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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)

MAJOR TRANSACTION WITH CITIC FINANCIAL LEASING CO., LTD

On 23 February 2017 (after trading hours), the Group entered into the Haifeng Finance Lease Agreements, pursuant to which (i) Citic Financial Leasing shall purchase from Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) the Haifeng Leased Assets at a consideration of RMB280,000,000.00 (equivalent to approximately HK\$316,344,000.00) and (ii) following the acquisition, Citic Financial Leasing as lessor shall lease the Haifeng Leased Assets to Haifeng GCL (an indirect wholly-owned subsidiary of the Company) as lessee for a term of nine and a half years at an aggregate estimated rent of RMB381,351,050.99 (equivalent to approximately HK\$430,850,417.41). In addition, pursuant to the Haifeng Finance Lease Agreements, the Group engaged Citic Financial Leasing to provide certain asset management consulting services for a service fee of RMB20,160,000.00 (equivalent to approximately HK\$22,776,768.00).

In addition, as disclosed in the Company's announcement dated 20 December 2016 (the "**Previous Announcement**"), the Group entered into the Shanglin Finance Lease Agreements, the Urad Finance Lease Agreements, the Jinxi Finance Lease Agreements, the Taoyuan Finance Lease Agreements I, the Taoyuan Finance Lease Agreements II and the Taoyuan Finance Lease Agreements III (as defined in the Previous Announcement, together the "**Previous Agreements**") with Citic Financial Leasing in the past 12 months.

LISTING RULES IMPLICATIONS

As the Previous Agreements were entered into with Citic Financial Leasing within a 12-month period prior to and inclusive of the date of the Haifeng Finance Lease Agreements, the Haifeng Finance Lease Agreements and the Previous 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 Haifeng Finance Lease Agreements and the Previous Agreements (in aggregate) exceeds 25% but is less than 100%, the entering into of the Haifeng Finance Lease Agreements and the Previous Agreements, in aggregate, constitutes a major transaction of the Company and the Company shall comply with the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. To the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the major transaction and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for approving the major transaction. Pursuant to Rule 14.44 of the Listing Rules, the Company will request a written Shareholders' approval from Elite Time Global (which as at the date of this announcement, holds 11,880,000,000 Shares, representing approximately 62.28% of the issued share capital of the Company) to approve the major transaction. If the Company receives such written Shareholders' approval, no Shareholders' meeting will be held to approve the major transaction pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the major transaction will be dispatched to the Shareholders on or before 16 March 2017.

1. THE HAIFENG FINANCE LEASE AGREEMENTS

Principal terms of the Haifeng Finance Lease Agreements

(i) *Date* 23 February 2017

(ii) *Parties*

(1)	Seller:	Nanjing GCL New Energy
(2)	Lessee:	Haifeng GCL
(3)	Purchaser and lessor:	Citic Financial Leasing

(iii) *The Haifeng Finance Lease and the Haifeng Sale and Purchase Agreement*

Pursuant to the Haifeng Finance Lease and the Haifeng Sale and Purchase Agreement, (i) Citic Financial Leasing shall purchase the Haifeng Leased Assets from Nanjing GCL New Energy at a consideration of RMB280,000,000.00 (equivalent to approximately HK\$316,344,000.00); and (ii) following the acquisition, Citic Financial Leasing shall

lease the Haifeng Leased Assets to Haifeng GCL at an aggregate estimated rent of RMB381,351,050.99 (equivalent to approximately HK\$430,850,417.41) for a term of nine and a half years.

Citic Financial Leasing shall first pay the consideration in a lump sum to a designated bank account opened by Haifeng GCL, which account shall be used exclusively for the purchase of the Haifeng Leased Assets, on a date to be agreed between Citic Financial Leasing and Haifeng GCL after the following conditions are satisfied:

- (1) all transaction documents for the transaction contemplated under the Haifeng Finance Lease are in effect and not in breach;
- (2) Haifeng GCL has obtained all approvals for the transaction;
- (3) copies of all corporate authorisations for giving security under the Haifeng Finance Lease have been provided to Citic Financial Leasing;
- (4) all security documents have been signed and Haifeng GCL is not in breach of such security documents;
- (5) Citic Financial Leasing has received evidence showing that all security documents requiring registration have been registered;
- (6) Citic Financial Leasing has received the Haifeng Security Deposit;
- (7) all representations and warranties under the Haifeng Finance Lease and the Haifeng Sale and Purchase Agreement are true, accurate and not misleading;
- (8) there is no material change in the PRC tax, financial policies and government regulations on finance leases and no material change in market financing costs; and
- (9) other payment conditions recognised by Citic Financial Leasing have been fulfilled.

