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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 CINDA FINANCIAL LEASING CO., LTD

On 7 December 2016 (after trading hours), the Group entered into:

- (i) the Shanggao Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing shall purchase from Shanggao County Lifeng (an indirect wholly-owned subsidiary of the Company) the Shanggao Leased Assets at a consideration of RMB120,000,000.00 (equivalent to approximately HK\$135,708,000.00) and (ii) following the acquisition, Cinda Financial Leasing as lessor shall lease the Shanggao Leased Assets to Shanggao County Lifeng as lessee for a term of 8 years at an aggregate estimated rent of RMB147,062,890.23 (equivalent to approximately HK\$166,313,422.56). In addition, pursuant to the Shanggao Finance Lease Agreements, the Group agreed to pay Cinda Financial Leasing a finance lease service fee of RMB5,760,000.00 (equivalent to approximately HK\$6,513,984.00); and
- (ii) the Meng Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing shall purchase from Meng County Puyang (an indirect subsidiary of the Company) the Meng Leased Assets at a consideration of RMB180,000,000.00 (equivalent to approximately HK\$203,562,000.00) and (ii) following the acquisition, Cinda Financial Leasing as lessor shall lease the Meng Leased Assets to Meng County Puyang as lessee for a term of 8 years at an aggregate estimated rent of RMB220,594,335.35 (equivalent to approximately HK\$249,470,133.85). In addition, pursuant to the Meng Finance Lease Agreements, the Group agreed to pay Cinda Financial Leasing a finance lease service fee of RMB8,640,000.00 (equivalent to approximately HK\$9,770,976.00),

(the “Finance Lease Agreements”).

In addition, the Group entered into the following agreements with Cinda Financial Leasing in the past 12 months:

- (i) the Anfu Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased the Anfu Leased Assets from Anfu GCL (an indirect wholly-owned subsidiary of the Company) at a consideration of RMB100,000,000.00 (equivalent to approximately HK\$113,090,000.00) and (ii) following the acquisition, Cinda Financial Leasing leased the Anfu Leased Assets to Anfu GCL at an aggregate estimated rent of RMB118,257,935.80 (equivalent to approximately HK\$133,737,899.60) for a term of 6 years, commencing from the date that the consideration for the Anfu Leased Assets is paid by Cinda Financial Leasing. In addition, pursuant to the Anfu Finance Lease Agreements, the Group agreed to pay Cinda Financial Leasing a finance lease service fee of RMB3,600,000.00 (equivalent to approximately HK\$4,071,240.00); and
- (ii) the Ningxia Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased the Ningxia Leased Assets from Ningxia Haoneng and Nanjing GCL New Energy at an aggregate consideration of RMB100,000,000.00 (equivalent to approximately HK\$113,090,000.00) and (ii) following the acquisition, Cinda Financial Leasing leased the Ningxia Leased Assets to Ningxia Green (an indirect subsidiary of the Company) at an aggregate estimated rent of RMB104,543,308.62 (equivalent to approximately HK\$118,228,027.72) for a term of 1.5 years, commencing from the date that the consideration for the Ningxia Leased Assets is paid by Cinda Financial Leasing. In addition, pursuant to the Ningxia Finance Lease Agreements, the Group agreed to pay Cinda Financial Leasing a finance lease service fee of RMB1,500,000.00 (equivalent to approximately HK\$1,696,350.00),

(the “**Previous Finance Lease Agreements**”).

LISTING RULE IMPLICATIONS

As the Previous Finance Lease Agreements were entered into with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Finance Lease Agreements, the Finance Lease Agreements and the Previous Finance Lease Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) exceeds 5% but is less than 25% for the Company, the entering into of the Finance Lease Agreements and the Previous Finance Lease Agreements, in aggregate, 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 FINANCE LEASE AGREEMENTS

A. Principal terms of the Shanggao Finance Lease Agreements

- (i) **Date** 7 December 2016
- (ii) **Parties**
 - (1) Seller and lessee: Shanggao County Lifeng
 - (2) Purchaser and lessor: Cinda Financial Leasing

