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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)

INSIDE INFORMATION SALE AND PURCHASE AGREEMENTS WITH MOUNT OLIVE I, LLC AND HIVE ENERGY LIMITED

On 15 February 2016 (US time), GCL New Energy (NC) I, LLC (an indirect wholly owned subsidiary of the Company) (as the purchaser) and Mount Olive I, LLC (an independent third party of the Company) (as the seller) entered into a sale and purchase agreement (the “**Wilson SPA**”) in relation to the sale and purchase of the entire equity interest in the Wilson Project Companies for a total consideration of US\$4,212,000 (equivalent to approximately HK\$32,792,526). The Wilson Project Companies own the development rights to seven yet to be constructed photovoltaic electrical energy producing utility systems totaling approximately 58.5 MW AC located in North Carolina in the United States (the “**Wilson Assets**”).

On 15 February 2016 (US time), GCL New Energy (NC) I, LLC (as the purchaser) and Mount Olive I, LLC and Hive Energy Limited (an independent third party of the Company) (as the sellers) entered into a sale and purchase agreement (the “**Jackson SPA**”) in relation to the sale and purchase of the entire equity interest in the Jackson Project Company for a total consideration of US\$720,000 (equivalent to approximately HK\$5,605,560). The Jackson Project Company owns the development rights to one yet to be constructed photovoltaic electrical energy producing utility system totaling approximately 10 MW AC located in North Carolina in the United States (the “**Jackson Assets**”).

Since all of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Wilson SPA and the Jackson SPA (in aggregate) are less than 5%, the entering into of the Wilson SPA and the Jackson SPA do not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

This announcement is made by the Board pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1. PRINCIPAL TERMS OF THE WILSON SPA

(i) *Date*

15 February 2016 (US time)

(ii) *Parties*

Seller: Mount Olive

Purchaser: GCL NC

(iii) *Subject Matter*

Pursuant to the Wilson SPA, GCL NC has conditionally agreed to purchase, and Mount Olive has conditionally agreed to sell, the entire equity interest in the Wilson Project Companies. The Wilson Project Companies own the Wilson Assets, which are the development rights to seven yet to be constructed photovoltaic electrical energy producing utility systems totaling approximately 58.5 MW AC located in North Carolina in the United States. The transactions under the Wilson SPA will close once all conditions to the closing are satisfied or waived.

(iv) *Consideration*

The total consideration payable under the Wilson SPA is US\$4,212,000 (equivalent to approximately HK\$32,792,526). The consideration shall be paid according to the following milestones:

- (a) 50% of the consideration shall be paid by GCL NC upon the closing of the sale and purchase of the Wilson Project Companies under the Wilson SPA;
- (b) 25% of the consideration shall be paid on a project by project basis upon the issuance of full notice to proceed to the EPC contractor; and
- (c) 25% of the consideration shall be paid on a project by project basis upon the achievement of commercial operation of the project (the “**Wilson COD Payment**”).

Mount Olive has agreed to apply for a reduction in the Electric System Impact Fee (the “**ESIF**”) from The City of Wilson under each of the applicable interconnection agreements for the projects from US\$0.005/kWh to at least US\$0.0005/kWh. If Mount Olive does not obtain the reduction in the ESIF prior to GCL NC’s obligation to pay the first Wilson COD Payment, then GCL NC shall be entitled to reduce the consideration by US\$513,000 (equivalent to approximately HK\$3,993,961.5). If Mount Olive obtains a reduction in the ESIF below US\$0.0025 (but not the full amount), then the consideration payable by GCL NC shall be reduced on a pro-rata basis.

The consideration payable under the Wilson SPA was determined on normal commercial terms after arm’s length negotiations between GCL NC and the Mount Olive after taking into account the value of the Wilson Assets held by the Wilson Project Companies.