Citic Financial Leasing shall then authorise Haifeng GCL to pay Nanjing GCL New Energy the relevant sum in instalments from the designated bank account based on the terms of the Haifeng Sale and Purchase Agreement and the progress of supplying the Haifeng Leased Assets to Haifeng GCL after the following conditions are satisfied:

- (1) Citic Financial Leasing has received the payment request letter from Haifeng GCL;
- (2) Citic Financial Leasing has received the supporting documents showing the progress of supplying the Haifeng Leased Assets;

- (3) Haifeng GCL and Nanjing GCL New Energy have provided the acceptance letter of the Haifeng Leased Assets, the certificate of transfer of ownership and other relevant documentation evidencing that Haifeng GCL has purchased insurance for the Haifeng Leased Assets as required by Citic Financial Leasing; and
- (4) there is no breach that is continuing or incapable of being remedied under the Haifeng Finance Lease or any other agreements signed between Citic Financial Leasing and Haifeng GCL.

(iv) *Payment of Rent*

The estimated aggregate amount of rent payable by Haifeng GCL to Citic Financial Leasing under the Haifeng Finance Lease Agreements is RMB381,351,050.99 (equivalent to approximately HK\$430,850,417.41) and is payable in a total of 38 quarterly instalments. Based on the estimated commencement date of 15 March 2017, the initial two instalments are RMB4,207,466.67 (equivalent to approximately HK\$4,753,595.84) each, the next eight instalments range from RMB5,969,000.00 (equivalent to approximately HK\$6,743,776.20) to RMB6,161,733.33 (equivalent to approximately HK\$6,961,526.32), and the remaining 28 instalments range from RMB11,340,709.50 (equivalent to approximately HK\$12,812,733.59) to RMB11,828,262.81 (equivalent to approximately HK\$13,363,571.32).

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 Haifeng Finance Lease was RMB280,000,000.00 (equivalent to approximately HK\$316,344,000.00). The interest rate under the Haifeng Finance Lease was calculated at an annualised interest rate of 5.88%, representing 120% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Haifeng 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.

(v) *Asset Management Consulting Services*

Pursuant to the Haifeng Asset Management Consulting Agreement, Citic Financial Leasing agreed to provide to Haifeng GCL certain asset management services, including asset inspection, operational monitoring and related consulting services for a service fee of RMB20,160,000.00 (equivalent to approximately HK\$22,776,768.00). Haifeng GCL shall pay the service fee in eight annual instalments beginning on 15 March 2017, of which the first instalment is RMB4,480,000.00 (equivalent to approximately HK\$5,061,504.00) and the remaining seven instalments are in equal amounts of RMB2,240,000.00 (equivalent to approximately HK\$2,530,752.00) each.

The terms of the Haifeng Finance Lease, the Haifeng Sale and Purchase Agreement and the Haifeng Asset Management Consulting Agreement, including the lease rent, lease interest rate, and service fee were determined after arm's length negotiation among Citic Financial Leasing, Haifeng GCL and Nanjing GCL New Energy with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar asset management and consulting services.

The price for the purchase of the Haifeng Leased Assets payable by Citic Financial Leasing under the Haifeng Sale and Purchase Agreement was determined through arm's length negotiation among Citic Financial Leasing, Haifeng GCL and Nanjing GCL New Energy with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

(vi) Ownership of the Haifeng Leased Assets

During the term of the Haifeng Finance Lease, the ownership of the Haifeng Leased Assets shall vest in Citic Financial Leasing. During the lease period, the Haifeng Leased Assets will be used by Haifeng GCL for the Haifeng Project. Upon expiry of the term of the Haifeng Finance Lease and subject to the full payment of the entire amount of the lease rent and any other amounts due under the Haifeng Finance Lease, Haifeng GCL shall purchase the Haifeng Leased Assets on an "as is" basis from Citic Financial Leasing for a nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