(iii) The Shanggao Finance Lease

Pursuant to the Shanggao Finance Lease, (i) Cinda Financial Leasing shall purchase the Shanggao Leased Assets from Shanggao County Lifeng at a consideration of RMB120,000,000.00 (equivalent to approximately HK\$135,708,000.00) and (ii) following the acquisition, Cinda Financial Leasing shall lease the Shanggao Leased Assets to Shanggao County Lifeng at an aggregate estimated rent of RMB147,062,890.23 (equivalent to approximately HK\$166,313,422.56) for a term of 8 years, commencing from the date that the consideration for the Shanggao Leased Assets is paid by Cinda Financial Leasing. The Shanggao Leased Assets shall be used by Shanggao County Lifeng for the Shanggao Project.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Shanggao County Lifeng to Cinda Financial Leasing under the Shanggao Finance Lease Agreements is RMB147,062,890.23 (equivalent to approximately HK\$166,313,422.56) and is payable in a total of 32 quarterly instalments. Based on the estimated commencement date of 9 December 2016, the initial two instalments will be RMB1,470,000.00 (equivalent to approximately HK\$1,662,423.00) each and each of the remaining instalments will be RMB4,804,096.34 (equivalent to approximately HK\$5,432,952.55).

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Shanggao Finance Lease was RMB120,000,000.00 (equivalent to approximately HK\$135,708,000.00). The interest rate under the Shanggao Finance Lease was calculated at an annualised interest rate of 4.9%, representing the current benchmark lending rate promulgated by the People's Bank of China for an 8-year term. During the term of the Shanggao Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction.

In addition, Shanggao County Lifeng has agreed to pay a finance lease service fee to Cinda Financial Leasing of RMB5,760,000.00 (equivalent to approximately HK\$6,513,984.00). Shanggao County Lifeng shall pay the service fee in equal annual instalments of RMB720,000.00 (equivalent to approximately HK\$814,248.00), the first instalment of which shall be paid within five days of the Shanggao Finance Lease.

The terms of the Shanggao Finance Lease including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Shanggao County Lifeng with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar finance lease services.

The price for the purchase of the Shanggao Leased Assets payable by Cinda Financial Leasing under the Shanggao Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Shanggao Leased Assets

During the term of the Shanggao Finance Lease, the ownership of the Shanggao Leased Assets shall vest in Cinda Financial Leasing. Upon expiry of the term of the Shanggao Finance Lease and subject to the full payment of the entire amount of the lease rent and interest due under the Shanggao Finance Lease, Shanggao County Lifeng shall purchase the Shanggao Leased Assets on an "as is" basis from Cinda Financial Leasing for the nominal purchase price of RMB100.00 (equivalent to approximately HK\$113.09).

(vi) Security Arrangements for the Shanggao Finance Lease

Pursuant to the Shanggao Finance Lease Agreements, Shanggao County Lifeng shall pay to Cinda Financial Leasing the Shanggao Security Deposit which shall be paid within five days of the Shanggao Finance Lease to secure Shanggao County Lifeng's obligations under the Shanggao Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Shanggao Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Shanggao County Lifeng. In the event of such deduction, Shanggao County Lifeng shall make up for the deduction and restore the amount of the Shanggao Security Deposit to RMB8,520,000.00 (equivalent to approximately HK\$9,635,268.00) upon notice from Cinda Financial Leasing. Following the expiry of the Shanggao Finance Lease, any remaining balance of the Shanggao Security Deposit shall be refunded to Shanggao County Lifeng. The Shanggao Security Deposit shall not bear any interest during the term of the Shanggao Finance Lease.

In addition, the obligations under the Shanggao Finance Lease Agreements are secured by the following:

- (1) Suzhou GCL Shanggao Guarantee: pursuant to the Suzhou GCL Shanggao Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Shanggao County Lifeng's obligations under the Shanggao Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Meng Finance Lease was RMB180,000,000.00 (equivalent to approximately HK\$203,562,000.00). The interest rate under the Meng Finance Lease was calculated at an annualised interest rate of 4.9%, representing the current benchmark lending rate promulgated by the People's Bank of China for an 8-year-term. During the term of the Meng Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction.

