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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
CHINA KANGFU INTERNATIONAL LEASING CO., LTD.***

DISCLOSEABLE TRANSACTION WITH KANGFU INTERNATIONAL LEASING

On 21 November 2017, the Group entered into the Fenxi Finance Lease Agreements with Kangfu International Leasing, pursuant to which (i) Kangfu International Leasing shall purchase the Fenxi Leased Assets from Fenxi GCL New Energy at a consideration of RMB500,000,000 (equivalent to approximately HK\$588,581,519); and (ii) following the acquisition, Kangfu International Leasing, as the lessor, shall lease the Fenxi Leased Assets to Fenxi GCL New Energy, as the lessee, for a term of 120 months at an aggregate estimated rent of approximately RMB681,798,158 (equivalent to approximately HK\$802,587,590). In addition, pursuant to the Fenxi Finance Lease Agreements, Fenxi GCL New Energy shall pay Kangfu International Leasing a finance leasing consultancy fee of RMB32,500,000 (equivalent to approximately HK\$38,257,799).

LISTING RULES IMPLICATION

As the highest applicable percentage ratio in respect of the Fenxi Finance Lease Agreements exceeds 5% but is less than 25% for the Company, the entering into of the Fenxi Finance Lease Agreements constitutes a discloseable transaction for the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

1. PRINCIPLE TERMS OF THE FENXI FINANCE LEASE AGREEMENTS

(i) **Date:** 21 November 2017

(ii) **Parties:** (1) Lessee and Seller: Fenxi GCL New Energy
(2) Lessor and Purchaser: Kanfu International Leasing

(iii) Fenxi Finance Lease Agreements

Pursuant to the Fenxi Finance Lease Agreements, (i) Kangfu International Leasing shall purchase the Fenxi Leased Assets from Fenxi GCL New Energy at a consideration of RMB500,000,000 (equivalent to approximately HK\$588,581,519); and (ii) following the acquisition, Kangfu International Leasing, as the lessor, shall lease the Fenxi Leased Assets to Fenxi GCL New Energy, as the lessee, for a term of 120 months at an aggregate estimated rent of approximately RMB681,798,158 (equivalent to approximately HK\$802,587,590).

(iv) Payment of Rent and Financial Leasing Consultancy Fee

The estimated aggregate amount of rent payable by Fenxi GCL New Energy to Kangfu International Leasing under the Fenxi Finance Lease is RMB681,798,158 (equivalent to approximately HK\$802,587,590) and shall be payable in 40 quarterly instalments. The interest rate under the Fenxi Finance Lease was calculated at an annualized interest rate of 6.18% which shall be adjusted in accordance with the applicable benchmark lending rate promulgated by the PBOC during the term of the Fenxi Finance Lease.

In addition, pursuant to the Fenxi Finance Lease Consultancy Agreement, Fenxi GCL New Energy shall pay a finance leasing consultancy fee to Kangfu International Leasing in the amount of RMB32,500,000 (equivalent to approximately HK\$38,257,799) and shall be payable in 10 instalments.

The terms of the Fenxi Finance Lease and the Fenxi Finance Lease Consultancy Agreement including the lease rent and lease interest rate under the Fenxi Finance Lease, and the financial leasing consultancy fee under the Fenxi Finance Lease Consultancy Agreement were determined after arm's length negotiation between Kangfu International Leasing and Fenxi GCL New Energy with reference to the prevailing market rates for (i) finance leases for similar assets; and (ii) similar finance lease consultancy services.

The price for the purchase of the Fenxi Leased Assets payable by Kangfu International Leasing under the Fenxi Leased Assets Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar equipment and the amount of financing agreed to be provided by Kangfu International Leasing.

(v) Ownership of the Fenxi Leased Assets

During the term of the Fenxi Finance Lease, the ownership of the Fenxi Leased Assets shall vest in Kangfu International Leasing. Upon expiry of the term of the Fenxi Finance Lease and subject to the full payment of the entire amount of the lease rent and interest and any other amounts due under the Fenxi Finance Lease, Fenxi GCL New Energy shall have the right to purchase the Fenxi Leased Assets from Kangfu International Leasing for nominal purchase price of RMB10,000 (equivalent to approximately HK\$11,772).

(vi) Security Arrangements for the Fenxi Finance Lease

Pursuant to the Fenxi Finance Lease, Fenxi GCL New Energy shall pay to Kangfu International Leasing the Fenxi Security Deposit which shall be paid prior to Kangfu International Leasing paying the consideration for the Fenxi Leased Assets to secure Fenxi GCL New Energy's obligations under the Fenxi Finance Lease. Kangfu International Leasing shall be entitled to deduct from the Fenxi Security Deposit any unpaid rent, interest, default interest and any other fees incidental to Kangfu International Leasing recovering any outstanding amount under the Fenxi Finance Lease. In the event of such deduction, Fenxi GCL New Energy shall make up for the deduction and restore the amount of the Fenxi Security Deposit to RMB15,000,000 (equivalent to approximately HK\$17,657,446) upon any deductions from the Fenxi Security Deposit. Following the expiry of the Fenxi Finance Lease, any remaining balance of the Fenxi Security Deposit shall be refunded to Fenxi GCL New Energy. The Fenxi Security Deposit shall not bear any interest during the term of the Fenxi Finance Lease.

