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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 CHANGCHENG GUOXING FINANCE
LEASING COMPANY LIMITED

On 10 December 2015, the Group entered into a finance lease arrangement with Changcheng Guoxing (an independent third party of the Company), pursuant to which Changcheng Guoxing will purchase the Hainan Equipment from Hainan Zhongli Power (an indirect wholly owned subsidiary of the Company) at an aggregate consideration of RMB300,000,000.00 (equivalent to approximately HK\$362,490,000.00). Changcheng Guoxing will lease the Hainan Equipment to Hainan Zhongli Power for a fixed term of 24 months at an aggregate lease consideration (i.e. the aggregated lease rent plus handling fee) of RMB332,454,698.27 (equivalent to approximately HK\$401,705,011.92).

As one or more of the applicable percentage ratios in respect of the Hainan Zhongli Power Finance Lease Agreements exceeds 5% but is less than 25% for the Company, the entering into of the Hainan Zhongli Power Finance Lease 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.

1. THE DISCLOSEABLE TRANSACTION

Principal terms of the Hainan Zhongli Power Finance Lease Agreements

(i) *Date*

10 December 2015

(ii) *Parties*

Seller and Lessee: Hainan Zhongli Power

Purchaser and Lessor: Changcheng Guoxing

(iii) *The Hainan Zhongli Power Finance Lease*

According to the Hainan Zhongli Power Finance Lease and the Hainan Zhongli Power SPA, Changcheng Guoxing agreed to purchase the Hainan Equipment from Hainan Zhongli Power at a consideration of RMB300,000,000.00 (equivalent to HK\$362,490,000.00) and Changcheng Guoxing agreed to lease the Hainan Equipment to Hainan Zhongli Power for a fixed term of 24 months, commencing from the date of payment of the consideration by Changcheng Guoxing.

Hainan Zhongli Power is not permitted to sell, use as debt repayment, assign the ownership, contract, assign the lease, sublet, pledge, invest or perform any such acts that may interfere with the ownership rights of the Hainan Equipment of Changcheng Guoxing.

(iv) *Subject matter of the lease*

The Hainan Equipment comprised certain photovoltaic power generation modules for the construction and development of solar power generation facilities operated by Hainan Zhongli Power.

(v) *Lease rent and handling fee*

According to the Hainan Zhongli Power Finance Lease, the lease rent to be paid by Hainan Zhongli Power was calculated based on the principal lease cost and the lease interest rate. The principal lease cost is RMB300,000,000.00 (equivalent to approximately HK\$362,490,000.00).

The lease interest rate under the Hainan Zhongli Power Finance Lease is calculated at an interest rate of 5.5125%. During the lease term, if there is any adjustment on the benchmark lending rate announced by the People's Bank of China for loans with a term between one to five years, corresponding adjustment will be made to the lease interest rate under the Hainan Zhongli Power Finance Lease on the next day of the announcement of the adjusted benchmark lending rate.

The aggregated lease rent payable by Hainan Zhongli Power to Changcheng Guoxing during the relevant lease period shall be RMB320,454,698.27 (equivalent to approximately HK\$387,205,411.92). The lease rent together with the interest shall be paid to Changcheng Guoxing on a quarterly basis and payable on 15 February 2016, 15 May 2016, 15 August 2016, 15 November 2016, 15 February 2017, 15 May 2017, 15 August 2017, and 15 November 2017. Prior to the purchase of the Hainan Equipment from Hainan Zhongli Power by Changcheng Guoxing, Hainan Zhongli Power is required to pay a handling fee of RMB12,000,000.00 (equivalent to approximately HK\$14,499,600.00) to Changcheng Guoxing.

(vi) Other fees and expenses

Prior to the signing of the Hainan Zhongli Power Finance Lease Agreements, Hainan Zhongli Power shall take out a property insurance and an attenuation insurance in relation to the Hainan Equipment with Changcheng Guoxing who will be named as beneficiary for a period not less than the lease period of 24 months.

The terms of the Hainan Zhongli Power Finance Lease Agreements including the lease rent and the lease interest rate were negotiated and determined on an arm's length basis and with reference to the prevailing market rates for finance lease for similar assets.

The consideration for the purchase of the Hainan Equipment under the Hainan Zhongli Power Finance Lease Agreements paid by Changcheng Guoxing was determined by reference to the average fair market price of the similar equipment and after arm's length negotiation between the parties.

(vii) Ownership of the equipment

According to the Hainan Zhongli Power Finance Lease, during the lease period, the ownership of the Hainan Equipment shall vest in Changcheng Guoxing. Upon expiry of the lease period under the Hainan Zhongli Power Finance Lease, Hainan Zhongli Power is eligible to purchase the Hainan Equipment at a nominal purchase price of RMB10,000.00 (equivalent to approximately HK\$12,083.00).

(viii) Security deposit

According to the Hainan Zhongli Power Finance Lease, a refundable security deposit of RMB15,000,000.00 (equivalent to approximately HK\$18,124,500.00) was charged by Changcheng Guoxing and to be paid by Hainan Zhongli Power at the time the Hainan Zhongli Power Finance Leasing Agreements were signed to secure Hainan Zhongli Power's performance under the Hainan Zhongli Power Finance Lease Agreements. The parties thereto agreed that no interests shall accrue for the security deposit during the lease period.

