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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)

**UPDATE ON PROFIT WARNING
AND
BUSINESS UPDATE**

This announcement is made by GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 (2)(a) of the Listing Rules.

We refer to the announcements of the Company dated 4 December 2015 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

UPDATE ON PROFIT WARNING

The Board wishes to inform its shareholders and potential investors that having reviewed the Management Accounts for the year ended 31 December 2015 (the “**Year**”), the Group may have an anticipated loss attributable to owners of the Company for the Year, which is expected to be lower than the loss attributable to the owners of the Company of approximately HK\$113 million (equivalent to approximately RMB 89 million) for the nine months ended 31 December 2014. Although the solar energy business segment started to generate revenue and profit for the Year, the Board considers that the anticipated loss for the Year was mainly attributable to (i) the Impairment of approximately HK\$50 million (equivalent to approximately RMB 42 million) that may be recognised on the plant and equipment in connection with the possible discontinuance or disposal of Dongguan Factory of printed circuit boards business; (ii) the increase in the depreciation charge of approximately HK\$131 million (equivalent to approximately RMB 111 million) for the Year, due to the changes in technology on plant and machinery as well as products of printed circuit boards, so that the useful lives of plant and machinery are expected to be shorter than previously estimated; and (iii) the increase in non-cash share based payment expenses by approximately HK\$55 million (equivalent to approximately RMB 46 million) in relation to an additional second grant of 473,460,000 share options on 24 July 2015 in addition to the 536,840,000 share options which are granted on 23 October 2014.

The Group will persistently optimize the allocation of available resources, which allows the Company to focus on developing quality solar projects, and will continue to implement stringent cost control measures on our printed circuit board business, including the possible discontinuance or disposal of the Dongguan Factory to reduce risks and potential additional operational costs in compliance with the environmental rules and regulations. The final amounts of the Impairment, the depreciation charges and the share based payment expenses for 2015 are yet to be determined by the Board and will be agreed with the auditor of the Company.

The information contained in this announcement is only based on the Company's preliminary assessment of the Management Accounts for the Year, which will be further updated before the annual results announcement of the Company and it is subject to further discussion and review by the Company's auditor and the audit committee of the Company. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the Year which is expected to be published by end of March 2016.

BUSINESS UPDATE

The Board announces that the Group's solar power plants have an additional annual installed Capacity in 2015 of 1,024.5 megawatts and reached 1,640 megawatts of aggregated installed Capacity as at 31 December 2015 (31 December 2014: 615.5 megawatts). All of these solar power plants have achieved on-grid connection.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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, 11 March 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.