

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 IN RELATION TO THE MODULE SALES AGREEMENTS WITH JIANGYIN HAREON SOLAR ENERGY ELECTRICAL POWER CO., LTD.*

THE DISCLOSEABLE TRANSACTION

On 2 March 2017, Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) as customer and Jiangyin Hareon (an independent third party of the Company) as supplier entered into a 100MW module sales agreement for the supply and purchase of 100,000,000 watts of solar modules for Nanjing GCL New Energy's photovoltaic power station projects located in Anhui, Guizhou, Liaoning, Jiangsu, Shandong, Shaanxi, Shanghai, Gansu, and Guangxi in the PRC at a consideration of RMB320,000,000.00 (equivalent to approximately HK\$361,024,000.00) (the "**100MW Module Sales Agreement**").

Furthermore, Nanjing GCL New Energy entered into a module sales agreement dated 19 December 2016 with Jiangyin Hareon in relation to the supply and purchase of 100,000,000 watts of solar modules for Nanjing GCL New Energy's photovoltaic power station projects located in Anhui, Guizhou, Liaoning, Guangxi, Gansu and Jiangsu in the PRC at a consideration of RMB320,000,000.00 (equivalent to approximately HK\$361,024,000.00) (the "**Previous Module Sales Agreement**").

The aggregate consideration under the 100MW Module Sales Agreement and the Previous Module Sales Agreement is RMB640,000,000.00 (equivalent to approximately HK\$722,048,000.00).

LISTING RULE IMPLICATIONS

As none of the applicable percentage ratios in respect of the Previous Module Sales Agreement exceeded 5% for the Company, the entering into the Previous Module Sales Agreement does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the Previous Module Sales Agreement was entered into with Jiangyin Hareon within a 12-month period prior to and inclusive of the date of the 100MW Module Sales Agreement, the 100MW Module Sales Agreement and the Previous Module Sales Agreement 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 100MW Module Sales Agreement and the Previous Module Sales Agreement (in aggregate) exceeds 5% but is less than 25% for the Company, the entering into of the 100MW Module Sales Agreement and the Previous Module Sales Agreement (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. DISCLOSEABLE TRANSACTION WITH JIANGYIN HAREON

On 2 March 2017, Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) as customer and Jiangyin Hareon (an independent third party of the Company) as supplier entered into the 100MW Module Sales Agreement.

A. Principal terms of the 100MW Module Sales Agreement

(i) Date

2 March 2017

(ii) Parties

Supplier: Jiangyin Hareon

Customer: Nanjing GCL New Energy

(iii) Subject matter

Jiangyin Hareon agreed to supply, and Nanjing GCL New Energy agreed to purchase, 100,000,000 watts of solar modules at the unit price of RMB3.20 (equivalent to approximately HK\$3.61) per watt at a consideration of RMB320,000,000.00 (equivalent to approximately HK\$361,024,000.00).

Jiangyin Hareon agreed to deliver the solar modules in accordance to the written notice provided by Nanjing GCL New Energy. Nanjing GCL New Energy may adjust the delivery time and place in accordance with the progress of the photovoltaic power station project by giving a written notice three days in advance. Jiangyin Hareon shall deliver in accordance with the revised notice and shall not request for an increase in the contract price.

The solar modules will be used for photovoltaic power station projects located in Anhui, Guizhou, Liaoning, Jiangsu, Shandong, Shaanxi, Shanghai, Gansu, and Guangxi in the PRC.

(iv) *Basis of consideration*

The 100MW Module Sales Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products.

(v) *Payment terms*

The consideration for the solar modules under the 100MW Module Sales Agreement shall be paid by Nanjing GCL New Energy to Jiangyin Hareon in accordance with the following milestones:

- (a) Prepayment within seven days of the signing of the 100MW Module Sales Agreement;
- (b) 40% of the total consideration (excluding the Prepayment) within two weeks upon 90 days after the arrival of the solar modules to the relevant project site, provided that (i) Jiangyin Hareon has provided a receipt for 40% of the total consideration and the 17% value-added tax invoice for the total consideration and (ii) Nanjing GCL New Energy or its representative has conducted a visual examination of the solar modules and any damaged or missing modules have been remedied by Jiangyin Hareon;
- (c) 50% of the total consideration (excluding the Prepayment) upon the earlier of (i) 180 days after the arrival of the solar modules to the relevant project site or (ii) 90 days after the photovoltaic power station has been connected to the power grid at its full capacity, provided that any damaged or missing modules have been remedied by Jiangyin Hareon; and
- (d) the remaining 10% of the total consideration (excluding the Prepayment) within two weeks upon the earlier of (i) 18 months after the arrival of the solar modules to the relevant project site or (ii) one year after the photovoltaic power station has been connected to the power grid at its full capacity, provided that there are no quality issues with the solar modules, or any issues have been remedied by Jiangyin Hareon.

B. Principal terms of the Previous Module Sales Agreement

(i) Date

19 December 2016

(ii) Parties

Supplier: Jiangyin Hareon

Customer: Nanjing GCL New Energy

(iii) Subject matter

Jiangyin Hareon agreed to supply, and Nanjing GCL New Energy agreed to purchase, 100,000,000 watts of solar modules at the unit price of RMB3.20 (equivalent to approximately HK\$3.61) per watt at a consideration of RMB320,000,000.00 (equivalent to approximately HK\$361,024,000.00).

