

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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE LEASE AGREEMENTS WITH
SUZHOU GCL INDUSTRIAL APPLICATIONS RESEARCH CO., LTD***

CONTINUING CONNECTED TRANSACTIONS

On 29 September 2017, each of GCL New Energy Investment and GCL Electric (both indirect wholly-owned subsidiaries of the Company) as tenant and Suzhou GCL Industrial Applications Research (an indirect wholly-owned subsidiary of GCL-Poly) as landlord entered into (i) the First Lease Agreement for the lease of the First Premises; and (ii) the Second Lease Agreement for the lease of the Second Premises, respectively, for a term of two years commencing from 1 October 2017 to 30 September 2019.

In addition, GCL New Energy Investment as tenant and Suzhou GCL Industrial Applications Research as landlord entered into the Previous Lease Agreement for the lease of the Earlier Premises for a term of five months commencing from 1 May 2017 to 30 September 2017.

LISTING RULES IMPLICATIONS

Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL-Poly, which is a controlling shareholder of the Company. Suzhou GCL Industrial Applications Research is therefore a connected person of the Company under the Listing Rules. As a result, the entering into of the Lease Agreements with Suzhou GCL Industrial Applications Research and the transactions contemplated thereunder constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratio of the Previous Lease Agreement is less than 0.1%, it constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

As the Previous Lease Agreement and the Lease Agreements are entered into with the same party, which is a wholly-owned subsidiary of GCL-Poly, and are of a similar nature, the Previous Lease Agreement and the Lease Agreements shall be aggregated under Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio of the highest Annual Cap of the continuing connected transaction contemplated under the Lease Agreements and the Previous Lease Agreement (in aggregate) is more than 0.1% but less than 5%, the entering into of the Lease Agreements is subject to the reporting, announcement and annual review requirements and is exempt from the circular (including independent financial advice) and Shareholders' approval requirements as required under Chapter 14A of the Listing Rules.

As Mr. Zhu Yufeng (executive Director), Ms. Sun Wei and Mr. Yeung Man Chung, Charles (both non-executive Directors) are directors of GCL-Poly and Ms. Hu Xiaoyan (executive Director) and Mr. Sha Hongqiu (non-executive Director) are executives of GCL-Poly, they have a material interest in the continuing connected transactions under the Lease Agreements. Accordingly, each of Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Ms. Hu Xiaoyan and Mr. Sha Hongqiu abstained from voting on the resolutions of the Board in respect of the approval of the Lease Agreements.

1. CONTINUING CONNECTED TRANSACTIONS

On 29 September 2017, each of GCL New Energy Investment and GCL Electric (both indirect wholly-owned subsidiaries of the Company) as tenant and Suzhou GCL Industrial Applications Research (an indirect wholly-owned subsidiary of GCL-Poly) as landlord entered into (i) the First Lease Agreement for the lease of the First Premises; and (ii) the Second Lease Agreement for the lease of the Second Premises, respectively, for a term of two years commencing from 1 October 2017 to 30 September 2019.

A. Principal terms of the First Lease Agreement

(i) Date

29 September 2017

(ii) Parties

Landlord: Suzhou GCL Industrial Applications Research

Tenant: GCL New Energy Investment

(iii) Premises

Suzhou GCL Industrial Applications Research agreed to lease to GCL New Energy Investment the First Premises, a commercial property of 25,792.2 square meters in Suzhou, PRC for business purposes.

(iv) Term

Two years, from 1 October 2017 to 30 September 2019

(v) Basis of consideration

The First Lease Agreement was negotiated and entered into on an arm's length basis between the parties with reference to the prevailing market rent of a comparable class of commercial premises in Suzhou. The monthly rent is exclusive of management fees, utilities and carparking expenses, which will be borne by GCL New Energy Investment.

(vi) Rent and other charges

The rent is agreed at a rate of RMB75 (equivalent to approximately HK\$88) per square meter per month (exclusive of management fees). As a result, the rent payable by GCL New Energy Investment to Suzhou GCL Industrial Applications Research is RMB1,934,415 (equivalent to approximately HK\$2,276,613) per month. The rent is payable on yearly basis within 30 days from the date of issuance of the rental invoice from Suzhou GCL Industrial Applications Research to GCL New Energy Investment.