In addition, Meng County Puyang has agreed to pay a finance lease service fee to Cinda Financial Leasing of RMB8,640,000.00 (equivalent to approximately HK\$9,770,976.00). Meng County Puyang shall pay the service fee in equal annual instalments of RMB1,080,000.00 (equivalent to approximately HK\$1,221,372.00), the first instalment of which shall be paid within five days of the Meng Finance Lease.

The terms of the Meng Finance Lease, including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Meng County Puyang with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar finance lease services.

The price for the purchase of the Meng Leased Assets payable by Cinda Financial Leasing under the Meng Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Meng Leased Assets

During the term of the Meng Finance Lease, the ownership of the Meng Leased Assets shall vest in Cinda Financial Leasing. Upon expiry of the term of the Meng Finance Lease and subject to the full payment of the entire amount of the lease rent and interest due under the Meng Finance Lease, Meng County Puyang shall purchase the Meng Leased Assets on an "as is" basis from Cinda Financial Leasing for the nominal purchase price of RMB100.00 (equivalent to approximately HK\$113.09).

(vi) Security Arrangements for the Meng Finance Lease

Pursuant to the Meng Finance Lease Agreements, Meng County Puyang shall pay to Cinda Financial Leasing the Meng Security Deposit which shall be paid prior to Cinda Financial Leasing paying the consideration for the Meng Leased Assets to secure Meng County Puyang's obligations under the Meng Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Meng Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Meng County Puyang. In the event of such deduction, Meng County Puyang shall make up for the deduction and restore the amount of the Meng Security Deposit to RMB12,780,000.00 (equivalent to approximately HK\$14,452,902.00) upon notice from Cinda Financial Leasing. Following the

expiry of the Meng Finance Lease, any remaining balance of the Meng Security Deposit shall be refunded to Meng County Puyang. The Meng Security Deposit shall not bear any interest during the term of the Meng Finance Lease.

In addition, the obligations under the Meng Finance Lease Agreements are secured by the following:

- (1) Suzhou GCL Meng Guarantee: pursuant to the Suzhou GCL Meng Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Meng County Puyang's obligations under the Meng Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (2) Nanjing GCL Meng Guarantee: pursuant to the Nanjing GCL Meng Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Meng County Puyang's obligations under the Meng Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (3) Meng Share Pledge Agreement: pursuant to the Meng Share Pledge Agreement, Suzhou GCL New Energy has agreed to pledge 48.89% of the equity interest in Meng County Puyang to secure all of Meng County Puyang's obligations under the Meng Finance Lease;
- (4) Meng Leased Assets Mortgage Agreement: pursuant to the Meng Leased Assets Mortgage Agreement, Meng County Puyang has agreed to mortgage the Meng Leased Assets to secure all of its obligations under the Meng Finance Lease; and
- (5) Meng Electricity Fees Pledge Agreement: pursuant to the Meng Electricity Fees Pledge Agreement, Meng County Puyang has agreed to pledge 100% of its right to electricity fees in relation to the Meng Project to secure to its obligations under the Meng Finance Lease.

2. THE PREVIOUS FINANCE LEASE AGREEMENTS

A. Principal terms of the Anfu Finance Lease Agreements

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| (i) Date | 26 October 2016 |
| (ii) Parties | (1) Seller and lessee: Anfu GCL
(2) Purchaser and lessor: Cinda Financial Leasing |

(iii) The Anfu Finance Lease

Pursuant to the Anfu Finance Lease, (i) Cinda Financial Leasing purchased the Anfu Leased Assets from Anfu GCL at a consideration of RMB100,000,000.00 (equivalent to approximately HK\$113,090,000.00) and (ii) following the acquisition, Cinda Financial Leasing leased the Anfu Leased Assets to Anfu GCL at an aggregate estimated rent of RMB118,257,935.80 (equivalent to approximately HK\$133,737,899.60) for a term of 6 years, commencing from the

date that the consideration for the Anfu Leased Assets is paid by Cinda Financial Leasing. The Anfu Leased Assets shall be used by Anfu GCL for the Anfu Project.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Anfu GCL to Cinda Financial Leasing under the Anfu Finance Lease Agreements is RMB118,257,935.80 (equivalent to approximately HK\$133,737,899.60) and is payable in a total of 24 quarterly instalments. Based on the commencement date of 30 October 2016, the initial four instalments will be RMB1,225,000.00 (equivalent to approximately HK\$1,385,352.50) each and each of the remaining instalments will be RMB5,667,896.79 (equivalent to approximately HK\$6,409,824.48).