Jiangyin Hareon agreed to deliver the solar modules in accordance to the written notice provided by Nanjing GCL New Energy. Nanjing GCL New Energy may adjust the delivery time and place in accordance with the progress of the photovoltaic power station project by giving a written notice three days in advance. Jiangyin Hareon shall deliver in accordance with the revised notice and shall not request for an increase in the contract price.

The solar modules will be used for photovoltaic power station projects located in Anhui, Guizhou, Liaoning, Guangxi, Gansu and Jiangsu in the PRC.

(iv) Basis of consideration

The Previous Module Sales Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products.

(v) Payment terms

The consideration for the solar modules under the Previous Module Sales Agreement shall be paid by Nanjing GCL New Energy to Jiangyin Hareon in accordance with the following milestones:

- (a) Previous Prepayment within seven days of the signing of the Previous Module Sales Agreement;

- (b) 40% of the total consideration (excluding the Previous Prepayment) within two weeks upon 90 days after the arrival of the solar modules to the relevant project site, provided that (i) Jiangyin Hareon has provided a receipt for 40% of the total consideration and the 17% value-added tax receipt for the total consideration and (ii) Nanjing GCL New Energy or its representative has conducted a visual examination of the solar modules and any damaged or missing modules have been remedied by Jiangyin Hareon;
- (c) 50% of the total consideration (excluding the Previous Prepayment) upon the earlier of (i) 180 days after the arrival of the solar modules to the relevant project site or (ii) 90 days after the photovoltaic power station has been connected to the power grid at its full capacity, provided that any damaged or missing modules have been remedied by Jiangyin Hareon; and
- (d) the remaining 10% of the total consideration (excluding the Previous Prepayment) within two weeks upon the earlier of (i) 18 months after the arrival of the solar modules to the relevant project site or (ii) one year after the photovoltaic power station has been connected to the power grid at its full capacity, provided that there are no quality issues with the solar modules, or any issues have been remedied by Jiangyin Hareon.

2. REASONS FOR AND BENEFITS OF THE DISCLOSEABLE TRANSACTION

As a developer of photovoltaic power station projects, the Group has to source equipment, such as solar modules. As a result, the Group negotiated with Jiangyin Hareon for the purchase of solar modules for its projects. The Group believes that Jiangyin Hareon can supply solar modules which meet the Group's required quality standard at a reasonable cost.

Based on the above reasons and having considered all relevant factors, the Directors believe and consider that the terms of the 100MW Module Sales Agreement and the Previous Module Sales Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

3. LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of the Previous Module Sales Agreement exceeded 5% for the Company, the entering into the Previous Module Sales Agreement does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the Previous Module Sales Agreement was entered into with Jiangyin Hareon within a 12-month period prior to and inclusive of the date of the 100MW Module Sales Agreement, the 100MW Module Sales Agreement and the Previous Module Sales Agreement 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 100MW Module Sales Agreement and the Previous Module Sales Agreement (in aggregate) exceeds 5% but is less than 25% for the Company, the entering into of the 100MW Module Sales Agreement and the Previous Module Sales Agreement (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.

4. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTION

Jiangyin Hareon

Jiangyin Hareon is principally engaged in research, develop, manufacture, process and sale of crystalline and monocrystalline silicon solar modules. It is a limited liability company established in the PRC and a subsidiary of Hareon Solar Technology Co., Ltd. (海潤光伏股份有限公司), a company incorporated in the PRC and its shares are listed on the Shanghai Stock Exchange (Stock Code: 600401) in the PRC.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Jiangyin Hareon and each of its ultimate beneficial owners are third parties independent of the Company and each of 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.

5. DEFINITIONS

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

“100MW Module Sales Agreement”	the module sales agreement dated 2 March 2017 between Nanjing GCL New Energy as customer and Jiangyin Hareon as supplier in relation to the supply and purchase of 100,000,000 watts of solar modules
“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

“Director(s)”	director(s) of the Company
“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
“Jiangyin Hareon”	Jiangyin Hareon Solar Energy Electrical Power Co., Ltd.* (江陰海潤太陽能電力有限公司), a limited liability company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“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
“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
“Prepayment”	RMB2,000,000.00 (equivalent to approximately HK\$2,256,400.00) of the total consideration be paid by Nanjing GCL New Energy to Jiangyin Hareon
“Previous Module Sales Agreement”	the module sales agreement dated 19 December 2016 between Nanjing GCL New Energy as customer and Jiangyin Hareon as supplier in relation to the supply and purchase of 100,000,000 watts of solar modules
“Previous Prepayment”	RMB2,000,000.00 (equivalent to approximately HK\$2,256,400.00) of the total consideration be paid by Nanjing GCL New Energy to Jiangyin Hareon
“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
“%”	per cent.

This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1= HK\$1.1282, being the exchange rate prevailing on 2 March 2017. 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 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, 2 March 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.