During the term of the First Lease Agreement, the management fees, utilities, facilities maintenance and carparking expenses will be borne by GCL New Energy Investment.

B. Principal terms of the Second Lease Agreement

(i) Date

29 September 2017

(ii) Parties

Landlord: Suzhou GCL Industrial Applications Research

Tenant: GCL Electric

(iii) Premises

Suzhou GCL Industrial Applications Research agreed to lease to GCL Electric the Second Premises, a commercial property of 4,790.3 square meters in Suzhou, PRC for business purposes.

(iv) Term

Two years, from 1 October 2017 to 30 September 2019

(v) Basis of consideration

The Second Lease Agreement was negotiated and entered into on an arm's length basis between the parties with reference to the prevailing market rent of a comparable class of commercial premises in Suzhou. The monthly rent is exclusive of management fees, utilities and carparking expenses, which will be borne by GCL Electric.

(vi) Rent and other charges

The rent is agreed at a rate of RMB75 (equivalent to approximately HK\$88) (exclusive of management fees) per square meter per month. As a result, the rent payable by GCL Electric to Suzhou GCL Industrial Applications Research is approximately RMB359,273 (equivalent to approximately HK\$422,828) per month. The rent is payable on yearly basis within 30 days from the date of issuance of the rental invoice from Suzhou GCL Industrial Applications Research to GCL Electric.

During the term of the Second Lease Agreement, the management fees, utilities, facilities maintenance and carparking expenses will be borne by GCL Electric.

C. Principal terms of the Previous Lease Agreement

(i) Date

28 April 2017

(ii) Parties

Landlord: Suzhou GCL Industrial Applications Research

Tenant: GCL New Energy Investment

(iii) Premises

Suzhou GCL Industrial Applications Research agreed to lease to GCL New Energy Investment the Earlier Premises, a commercial property of 6,053.5 square meters in Suzhou, PRC for business purposes.

(iv) Term

Five months, from 1 May 2017 to 30 September 2017

(v) Basis of consideration

The Previous Lease Agreement was negotiated and entered into on an arm's length basis between the parties with reference to the prevailing market rent of a comparable class of commercial premises in Suzhou. The monthly rent is exclusive of management fees, utilities and carparking expenses, which will be borne by GCL New Energy Investment.

(vi) Rent and other charges

The rent was agreed at a rate of RMB75 (equivalent to approximately HK\$88) (exclusive of management fees) per square meter per month. As a result, the rent payable by GCL New Energy Investment to Suzhou GCL Industrial Applications Research is RMB454,013 (equivalent to approximately HK\$534,328) per month. The rent is payable on yearly basis within 30 days from the date of issuance of the rental invoice from Suzhou GCL Industrial Applications Research to GCL New Energy Investment.

During the term of the Previous Lease Agreement, the management fees, utilities, facilities maintenance and carparking expenses was borne by GCL New Energy Investment.

2. ANNUAL CAPS

The Annual Caps of the Lease Agreements and the Previous Lease Agreement will be as follows:

	For the year ending 31 December 2017	For the year ending 31 December 2018	For the period from 1 January 2019 to 30 September 2019
First Lease Agreement ⁽¹⁾	RMB5,803,245 (equivalent to approximately HK\$6,829,839)	RMB23,212,980 (equivalent to approximately HK\$27,319,356)	RMB17,409,735 (equivalent to approximately HK\$20,489,517)
Second Lease Agreement ⁽¹⁾	RMB1,077,819 (equivalent to approximately HK\$1,268,485)	RMB4,311,276 (equivalent to approximately HK\$5,073,941)	RMB3,233,457 (equivalent to approximately HK\$3,805,456)
Previous Lease Agreement ⁽²⁾	RMB2,270,065 (equivalent to approximately HK\$2,671,639)	–	–
Aggregate Annual Cap in HK\$	<u>10,769,963</u>	<u>32,393,297</u>	<u>24,294,973</u>

Note 1: The Lease Agreements were entered for a term of two years commencing from 1 October 2017 to 30 September 2019.

Note 2: The Previous Lease Agreement was entered for a term of five months commencing from 1 May 2017 to 30 September 2017.

The Annual Caps are based on the total amount of fees payable for the two years ending 31 December 2017, 31 December 2018 and the period from 1 January 2019 to 30 September 2019.

