINCIPAL TERMS OF THE LOAN AGREEMENTS

A. Principal Terms of Loan A

- Date: 12 August 2015
- Lender: Suzhou GCL New Energy
- Borrower: Borrower A
- Amount of loan: RMB47,780,000 (equivalent to approximately HK\$59,457,432)
- Term: one year
- Interest rate: 10% per annum
- Repayment terms: The principal and interest shall be repaid together upon the expiry of the term of Loan A.
- Purpose of the loan: Loan A will be used for the development of Project A, which will be used for the payment of rent, a 10% deposit for engineering, procurement and construction services to be provided by contractors, guarantee fees for the restoration of land and reforestation expenses in respect of Project A.
- Security: The full repayment of Loan A, interest and other fees shall be secured by:
- (a) a pledge of 100% of the equity interest in Borrower A by Lvjing Investment which shall be registered in the PRC prior to Suzhou GCL New Energy providing funds under Loan A until all monies owed under Loan A are repaid in full;
 - (b) a pledge of electricity fees receivable by Borrower A in respect of Project A until such time as all monies owed under Loan A are repaid in full; and
 - (c) a grant of security over any future equipment and engineering works acquired or constructed by Borrower A in relation to Project A until all monies under Loan A are repaid in full.

Separately, on 12 August 2015, Borrower A entered into an operational and maintenance management agreement with Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy shall provide management services in relation to the operation and maintenance of equipment, facilities and systems of Project A at an annual service fee of RMB0.16/W (equivalent to approximately HK\$0.20/W) to be paid yearly. This operational and maintenance management agreement shall not be transferred until Loan A is repaid in full.

B. Principal Terms of Loan B

Date:	12 August 2015
Lender:	Suzhou GCL New Energy
Borrower:	Borrower B
Amount of loan:	RMB47,780,000 (equivalent to approximately HK\$59,457,432)
Term:	one year
Interest rate:	10% per annum
Repayment terms:	The principal and interest shall be repaid together upon the expiry of the term of Loan B.
Purpose of the loan:	Loan B will be used for the development of Project B, which will be used for the payment of rent, a 10% deposit for engineering, procurement and construction services to be provided by contractors, guarantee fees for the restoration of land and reforestation expenses in respect of Project B.
Security:	<p>The full repayment of Loan B, interest and other fees shall be secured by:</p> <ul style="list-style-type: none">(a) a pledge of 100% of the equity interest in Borrower B by Lvjing Investment which shall be registered in the PRC prior to Suzhou GCL New Energy providing funds under Loan B until all monies owed under Loan B are repaid in full;(b) a pledge of electricity fees receivable by Borrower B in respect of Project B until such time as all monies owed under Loan B are repaid in full; and(c) a grant of security over any future equipment and engineering works acquired or constructed by Borrower B in relation to Project B until all monies under Loan B are repaid in full.

Separately, on 12 August 2015, Borrower B entered into an operational and maintenance management agreement with Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy shall provide management services in relation to the operation and maintenance of equipment, facilities and systems of Project B at an annual service fee of RMB0.16/W (equivalent to approximately HK\$0.20/W) to be paid yearly. This operational and maintenance management agreement shall not be transferred until Loan B is repaid in full.

C. Principal Terms of Loan C

Date:	12 August 2015
Lender:	Suzhou GCL New Energy
Borrower:	Borrower C
Amount of loan:	RMB182,220,000 (equivalent to approximately HK\$226,754,568)
Term:	one year
Interest rate:	10% per annum
Repayment terms:	The principal and interest shall be repaid together upon the expiry of the term of Loan C.
Purpose of the loan:	Loan C will be used for the development of Project C, which will be used for the payment of rent, a 10% deposit for engineering, procurement and construction services to be provided by contractors, guarantee fees for the restoration of land and reforestation expenses in respect of Project C.
Security:	<p>The full repayment of Loan C, interest and other fees shall be secured by:</p> <ul style="list-style-type: none">(a) (i) a pledge of 80% of the equity interest in Borrower C by Lvjing Investment and (ii) a pledge of 20% of the equity interest in Borrower C by Shaanxi Lvhua, both of which shall be registered in the PRC prior to Suzhou GCL New Energy providing funds under Loan C until all monies owed under Loan C are repaid in full;(b) a pledge of electricity fees receivable by Borrower C in respect of Project C until such time as all monies owed under Loan C are repaid in full; and(c) a grant of security over any future equipment and engineering works acquired or constructed by Borrower C in relation to Project C until all monies under Loan C are repaid in full.