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Anfu Finance Lease was RMB100,000,000.00 (equivalent to approximately HK\$113,090,000.00). The interest rate under the Anfu Finance Lease was calculated at an annualised interest rate of 4.9%, representing the then benchmark lending rate promulgated by the People's Bank of China for a 6-year term. During the term of the Anfu Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction.

In addition, Anfu GCL has agreed to pay a finance lease service fee to Cinda Financial Leasing of RMB3,600,000.00 (equivalent to approximately HK\$4,071,240.00). Anfu GCL shall pay the service fee in equal annual instalments of RMB600,000.00 (equivalent to approximately HK\$678,540.00), the first instalment of which shall be paid within five days of the Anfu Finance Lease.

The terms of the Anfu Finance Lease including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Anfu GCL with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar finance lease services.

The price for the purchase of the Anfu Leased Assets payable by Cinda Financial Leasing under the Anfu Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Anfu Leased Assets

During the term of the Anfu Finance Lease, the ownership of the Anfu Leased Assets shall vest in Cinda Financial Leasing. Upon expiry of the term of the Anfu Finance Lease and subject to the full payment of the entire amount of the lease rent and interest due under the Anfu Finance Lease, Anfu GCL shall purchase the Anfu Leased Assets on an "as is" basis from Cinda Financial Leasing for the nominal purchase price of RMB100.00 (equivalent to approximately HK\$113.09).

(vi) Security Arrangements for the Anfu Finance Lease

Pursuant to the Anfu Finance Lease Agreements, Anfu GCL shall pay to Cinda Financial Leasing the Anfu Security Deposit which shall be paid within five days of the Anfu Finance Lease to secure Anfu GCL's obligations under the Anfu Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Anfu Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Anfu GCL. In the event of such deduction, Anfu GCL shall make up for the deduction and restore the amount of the Anfu Security Deposit to RMB8,000,000.00 (equivalent to approximately HK\$9,047,200.00) upon notice from Cinda Financial Leasing. Following the expiry of the Anfu Finance Lease, any remaining balance of the Anfu Security Deposit shall be refunded to Anfu GCL. The Anfu Security Deposit shall not bear any interest during the term of the Anfu Finance Lease.

In addition, the obligations under the Anfu Finance Lease Agreements are secured by the following:

- (1) Suzhou GCL Anfu Guarantee: pursuant to the Suzhou GCL Anfu Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Anfu GCL's obligations under the Anfu Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (2) Nanjing GCL Anfu Guarantee: pursuant to the Nanjing GCL Anfu Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Anfu GCL's obligations under the Anfu Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (3) Anfu Share Pledge Agreement: pursuant to the Anfu Share Pledge Agreement, Suzhou GCL New Energy has agreed to pledge 100% of the equity interest in Anfu GCL to secure all of Anfu GCL's obligations under the Anfu Finance Lease;
- (4) Anfu Leased Assets Mortgage Agreement: pursuant to the Anfu Leased Assets Mortgage Agreement, Anfu GCL has agreed to mortgage the Anfu Leased Assets to secure all of its obligations under the Anfu Finance Lease; and
- (5) Anfu Electricity Fees Pledge Agreement: pursuant to the Anfu Electricity Fees Pledge Agreement, Anfu GCL has agreed to pledge 100% of its right to electricity fees in relation to the Anfu Project to secure to its obligations under the Anfu Finance Lease.