3. REASONS FOR AND BENEFITS OF THE LEASE AGREEMENTS

The Lease Agreements were entered into in the usual and ordinary course of the Company's business. Having considered all relevant factors, the Directors (including the independent non-executive Directors) believe and consider that the terms of the Lease Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

4. LISTING RULES IMPLICATIONS

Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL-Poly, which is a controlling shareholder of the Company. Suzhou GCL Industrial Applications Research is therefore a connected person of the Company under the Listing Rules. As a result, the entering into of the Lease Agreements with Suzhou GCL Industrial Applications Research and the transactions contemplated thereunder constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratio of the Previous Lease Agreement is less than 0.1%, it constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

As the Previous Lease Agreement and the Lease Agreements are entered into with the same party, which is a wholly-owned subsidiary of GCL-Poly, and are of a similar nature, the Previous Lease Agreement and the Lease Agreements shall be aggregated under Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio of the highest Annual Cap of each of the continuing connected transactions contemplated under the Lease Agreements and the Previous Lease Agreement (in aggregate) is more than 0.1% but less than 5%, the entering into of the Lease Agreements is subject to the reporting, announcement and annual review requirements and is exempt from the circular (including independent financial advice) and Shareholders' approval requirements as required under Chapter 14A of the Listing Rules.

As Mr. Zhu Yufeng (executive Director), Ms. Sun Wei and Mr. Yeung Man Chung, Charles (both non-executive Directors) are directors of GCL-Poly and Ms. Hu Xiaoyan (executive Director) and Mr. Sha Hongqiu (non-executive Director) are executives of GCL-Poly, they have a material interest in the continuing connected transactions under the Lease Agreements. Accordingly, each of Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Ms. Hu Xiaoyan and Mr. Sha Hongqiu abstained from voting on the resolutions of the Board in respect of the approval of the Lease Agreements.

5. INFORMATION ON THE PARTIES TO THE CONTINUING CONNECTED TRANSACTIONS

Suzhou GCL Industrial Applications Research

Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL-Poly. It is a PRC incorporated company and is principally engaged (i) the research and development, testing and sales of monocrystalline silicon, polysilicon, LED semiconductor lighting, OLED display, motive battery and related products; (ii) the development of energy saving technology, technology consultancy, technology services and technology transfer; (iii)

the import of raw and auxiliary materials, machinery and equipment and related technologies required by the research and development of GCL-Poly and (iv) the export of self-produced products and related technology.

The Group

The Group is principally engaged in the development, construction, operation and management of solar power stations.

6. DEFINITIONS

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

“Annual Caps”	the maximum aggregate amount of fees payable under the Lease Agreements and the Previous Lease Agreement for the years ending 31 December 2017 and 31 December 2018 and the period from 1 January 2019 to 30 September 2019
“Board”	the board of 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 person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Earlier Premises”	the premises situated at North Area, 2nd floor, No. 28 Xinqing Road, Suzhou Industrial Park, PRC
“First Lease Agreement”	the lease agreement between GCL New Energy Investment and Suzhou GCL Industrial Applications Research dated 29 September 2017
“First Premises”	the premises situated at 4th floor of headquarters building, No. 28 Xinqing Road, Suzhou Industrial Park, PRC

“GCL Electric”	GCL Electric Power Design and Research Co., Ltd.* (協鑫電力設計研究有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“GCL New Energy Investment”	GCL New Energy Investment (China) Co., Ltd* (協鑫新能源投資(中國)有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“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, the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreements”	the First Lease Agreement and the Second Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 Lease Agreement”	the lease agreement between GCL New Energy Investment and Suzhou GCL Industrial Applications Research dated 28 April 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Second Lease Agreement”	the lease agreement between GCL Electric and Suzhou GCL Industrial Applications Research dated 29 September 2017
“Second Premises”	the premises situated at Northwest Area, 2nd floor of research and development building, No. 28 Xinqing Road, Suzhou Industrial Park, PRC

“Share(s)”	ordinary share(s) of one-two-hundred-fortieth (1/240) of one 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 Industrial Applications Research”	Suzhou GCL Industrial Applications Research Co., Ltd* (蘇州協鑫工業應用研究院有限公司), an indirect wholly-owned subsidiary of GCL-Poly
“%”	per cent.

This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.1769, being the exchange rate prevailing on 29 September 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, 29 September 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.