Separately, on 12 August 2015, Borrower C entered into an operational and maintenance management agreement with Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy shall provide management services in relation to the operation and maintenance of equipment, facilities and systems of Project C at an annual service fee of RMB0.16/W (equivalent to approximately HK\$0.20/W) to be paid yearly. This operational and maintenance management agreement shall not be transferred until Loan C is repaid in full.

D. Principal Terms of Loan D

Date: 12 August 2015

Lender: Suzhou GCL New Energy

Borrower: Borrower D

Amount of loan: RMB182,220,000 (equivalent to approximately HK\$226,754,568)

Term: one year

Interest rate: 10% per annum

Repayment terms: The principal and interest shall be repaid together upon the expiry of the term of Loan D.

Purpose of the loan: Loan D will be used for the development of Project D, which will be used for the payment of rent, a 10% deposit for engineering, procurement and construction services to be provided by contractors, guarantee fees for the restoration of land and reforestation expenses in respect of Project D.

Security: The full repayment of Loan D, interest and other fees shall be secured by:

- (a) (i) a pledge of 80% of the equity interest in Borrower D by Lvjing Investment and (ii) a pledge of 20% of the equity interest in Borrower D by Shaanxi Lvhua, both of which shall be registered in the PRC prior to Suzhou GCL New Energy providing funds under Loan D until all monies owed under Loan D are repaid in full;
- (b) a pledge of electricity fees receivable by Borrower D in respect of Project D until such time as all monies owed under Loan D are repaid in full; and
- (c) a grant of security over any future equipment and engineering works acquired or constructed by Borrower D in relation to Project D until all monies under Loan D are repaid in full.

Separately, on 12 August 2015, Borrower D entered into an operational and maintenance management agreement with Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy shall provide management services in relation to the operation and maintenance of equipment, facilities and systems of Project D at an annual service fee of RMB0.16/W (equivalent to approximately HK\$0.20/W) to be paid yearly. This operational and maintenance management agreement shall not be transferred until Loan D is repaid in full.

The terms of the Cooperation Agreement and the Loan Agreements were determined after arm's length negotiations between the Company and each of Lvjing Investment, Shaanxi Lvhua, Borrower A, Borrower B, Borrower C and Borrower D respectively by reference to the prevailing terms of commercial loans and the borrowing cost of the Group. The Group will finance Loan A, Loan B, Loan C and Loan D with borrowings and/or internal resources of the Company.

II. FUTURE ACQUISITION ARRANGEMENT

Pursuant to the Cooperation Agreement, Suzhou GCL New Energy shall have the right (but not the obligation) to acquire from Lvjing Investment and/or Shaanxi Lvhua any or all of the equity interests of Borrower A, Borrower B, Borrower C and Borrower D respectively in the event of any default under the respective Loan Agreements under the Call Option at the exercise price and terms to be agreed among the relevant parties with reference to the then valuation of the relevant equity interests. The exercise of the Call Option shall be at the discretion of Suzhou GCL New Energy and subject to the requirements of any applicable laws and the Listing Rules.

The arrangement under the Cooperation Agreement relating to the Call Option was negotiated and entered into on an arm's length basis and on normal commercial terms having taken into account the terms and arrangements under the Loan Agreements.

III. REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT AND THE LOAN AGREEMENTS

The terms of the Cooperation Agreement and the Loan Agreements, including the interest rate under each of the Loan Agreements, were agreed by Suzhou GCL New Energy and each of Lvjing Investment, Shaanxi Lvhua, Borrower A, Borrower B, Borrower C and Borrower D after arm's length negotiations, having taken into account the prevailing market interest rates.

Having considered (i) the interest rate under the Loan Agreements was higher than the prevailing benchmark interest rate for fixed deposits in RMB announced by the People's Bank of China, and (ii) the Cooperation Agreement and the Loan Agreements provide the Company with a potential investment opportunity in the Projects, the Directors consider that the Cooperation Agreement and the Loan Agreements provide a reasonable return to the Group.

Given that the Loan Agreements are secured by different assets and receivables of each of Borrower A, Borrower B, Borrower C and Borrower D and their respective shareholders, the Directors also consider that the risks of the Group in connection with the Loan Agreements have been sufficiently managed.

Based on the above reasons, the Directors believe and consider that the terms of the Cooperation Agreement and the Loan Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

The exercise of the Call Option is at the discretion of Suzhou GCL New Energy. According to Rule 14.75 of the Listing Rules, on the grant of the Call Option, only the premium (which is nil) will be taken into consideration for calculating the percentage ratios. The Company will comply with the relevant Listing Rules on the exercise of the Call Option and make further announcement if necessary.

