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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 IN RELATION TO THE MODULE PURCHASE FRAMEWORK AGREEMENT WITH HANWHA Q CELLS (QIDONG) CO., LTD.*

THE DISCLOSEABLE TRANSACTION

On 31 July 2018, Zhenjiang GCL New Energy as the customer and Hanwha Q Cells as the supplier entered into a module purchase framework agreement for the supply and purchase of 100MW of solar modules at a unit price of not higher than RMB2.03 per watt for certain photovoltaic power station projects of the Group at a total consideration of not higher than RMB203,000,000 (the “**Current Module Purchase Framework Agreement**”).

Furthermore, the Group entered into the following module purchase agreements with Hanwha Q Cells in the past 12 months:

- (i) the module purchase agreement dated 25 April 2018 in relation to the supply and purchase of 80MW of solar modules at a unit price of RMB2.48 per watt at a total consideration of RMB198,400,000 (the “**April 2018 Module Purchase Agreement**”); and
- (ii) the module purchase agreement dated 7 August 2017 in relation to the supply and purchase of 30MW of solar modules at a unit price of RMB2.75 per watt at a total consideration of RMB82,500,000 (the “**August 2017 Module Purchase Agreement**”).

(the April 2018 Module Purchase Agreement and the August 2017 Module Purchase Agreement, together, the “**Previous Module Purchase Agreements**”)

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratio(s) in respect of each of the Previous Module Purchase Agreements and the Current Module Purchase Framework Agreement exceeds 5%, the entering into of each of the Previous Module Purchase Agreements and the Current Module Purchase Framework Agreement, on a stand-alone basis, does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the Group entered into the Previous Module Purchase Agreements with Hanwha Q Cells within a 12-month period prior to and inclusive of the date of the Current Module Purchase Framework Agreement, the Current Module Purchase Framework Agreement and the Previous Module Purchase Agreements shall be aggregated as a series of transaction for the Company pursuant to Rule 14.22 of the Listing Rules. The entering into of the Current Module Purchase Framework Agreement and the Previous Module Purchase Agreements (in aggregate) constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules.

1. PRINCIPAL TERMS OF THE CURRENT MODULE PURCHASE FRAMEWORK AGREEMENT

(i) ***Date:*** 31 July 2018

(ii) ***Parties:*** (1) Customer: Zhenjiang GCL New Energy
(2) Supplier: Hanwha Q Cells

(iii) ***Subject matter***

Hanwha Q Cells agreed to supply and Zhenjiang GCL New Energy agreed to purchase 100MW of solar modules at a unit price of not higher than RMB2.03 per watt at a total consideration of not higher than RMB203,000,000, which is subject to downward adjustments upon the fulfilment of certain conditions.

(iv) ***Basis of consideration***

The Current Module Purchase Framework Agreement was entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the then market price of similar products. Pursuant to the Current Module Purchase Framework Agreement, the parties will enter into individual purchase contracts, and the quantity, based on the actual project requirements of Zhenjiang GCL New Energy, and the unit price, based on the then prevailing market price, of solar modules shall be determined by mutual agreement reached between the parties.

(v) **Payment terms**

The consideration for the solar modules under the Current Module Purchase Framework Agreement shall be paid by Zhenjiang GCL New Energy to Hanwha Q Cells in accordance with the following milestones:

- (a) 20% of the total consideration as prepayment within 7 business days upon Hanwha Q Cells providing Zhenjiang GCL New Energy with (i) a bank performance guarantee equivalent to 20% of the total consideration valid for a period of 12 months; and (ii) a receipt for 20% of the total consideration;
- (b) 30% of the total consideration prior to the despatch of the solar modules to Zhenjiang GCL New Energy, provided that a receipt for 30% of the total consideration has been provided;
- (c) 40% of the total consideration within 10 business days provided that (i) all solar modules pursuant to the purchase order has been delivered to Zhenjiang GCL New Energy; (ii) the solar modules pursuant to the purchase order has been delivered to the location designated by Zhenjiang GCL New Energy for 150 days or the photovoltaic power station using the solar modules purchase from Hanwha Q Cells has performed test run and quality check of full grid connection capacity for 3 weeks, whichever is the earlier; (iii) Hanwha Q Cells has provided Zhenjiang GCL New Energy with a value-added tax invoice; (iv) a receipt for 40% of the total consideration has been provided; and (v) the solar modules had no defects or such defects has been rectified; and
- (d) 10% of the total consideration within 20 business days provided that (i) all solar modules has been delivered to the location designated by Zhenjiang GCL New Energy for 180 days and the solar modules had no defects or such defects has been rectified; and (ii) a bank warranty guarantee equivalent to 10% of the total consideration valid for a period of 12 months has been provided by Hanwha Q Cells to Zhenjiang GCL New Energy.

2. THE PREVIOUS MODULE PURCHASE AGREEMENTS

A. Principal terms of the April 2018 Module Purchase Agreement

- (i) **Date:** 25 April 2018
- (ii) **Parties:**
 - (1) Customer: Zhenjiang GCL New Energy
 - (2) Supplier: Hanwha Q Cells

(iii) Subject matter

Hanwha Q Cells agreed to supply and Zhenjiang GCL New Energy agreed to purchase 80MW of solar modules at a unit price of RMB2.48 per watt at a total consideration of RMB198,400,000, which is subject to downward adjustments upon the fulfilment of certain conditions.

(iv) Basis of consideration

The April 2018 Module Purchase Agreement was 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 April 2018 Module Purchase Agreement shall be paid by Zhenjiang GCL New Energy to Hanwha Q Cells in accordance with the following milestones:

- (a) 20% of the total consideration as prepayment within 7 business days upon Hanwha Q Cells providing Zhenjiang GCL New Energy with (i) a bank performance guarantee equivalent to 20% of the total consideration valid for a period of 12 months; and (ii) a receipt for 20% of the total consideration;
- (b) 30% of the total consideration prior to the despatch of the solar modules to Zhenjiang GCL New Energy, provided that a receipt for 30% of the total consideration has been provided to Zhenjiang GCL New Energy;
- (c) 40% of the total consideration within 10 business days provided that (i) all solar modules pursuant to the purchase order has been delivered to Zhenjiang GCL New Energy; (ii) the solar modules pursuant to the purchase order has been delivered to the location designated by Zhenjiang GCL New Energy for 150 days or the photovoltaic power station using the solar modules purchase from Hanwha Q Cells has performed test run and quality check of full grid connection capacity for 3 weeks, whichever is the earlier; (iii) Hanwha Q Cells has provided Zhenjiang GCL New Energy with a value-added tax invoice; (iv) a receipt for 40% of the total consideration has been provided to Zhenjiang GCL New Energy; and (v) the solar modules had no defects or such defects has been rectified; and
- (d) 10% of the total consideration within 20 business days provided that (i) all solar modules has been delivered to the location designated by Zhenjiang GCL New Energy for 180 days and the solar modules had no defects or such defects

has been rectified; and (ii) a bank warranty guarantee equivalent to 10% of the total consideration valid for a period of 12 months has been provided by Hanwha Q Cells to Zhenjiang GCL New Energy.

B. Principal terms of the August 2017 Module Purchase Agreement

(i) **Date:** 7 August 2017

(ii) **Parties:** (1) Customer: Zhenjiang GCL New Energy
(2) Supplier: Hanwha Q Cells

(iii) **Subject matter**

Hanwha Q Cells agreed to supply and Zhenjiang GCL New Energy agreed to purchase 30MW of solar modules at a unit price of RMB2.75 per watt at a total consideration of RMB82,500,000.