B. Principal terms of the Ningxia Finance Lease Agreements

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| (i) Date | 20 January 2016 |
| (ii) Parties | (1) Sellers: Ningxia Haoneng and Nanjing GCL New Energy
(2) Lessee: Ningxia Green
(3) Purchaser and lessor: Cinda Financial Leasing |

(iii) The Ningxia Finance Lease

Pursuant to the Ningxia Sale and Purchase Agreement I and Ningxia Sale and Purchase Agreement II, Cinda Financial Leasing purchased the Ningxia Leased Assets from Ningxia Haoneng and Nanjing GCL New Energy for RMB24,030,000.00 (equivalent to approximately HK\$27,175,527.00) and RMB75,970,000.00 (equivalent to approximately HK\$85,914,473.00) respectively. Pursuant to the Ningxia Finance Lease, following the acquisition, Cinda Financial Leasing leased the Ningxia Leased Assets to Ningxia Green at an aggregate estimated rent of RMB104,543,308.62 (equivalent to approximately HK\$118,228,027.72) for a term of 1.5 years, commencing from the date that the consideration for the Ningxia Leased Assets is paid by Cinda Financial Leasing. The Ningxia Leased Assets shall be used by Ningxia Green for the Ningxia Project.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Ningxia Green to Cinda Financial Leasing under the Ningxia Finance Lease Agreements is RMB104,543,308.62 (equivalent to approximately HK\$118,228,027.72) and is payable in a total of 6 quarterly instalments based on the commencement date of 27 March 2016.

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Ningxia Finance Lease was RMB100,000,000.00 (equivalent to approximately HK\$113,090,000.00). The interest rate under the Ningxia Finance Lease was calculated at an annualised interest rate of 5.225%, representing 110% of the then benchmark one-year lending rate promulgated by the People's Bank of China. During the term of the Ningxia Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction.

In addition, Ningxia Green has agreed to pay a finance lease service fee to Cinda Financial Leasing of RMB1,500,000.00 (equivalent to approximately HK\$1,696,350.00) within three days of the Ningxia Finance Lease.

The terms of the Ningxia Finance Lease including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Ningxia Green with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar finance lease services.

The price for the purchase of the Ningxia Leased Assets payable by Cinda Financial Leasing under the Ningxia Finance Lease Agreements was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Ningxia Leased Assets

During the term of the Ningxia Finance Lease, the ownership of the Ningxia Leased Assets shall vest in Cinda Financial Leasing. Upon expiry of the term of the Ningxia Finance Lease and subject to the full payment of the entire amount of the lease rent and interest due under the Ningxia Finance Lease, Ningxia Green shall purchase the Ningxia Leased Assets on an “as is” basis from Cinda Financial Leasing for the nominal purchase price of RMB100.00 (equivalent to approximately HK\$113.09).

(vi) Security Arrangements for the Ningxia Finance Lease

Pursuant to the Ningxia Finance Lease Agreements, Ningxia Green shall pay to Cinda Financial Leasing the Ningxia Security Deposit which shall be paid within three days of the Ningxia Finance lease to secure Ningxia Green’s obligations under the Ningxia Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Ningxia Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Ningxia Green. In the event of such deduction, Ningxia Green shall make up for the deduction and restore the amount of the Ningxia Security Deposit to RMB10,000,000.00 (equivalent to approximately HK\$11,309,000.00) upon notice from Cinda Financial Leasing. Following the expiry of the Ningxia Finance Lease, any remaining balance of the Ningxia Security Deposit shall be refunded to Ningxia Green. The Ningxia Security Deposit shall not bear any interest during the term of the Ningxia Finance Lease.

In addition, the obligations under the Ningxia Finance Lease Agreements are secured by the following:

- (1) Company Ningxia Guarantee: pursuant to the Company Ningxia Guarantee, the Company has agreed to provide a guarantee to secure Ningxia Green’s obligations under the Ningxia Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (2) Suzhou GCL Ningxia Guarantee: pursuant to the Suzhou GCL Ningxia Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Ningxia Green’s obligations under the Ningxia Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (3) Suzhou Ningxia Share Pledge Agreement: pursuant to the Suzhou Ningxia Share Pledge Agreement, Suzhou GCL New Energy has agreed to pledge 95% of the equity interest in Ningxia Green to secure all of Ningxia Green’s obligations under the Ningxia Finance Lease;
- (4) Ningxia Lvju Share Pledge Agreement: pursuant to the Ningxia Lvju Share Pledge Agreement, Ningxia Lvju has agreed to pledge 5% of the equity interest in Ningxia Green to secure all of Ningxia Green’s obligations under the Ningxia Finance Lease; and

