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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 WUXI SUNTECH POWER CO., LTD.*

THE DISCLOSEABLE TRANSACTION

On 31 July 2018, Zhenjiang GCL New Energy as the customer and Wuxi Suntech 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 RMB2.0 per watt for certain photovoltaic power station projects of the Group at a total consideration of not higher than RMB200,000,000 (the “**Current Module Purchase Framework Agreement**”).

Furthermore, the Group entered into the following module purchase agreements with Wuxi Suntech in the past 12 months:

- (i) the module purchase agreement dated 23 April 2018 in relation to the supply and purchase of 40MW of solar modules at a unit price of RMB2.43 per watt at a total consideration of RMB97,200,000 (the “**April 2018 Module Purchase Agreement**”); and
- (ii) the module purchase agreement dated 7 August 2017 in relation to the supply and purchase of 50MW of solar modules at a unit price of RMB2.75 per watt at a total consideration of RMB137,500,000 (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 Wuxi Suntech 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.

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: Wuxi Suntech

(iii) Subject matter

Wuxi Suntech agreed to supply and Zhenjiang GCL New Energy agreed to purchase 100MW of solar modules at a unit price of not higher than RMB2.0 per watt at a total consideration of not higher than RMB200,000,000.

(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 Wuxi Suntech in accordance with the following milestones:

- (a) 10% of the total consideration as prepayment provided that a receipt for 10% of the total consideration has been provided to Zhenjiang GCL New Energy; and
- (b) 90% of the total consideration prior to the despatch of the solar modules to Zhenjiang GCL New Energy, provided that a receipt for 90% of the total consideration has been provided to Zhenjiang GCL New Energy.

2. THE PREVIOUS MODULE PURCHASE AGREEMENTS

A. Principal terms of the April 2018 Module Purchase Agreement

(i) Date: 23 April 2018

- (ii) Parties:**
- (1) Customer: Zhenjiang GCL New Energy
 - (2) Supplier: Wuxi Suntech

(iii) Subject matter

Wuxi Suntech agreed to supply and Zhenjiang GCL New Energy agreed to purchase 40MW of solar modules at a unit price of RMB2.43 per watt at a total consideration of RMB97,200,000.

(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 Wuxi Suntech in accordance with the following milestones:

- (a) 10% of the total consideration as prepayment within one week after signing of the April 2018 Module Purchase Agreement provided that a receipt for 10% of the total consideration has been provided to Zhenjiang GCL New Energy; and

- (b) 90% of the total consideration prior to the despatch of the solar modules to Zhenjiang GCL New Energy, provided that a receipt for 90% of the total consideration has been provided 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: Wuxi Suntech

(iii) Subject matter

Wuxi Suntech agreed to supply and Zhenjiang GCL New Energy agreed to purchase 50MW of solar modules at a unit price of RMB2.75 per watt at a total consideration of RMB137,500,000.

(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 Wuxi Suntech in accordance with the following milestones:

- (a) 10% of the total consideration as prepayment within one week after signing of the August 2017 Module Purchase Agreement provided that a receipt for 10% of the total consideration has been provided to Zhenjiang GCL New Energy; and
- (b) 90% of the total consideration prior to the despatch of the solar modules to Zhenjiang GCL New Energy, provided that a receipt for 90% of the total consideration has been provided 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 Wuxi Suntech for the purchase of solar modules for its projects. The Group believes that Wuxi Suntech 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 Wuxi Suntech 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

Wuxi Suntech

Wuxi Suntech is a company incorporated in the PRC with limited liability in January 2001. It is principally engaged in the research and development and production for the crystal silicon solar cells and modules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Wuxi Suntech 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
“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

“Wuxi Suntech”	Wuxi Suntech Power Co., Ltd.* (無錫尚德太陽能電力有限公司), a company incorporated in the PRC with limited liability
“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.