(v) *EPC Services*

GCL NC has agreed to enter into exclusive negotiations with Mount Olive for 60 calendar days after closing for Mount Olive to provide EPC services for the projects relating to the Wilson Assets. GCL NC is under no obligation to enter into an agreement with Mount Olive or its affiliate for EPC services. Any decision of GCL NC in relation to such EPC services shall be at GCL NC's sole and absolute discretion. If, after 15 calendar days of negotiation with Mount Olive regarding the EPC services, GCL NC concludes, in its sole discretion, that further negotiations with Mount Olive will not result in market based EPC services, then GCL NC shall have the right to terminate the 60-day exclusivity period. If GCL NC does enter into an agreement with Mount Olive or its affiliates in relation to EPC services, the Company will comply with Chapter 14 of the Listing Rules as and when appropriate.

(vi) *GCL New Energy, Inc. Guarantee*

On 15 February 2016 (US time), GCL New Energy, Inc. (an indirect wholly owned subsidiary of the Company) as the guarantor entered into a guarantee agreement in favour of Mount Olive, whereby the GCL New Energy, Inc. has guaranteed the full and timely payment of GCL NC's obligations under the Wilson SPA which in any event shall not exceed the unpaid portion of the consideration under the Wilson SPA.

2. PRINCIPAL TERMS OF THE JACKSON SPA

(i) *Date*

15 February 2016 (US time)

(ii) *Parties*

Sellers: Mount Olive and Hive Energy

Purchaser: GCL NC

(iii) *Subject Matter*

Pursuant to the Jackson SPA, GCL NC has conditionally agreed to purchase, and Mount Olive and Hive Energy have conditionally agreed to sell, the entire equity interest in the Jackson Project Company. The Jackson Project Company owns the Jackson Assets, which consists of the development rights to one yet to be constructed photovoltaic electrical energy producing utility system totaling approximately 10 MW AC located in North Carolina in the United States. The transactions under the Jackson SPA will close once all conditions to the closing are satisfied or waived.

(iv) *Consideration*

The total consideration payable under the Jackson SPA is US\$720,000 (equivalent to approximately HK\$5,605,560). The consideration shall be paid according to the following milestones:

- (a) 50% of the consideration shall be paid by GCL NC upon the closing of the sale and purchase of the Jackson Project Company under the Jackson SPA;

- (b) 25% of the consideration shall be paid upon the issuance of full notice to proceed to the EPC contractor; and
- (c) 25% of the consideration shall be paid upon the achievement of commercial operation of the project (the “**Jackson COD Payment**”).

Mount Olive and Hive Energy have agreed to apply for a reduction in the ESIF from The City of Wilson under each of the applicable interconnection agreements for the project from US\$0.005/kWh to at least US\$0.0005/kWh. If Mount Olive and Hive Energy do not obtain the reduction in the ESIF prior to GCL NC’s obligation to pay the first Jackson COD Payment, then GCL NC shall be entitled to reduce the consideration by US\$87,000 (equivalent to approximately HK\$677,338.5). If Mount Olive and Hive Energy obtain a reduction in the ESIF below US\$0.0025 (but not the full amount), then the consideration payable by GCL NC shall be reduced on a pro-rata basis.

The consideration payable under the Jackson SPA was determined on normal commercial terms after arm’s length negotiations between GCL NC, Mount Olive and Hive Energy after taking into account the value of the Jackson Assets held by the Jackson Project Company.

(v) *EPC Services*

GCL NC has agreed to enter into exclusive negotiations with Mount Olive and Hive Energy for 60 calendar days after closing for Mount Olive and Hive Energy to provide EPC services for the project relating to the Jackson Assets. GCL NC is under no obligation to enter into an agreement with Mount Olive, Hive Energy or their affiliates for EPC services. Any decision of GCL NC in relation to such EPC services shall be at GCL NC’s sole and absolute discretion. If, after 15 calendar days of negotiation with Mount Olive and Hive Energy regarding the EPC services, GCL NC concludes, in its sole discretion, that further negotiations with Mount Olive and Hive Energy will not result in market based EPC services, then GCL NC shall have the right to terminate the 60-day exclusivity period. If GCL NC does enter into an agreement with Mount Olive, Hive Energy or their affiliates in relation to EPC services, the Company will comply with Chapter 14 of the Listing Rules as and when appropriate.