As the Loan Agreements and the Call Option all relate to the Projects, the Loan Agreements and the Call Option 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 Loan Agreements and the Call Option (in aggregate) exceeds 5% but less than 25%, the entering into of the Loan Agreements and the Cooperation Agreement, 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, Borrower A, Borrower B, Borrower C, Borrower D, Lvjing Investment, Shaanxi Lvhua and its ultimate beneficial owner are third parties independent of the Company and are not connected persons of the Company.

V. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTION

Borrower A

Borrower A was established on 4 December 2014 and is principally engaged in agricultural businesses and the construction of photovoltaic power station projects.

Borrower B

Borrower B was established on 2 February 2015 and is principally engaged in photovoltaic power generation.

Borrower C

Borrower C was established on 28 April 2014 and is principally engaged in photovoltaic power generation.

Borrower D

Borrower D was established on 28 April 2014 and is principally engaged in photovoltaic power generation.

Lvjing Investment

Lvjing Investment was established on 23 April 2014 and is principally engaged in (i) investment management; (ii) technology development, technology consultation, technology services, industrial investments, investment consulting, import and export of goods and technology, and construction and renovation services in the new energy sector; and (iii) sale of hardware and electrical products, construction and renovation materials and mechanical equipments.

Shaanxi Lvhua

Shaanxi Lvhua was established on 2 July 2008 and is principally engaged in (i) landscaping; and (ii) the sale of coke powder, hardware and electrical products, knitting, general merchandise and office supplies. Shaanxi Lvhua is indirectly wholly owned by Lvjing Investment.

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.

DEFINITIONS

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

“Board”	the board of the Directors
“Borrower A”	Shenmu County Guotai Agricultural Development Company Limited* (神木縣國泰農牧發展有限公司), a company incorporated in the PRC with limited liability
“Borrower B”	Shenmu County Jingfu Power Company Limited* (神木縣晶富電力有限公司), a company incorporated in the PRC with limited liability

“Borrower C”	Shenmu County Jingdeng Power Company Limited * (神木縣晶登電力有限公司), a company incorporated in the PRC with limited liability
“Borrower D”	Shenmu County Jingpu Power Company Limited* (神木縣晶普電力有限公司), a company incorporated in the PRC with limited liability
“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
“Cooperation Agreement”	the agreement dated 12 August 2015 entered into among the Suzhou GCL New Energy, Lvjing Investment and Shaanxi Lvhua regarding the development of the Projects
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	a loan agreement between Suzhou GCL New Energy as lender and Borrower A as borrower in relation to a loan in the principal amount of RMB47,780,000 (equivalent to approximately HK\$59,457,432)
“Loan Agreements”	collectively, Loan A, Loan B, Loan C and Loan D
“Loan B”	a loan agreement between Suzhou GCL New Energy as lender and Borrower B as borrower in relation to a loan in the principal amount of RMB47,780,000 (equivalent to approximately HK\$59,457,432)
“Loan C”	a loan agreement between Suzhou GCL New Energy as lender and Borrower C as borrower in relation to a loan in the principal amount of RMB182,220,000 (equivalent to approximately HK\$226,754,568)

“Loan D”	a loan agreement between Suzhou GCL New Energy as lender and Borrower D as borrower in relation to a loan in the principal amount of RMB182,220,000 (equivalent to approximately HK\$226,754,568)
“Lvjing Investment”	Shanghai Lvjing Investment Management Company Limited* (上海綠璟投資管理有限公司), a domestic joint venture with limited liability in the PRC
“MW”	megawatt(s)
“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
“Project A”	two 20MW distributed photovoltaic power stations being developed by Borrower A in Shenmu County, Shaanxi Province, PRC
“Project B”	two 20 MW distributed photovoltaic power stations being developed by Borrower B in Shenmu County, Shaanxi Province, PRC
“Project C”	a 100MW centralised photovoltaic power station and two 20 MW distributed photovoltaic power stations being developed by Borrower C in Shenmu County, Shaanxi Province, PRC
“Project D”	a 100MW centralised photovoltaic power station and two 20 MW distributed photovoltaic power stations being developed by Borrower D in Shenmu County, Shaanxi Province, PRC
“Projects”	collectively, Project A, Project B, Project C and Project D
“RMB”	Renminbi, the lawful currency of the PRC
“Shaanxi Lvhua”	Shaanxi Province Shenmu County Guoxiang Lvhua Shengtai Company Limited* (陝西省神木縣國祥綠化生態有限責任公司), a company incorporated in the PRC with limited liability
“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
“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 with limited liability
“W”	watt(s)
“%”	per cent.

This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.2444, being the exchange rate prevailing on 11 August 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, 12 August 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.