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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 TRANSACTION WITH DALIAN QINNENG POWER  
ENGINEERING DESIGN COMPANY LIMITED**

**THE DISCLOSEABLE TRANSACTION**

On 10 September 2015, Qi County GCL (an indirect wholly owned subsidiary of the Company) and Ruyang GCL (an indirect wholly owned subsidiary of the Company) entered into the Qi County EPC Agreement and Ruyang EPC Agreement (together, the “**EPC Agreements**”) with Dalian Qinneng (an independent third party of the Company) respectively.

The Qi County EPC Agreement was entered into between Qi County GCL as the principal, and Dalian Qinneng as the contractor under which Qi County GCL agreed to engage Dalian Qinneng as the contractor to provide engineering, procurement and construction services in relation to a 50MW photovoltaic power station project in Qi County, Henan Province, the PRC (the “**Qi County Project**”) at an estimated consideration of RMB334,999,750.00 (equivalent to approximately HK\$408,063,195.48), plus an additional bonus payment of RMB1,000,000.00 (equivalent to approximately HK\$1,218,100.00) if the Qi County Project satisfies the conditions for on-grid connection within the expected timetable.

The Ruyang EPC Agreement was entered into between Ruyang GCL as the principal, and Dalian Qinneng as the contractor under which Ruyang GCL agreed to engage Dalian Qinneng as the contractor to provide engineering, procurement

and construction services in relation to a 50MW photovoltaic power station project in Ruyang County, Henan Province, the PRC (the “**Ruyang Project**”) at an estimated consideration of RMB334,999,750.00 (equivalent to approximately HK\$408,063,195.48), plus an additional bonus payment of RMB1,000,000.00 (equivalent to approximately HK\$1,218,100.00) if the Ruyang Project satisfies the conditions for on-grid connection within the expected timetable.

The aggregate consideration under the EPC Agreements is estimated to be RMB671,999,500.00 (equivalent to approximately HK\$818,562,590.96).

As the EPC Agreements were each entered into with Dalian Qinneng, the Board considers that the EPC Agreements should be aggregated.

As one or more of the applicable percentage ratios in respect of the EPC Agreements (in aggregate) exceeds 5% but is less than 25%, the entering into of the EPC Agreements, in aggregate, constitutes 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. THE DISCLOSEABLE TRANSACTION**

### **A. Principal terms of the Qi County EPC Agreement**

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

10 September 2015

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

Principal: Qi County GCL

Contractor: Dalian Qinneng

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

Qi County GCL agreed to engage Dalian Qinneng as the contractor to provide engineering, procurement and construction services in relation to the Qi County Project. The construction shall commence upon notice from Qi County GCL to Dalian Qinneng, and is expected to satisfy the conditions for on-grid connection by November 2015.

**(iv) Basis of consideration**

The consideration for the services under the Qi County EPC Agreement is estimated to be RMB334,999,750.00 (equivalent to approximately HK\$408,063,195.48), plus an additional bonus payment of RMB1,000,000.00 (equivalent to approximately HK\$1,218,100.00) if the Qi County Project satisfies the conditions for on-grid connection within the expected timetable.

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

**(v) Payment terms**

The consideration for the services under the Qi County EPC Agreement shall be paid by Qi County GCL to Dalian Qinneng in four instalments in accordance with the milestones as follows:

First instalment	10% of the total consideration, which shall be paid by Qi County GCL upon the signing of the Qi County EPC Agreement provided that Dalian Qinneng provides a bank confirmation with an undertaking that in the event of any failure on the part of Dalian Qinneng to pay damages to Qi County GCL as a result of any breach of the Qi County EPC Agreement, the bank would pay a sum of up to RMB33,500,000.00 (equivalent to HK\$40,806,350.00) to Qi County GCL as compensation
Second instalment	30% of the total consideration, which shall be paid by Qi County GCL upon delivery of 30% of the equipment to the Qi County Project construction site
Third instalment	55% of the total consideration subject to final adjustment based on work completed by Dalian Qinneng, which shall be paid by Qi County GCL within the expiry of three months from the date of on-grid power generation for the Qi County Project

Fourth instalment                      5% of the total consideration subject to final adjustment based on work completed by Dalian Qinneng, which shall be paid by Qi County GCL after the expiration of the warranty period of 12 months from the date of the issue of the Construction Completion Certificate\* (工程竣工驗收鑒定書) for the Qi County Project, provided that there are no issues in relation to the quality of services and construction work or any such issues have been satisfactorily remedied

**B. Principal terms of the Ruyang EPC Agreement**

**(i) Date**

10 September 2015

**(ii) Parties**

Principal:                      Ruyang GCL

Contractor:                    Dalian Qinneng

**(iii) Subject matter**

Ruyang GCL agreed to engage Dalian Qinneng as the contractor to provide engineering, procurement and construction services in relation to the Ruyang Project. The construction shall commence upon notice from Ruyang GCL to Dalian Qinneng, and is expected to achieve on-grid connection by November 2015.