- (5) Ningxia Repurchase Agreement: pursuant to the Ningxia Repurchase Agreement, Nanjing GCL New Energy has agreed to repurchase the Ningxia Leased Assets from Cinda Financial Leasing for a price equal to all outstanding rent, interest, default interest, liquidated damages and other amounts due to Cinda Financial Leasing in the event of (i) Ningxia Green failing to pay two consecutive instalments under Ningxia Finance Lease; (ii) Ningxia Green failing to pay three instalments overall under the Ningxia Finance Lease; (iii) there being an amount of RMB34,000,000.00 (equivalent to approximately HK\$38,450,600.00) due and payable under the Ningxia Finance Lease; or (iv) there being outstanding rent due upon expiry of the term of the Ningxia Finance Lease.

3. REASONS FOR AND BENEFITS OF THE DISCLOSEABLE TRANSACTION

The terms of the Finance Lease Agreements and the Previous Finance Lease Agreements have been agreed after arm's length negotiation between the relevant parties. As a developer of photovoltaic power station projects, the Group requires capital from time to time to construct its power generation projects. The Finance Lease Agreements and the Previous Finance Lease Agreements provide the Group with additional liquidity by utilising its existing investments in its existing equipment and assets. The Group will benefit from additional working capital which can be used to fund other business and operational activities.

Based on the above reasons, the Directors believe and consider that the terms of the Finance Lease Agreements and the Previous 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.

4. LISTING RULES IMPLICATIONS

As the Previous Finance Lease Agreements were entered into with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Finance Lease Agreements, the Finance Lease Agreements and the Previous Finance Lease Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) exceeds 5% but is less than 25% for the Company, the entering into of the Finance Lease Agreements and the Previous Finance Lease Agreements, in aggregate, 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.

5. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTION

Cinda Financial Leasing

Cinda Financial Leasing is a company incorporated in the PRC with limited liability and it is principally engaged in finance leasing businesses.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Cinda Financial Leasing and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Ningxia Haoneng

Ningxia Haoneng is a company incorporated in the PRC with limited liability and it is principally engaged in power installation and construction work.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Ningxia Haoneng 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 the development, construction, operation and management of solar power stations as well as the manufacturing and selling of printed circuit boards.

6. DEFINITIONS

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

“Anfu Electricity Fees Pledge Agreement”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Anfu GCL, pursuant to which Anfu GCL has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Anfu Project
“Anfu Finance Lease”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Anfu GCL in relation to the leasing of the Anfu Leased Assets
“Anfu Finance Lease Agreements”	the Anfu Finance Lease, the Suzhou GCL Anfu Guarantee, the Nanjing GCL Anfu Guarantee, the Anfu Share Pledge Agreement, the Anfu Leased Assets Mortgage Agreement and the Anfu Electricity Fees Pledge Agreement
“Anfu GCL”	Anfu GCL New Energy Limited* (安福協鑫新能源有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Anfu Leased Assets”	certain solar modules, combiner boxes, cables, tubing, inverters, cable cabinets, fire safety equipment, power testing equipment and other photovoltaic equipment and installations used by Anfu GCL for the Anfu Project
“Anfu Leased Assets Mortgage Agreement”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Anfu GCL, pursuant to which Anfu GCL has mortgaged the Anfu Leased Assets to Cinda Financial Leasing
“Anfu Project”	the 20MW photovoltaic power station project located in Anfu County in Ji'an City, Jiangxi Province, the PRC