(vii) Security Arrangements for the Haifeng Finance Lease

Pursuant to the Haifeng Finance Lease, Haifeng GCL shall pay to Citic Financial Leasing the Haifeng Security Deposit which shall be paid prior to Citic Financial Leasing paying the consideration for the Haifeng Leased Assets to secure Haifeng GCL's obligations under the Haifeng Finance Lease. Citic Financial Leasing shall be entitled to deduct from the Haifeng Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Haifeng GCL. In the event of such deduction, Haifeng GCL shall make up for the deduction and restore the amount of the Haifeng Security Deposit to RMB5,600,000.00 (equivalent to approximately HK\$6,326,880.00) upon notice from Citic Financial Leasing. Following the expiry of the Haifeng Finance Lease, any remaining balance of the Haifeng Security Deposit shall be used to offset the amounts due from Haifeng GCL. The Haifeng Security Deposit shall not bear any interest during the term of the Haifeng Finance Lease.

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

- (1) Suzhou GCL Haifeng Guarantee: pursuant to the Suzhou GCL Haifeng Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement, including rental payments, interest, service and consulting fees and other amounts due to Citic Financial Leasing;
- (2) Nanjing GCL Haifeng Guarantee: pursuant to the Nanjing GCL Haifeng Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement, including rental payments, interest, service and consulting fees and other amounts due to Citic Financial Leasing;
- (3) Suzhou GCL Haifeng Share Pledge Agreement: pursuant to the Suzhou GCL Haifeng Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of the equity interest in Haifeng GCL to Citic Financial Leasing to secure all of Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement;
- (4) Haifeng Leased Assets Mortgage Agreement: pursuant to the Haifeng Leased Assets Mortgage Agreement, Haifeng GCL has mortgaged the Haifeng Leased Assets to secure all of Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement; and
- (5) Haifeng Electricity Fees Pledge Agreement: pursuant to the Haifeng Electricity Fees Pledge Agreement, Haifeng GCL has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Haifeng GCL and Guangdong Power Grid for the Haifeng Project to secure its obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement.

2. THE PREVIOUS AGREEMENTS

Please refer to the Previous Announcement for the principal terms of the Previous Agreements.

3. REASONS FOR AND BENEFITS OF THE MAJOR TRANSACTION

The terms of the Haifeng Finance Lease Agreements and the Previous Agreements have been agreed after arm's length negotiation among 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 Haifeng Finance Lease Agreements and the Previous Agreements

provide the Group with additional liquidity by utilising its existing investments in solar energy equipment. 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 Haifeng Finance Lease Agreements and the Previous 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 Agreements were entered into with Citic Financial Leasing within a 12-month period prior to and inclusive of the date of the Haifeng Finance Lease Agreements, the Haifeng Finance Lease Agreements and the Previous 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 Haifeng Finance Lease Agreements and the Previous Agreements (in aggregate) exceeds 25% but is less than 100%, the entering into of the Haifeng Finance Lease Agreements and the Previous Agreements, in aggregate, constitutes a major transaction of the Company and the Company shall comply with the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

5. GENERAL

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. To the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the major transaction and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for approving the major transaction. Pursuant to Rule 14.44 of the Listing Rules, the Company will request a written Shareholders' approval from Elite Time Global (which as at the date of this announcement, holds 11,880,000,000 Shares, representing approximately 62.28% of the issued share capital of the Company) to approve the major transaction. If the Company receives such written Shareholders' approval, no Shareholders' meeting will be held to approve the major transaction pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of the Company containing further details of the major transaction will be dispatched to the Shareholders on or before 16 March 2017.

6. INFORMATION ON THE PARTIES TO THE MAJOR TRANSACTION

Citic Financial Leasing

Citic Financial Leasing is a company incorporated in the PRC with limited liability and it is principally engaged in finance lease and other leasing business.