**(iv) Basis of consideration**

The consideration for the services under the Ruyang EPC Agreement is estimated to be RMB334,999,750.00 (equivalent to approximately HK\$408,063,195.48), plus an additional bonus payment of RMB1,000,000.00 (equivalent to approximately HK\$1,218,100.00) if the Ruyang Project satisfies the conditions for on-grid connection within the expected timetable.

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

(v) **Payment terms**

The consideration for the services under the Ruyang EPC Agreement shall be paid by Ruyang GCL to Dalian Qinneng in four instalments in accordance with the milestones as follows:

First instalment	10% of the total consideration, which shall be paid by Ruyang GCL upon the signing of the Ruyang EPC Agreement provided that Dalian Qinneng provides a bank confirmation with an undertaking that in the event of any failure on the part of Dalian Qinneng to pay damages to Ruyang GCL as a result of any breach of the Ruyang EPC Agreement, the bank would pay a sum of up to RMB33,500,000.00 (equivalent to HK\$40,806,350.00) to Ruyang GCL as compensation
Second instalment	30% of the total consideration, which shall be paid by Ruyang GCL upon delivery of 30% of the equipment to the Ruyang Project construction site
Third instalment	55% of the total consideration subject to final adjustment based on work completed by Dalian Qinneng, which shall be paid by Ruyang GCL within the expiry of three months from the date of on-grid power generation for the Ruyang Project
Fourth instalment	5% of the total consideration subject to final adjustment based on work completed by Dalian Qinneng, which shall be paid by Ruyang GCL after the expiration of the warranty period of 12 months from the date of the issue of the Construction Completion Certificate* (工程竣工驗收鑒定書) for the Ruyang Project, provided that there are no issues in relation to the quality of services and construction work or any such issues have been satisfactorily remedied

## **2. REASONS AND BENEFITS OF THE DISCLOSEABLE TRANSACTION**

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, 2 March 2015, 31 July 2015 and 8 September 2015.

As a developer of greenfield projects, the Group has to engage contractors to provide engineering, procurement and constructions services to construct its power generation projects. Dalian Qinneng is an established engineering, procurement and construction contractor and has extensive local resources. The Group believes that it can deliver services 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 EPC Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **3. LISTING RULES IMPLICATIONS**

As the EPC Agreements were each entered into with Dalian Qinneng, the Board considers that the EPC Agreements should be aggregated.

As one or more of the applicable percentage ratios in respect of the EPC Agreements (in aggregate) exceeds 5% but is less than 25%, the entering into of the EPC Agreements constitutes 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 enquiries, Dalian Qinneng and its ultimate beneficial owner are third parties independent of the Company and are not connected persons of the Company.

#### 4. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTION

##### *Dalian Qinneng*

Dalian Qinneng was established in 2000 and is an approved class A designer\* (甲級設計單位) in the power industry in the PRC. Dalian Qinneng is principally engaged in conducting and preparing feasibility studies, preliminary designs, construction designs, as-built drawings and power transmission projects for fossil-fuel power plants; small to medium sized power plant design and construction; desalination and thermal power generation businesses.

##### *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.

#### 5. 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
“Dalian Qinneng”	Dalian Qinneng Power Engineering Design Company Limited* (大連秦能電力工程設計有限公司), a company incorporated in the PRC with limited liability
“Director(s)”	director(s) of the Company
“EPC Agreements”	collectively, the Qi County EPC Agreement and the Ruyang EPC Agreement

“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
“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
“Qi County EPC Agreement”	the agreement dated 10 September 2015 entered into between Qi County GCL as the principal and Dalian Qinneng as the contractor under which Dalian Qinneng undertakes to provide engineering, procurement and construction services in relation to the Qi County Project
“Qi County GCL”	Qi County GCL New Energy Company Limited* (淇縣協鑫新能源有限公司), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Qi County Project”	the 50MW photovoltaic power station project in Qi County, Henan Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Ruyang EPC Agreement”	the agreement dated 10 September 2015 entered into between Ruyang GCL as the principal and Dalian Qinneng as the contractor under which Dalian Qinneng undertakes to provide engineering, procurement and construction services in relation to the Ruyang Project



“Ruyang GCL”	Ruyang GCL New Energy Company Limited* (汝陽協鑫新能源有限公司), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Ruyang Project”	the 50MW photovoltaic power station project in Ruyang County, Henan Province, 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
“%”	per cent.

*This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1= HK\$1.2181, being the exchange rate prevailing on 9 September 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, 10 September 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.*