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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 XINXIN FINANCE LEASING COMPANY LIMITED

On 10 December 2015, the Group entered into a finance lease arrangement with Xinxin Finance Leasing Company in relation to the Group's 50MW solar power project located in Yulin City of Shaanxi Province of the PRC. Pursuant to the Finance Lease Agreements, (i) Xinxin Finance Leasing Company will purchase the Hengshan Photovoltaic Power Generation Equipment from Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) for an aggregate consideration of RMB319,712,596.70 (equivalent to approximately HK\$386,308,730.59); (ii) Xinxin Finance Leasing Company will then lease the Hengshan Photovoltaic Power Generation Equipment back to Hengshan Jinghe (an indirect non-wholly owned subsidiary of the Company) for a term of two years for an aggregate rent payment of RMB355,430,888.01 (equivalent to approximately HK\$429,467,141.99); and (iii) Xinxin Finance Leasing Company will provide certain management and financial consultation services in connection with the Finance Lease to Hengshan Jinghe for an aggregate fee of RMB4,189,514 (equivalent to approximately HK\$5,062,189.77).

As one or more of the applicable percentage ratios in respect of the Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Finance Lease Agreements constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, therefore such transaction is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

1. THE DISCLOSEABLE TRANSACTION

The principal terms of the Finance Lease Agreements are summarised below:

Date: 10 December 2015

Parties: (i) Seller: Nanjing GCL New Energy
(ii) Purchaser and lessor: Xinxin Finance Leasing Company
(iii) Lessee: Hengshan Jinghe

The Finance Lease

Pursuant to the Sale and Purchase Agreement and the Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Nanjing GCL New Energy has agreed to sell, the Hengshan Photovoltaic Power Generation Equipment for a total consideration of RMB319,712,596.70 (equivalent to approximately HK\$386,308,730.59), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Hengshan Photovoltaic Power Generation Equipment to Hengshan Jinghe for a term of two years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Hengshan Photovoltaic Power Generation Equipment under the Sale and Purchase Agreement.

The Hengshan Photovoltaic Power Generation Equipment comprises certain photovoltaic power generation modules, combiner boxes, transformers and other ancillary equipment for the construction and development of 50MW solar power generation facilities to be operated by Hengshan Jinghe in Yulin City of Shaanxi Province.

Payment of Rent

The aggregate amount of rent payable by Hengshan Jinghe to Xinxin Finance Leasing Company under the Finance Lease Agreements is RMB355,430,888.01 (equivalent to approximately HK\$429,467,141.99). The rent is payable semi-annually by four instalments in the following manner:

- (i) *First payment:* RMB24,298,157.35 (equivalent to approximately HK\$29,359,463.53), payable on 5 March 2016;
- (ii) *Second payment:* RMB23,856,953.97 (equivalent to approximately HK\$28,826,357.48), payable on 5 September 2016;
- (iii) *Third payment:* RMB23,415,750.58 (equivalent to approximately HK\$28,293,251.43), payable on 5 March 2017; and
- (iv) *Last payment:* RMB283,860,026.11 (equivalent to approximately HK\$342,988,069.55), payable on 5 September 2017.

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Finance Lease Agreements was RMB319,712,596.70 (equivalent to approximately HK\$386,308,730.59). The interest rate under the Finance Lease Agreements was calculated at an annualised interest rate of 6.00%, representing 126.32% of the current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China for loans with a term of between one to

five years. During the term of the Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate payable by Hengshan Jinghe shall change to the sum of (i) 1.25% and (ii) the adjusted benchmark lending rate.

In the 12 months following the commencement of the Finance Lease, Hengshan Jinghe shall not terminate the Finance Lease or seek to vary the terms of the Finance Lease for any reason.

Consultation Services

Pursuant to the Consultation Services Agreement in connection with the Finance Lease, Xinxin Finance Leasing Company agreed to provide to Hengshan Jinghe certain management and financial consultation services for a total service fee of RMB4,189,514 (equivalent to approximately HK\$5,062,189.77). The fee is payable within three days upon signing of the relevant agreement by Xinxin Finance Leasing Company and Hengshan Jinghe.

The terms of the Finance Lease and the Consultation Services Agreement including the lease rent, the lease interest rate, the consultation services fee were determined after arm's-length negotiation between Xinxin Finance Leasing Company and Hengshan Jinghe with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar management and financial consultation services.

The price for the purchase of the Hengshan Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Sale and Purchase Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

Ownership of the Equipment

During the term of the Finance Lease, the ownership of the Hengshan Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest under the Finance Lease, Hengshan Jinghe is eligible to purchase the Hengshan Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,208.30).

Security Arrangements for the Finance Lease

Pursuant to the Finance Lease Agreements, Hengshan Jinghe shall pay to Xinxin Finance Leasing Company a refundable security deposit of RMB25,577,008.00 (equivalent to approximately HK\$30,904,698.77) (the "Security Deposit") within five business days of signing the Finance Lease to secure Hengshan Jinghe's obligations under the Finance Lease. Xinxin Finance Leasing Company shall be entitled to deduct from the Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Hengshan Jinghe. In the event of such deduction, Hengshan Jinghe shall forthwith make up for the deduction and restore the amount of the Security Deposit to RMB25,577,008.00 (equivalent to approximately HK\$30,904,698.77). Following the expiry of the Finance Lease, any remaining balance of the Security Deposit shall be refunded to Hengshan Jinghe. The Security Deposit shall not bear any interest during the term of the Finance Lease.