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

7. DEFINITIONS

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

“Board”	the board of the Directors
“Citic Financial Leasing”	Citic Financial Leasing Co., Ltd* (中信金融租賃有限公司), a company incorporated in the PRC with limited liability
“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
“Director(s)”	director(s) of the Company
“Elite Time Global”	Elite Time Global Limited, a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of GCL-Poly which, as at the date of this announcement, holds 11,880,000,000 Shares, representing approximately 62.28% of the issued share capital of the Company

“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
“Group”	the Company and its subsidiaries
“Guangdong Power Grid”	Guangdong Power Grid Co. Ltd* (廣東電網有限責任公司), a company incorporated in the PRC with limited liability
“Haifeng Asset Management Consulting Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL in relation to certain asset management consulting services to be provided by Citic Financial Leasing to Haifeng GCL
“Haifeng Electricity Fees Pledge Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL, pursuant to which Haifeng GCL has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Haifeng GCL and Guangdong Power Grid for the Haifeng Project
“Haifeng Finance Lease”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL in relation to the leasing of the Haifeng Leased Assets
“Haifeng Finance Lease Agreements”	the Haifeng Finance Lease, Haifeng Sale and Purchase Agreement, Haifeng Asset Management Consulting Agreement, Nanjing GCL Haifeng Guarantee, Suzhou GCL Haifeng Guarantee, Suzhou GCL Haifeng Share Pledge Agreement, Haifeng Leased Assets Mortgage Agreement and Haifeng Electricity Fees Pledge Agreement
“Haifeng GCL”	Haifeng GCL Photovoltaic Power Company Limited* (海豐縣協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Haifeng Leased Assets”	certain solar modules, frames, inverters, transformers, combiner boxes, cables, and other photovoltaic equipment and installations to be used for the Haifeng Project

“Haifeng Leased Assets Mortgage Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL, pursuant to which Haifeng GCL has mortgaged the Haifeng Leased Assets to Citic Financial Leasing
“Haifeng Project”	a 100MW photovoltaic power station project located in Gongping Town, Haifeng County, Shanwei City, the PRC
“Haifeng Sale and Purchase Agreement”	the agreement dated 23 February 2017 among Nanjing GCL New Energy (as seller), Citic Financial Leasing (as purchaser and lessor) and Haifeng GCL (as lessee) in relation to the sale and purchase of the Haifeng Leased Assets
“Haifeng Security Deposit”	a refundable security deposit of RMB5,600,000.00 (equivalent to approximately HK\$6,326,880.00) payable by Haifeng GCL under the Haifeng Finance Lease
“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
“MW”	megawatt(s)
“Nanjing GCL Haifeng Guarantee”	the agreement dated 23 February 2017 between Citic Financial Leasing and Nanjing GCL New Energy, pursuant to which Nanjing GCL New Energy has agreed to provide a guarantee to Citic Financial Leasing to secure Haifeng GCL’s obligations under the Haifeng Finance Lease and Haifeng Asset Management Consulting Agreement
“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 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

“Previous Agreements”	the Shanglin Finance Lease Agreements, the Urad Finance Lease Agreements, the Jinxi Finance Lease Agreements, the Taoyuan Finance Lease Agreements I, the Taoyuan Finance Lease Agreements II and the Taoyuan Finance Lease Agreements III entered into by the Group with Citic Financial Leasing as defined and disclosed in the Previous Announcement
“Previous Announcement”	the Company’s announcement dated 20 December 2016
“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
“Suzhou GCL Haifeng Guarantee”	the agreement dated 23 February 2017 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has agreed to provide a guarantee to Citic Financial Leasing to secure Haifeng GCL’s obligations under the Haifeng Finance Lease and Haifeng Asset Management Consulting Agreement
“Suzhou GCL Haifeng Share Pledge Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Haifeng GCL to Citic Financial Leasing
“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
“%”	per cent.

This announcement contains translation between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.1298, being the exchange rate prevailing on 23 February 2017. 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, 23 February 2017

As at the date of this announcement, the Board comprises Mr. Zhu Yufeng, Mr. Sun Xingping, Ms. Hu Xiaoyan and Mr. Tong Wan Sze as executive Directors; Ms. Sun Wei, Mr. Sha Hongqiu and Mr. Yeung Man Chung, Charles as non-executive Directors; and Mr. Wang Bohua, Mr. Xu Songda, Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying as independent non-executive Directors.