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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
INVESTMENT IN HENGSAN JINGHE
SOLAR ENERGY COMPANY LIMITED**

**I. SUBSCRIPTION OF EQUITY INTERESTS IN HENGSAN JINGHE SOLAR
ENERGY COMPANY LIMITED**

Reference is made to the announcements of the Company dated 21 May 2014 and 28 August 2014 regarding the co-development of the Huanghe Project with Huanghe Solar. The Board wishes to provide further information to the Shareholders regarding its investment in the Huanghe Project.

On 28 August 2014, the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with Huanghe Solar. Pursuant to the Subscription Agreement and subject to the terms and conditions of the Agreement, the Subscriber agreed to subscribe for 91% equity interest in the Target Company at a total consideration of RMB81.9 million (equivalent to approximately HK\$103.0 million). Huanghe Solar will own the remaining 9% of the Target Company following the completion of the Agreement.

The Target Company has a 150 MW photovoltaic power generation project under development in Xi'an, the PRC.

Upon completion of the Subscription, the Target Company will become a directly owned subsidiary of the Subscriber and an indirectly owned subsidiary of the Company.

II. LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Subscription exceeds 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Huanghe Solar and its ultimate beneficial owner are third parties independent of the Company and are not connected persons of the Company.

I. SUBSCRIPTION OF THE TARGET EQUITY INTERESTS IN THE TARGET COMPANY

The Subscription Agreement

On 28 August 2014, the Subscriber, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with Huanghe Solar. Pursuant to the Subscription Agreement and subject to the terms and conditions of the Agreement, the Subscriber agreed to subscribe for 91% equity interest in the Target Company at a total consideration of RMB81.9 million (equivalent to approximately HK\$103.0 million). Huanghe Solar will own the remaining 9% of the Target Company following the completion of the Agreement.

The Target Company has a 150 MW photovoltaic power generation project under development in Xi'an, the PRC.

The key terms of the Subscription Agreement are summarised as follows:

Date

28 August 2014

Parties

- (i) The Subscriber; and
- (ii) Huanghe Solar.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Huanghe Solar and its ultimate beneficial owner are third parties independent of the Company and are not connected persons of the Company.

Target Equity Interests to be acquired

Pursuant to and subject to the terms and conditions of the Subscription Agreement, the Subscriber agrees to subscribe for 91.0% of the equity interest in the Target Company. Upon completion of the Subscription, the Target Company will become a directly owned subsidiary of the Subscriber and an indirect owned subsidiary of the Company.

Completion, capital commitment and payment

Completion shall take place within seven days of the Subscription at which point the Subscriber will pay the subscription monies being RMB81.9 million (equivalent to approximately HK\$103.0 million) to the Target Company in exchange for the Target Equity Interests.

The subscription monies for the Target Equity Interests were arrived at based on normal commercial terms after arm's length negotiations between the Subscriber and Huanghe Solar after taking into account, among others, the new capital to be injected by the parties into the Target Company, the registered capital, the respective share ownership in the Target Company following the completion of the Subscription Agreement and the unaudited net asset value of the Target Company as at 31 July 2014.

II. INFORMATION ON THE PARTIES

The Company and the Subscriber

Prior to the successful completion of the 2014 Subscription on 9 May 2014, the Company was primarily engaged in the manufacturing and selling of printed circuit boards. Following the successful completion of the 2014 Subscription on 9 May 2014, the Group underwent significant changes: the Company received approximately HK\$1,440 million of new funding; it has acquired new members to the Board and a new management team and it now operates under the GCL New Energy branding as GCL's renewable energy flagship company. Under the leadership of the new board of Directors and management team, the Group has added renewable energy as a new core focus of the Group's business since the 2014 Subscription and it is expected that, similar to the Subscription, the Group will continue to devote its resources in the development, construction, investment, operation and management of solar power generation projects as well as providing energy storage, energy efficiency, intelligent micro-grid and energy distribution solutions to its customers and joint venture partners. The Subscriber is an investment holding vehicle and an indirect wholly-owned subsidiary of the Company incorporated in the PRC.