(vi) *GCL New Energy, Inc. Guarantee*

On 15 February 2016 (US time), GCL New Energy, Inc. as the guarantor entered into a guarantee agreement in favour of Mount Olive and Hive Energy, whereby GCL New Energy, Inc. has guaranteed the full and timely payment of GCL NC’s obligations under the Jackson SPA which in any event shall not exceed the unpaid portion of the consideration under the Jackson SPA.

3. INFORMATION ON THE PROJECT COMPANIES

The Wilson Project Companies are special purpose project entities, comprising: (i) Wilson Solar Farm 1, LLC; (ii) Wilson Solar Farm 2, LLC; (iii) Wilson Solar Farm 3, LLC; (iv) Wilson Solar Farm 4, LLC; (v) Wilson Solar Farm 5, LLC; (vi) Wilson Solar Farm 6, LLC; and (vii) Wilson Solar Farm 7, LLC. Each of the Wilson Project Companies are incorporated under the laws of Florida and collectively hold all of the Wilson Assets.

The Jackson Project Company is a special purpose project entity incorporated under the laws of Florida and holds all of the Jackson Assets.

4. REASONS AND BENEFITS OF THE TRANSACTION

The Directors are of the view that the Wilson SPA and the Jackson SPA represent a valuable opportunity for the Group to expand its investments and exposure to solar energy assets in the United States. The Directors consider the terms of the Wilson SPA and the Jackson SPA are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

5. LISTING RULES IMPLICATIONS

Since all of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Wilson SPA and the Jackson SPA (in aggregate) are less than 5%, the entering into of the Wilson SPA and the Jackson SPA do not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Mount Olive and Hive Energy and each of their respective ultimate beneficial owners are third parties independent of the Company and each of their connected persons.

6. INFORMATION ON THE PARTIES TO THE WILSON SPA AND JACKSON SPA

Mount Olive

Mount Olive is a limited liability company, formed under the laws of the State of Florida, United States.

Hive Energy

Hive Energy is a limited liability company, formed under the laws of England.

The Group

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 manufacturing and selling of printed circuit boards.

As completion of the Wilson SPA and the Jackson SPA are subject to certain conditions precedent, potential investors and Shareholders should exercise caution when dealing with the securities of the Company.

7. DEFINITIONS

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

“AC”	alternating current
“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
“Directors”	director(s) of the Company
“EPC”	engineering, procurement and construction
“GCL New Energy, Inc.”	an indirect wholly owned subsidiary of the Company formed under the laws of the State of Delaware, United States
“GCL NC”	GCL New Energy (NC) I, LLC, a limited liability company formed under the laws of the State of Delaware, United States and an indirect wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hive Energy”	Hive Energy Limited, a limited liability company formed under the laws of England
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Jackson Project Company”	Jackson Solar Farm, LLC, a limited liability company formed under the laws of the State of Florida, United States
“kWh”	kilowatt hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mount Olive”	Mount Olive I, LLC, a limited liability company formed under the laws of the State of Florida, United States
“MW”	megawatt(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
“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
“United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“US\$”	United States Dollar, the lawful currency of the United States
“Wilson Project Companies”	collectively, (i) Wilson Solar Farm 1, LLC; (ii) Wilson Solar Farm 2, LLC; (iii) Wilson Solar Farm 3, LLC; (iv) Wilson Solar Farm 4, LLC; (v) Wilson Solar Farm 5, LLC; (vi) Wilson Solar Farm 6, LLC; and (vii) Wilson Solar Farm 7, LLC
“%”	per cent.

This announcement contains translations between US\$ and Hong Kong dollar amounts at US\$1=HK\$7.7855, being the exchange rate prevailing on 16 February 2016. The translations should not be taken as a representation that the US\$ could actually be converted into Hong Kong dollars at that rate or at all.

By order of the board
GCL New Energy Holdings Limited
 協鑫新能源控股有限公司
Zhu Yufeng
 Chairman

Hong Kong, 16 February 2016

As at the date of this announcement, the executive directors are Mr. Zhu Gongshan, Mr. Zhu Yufeng, Mr. Sun Xingping, Ms. Hu Xiaoyan, Mr. Tong Wan Sze and Mr. Yip Sum Yin; the non-executive directors are 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.