Furthermore, the obligations under the Fenxi Finance Lease are secured by the Suzhou GCL Fenxi Guarantee, the GCL New Energy Holdings Guarantee, the Fenxi Leased Assets Mortgage Agreement, the Fenxi Electricity Fee Pledge Agreement and the Fenxi Share Pledge Agreement.

2. REASONS FOR AND BENEFITS OF THE FENXI FINANCE LEASE AGREEMENTS

The terms of the Fenxi Finance Lease Agreements have been agreed upon after arm's length negotiations between the relevant parties. As a developer of photovoltaic power station projects, the Company requires capital from time to time to construct its photovoltaic power station projects. The Directors believe that the Group will be able to derive additional liquidity through the finance lease arrangements under the Fenxi Finance Lease Agreements and benefit from the additional working capital to support its business and operational activities.

Based on the above reasons, the Directors believe and consider that the terms of the Fenxi Finance Lease Agreements are on normal commercial terms, fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

3. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Fenxi Finance Lease Agreements exceeds 5% but is less than 25% for the Company, the entering into of the Fenxi Finance Lease Agreements constitutes a discloseable transaction for 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 FENXI FINANCE LEASE AGREEMENTS

Kangfu International Leasing

Kangfu International Leasing is a company incorporated in the PRC with limited liability and is principally engaged in finance leasing businesses.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Kangfu International Leasing 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 photovoltaic power stations.

5. DEFINITIONS

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

“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 persons”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Fenxi Electricity Fee Pledge Agreement”	the agreement dated 21 November 2017 between Kangfu International Leasing and Fenxi GCL New Energy, pursuant to which Fenxi GCL New Energy pledged to Kangfu International Leasing 100% of its right to electricity fees in relation to the Fenxi Project
“Fenxi Finance Lease”	the finance lease agreement dated 21 November 2017 entered into between Fenxi GCL New Energy and Kangfu International Leasing in relation to the leasing of the Fenxi Leased Assets
“Fenxi Finance Lease Agreements”	the Fenxi Finance Lease, the Fenxi Leased Assets Transfer Agreement, the Fenxi Finance Lease Consultancy Agreement, the Suzhou GCL Fenxi Guarantee, the GCL New Energy Holdings Guarantee, the Fenxi Leased Assets Mortgage Agreement, the Fenxi Electricity Fee Pledge Agreement and the Fenxi Share Pledge Agreement
“Fenxi Finance Lease Consultancy Agreement”	the finance lease consultancy agreement dated 21 November 2017 entered into between Fenxi GCL New Energy and Kangfu International Leasing in relation to the provision of finance lease consultancy services in relation to the Fenxi Finance Lease
“Fenxi GCL New Energy”	Fenxi GCL New Energy Company Limited* (汾西縣協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Fenxi Leased Assets”	certain solar modules, frames, converters, inverters, transformers, cables and other photovoltaic equipment and installations used by Fenxi GCL New Energy for the Fenxi Project
“Fenxi Leased Assets Mortgage Agreement”	the agreement dated 21 November 2017 between Kangfu International Leasing and Fenxi GCL New Energy, pursuant to which Fenxi GCL New Energy has mortgaged the Fenxi Leased Assets to Kangfu International Leasing
“Fenxi Leased Assets Transfer Agreement”	the transfer agreement dated 21 November 2017 entered into between Fenxi GCL New Energy and Kangfu International Leasing in relation to the sale and purchase of the Fenxi Leased Assets used for the Fenxi Project

“Fenxi Project”	the 100MW photovoltaic power station project located in Fenxi County in Linfen City, Shanxi Province, the PRC
“Fenxi Security Deposit”	a refundable security deposit of RMB15,000,000 (equivalent to approximately HK\$17,657,446) payable by Fenxi GCL New Energy to Kangfu International Leasing under the Fenxi Finance Lease
“Fenxi Share Pledge Agreement”	the agreement dated 21 November 2017 between Kangfu International Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Fenxi GCL New Energy to Kangfu International Leasing
“GCL New Energy Holdings Guarantee”	the guarantee dated 21 November 2017 from the Company given to Kangfu International Leasing in respect of Fenxi GCL New Energy’s obligations under the Fenxi Finance Lease
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Kangfu International Leasing”	China Kangfu International Leasing Co., Ltd.* (中國康富國際租賃股份有限公司), a company incorporated in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China
“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\$0.00416̇) in the share capital of the Company
“Shareholder(s)”	holder 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 Fenxi Guarantee”	the guarantee dated 21 November 2017 from Suzhou GCL New Energy given to Kangfu International Leasing in respect of Fenxi GCL New Energy’s obligations under the Fenxi Finance Lease
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“%”	per cent.

For illustration purposes, this announcement contains translations between Renminbi and Hong Kong dollar amounts at HK\$1=RMB0.84950, being the exchange rate prevailing on 21 November 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, 21 November 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.