Huanghe Solar

Huanghe Solar is principally engaged in the construction of solar photovoltaic power projects and the sales of ancillary solar photovoltaic power equipment.

The Target Company

The Target Company is principally engaged in the construction of solar photovoltaic power projects and the sales of ancillary solar photovoltaic power equipment.

Based on the unaudited accounts of the Target Company, the unaudited net asset value of the Target Company as at 31 July 2014 is RMB307,901 million (equivalent to HK\$387,124). The following information is a summary of the unaudited financial statements of the Target Company from the date of establishment on 26 February 2014 to 31 July 2014 (the “Period”):

	For the Period <i>RMB in thousand</i>
Net loss before tax and extraordinary items	192
Net loss after tax and extraordinary items	<u>192</u>

III. REASONS FOR AND BENEFIT OF THE SUBSCRIPTION

Renewable energy is a new core focus of the Group’s business and the Group would like to continue to invest in, construct and develop additional photovoltaic power stations. Upon completion of the Subscription, the Group would increase its photovoltaic projects by an additional 150 MW. In view of (i) the increasing demand for renewable energy in the PRC; (ii) the emphasis placed on renewable energy by the PRC government in its twelfth five-year plan; and (iii) the synergy between the Group’s existing power generation operations with the Target Company, the Board (including the independent non-executive Directors) considers the Subscription provide an opportunity for the Group to further expand in the solar energy industry which is core part of the Group’s strategy.

The Directors believe that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the Subscription exceeds 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Huange Solar and its ultimate beneficial owner are third parties independent of the Company and are not connected persons of the Company.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the content requires otherwise:

“2014 Subscription”	completion of the subscription of shares by GCL-Poly Energy Holdings Limited with details stated in the Company’s announcement dated 9 May 2014
“Board”	the board of Directors of the Company
“Company”	GCL New Energy Holdings Limited, an exempted company incorporated in Bermuda with limited liability under the Companies Act 1981 of Bermuda (as amended), the shares of which are listed on The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the meaning ascribed to it in 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”	the Hong Kong Special Administrative Region of the PRC
“Huanghe Project”	the co-development and construction of the PV Project by the Group and Huanghe Solar
“Huanghe Solar”	西安黄河光伏科技股份有限公司 (Xi’an Huanghe Photovoltaic Technology Co., Ltd.*), a company incorporated in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	The People’s Republic of China
“PV Project”	the 150 MW Yu Lin Heng Shan (榆林橫山) photovoltaic power generation project currently developed by the Target Company in Xi’an, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Subscriber”	蘇州協鑫新能源投資有限公司 (Suzhou GCL New Energy Investment Company Limited*), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC
“Subscription”	the subscription of the Target Equity Interests by the Subscriber from the Target Group pursuant to the Subscription Agreement

“Subscription Agreement”	the Subscription agreement dated 28 August 2014 entered into between (i) the Subscriber; and (ii) Huanghe Solar in relation to the Subscription of the Target Equity Interests
“Target Company”	橫山晶合太陽能發電有限公司 (Hengshan Jinghe Solar Energy Company*), a PRC incorporated company wholly owned by Huanghe Solar prior to the completion of the Subscription
“Target Equity Interests”	new shares representing 91.0% of the issued share capital of the Target Company to be subscribed by the Subscriber on a fully diluted basis

For illustration purposes only, an exchange rate of RMB1.0000 to HK\$1.2573 has been applied in this announcement. No representation is made that any amount in RMB or HK\$ was, could have been or could be converted at such rate or at any other rate or at all.

By order of the Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Tang Cheng
Chairman

Hong Kong, 8 September 2014

As at the date of this announcement, the executive Directors are Mr. Zhu Gongshan, Mr. Tang Cheng, Mr. Gu Xin, Ms. Hu Xiaoyan and Mr. Yip Sum Yin; the non-executive Directors are Ms. Sun Wei and Mr. Yu Baodong; and the independent non-executive Directors are Mr. Wang Bohua, Mr. Xu Songda, Mr. Han Qing-hua and Mr. Lee Conway Kong Wai.

* *English name for identification only.*