Pursuant to the Repurchase Agreement dated 10 December 2015 between Nanjing GCL New Energy and Xinxin Finance Leasing Company, if Hengshan Jinghe fails to perform its repayment obligations for a consecutive period of four months under the Finance Lease, Nanjing GCL New Energy shall repurchase from Xinxin Finance Leasing Company the Hengshan Photovoltaic Power Generation Equipment. The repurchase price shall be an amount equal to the nominal repurchase price of RMB1,000.00 (equivalent to approximately HK\$1,208.30) plus any outstanding rent and default interest due under the Finance Lease, less the Security Deposit.

Pursuant to the Letter of Comfort dated 10 December 2015 issued by the Company to Xinxin Finance Leasing Company, the Company will make up any shortfall in outstanding payments if Hengshan Jinghe fails to meet its payment obligations as they fall due under the Finance Lease.

Pursuant to the Suzhou GCL Guarantee dated 10 December 2015 between Suzhou GCL New Energy and Xinxin Finance Leasing Company, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Hengshan Jinghe's obligations under the Finance Lease, including rental payments and other amounts due under the Finance Lease.

2. REASONS FOR AND BENEFITS OF THE TRANSACTION

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.

The terms of the Finance Lease Agreements have been agreed after arm's length negotiation between the relevant parties. The Directors believe that the Group will be able to derive additional liquidity through the Finance Lease and benefit from additional working capital to support its business and operational activities. Further, the Directors are of the view that the terms of the Finance Lease Agreements are on normal commercial terms, 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 Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Finance Lease Agreements constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, therefore such transaction is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

4. INFORMATION ON THE PARTIES

Xinxin Finance Leasing Company

Xinxin Finance Leasing Company is a company incorporated in the PRC with limited liability and it is principally engaged in finance lease and other leasing business. GCL-Poly is indirectly interested in 5.282% of the equity interest in Xinxin Finance Leasing Company. To the best of the Directors' knowledge, information and belief after having

made all reasonable enquiries, save as otherwise disclosed in this announcement, Xinxin Finance Leasing Company and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

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 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 person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consultation Services Agreement”	the agreement dated 10 December 2015 entered into between Hengshan Jinghe and Xinxin Finance Leasing Company with respect to certain management and consultation services to be provided by Xinxin Finance Leasing Company to Hengshan Jinghe
“Director(s)”	the director(s) of the Company
“Finance Lease”	the agreement dated 10 December 2015 entered into between Xinxin Finance Leasing Company and Hengshan Jinghe with respect to the leasing of the Hengshan Photovoltaic Power Generation Equipment
“Finance Lease Agreements”	the Finance Lease, the Sale and Purchase Agreement, the Consultation Services Agreement, the Repurchase Agreement, the Suzhou GCL Guarantee and the Letter of Comfort
“GCL Poly”	GCL-Poly Energy Holdings Limited 保利協鑫能源控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of the Company.
“Group”	the Company and its subsidiaries

“Hengshan Jinghe”	Hengshan Jinghe Solar Energy Company Limited* (橫山晶合太陽能發電有限公司), a company incorporated in the PRC with limited liability, currently owned as to approximately 95% by the Company through indirect equity interest
“Hengshan Photovoltaic Power Generation Equipment”	certain photovoltaic power generation modules, combiner boxes, transformers and other ancillary equipment for the construction and development of 50MW solar power generation facilities to be operated by Hengshan Jinghe in Yulin City of Shaanxi Province of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Letter of Comfort”	the letter of comfort addressed to Xinxin Finance Leasing Company by the Company dated 10 December 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd, an indirect wholly-owned subsidiary of the 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
“Repurchase Agreement”	the repurchase agreement dated 10 December 2015 entered into between Nanjing GCL New Energy and Xinxin Finance Leasing Company with respect to the Hengshan Photovoltaic Power Generation Equipment
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 10 December 2015 entered into between Xinxin Finance Leasing Company, Nanjing GCL New Energy and Hengshan Jinghe pursuant to which Xinxin Finance Leasing Company has agreed to purchase, and Nanjing GCL New Energy has agreed to sell, the Hengshan Photovoltaic Power Generation Equipment
“Shareholder(s)”	holder(s) of the Company’s shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules

“Suzhou GCL Guarantee”	the agreement dated 10 December 2015 entered into between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee to be provided by Suzhou GCL New Energy in favour of Xinxin Finance Leasing Company for the obligations of Hengshan Jinghe under the Finance Lease
“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 incorporated in the PRC with limited liability
“Xinxin Finance Leasing Company”	Xinxin Finance Leasing Company Limited* (芯鑫融資租賃有限責任公司), a company incorporated in the PRC with limited liability
“%”	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 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 December 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, Mr. Sha Hongqiu and Mr. Yeung Man Chung, Charles; 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.