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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 RESOURCES LEASING CO., LTD.

DISCLOSEABLE TRANSACTION WITH CHINA RESOURCES LEASING

On 21 December 2017, the Group entered into the Xinan Finance Lease Agreements with China Resources Leasing, pursuant to which (i) China Resources Leasing agreed to purchase the Xinan Leased Assets from Nanjing Development, Linzhou Xinchuang, Ruyang GCL, Ruzhou GCL and Zhuang Longguang at an aggregate consideration of RMB468,190,000; and (ii) following the acquisition, China Resources Leasing, as the lessor, agreed to lease the Xinan Leased Assets to Xinan GCL, as the lessee, for a term of nine years at an aggregate estimated rent of approximately RMB633,600,000. In addition, pursuant to the Xinan Finance Lease Agreements, Xinan GCL agreed to pay China Resource Leasing a finance lease service fee of RMB9,363,800.

The Company also entered into the Previous Finance Lease Agreements with China Resources Leasing in the past 12 months. For further information on the Previous Finance Lease Agreements, please refer to the section headed “Previous Finance Lease Agreements” in this announcement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Xinan Finance Lease Agreements on a standalone basis exceeds 5% but is less than 25% for the Company, the entering into of the Xinan Finance Lease Agreements constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Company entered into the Previous Finance Lease Agreements with China Resources Leasing within a 12-month period prior to and inclusive of the date of the Xinan Finance Lease Agreements, the Xinan Finance Lease Agreements and the Previous Finance Lease Agreements

shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the Xinan 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 Xinan Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

1. PRINCIPLE TERMS OF THE XINAN FINANCE LEASE AGREEMENTS

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

(ii) **Parties:**

(1) Lessee:	Xinan GCL
(2) Lessor:	China Resources Leasing
(3) Purchaser:	China Resources Leasing
(4) Sellers:	Nanjing Development, Linzhou Xinchuang, Ruyang GCL, Ruzhou GCL and Zhuang Longguang

(iii) The Xinan Finance Lease Agreements

Pursuant to the Xinan Finance Lease Agreements, (i) China Resources Leasing agreed to purchase the Xinan Leased Assets from Nanjing Development, Linzhou Xinchuang, Ruyang GCL, Ruzhou GCL and Zhuang Longguang at an aggregate consideration of RMB468,190,000; and (ii) following the acquisition, China Resources Leasing, as the lessor, agreed to lease the Xinan Leased Assets to Xinan GCL, as the lessee, for a term of nine years at an aggregate estimated rent of approximately RMB633,600,000.

(iv) Sale and purchase arrangements

Pursuant to the Xinan Finance Lease Agreements, China Resources Leasing shall purchase:

- (i) Xinan Leased Assets I from Nanjing Development for approximately RMB400,745,143;
- (ii) Xinan Leased Assets II from Linzhou Xinchuang for approximately RMB15,700,000;
- (iii) Xinan Leased Assets III from Ruyang GCL for approximately RMB14,150,124;
- (iv) Xinan Leased Assets IV from Ruzhou GCL for approximately RMB4,632,624; and

- (v) Xinan Leased Assets V from Zhuang Longguang for approximately RMB32,962,109.

The price for the purchase of the Xinan Leased Assets I, Xinan Leased Assets II, Xinan Leased Assets III, Xinan Leased Assets IV and Xinan Leased Assets V payable by China Resources Leasing under the Xinan Finance Lease 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 China Resources Leasing.

(v) Payment of Rent and Financial Lease Service Fee

The estimated aggregate amount of rent payable by Xinan GCL to China Resources Leasing under the Xinan Finance Lease is RMB633,600,000 and shall be payable in a total of 36 quarterly instalments.

The interest rate under the Xinan Finance Lease was calculated at an annualized interest rate of 6.67%. During the term of the Xinan Finance Lease, if the applicable benchmark lending rate promulgated by the PBOC for a term of five years is adjusted, the interest rate shall be adjusted proportionally in the same direction.

In addition, Xinan GCL agreed to pay a finance lease service fee to China Resources Leasing in the amount of RMB9,363,800 and shall be payable in 9 instalments.

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

(vi) Ownership of the Xinan Leased Assets

During the term of the Xinan Finance Lease, the ownership of the Xinan Leased Assets shall vest in China Resources Leasing. Upon expiry of the term of the Xinan 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 Xinan Finance Lease, Xinan GCL shall have the right to purchase the Xinan Leased Assets from China Resources Leasing for nominal purchase price of RMB100.