“Anfu Security Deposit”	a refundable security deposit of RMB8,000,000.00 (equivalent to approximately HK\$9,047,200.00) payable by Anfu GCL under the Anfu Finance Lease
“Anfu Share Pledge Agreement”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Anfu GCL to Cinda Financial Leasing
“Board”	the board of the Directors
“Cinda Financial Leasing”	Cinda Financial Leasing Co., Ltd (信達金融租賃有限公司), a company incorporated in the PRC
“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
“Company Ningxia Guarantee”	the guarantee dated 20 January 2016 given by the Company to Cinda Financial Leasing to secure Ningxia Green’s obligations under the Ningxia Finance Lease Agreements
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Finance Lease Agreements”	the Shanggao Finance Lease Agreements and the Meng Finance Lease Agreements
“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
“Meng County Puyang”	Meng County Puyang New Energy Limited* (孟縣晉陽新能源發電有限公司), an indirect subsidiary of the Company which is incorporated in the PRC with limited liability
“Meng Electricity Fees Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Meng County Puyang, pursuant to which Meng County Puyang has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Meng Project
“Meng Finance Lease”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Meng County Puyang in relation to the leasing of the Meng Leased Assets

“Meng Finance Lease Agreements”	the Meng Finance Lease, the Suzhou GCL Meng Guarantee, the Nanjing GCL Meng Guarantee, the Meng Share Pledge Agreement, the Meng Leased Assets Mortgage Agreement and the Meng Electricity Fees Pledge Agreement
“Meng Leased Assets”	certain solar modules, frames, combiner boxes, inverters, cables, and other photovoltaic equipment and installations used by Meng County Puyang for the Meng Project
“Meng Leased Assets Mortgage Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Meng County Puyang, pursuant to which Meng County Puyang has mortgaged the Meng Leased Assets to Cinda Financial Leasing
“Meng Project”	the second phase 30MW photovoltaic power station project located in Meng County in Yangquan City, Shanxi Province, the PRC
“Meng Security Deposit”	a refundable security deposit of RMB12,780,000.00 (equivalent to approximately HK\$14,452,902.00) payable by Meng County Puyang under the Meng Finance Lease
“Meng Share Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 48.89% of the equity interest in Meng County Puyang to Cinda Financial Leasing
“MW”	megawatt(s)
“Nanjing GCL Anfu Guarantee”	the guarantee dated 26 October 2016 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Anfu GCL’s obligations under the Anfu Finance Lease
“Nanjing GCL Meng Guarantee”	the guarantee dated 7 December 2016 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Meng County Puyang’s obligations under the Meng Finance Lease
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd. 南京協鑫新能源發展有限公司, an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Nanjing GCL Shanggao Guarantee”	the guarantee dated 7 December 2016 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Shanggao County Lifeng’s obligations under the Shanggao Finance Lease
“Ningxia Finance Lease”	the agreement dated 20 January 2016 between Cinda Financial Leasing and Ningxia Green in relation to the leasing of the Ningxia Leased Assets

“Ningxia Finance Lease Agreements”	the Ningxia Finance Lease, the Ningxia Sale and Purchase Agreement I, the Ningxia Sale and Purchase Agreement II, the Company Ningxia Guarantee, the Suzhou GCL Ningxia Guarantee, the Suzhou Ningxia Share Pledge Agreement, the Ningxia Lvju Share Pledge Agreement and the Ningxia Repurchase Agreement
“Ningxia Haoneng”	Ningxia Haoneng Power Limited* (寧夏昊能電力有限公司) a company incorporated in the PRC with limited liability
“Ningxia Green”	Ningxia Green Hao Photovoltaic Power Limited* (寧夏綠昊光伏發電有限公司), an indirect subsidiary of the Company which is incorporated in the PRC with limited liability
“Ningxia Leased Assets”	certain solar modules, frames, inverters, transformers, combiner boxes, switch gears, cables and other photovoltaic equipment and installations used by Ningxia Green for the Ningxia Project
“Ningxia Lvju”	Ningxia Lvju Energy Power Limited* (寧夏綠聚能電源有限公司), a company incorporated in the PRC with limited liability
“Ningxia Lvju Share Pledge Agreement”	the agreement dated 20 January 2016 between Cinda Financial Leasing and Ningxia Lvju, pursuant to which Ningxia Lvju has pledged 5% of the equity interest in Ningxia Green to Cinda Financial Leasing
“Ningxia Project”	the 20MW fishery photovoltaic power station project located in Shizuishan City, Ningxia Province, the PRC
“Ningxia Repurchase Agreement”	the agreement dated 20 January 2016 between Cinda Financial Leasing, Nanjing GCL New Energy and Ningxia Green in relation to the repurchase of the Ningxia Leased Assets by Nanjing GCL New Energy
“Ningxia Sale and Purchase Agreement I”	the agreement dated 20 January 2016 between Cinda Financial Leasing (as purchaser), Nanjing GCL New Energy (as seller) and Ningxia Green (as lessee) for the sale and purchase of solar modules used by Ningxia Green for the Ningxia Project
“Ningxia Sale and Purchase Agreement II”	the agreement dated 20 January 2016 between Cinda Financial Leasing (as purchaser), Ningxia Haoneng (as seller) and Ningxia Green (as lessee) for the sale and purchase of frames, inverters, transformers, combiner boxes, switch gears, cables and other photovoltaic equipment and installations used by Ningxia Green for the Ningxia Project
“Ningxia Security Deposit”	a refundable security deposit of RMB10,000,000.00 (equivalent to approximately HK\$11,309,000.00) payable by Ningxia Green under the Ningxia Finance Lease

