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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 POWER CHINA BEIJING ENGINEERING CORPORATION LIMITED

THE DISCLOSEABLE TRANSACTION

On 9 October 2015, Yugan GCL (an indirect wholly owned subsidiary of the Company) as principal entered into an EPC agreement with Power China Beijing (an independent third party of the Company) as contractor in relation to phase one of the development of a fishery photovoltaic power station project with a capacity of 50MW in Yugan County of Jiangxi Province, the PRC (the “**Yugan Project**”) at an estimated consideration of RMB439,875,000 (equivalent to approximately HK\$536,823,450) (the “**EPC Agreement**”).

As one or more of the applicable percentage ratios in respect of the EPC Agreement exceeds 5% but is less than 25%, the entering into of the EPC Agreement 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 WITH POWER CHINA BEIJING ENGINEERING CORPORATION LIMITED

Principal terms of the EPC Agreement

(i) *Date*

9 October 2015

(ii) *Parties*

Principal: Yugan GCL

Contractor: Power China Beijing

(iii) *Subject matter*

Yugan GCL as principal agreed to engage Power China Beijing as contractor to provide engineering, procurement and construction services in relation to the Yugan Project. The relevant construction work will commence upon notice being given by Yugan GCL to Power China Beijing. It is expected that full on-grid connection for the Yugan Project will be completed on or before 31 January 2016. A test run and the quality check will be performed on the Yugan Project and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) will be obtained on or before 31 March 2016 following full power generation. The Construction Completion Certificate* (工程竣工驗收鑒定書) will be obtained within three months after the construction work for the Yugan Project is completed.

(iv) *Basis of consideration*

The consideration for the services under the EPC Agreement is estimated to be RMB439,875,000 (equivalent to approximately HK\$536,823,450). The EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration under the EPC Agreement was determined with reference to (a) the quality standard and cost of the services to be provided; (b) the profit margin of the project; and (c) the prevailing market price of similar services.

(v) **Payment terms**

The consideration for the services under the EPC Agreement shall be paid by Yugan GCL to Power China Beijing in accordance with the following milestones:

- | | |
|-------------------|--|
| First instalment | 20% of the total consideration, which shall be paid by Yugan GCL to Power China Beijing within 10 days of receiving a bank confirmation provided by Power China Beijing with an undertaking that, in the event of any failure on the part of Power China Beijing to pay damages to Yugan GCL as a result of any breach of the EPC Agreement, the bank would pay a sum of up to RMB87,975,000 (equivalent to approximately HK\$107,364,690) to Yugan GCL as compensation. |
| Second instalment | Up to 80% of the total consideration, which shall be paid by Yugan GCL to Power China Beijing within 10 days of obtaining the Quality Check Certificate* (工程移交生產驗收鑒定書) for the Yugan Project, provided that Power China Beijing provides Yugan GCL with an invoice to the satisfaction of Yugan GCL. |
| Third instalment | Up to 90% of the total consideration, which shall be paid by Yugan GCL to Power China Beijing within 10 days of obtaining the Construction Completion Certificate* (工程竣工驗收鑒定書) for the Yugan Project, provided that Power China Beijing provides Yugan GCL with an invoice to the satisfaction of Yugan GCL. |
| Fourth instalment | 10% of the total consideration subject to final adjustment based on work completed by Power China Beijing, which shall be paid by Yugan GCL to Power China Beijing after the expiration of the warranty period of 12 months from the date of the Construction Completion Certificate* (工程竣工驗收鑒定書), provided that there are no issues in relation to the quality of services and construction work or any such issues have been remedied. |

Power China Beijing shall notify Yugan GCL of the timing and terms for the payment for equipment, construction subcontractors and labour subcontractors. Provided that the payment conditions have been met, upon receipt of an authority to pay on its behalf issued by Power China Beijing to Yugan GCL, Yugan GCL may directly pay the equipment suppliers, construction subcontractors and labour subcontractors, and deduct an equivalent amount from the consideration under the EPC Agreement.

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 Company, 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, 8 September 2015, 10 September 2015, 18 September 2015 and 29 September 2015.

As a developer of photovoltaic power station projects, the Group has to engage contractors to provide engineering, procurement and constructions services to construct its power generation projects. Power China Beijing 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 EPC Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

3. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the EPC Agreement exceeds 5% but is less than 25%, the entering into of the EPC Agreement 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 knowledge, information and belief of the Directors having made all reasonable enquiries, Power China Beijing and each of its ultimate beneficial owners are third parties independent of the Company and each of its connected persons.

4. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTION

Power China Beijing

Power China Beijing is principally engaged in general freight; planning, design, scientific research and test, consultation, environmental evaluation, geological exploration, mapping, hydrometry, processing and design of foundation engineering works for water resources and hydropower projects of large, medium and small size; EPC contracting and construction supervision; survey and design for highways, water transport, civil defense, electricity transmission and distribution, construction work, First-Class investigation field work for other industries required by the National Planning Commission; undertakings of survey, consultation, design and supervision for both domestic and overseas foreign-enterprise projects and export of equipment and materials required for the construction projects; dispatching of working staff overseas for the survey, consultation, design and supervision sectors and establishment of various enterprises overseas.

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 same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EPC”	engineering, procurement and construction
“EPC Agreement”	the EPC agreement dated 9 October 2015 between Yugan GCL as principal and Power China Beijing as contractor in relation to the grid connection of the Yugan Project
“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)
“Power China Beijing”	Power China Beijing Engineering Corporation Limited* (中國電建集團北京勘測設計研究院有限公司), a company incorporated in the PRC with limited liability
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“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

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Yugan GCL”	Yugan County GCL New Energy Company Limited* (餘干縣協鑫新能源有限責任公司), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Yugan Project”	The phase one of the development of a fishery photovoltaic power station project with a capacity of 50MW in Yugan County of Jiangxi Province, the PRC
“%”	per cent.

This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1= HK\$1.2204, being the exchange rate prevailing on 8 October 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 entities, 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, 9 October 2015

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