(vii) Security Arrangements for the Xinan Finance Lease

Pursuant to the Xinan Finance Lease, Xinan GCL shall pay to China Resources Leasing the Xinan Security Deposit which shall be paid prior to China Resources Leasing paying the consideration for the Xinan Leased Assets to secure Xinan GCL's obligations under the Xinan Finance Lease. China Resources Leasing shall be entitled to deduct from the

Xinan Security Deposit any unpaid rent, interest, default interest and any other fees incidental to China Resources Leasing recovering any outstanding amount under the Xinan Finance Lease. In the event of such deduction, Xinan GCL shall make up for the deduction and restore the amount of the Xinan Security Deposit to RMB23,409,500. Following the expiry of the Xinan Finance Lease, any remaining balance of the Xinan Security Deposit shall be refunded to Xinan GCL. The Xinan Security Deposit shall not bear any interest during the term of the Xinan Finance Lease.

Furthermore, the obligations under the Xinan Finance Lease are secured by the Letter of Undertaking, the Suzhou GCL New Energy Guarantee, the Suzhou GCL New Energy Share Pledge Agreement, the Xinan GCL Electricity Fee Pledge Agreement and the Xinan GCL Accounts Receivables Pledge Registration Agreement.

2. THE PREVIOUS FINANCE LEASE AGREEMENTS

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

In addition, on 31 July 2017, the Group entered into the Leizhou Finance Lease Agreements with China Resources Leasing, pursuant to which, (i) China Resources Leasing agreed to purchase the Leizhou Leased Assets I and Leizhou Leased Assets II from Nanjing GCL New Energy and Zhongjian Zhonghuan for RMB109,871,309 and RMB40,128,691, respectively; and (ii) following the acquisition, China Resources Leasing, as lessor, agreed to lease the Leizhou Leased Assets I and Leizhou Leased Assets II to Leizhou GCL, as the lessee, for a term of 10 years at an estimated aggregate rent of approximately RMB210,120,000 payable by quarterly instalments. In addition, Leizhou GCL shall pay an administrative fee to China Resources Leasing in the aggregate sum of RMB3,000,000 in 24 instalments during the lease period.

The terms of the Leizhou Finance Lease Agreements including the lease rent, lease interest rate, and administrative fee were determined after arm's length negotiation between China Resources Leasing and Leizhou 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 Leizhou Leased Assets I and Leizhou Leased Assets II payable by China Resources Leasing under the Leizhou Purchase Agreement I and Leizhou Purchase Agreement II 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 China Resources Leasing.

3. REASONS FOR AND BENEFITS OF THE XINAN FINANCE LEASE AGREEMENTS

The terms of the Xinan 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 Xinan 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 Xinan 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.

4. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Xinan Finance Lease Agreements on a standalone basis exceeds 5% but is less than 25% for the Company, the entering into of the Xinan Finance Lease Agreements constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Company entered into the Previous Finance Lease Agreements with China Resources Leasing within a 12-month period prior to and inclusive of the date of the Xinan Finance Lease Agreements, the Xinan Finance Lease Agreements and the Previous Finance Lease Agreements shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the Xinan 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 Xinan Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

5. INFORMATION ON THE PARTIES TO THE XINAN FINANCE LEASE AGREEMENTS

China Resources Leasing

China Resources Leasing is principally engaged in financial leasing services and is headquartered in Shenzhen, the PRC. China Resources Leasing commenced operations in 2013.

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

The Company

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

6. DEFINITIONS

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

“Board”	the board of Directors
“China Resources Leasing”	China Resources Leasing Co., Ltd.* (華潤租賃有限公司), 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
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Leizhou Finance Lease”	the agreement dated 31 July 2017 between China Resources Leasing and Leizhou GCL in relation to the leasing of the Leizhou Leased Assets I and Leizhou Leased Assets II
“Leizhou Finance Lease Agreements”	Leizhou Finance Lease and its ancillary agreements
“Leizhou GCL”	Leizhou GCL Photovoltaic Power Company Limited* (雷州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
“Leizhou Leased Assets I”	33.4MW of 320-watt photovoltaic power modules for the Leizhou Project Phase I
“Leizhou Leased Assets II”	certain frames, combiner boxes, inverters, transformers, cables, and other photovoltaic equipment and installations for the Leizhou Project Phase I