Changcheng Guoxing is entitled to deduct from the security deposit if there is any outstanding payment or penalty resulting from any breach caused by Hainan Zhongli Power. Hainan Zhongli Power shall forthwith make up for the deduction and restore the amount of security deposit to RMB15,000,000.00 (equivalent to approximately HK\$18,124,500.00) within the time requested by Changcheng Guoxing after such deduction. Upon expiration of the lease period or where the Hainan Zhongli Power Finance Leasing Agreements are terminated, subject to the full repayment of the entire amount of lease rent and other fees and expenses under the Hainan Zhongli Power Finance Lease Agreements, the unused security deposit shall be refunded to Hainan Zhongli Power.

(ix) The Hainan Zhongli Power Rent Payment Agreement

GCL New Energy Investment (an indirect wholly owned subsidiary of the Company) entered into the Hainan Zhongli Power Rent Payment Agreement dated 10 December 2015 with Hainan Zhongli Power, pursuant to which GCL New Energy Investment agreed to share Hainan Zhongli Power's obligation to pay rent for the entire lease period of 24 months under the Hainan Zhongli Power Finance Lease Agreements.

(x) The Hainan Zhongli Power Pledge

Changzhou Xintian New Energy (an indirect wholly owned subsidiary of the Company) agreed to pledge its 100% equity interest in Hainan Zhongli Power to Changcheng Guoxing to secure Hainan Zhongli Power's performance under the Hainan Zhongli Power Finance Leasing Agreements.

2. REASONS AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the 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 the manufacturing and selling of printed circuit boards.

The Directors are of the view that under the Hainan Zhongli Power Finance Lease Agreements, the Group will obtain financing from the Hainan Equipment and at the same time, retain access to the use of the equipment. The terms under the Hainan Zhongli Power Finance Lease Agreements have been agreed after arm's length negotiation between the relevant parties with reference to the prevailing market practice. The Directors consider the terms of the Hainan Zhongli Power Finance Lease Agreements are on normal commercial terms, fair and reasonable and 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 Hainan Zhongli Power Finance Lease Agreements exceeds 5% but is less than 25% for the Company, the entering into of the Hainan Zhongli Power Finance Lease 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 knowledge, information and belief of the Directors having made all reasonable enquiries, Changcheng Guoxing and its ultimate beneficial owners are third parties independent of the Company and each of its connected persons.

4. INFORMATION ON THE PARTIES TO THE HAINAN ZHONGLI POWER FINANCE LEASE AGREEMENTS

Changcheng Guoxing

Changcheng Guoxing is a company incorporated in the PRC with limited liability and is principally engaged in finance lease business, financial services business under the supervision of the Xinjiang Division of the China Banking Regulatory Commission* (中國銀監會新疆監管局) and insurance agency business.

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 the 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
“Changcheng Guoxing”	Changcheng Guoxing Finance Leasing Company Limited* (長城國興金融租賃有限公司), a company incorporated in the PRC with limited company
“Changzhou Xintian New Energy”	Changzhou Xintian New Energy Company Limited* (常州新天新能源有限公司), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC with limited liability and the sole direct shareholder of Hainan Zhongli Power
“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
“Directors”	director(s) of the Company
“GCL New Energy Investment”	GCL New Energy Investment (China) Co., Ltd, an indirect wholly owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hainan Zhongli Power”	Zhongli Talesun Hainan Power Company Limited* (中利騰暉海南電力有限公司), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Hainan Equipment”	machinery and equipment for the development and operation of the solar energy project of Hainan Zhongli Power

“Hainan Zhongli Power Finance Lease”	the agreement dated 10 December 2015 between Changcheng Guoxing and Hainan Zhongli Power in connection with the leasing of the Hainan Equipment
“Hainan Zhongli Power Finance Lease Agreements”	the Hainan Zhongli Power SPA, the Hainan Zhongli Power Finance Lease, the Hainan Zhongli Power Rent Payment Agreement and the Hainan Zhongli Power Pledge
“Hainan Zhongli Power Pledge”	the agreement dated 10 December 2015 between Changcheng Guoxing and Changzhou Xintian New Energy in connection with the pledge by Changzhou Xintian New Energy of 100% of its equity interest in Hainan Zhongli Power to Changcheng Guoxing
“Hainan Zhongli Power Rent Payment Agreement”	the agreement dated 10 December 2015 between Hainan Zhongli Power and GCL New Energy Investment in connection with GCL New Energy Investment sharing of the obligation of Hainan Zhongli Power to pay rent under the Hainan Zhongli Power Finance Lease
“Hainan Zhongli Power SPA”	the agreement dated 10 December 2015 between Changcheng Guoxing and Hainan Zhongli Power in connection with the sale and purchase of the Hainan Equipment
“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
“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
“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\$1.2083, being the exchange rate prevailing on 9 December 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, 10 December 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.