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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 SINO IC LEASING CO., LTD.\***

### **THE LANXI FINANCE LEASE AGREEMENTS WITH SINO IC LEASING**

On 26 June 2018, the Group entered into the Lanxi Finance Lease Agreements, pursuant to which (i) Sino IC Leasing conditionally agreed to purchase the Lanxi Leased Assets from Lanxi Jinrui at a consideration of RMB215,000,000; and (ii) following the acquisition, Sino IC Leasing, as the lessor, conditionally agreed to lease the Lanxi Leased Assets to Lanxi Jinrui, as the lessee, for a term of 8 years at an aggregated estimated rent of approximately RMB298,503,744. In addition, pursuant to the Lanxi Finance Lease Agreements, Lanxi Jinrui conditionally agreed to pay Sino IC Leasing a finance lease service fee of RMB12,900,000.

### **LISTING RULES IMPLICATIONS**

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

## **1. TERMS OF THE LANXI FINANCE LEASE AGREEMENTS**

- (i) Date:** 26 June 2018
  
- (ii) Parties:**
  - (1) Lessee: Lanxi Jinrui
  
  - (2) Lessor: Sino IC Leasing

**(iii) The Lanxi Finance Lease**

Pursuant to the Lanxi Finance Lease, (i) Sino IC Leasing conditionally agreed to purchase the Lanxi Leased Assets from Lanxi Jinrui at a consideration of RMB215,000,000; and (ii) following the acquisition, Sino IC Leasing, as the lessor, conditionally agreed to lease the Lanxi Leased Assets to Lanxi Jinrui, as the lessee, for a term of 8 years at an aggregate estimated rent of approximately RMB298,503,744.

**(iv) Payment of Rent and Service Fee**

The estimated aggregate amount of rent payable by Lanxi Jinrui to Sino IC Leasing under the Lanxi Finance Lease Agreements is approximately RMB298,503,744 and shall be payable in a total of 32 quarterly instalments. The interest rate under the Lanxi Finance Lease was calculated at an annualised interest rate of 7.805%. During the term of the Lanxi Finance Lease, if the applicable benchmark lending rate promulgated by the PBOC for a term of eight years is adjusted, the interest rate shall be adjusted proportionally in the same direction.

In addition, Lanxi Jinrui conditionally agreed to pay a finance lease service fee to Sino IC Leasing in the amount of RMB12,900,000 and shall be payable in a total of eight instalments.

The terms of the Lanxi Finance Lease including the lease rent, the lease interest rate and the finance lease service fee were determined after arm's length negotiation between Sino IC Leasing and Lanxi Jinrui 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 Lanxi Leased Assets payable by Sino IC Leasing under the Lanxi 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 Sino IC Leasing.

**(v) Ownership of the Lanxi Leased Assets**

During the term of the Lanxi Finance Lease, the ownership of the Lanxi Leased Assets shall vest in Sino IC Leasing. Upon expiry of the term of the Lanxi 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 Lanxi Finance Lease, Lanxi Jinrui shall have the right to purchase the Lanxi Leased Assets from Sino IC Leasing for nominal purchase price of RMB1,000.

## **(vi) Security Arrangements for the Lanxi Finance Lease**

The obligations under the Lanxi Finance Lease are secured by the Nanjing GCL Lanxi Guarantee Agreement, the Lanxi Electricity Fee Pledge Agreement, the Lanxi Share Pledge Agreement and the Lanxi Letter of Undertaking.

## **2. REASONS FOR AND BENEFITS OF THE LANXI FINANCE LEASE AGREEMENTS**

The terms of the Lanxi 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 Lanxi Finance Lease Agreements provide the Company with additional liquidity by utilising its existing investments in its existing equipment and assets. The Company will benefit from additional working capital which can be used to fund other business and operation activities of the Group.

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

## **3. LISTING RULE IMPLICATIONS**

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

## **4. INFORMATION ON THE PARTIES TO THE LANXI FINANCE LEASE AGREEMENTS**

### **Sino IC Leasing**

Sino IC 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, Sino IC Leasing and its ultimate beneficial owner(s) are third parties independent of the Company and each of their 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 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
“Lanxi Electricity Fee Pledge Agreement”	the agreement dated 26 June 2018 between Sino IC Leasing and Lanxi Jinrui, pursuant to which Lanxi Jinrui pledged to Sino IC Leasing 100% of its right to electricity fees in relation to the Lanxi Project
“Lanxi Finance Lease”	the agreement dated 26 June 2018 between Sino IC Leasing and Lanxi Jinrui in relation to the leasing of the Lanxi Leased Assets
“Lanxi Finance Lease Agreements”	the Lanxi Finance Lease, the Nanjing GCL Lanxi Guarantee Agreement, the Lanxi Electricity Fee Pledge Agreement, the Lanxi Share Pledge Agreement, the Lanxi Finance Lease Service Agreement and the Lanxi Letter of Undertaking
“Lanxi Finance Lease Service Agreement”	the agreement dated 26 June 2018 between Sino IC Leasing and Lanxi Jinrui in relation to the finance lease services provided by Sino IC Leasing to Lanxi Jinrui
“Lanxi Jinrui”	Lanxi Jinrui Solar Power Generation Co., Ltd.* (蘭溪金瑞太陽能發電有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company

“Lanxi Leased Assets”	certain solar modules, inverters, transformers, cables cabinets, monitoring systems and other photovoltaic equipment and installations used by Lanxi Jinrui for the Lanxi Project
“Lanxi Leased Assets Transfer Agreement”	the agreement dated 26 June 2018 between Sino IC Leasing and Lanxi Jinrui, pursuant to which Lanxi Jinrui transferred the Lanxi Leased Assets to Sino IC Leasing
“Lanxi Letter of Undertaking”	the letter of undertaking addressed to Sino IC Leasing by the Company dated 26 June 2018 in respect of the Lanxi Finance Lease
“Lanxi Project”	the two 20MW agricultural solar power stations located in Lanxi City, Zhejiang Province, the PRC
“Lanxi Share Pledge Agreement”	the agreement dated 26 June 2018 between Nanjing GCL New Energy and Sino IC Leasing, pursuant to which Nanjing GCL New Energy pledged 100% of the equity interest in Lanxi Jinrui to Sino IC Leasing
“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), a company incorporated in the PRC and an indirect subsidiary of the Company
“Nanjing GCL Lanxi Guarantee Agreement”	the guarantee dated 26 June 2018 given by Nanjing GCL New Energy to Sino IC Leasing to secure Lanxi Jinrui’s obligations under the Lanxi Finance Lease
“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\$0.00416) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Sino IC Leasing”	Sino IC Leasing Co., Ltd* (芯鑫融資租賃有限責任公司), a company incorporated in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“%”	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, 26 June 2018

*As at the date of this announcement, the Board comprises Mr. Zhu Yufeng (Chairman), Mr. Sun Xingping, Ms. Hu Xiaoyan and Mr. Tong Wan Sze as executive Directors; Ms. Sun Wei, Mr. Sha Hongqiu, Mr. Yeung Man Chung, Charles and Mr. He Deyong 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.*