“Leizhou Project Phase I”	the first phase of a 100MW solar power plant project with first phase capacity of 30MW located in Leizhou City in Zhanjiang City, Guangdong Province, PRC
“Leizhou Purchase Agreement I”	the sale and purchase agreement dated 31 July 2017 entered into between China Resources Leasing, Nanjing GCL New Energy and Leizhou GCL in relation to the sale and purchase of the Leizhou Leased Assets I
“Leizhou Purchase Agreement II”	the sale and purchase agreement dated 31 July 2017 entered into between China Resources Leasing, Zhangjian Zhonghuan and Leizhou GCL in relation to the sale and purchase of the Leizhou Leased Assets II
“Letter of Undertaking”	the letter of undertaking dated 21 December issued by the Company pursuant to which the Company undertakes to guarantee the obligations of Xinan GCL under the Xinan Finance Lease Agreements to China Resources Leasing
“Linzhou Xinchuang”	Linzhou Xinchuang Solar Power Co., Ltd.* (林州市新創太陽能有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Nanjing Development”	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 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
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China

“Previous Announcement”	the announcement of the Company dated 19 May 2017
“Previous Finance Lease Agreements”	The Suixi Finance Lease Agreements and Leizhou Finance Lease Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Ruyang GCL”	Ruyang GCL New Energy Ltd.* (汝陽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
“Ruzhou GCL”	Ruzhou GCL Photovoltaic Power Co., Ltd.* (汝州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
“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 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
“Suixi Finance Lease Agreements”	has its meaning defined in the Previous Announcement
“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
“Suzhou GCL New Energy Guarantee”	the guarantee dated 21 December 2017 given by Suzhou GCL New Energy to China Resources Leasing to secure Xinan GCL’s obligations under the Xinan Finance Lease
“Suzhou GCL New Energy Share Pledge Agreement”	the agreement dated 21 December 2017 between China Resources Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Xinan GCL to China Resources Leasing

“Xinan Finance Lease”	the finance lease agreement dated 21 December 2017 between China Resources Leasing and Xinan GCL in relation to the leasing of the Xinan Leased Assets
“Xinan Finance Lease Agreements”	the Xinan Finance Lease, the Suzhou GCL New Energy Guarantee, the Suzhou GCL New Energy Share Pledge Agreement, the Xinan GCL Electricity Fee Pledge Agreement and the Xinan GCL Accounts Receivables Pledge Registration Agreement and other ancillary agreements
“Xinan GCL”	Xinan GCL Photovoltaic Power Co., Ltd.* (新安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
“Xinan GCL Accounts Receivables Pledge Registration Agreement”	the agreement dated 21 December 2017 between China Resources Leasing and Xinan GCL, pursuant to which Xinan GCL pledged to China Resources Leasing its accounts receivables in relation to the Xinan Project
“Xinan GCL Electricity Fee Pledge Agreement”	the agreement dated 21 December 2017 between China Resources Leasing and Xinan GCL, pursuant to which Xinan GCL pledged to China Resources Leasing 100% of its right to electricity fees in relation to the Xinan Project
“Xinan Leased Assets”	Xinan Leased Assets I, Xinan Leased Assets II, Xinan Leased Assets III, Xinan Leased Assets IV and Xinan Leased Assets V
“Xinan Leased Assets I”	certain photovoltaic equipment and installations used for the Xinan Project
“Xinan Leased Assets II”	certain photovoltaic equipment and installations used for the Xinan Project
“Xinan Leased Assets III”	certain photovoltaic equipment and installations used for the Xinan Project
“Xinan Leased Assets IV”	certain photovoltaic equipment and installations used for the Xinan Project

“Xinan Leased Assets V”	certain photovoltaic equipment and installations used for the Xinan Project
“Xinan Project”	the 100MW photovoltaic power station located in Xinan County, Luoyang City, Henan Province, the PRC
“Xinan Security Deposit”	a refundable deposit of RMB23,409,500 payable by Xinan GCL under the Xinan Finance Lease
“Zhongjian Zhonghuan”	Zhongjian Zhonghuan Construction Co., Ltd.* (中建中環工程有限公司), a company incorporated in the PRC
“Zhuang Longguang”	Zhuang Longguang Photovoltaic Power Generation Co., Ltd.* (莊浪光原光伏發電有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“%”	per cent.

* *for identification purpose only*

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 December 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.