(iv) **Basis of consideration**

The August 2017 Module Purchase Agreement was 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 August 2017 Module Purchase Agreement shall be paid by Zhenjiang GCL New Energy to Hanwha Q Cells in accordance with the following milestones:

- (a) 20% of the total consideration as prepayment within 1 week after the signing of the August 2017 Module Purchase Agreement upon Hanwha Q Cells providing Zhenjiang GCL New Energy with (i) a bank performance guarantee equivalent to 20% of the total consideration; and (ii) a receipt for 20% of the total consideration;
- (b) 30% of the total consideration prior to the despatch of the solar modules to Zhenjiang GCL New Energy, provided that a receipt for 30% of the total consideration has been provided to Zhenjiang GCL New Energy;
- (c) 40% of the total consideration within 2 weeks provided that (i) all solar modules pursuant to the purchase order has been delivered to Zhenjiang GCL New Energy; (ii) the solar modules pursuant to the purchase order has been delivered to the location designated by Zhenjiang GCL New Energy for 90 days or the photovoltaic power station using the solar modules purchase from

Hanwha Q Cells has performed test run and quality check of full grid connection capacity for 3 weeks, whichever is the earlier; (iii) Hanwha Q Cells has provided Zhenjiang GCL New Energy with a value-added tax invoice; (iv) a receipt for 40% of the total consideration has been provided to Zhenjiang GCL New Energy; and (v) the solar modules had no defects or such defects has been rectified; and

- (d) 10% of the total consideration within 2 weeks provided that (i) all solar modules has been delivered for 120 days and the solar modules had no defects or such defects has been rectified; and (ii) a bank warranty guarantee equivalent to 10% of the total consideration has been provided by Hanwha Q Cells to Zhenjiang GCL New Energy.

3. REASONS FOR AND BENEFITS OF THE DISCLOSEABLE TRANSACTION

The Group has to purchase equipment, such as solar modules, for completing the construction of photovoltaic power station projects which have not reached full grid connection capacity before 30 June 2018, so that these power stations could generate electricity based on tariff set in 2017. As a result, the Group negotiated with Hanwha Q Cells for the purchase of solar modules for its projects. The Group believes that Hanwha Q Cells 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 Current Module Purchase Framework Agreement and the Previous Module Purchase Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

4. LISTING RULES IMPLICATIONS

As none of the applicable percentage ratio(s) in respect of each of the Previous Module Purchase Agreements and the Current Module Purchase Framework Agreement exceeds 5%, the entering into of each of the Previous Module Purchase Agreements and the Current Module Purchase Framework Agreement, on a stand-alone basis, does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the Group entered into the Previous Module Purchase Agreements with Hanwha Q Cells within a 12-month period prior to and inclusive of the date of the Current Module Purchase Framework Agreement, the Current Module Purchase Framework Agreement and the Previous Module Purchase Agreements shall be aggregated as a series of transaction for the Company pursuant to Rule 14.22 of the Listing Rules. The entering into of the Current Module Purchase Framework Agreement and the Previous Module Purchase Agreements (in aggregate) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

5. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTION

Hanwha Q Cells

Hanwha Q Cells (formerly known as Jiangsu Linyang Renewable Energy Co., Ltd*) is a company incorporated in the PRC with limited liability in August 2004 and listed on NASDAQ in the United States in December 2006. It is principally engaged in the research and development, production, sale and provision of service for the crystal silicon solar cells and modules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Hanwha Q Cells and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Group

The Group is principally engaged in the sale of electricity, 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:

“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, the shares of which are listed on the Main Board of the Stock Exchange (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
“Hanwha Q Cells”	Hanwha Q CELLS (Qidong) Co., Ltd.* (韓華新能源(啟東)有限公司), a company incorporated in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatts
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“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 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
“Zhenjiang GCL New Energy”	Zhenjiang GCL New Energy Development Co., Ltd.* (鎮江協鑫新能源發展有限公司), an indirect 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, 31 July 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.