“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
“Previous Finance Lease Agreements”	the Anfu Finance Lease Agreements and the Ningxia Finance Lease Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Shanggao County Lifeng”	Shanggao County Lifeng New Energy Limited* (上高縣利豐新能源有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Shanggao Electricity Fees Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Shanggao County Lifeng, pursuant to which Shanggao County Lifeng has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Shanggao Project
“Shanggao Finance Lease”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Shanggao County Lifeng in relation to the leasing of the Shanggao Leased Assets
“Shanggao Finance Lease Agreements”	the Shanggao Finance Lease, the Suzhou GCL Shanggao Guarantee, the Nanjing GCL Shanggao Guarantee, the Shanggao Share Pledge Agreement, the Shanggao Leased Assets Mortgage Agreement and the Shanggao Electricity Fees Pledge Agreement
“Shanggao Leased Assets”	certain solar modules, inverters, transformers, combiner boxes, frames, cables and other photovoltaic equipment and installations used by Shanggao County Lifeng for the Shanggao Project
“Shanggao Leased Assets Mortgage Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Shanggao County Lifeng, pursuant to which Shanggao County Lifeng has mortgaged the Shanggao Leased Assets to Cinda Financial Leasing
“Shanggao Project”	the 20MW photovoltaic power station project located in Shanggao County in Yichun City, Jiangxi Province, the PRC
“Shanggao Security Deposit”	a refundable security deposit of RMB8,520,000.00 (equivalent to approximately HK\$9,635,268.00) payable by Shanggao County Lifeng under the Shanggao Finance Lease
“Shanggao Share Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Shanggao County Lifeng to Cinda Financial Leasing

“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
“Suzhou GCL Anfu Guarantee”	the guarantee dated 26 October 2016 from Suzhou GCL New Energy given to Cinda Financial Leasing in respect of Anfu GCL’s obligations under the Anfu Finance Lease
“Suzhou GCL Shanggao Guarantee”	the guarantee dated 7 December 2016 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Shanggao County Lifeng’s obligations under the Shanggao Finance Lease
“Suzhou GCL Meng Guarantee”	the guarantee dated 7 December 2016 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Meng County Puyang’s obligations under the Meng 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
“Suzhou GCL Ningxia Guarantee”	the guarantee dated 20 January 2016 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Ningxia Green’s obligations under the Ningxia Finance Lease Agreements
“Suzhou Ningxia Share Pledge Agreement”	the agreement dated 20 January 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 95% of the equity interest in Ningxia Green to Cinda Financial Leasing
“%”	per cent.

This announcement contains translation between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.1309, being the exchange rate prevailing on 6 December 2016. The translation 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
Zhu Yufeng
Chairman

Hong Kong, 7 December 2016

As at the date of this announcement, the executive Directors are Mr. Zhu Yufeng, Mr. Sun Xingping, Ms. Hu Xiaoyan and Mr. Tong Wan Sze; 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. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying.